

20 January 2023

US COAST GUARD: ILLEGAL FISHING HAS SURPASSED PIRACY AS A GLOBAL THREAT

On 19 January, USNI News reported that Illegal fishing has surpassed piracy as a Coast Guard global concern in the maritime domain, the service's top officer overseeing response policy has said. Illegal fishing, when combined with climate change's impact on supply and rising sea levels, is also setting off a "crisis of regular migration," as seen in the Caribbean.

<https://news.usni.org/2023/01/19/coast-guard-illegal-fishing-has-surpassed-piracy-as-a-global-threat>

US: DoJ CRIMINAL DIVISION REVISES ITS CORPORATE ENFORCEMENT POLICY

On 20 January, the Program on Corporate Compliance and Enforcement at the New York University School of Law published this post containing the text of a speech by the Assistant Attorney General on 17 January. It says that the announced revisions address what consideration corporations may expect from the DOJ on matters like self-reporting of misconduct, cooperation with the DOJ's investigation, and aggravating factors such as recidivism.

https://wp.nyu.edu/compliance_enforcement/2023/01/19/doj-criminal-division-revises-its-corporate-enforcement-policy/

CHESHIRE COMPANY DIRECTOR WHO ENJOYED MILLIONAIRE LIFESTYLE IS JAILED IN HOLLAND FOR LAUNDERING €3.2 MILLION

On 20 January, the Manchester Evening News reported that a 52-year-old company director of a Manchester pharmaceutical market research company was found guilty of laundering €3.2m thanks to 96 fake invoices for work that was never done. The widow lived in The Netherlands where she enjoyed the trappings of vast wealth even though she had no official income there.

<https://www.msn.com/en-gb/news/newsmanchester/cheshire-company-director-who-enjoyed-millionaire-lifestyle-is-jailed-in-holland-for-laundering-%E2%82%AC32million>

JAPAN TO SUPPLY ADVANCED LAND MINE DETECTORS TO UKRAINE

On 20 January, Nikkei Asia reported that demining equipment like that used in Cambodia will be provided to Ukraine, the Japan International Cooperation Agency (JICA) announced.

<https://asia.nikkei.com/Politics/Ukraine-war/Japan-to-supply-advanced-land-mine-detectors-to-Ukraine>

SOUTH KOREA: COURT ISSUES ARREST WARRANT FOR EX-SSANGBANGWOOL CHIEF OVER CORRUPTION ALLEGATIONS

On 20 January, the Korea Herald reported that a business tycoon who was detained in Thailand after months on the run has been formally arrested over high-profile corruption allegations. Kim Seong-tae, former chairman of underwear maker Ssangbangwool Group, is facing multiple charges, including embezzlement, bribery and the illegal transfer of cash to North Korea.

<http://www.koreaherald.com/view.php?ud=20230120000193>

UK GDPR: WHAT IS A "TRANSFER"?

On 20 January, an Insight from Field Fisher says that the ICO made some changes to its guidance on international data transfers – but that they were not clearly shown as new changes or updates.

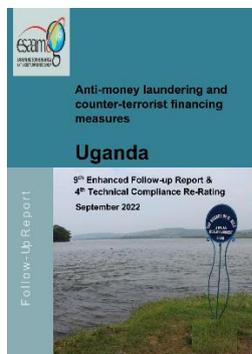
<https://www.fieldfisher.com/en/insights/uk-gdpr-what-is-a-transfer>

UGANDA: FATF AML/CFT ASSESSMENT FOLLOW-UP REPORT

On 19 January, FATF issued the 9th follow-up report and 4th technical compliance update on Uganda. It says that Uganda has made significant overall progress in resolving the technical compliance shortcomings identified in its mutual evaluation report and ratings for 2 FATF Recommendations have been revised. The country has addressed the deficiencies in respect of the following Recommendations which have been re-rated as follows:

- Recommendation 12 (initially rated PC) is re-rated to Compliant
- Recommendation 22 (initially rated PC) is re-rated to Largely Compliant

Uganda will remain in enhanced follow-up and will continue to inform ESAAMLG, the FATF-style regional body, of the progress made in improving and implementing its AML/CFT measures. The follow-up report (FUR) analyses the progress Uganda made in addressing the technical compliance deficiencies identified in its 2015 MER and ensuing FUR.



<https://www.fatf-gafi.org/content/dam/fatf/documents/ESAAMLG-Follow-Up-Report-Uganda-2022.pdf.coredownload.pdf>

Table 3. Technical compliance following revision of ratings after the adoption of the Uganda MER, September 2022

R 1	R 2	R 3	R 4	R 5	R 6	R 7	R 8	R 9	R 10
PC	LC	C	LC	C	C	NC	NC	C	LC
R 11	R 12	R 13	R 14	R 15	R 16	R 17	R 18	R 19	R 20
C	C	C	LC	PC	C	C	C	PC	C
R 21	R 22	R 23	R 24	R 25	R 26	R 27	R 28	R 29	R 30
C	LC	LC	NC	NC	NC	PC	NC	C	PC
R 31	R 32	R 33	R 34	R 35	R 36	R 37	R 38	R 39	R 40
LC	C	NC	PC	LC	C	PC	PC	NC	PC

Note: Four technical compliance ratings are available: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

ECUADOR: AML/CFT MUTUAL EVALUATION REPORT

On 19 January, FATF published this MER, already released by the FATF-style regional body GAFILAT.

<https://www.fatf-gafi.org/content/dam/fatf/documents/GAFILAT-Mutual-Evaluation-Ecuador-2023.pdf.coredownload.pdf>

FATF: AML/CFT CONSOLIDATED ASSESSMENT RATINGS

On 19 January, following the release of the most recent reports, FATF issued an updated version of its consolidated schedule of all AML/CFT ratings to date.

<https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Mutualevaluations/Assessment-ratings.html>

THE BRITISH OVERSEAS TERRITORIES: AN INTRODUCTION AND RELATIONS WITH THE UK

On 20 January, the House of Commons Library published a briefing about the 14 UK Overseas Territories (OT) across the globe, of which 10 are permanently inhabited by British nationals. All the Territories have historic links to the UK and, together with the UK and Crown Dependencies like Jersey and Guernsey, form one undivided realm where the King is sovereign. This means they have no separate international representation. They also have no representatives in the UK Parliament.

The 14 Overseas Territories

Those permanently inhabited by UK nationals are marked with a *

Ascension, St Helena and Tristan da Cunha*	British Indian Ocean Territory	Montserrat*
Akrotiri and Dhekelia	British Virgin Islands*	Pitcairn*
Anguilla*	Cayman Islands*	Turks and Caicos Islands*
Bermuda*	Falkland Islands*	South Georgia & The South Sandwich Islands
British Antarctic Territory	Gibraltar*	

<https://researchbriefings.files.parliament.uk/documents/CBP-9706/CBP-9706.pdf>

UK: DIGITAL IDENTITY CERTIFICATION FOR RIGHT TO WORK, RIGHT TO RENT AND CRIMINAL RECORD CHECKS

On 20 January, the Department for Digital, Culture, Media & Sport issued updated guidance on how digital identity providers can become certified to complete digital identity checks for the 'Right to Work', 'Right to Rent' and Disclosure and Barring Service (DBS) schemes.

<https://www.gov.uk/government/publications/digital-identity-certification-for-right-to-work-right-to-rent-and-criminal-record-checks>

UK: 2 MEN, ONE OF WHOM IS A PORT WORKER, HAVE BEEN ARRESTED BY NCA OFFICERS INVESTIGATING THE ATTEMPTED IMPORTATION OF COCAINE WITH A POTENTIAL STREET VALUE OF AROUND £8 MILLION

On 20 January, a news release from the NCA advised that the men were detained on suspicion of conspiracy to import Class A drugs in Southend, Essex, following an NCA operation. It follows the seizure of around 100 kg of cocaine found in 2 containers which had been shipped from Costa Rica to the London Gateway container port.

<https://www.nationalcrimeagency.gov.uk/news/port-worker-one-of-two-men-arrested-over-attempted-drug-importation>

CANADA CHARGES 3 LINKED TO \$149 MILLION COCAINE BUST

On 20 January, OCCRP reported that the RCMP had charged 3 suspected members of a transnational drug trafficking ring linked to a 2022 seizure of 1.5 tonnes of cocaine worth just under US\$149 million. The cocaine was found a year ago by the Canada Border Services Agency (CBSA) inside of a shipping container as the result of a joint investigation between several Canadian law enforcement agencies.

<https://www.occrp.org/en/daily/17257-canada-charges-3-linked-to-149m-cocaine-bust>

EUROPEAN INVESTIGATORS IN BEIRUT FOR CENTRAL BANK GOVERNOR PROBE

On 20 January, OCCRP reported that investigators from several European countries have travelled to Lebanon to advance their probes into the country's Central Bank Governor, Riad Salame, accused of embezzlement and money laundering abroad and at home.

<https://www.occrp.org/en/daily/17256-european-investigators-in-beirut-for-central-bank-governor-probe>

FENTANYL PRECURSORS FROM CHINA AND THE AMERICAN OPIOID EPIDEMIC

On 19 January, this article in the China Brief started by saying that the fentanyl epidemic was born in America, rose from the supply of precursor chemicals made in China and is now even more destructive as Mexican drug cartels profit from huge demand. It says that the involvement of suppliers of fentanyl precursors from China is a controversial issue that negatively impacts US-China relations. The US Government has claimed that not enough is being done to curtail the production and trafficking of fentanyl precursors from China. China's government has claimed that it has taken strong action while also emphasising China's antipathy to illegal drugs by falling back on the historical legacy of the harm wrought by Western merchants' trading of opium with China in the 19th Century.

<https://jamestown.org/program/fentanyl-precursors-from-china-and-the-american-opioid-epidemic/>

EU: CUSTOMS OFFICERS AWARDED FOR REFRIGERANT SEIZURES

On 19 January, the Cooling Post website reported that awards are to be made to 17 countries, the European Commission and OLAF, the European Fraud Office, for their efforts to combat the trade in illegal refrigerants. They will receive Montreal Protocol medals and certificates for their involvement in a total of 64 seizures during the period 2019-2020. This included 14,617 refrigerant cylinders and ISO containers with more than 380 tonnes of HFC, HCFC and CFC, and 215 pieces of equipment.

<https://www.coolingpost.com/world-news/customs-officers-awarded-for-refrigerant-seizures/>

ITALY SEEKS RUSSIAN OLIGARCH WHOSE SEIZED YACHTS DISAPPEARED FROM SARDINIA

On 20 January, the Guardian reported that Italian authorities are on the hunt for a Russian oligarch, Dmitry Mazepin, the billionaire owner of a mineral fertiliser company, after 2 of his luxury yachts that were seized under EU sanctions mysteriously disappeared from a port in Sardinia. Police said Mazepin hired a foreign company, which in turn hired a Sardinian captain to move the yachts away from Italy. The intermediary company and captain have both been hit with fines of up to €500,000. Mazepin faces the same penalties.

<https://www.theguardian.com/world/2023/jan/20/italy-seeks-dmitry-mazepin-russian-oligarch-seized-yachts-disappeared-sardinia>

CHILE'S COPPER INDUSTRY UNDER SIEGE AS ROBBERS ATTACK PORTS AND TRAINS

On 19 January, Insight Crime reported that Chile is reckoning with the cost of being the world's leading copper producer. In a particularly brazen attempt, 13 shipping containers were stolen on 11 January from a storage yard at the port of San Antonio, one of Chile's busiest, with trucks driving in to pick them up after cameras were cut and guards subdued. Copper theft in Chile has become a complex and multi-layered criminal activity. Organised gangs commit organised and large-scale robberies, while less sophisticated thieves continue to steal small amounts of copper cables to sell as scrap.

<https://insightcrime.org/news/chile-copper-industry-robbers-ports-trains/>

NATURE UNDER THREAT IN ECUADOR AS GOLD MINERS TARGET NATIONAL PARK

On 20 January, Insight Crime reported that an Amazon conservation initiative has detected a rapid growth in illegal gold mining sites at a natural park and ecological marvel in Ecuador, showing once again how miners are pillaging the country's most far-flung regions. Ecuador has long been beleaguered by illegal mining.

<https://insightcrime.org/news/gold-miners-target-ecuador-natural-parks/>

UK GOVERNMENT SAYS PARAMILITARY WAGNER GROUP REGISTERED AS LEGAL ENTITY

On 20 January, Eurasia Review reported that the Russian paramilitary Wagner Group registered as a legal entity, according to Britain's Ministry of Defence. The Ministry said that, "On 27 December 2022, the Russian Unified State Register showed that the proxy paramilitary Wagner Group had formally registered as a legal entity. The group declared their core activity as 'management

consultancy'; no mention was made of combat services". However, it also said that private military companies remain illegal in Russia, despite protracted discussion about reforming the law.

<https://www.eurasiareview.com/20012023-uk-defense-ministry-says-paramilitary-wagner-group-registered-as-legal-entity/>

HONG KONG TO LAUNCH NEW LICENSING REGIME FOR VIRTUAL ASSET SERVICE PROVIDERS (VASP)

On 20 January, an article from Out-Law reported that a new licensing regime will be introduced for virtual asset service providers in Hong Kong Special Administrative Region (SAR). This is seen by many to be a huge step by the city to recognise and facilitate retail trading of crypto assets in the market.

<https://www.pinsentmasons.com/out-law/analysis/hong-kong-to-launch-new-licensing-regime-for-virtual-asset-service-providers>

US CHARGES 2 MEN WITH FACILITATING SANCTIONS EVASION FOR RUSSIAN OLIGARCH'S YACHT

On 20 January, Rferl reported that 2 businessmen were charged with allegedly facilitating a sanctions evasion and money-laundering scheme in relation to a \$90 million yacht of Russian oligarch Viktor Vekselberg. The 2 businessmen were - Vladislav Osipov, 51, a Russian national, and Richard Masters, 52, a UK national.

<https://www.rferl.org/a/russia-oligarch-vekselberg-sanctions-evasion-yacht/32232904.html>

UK: 3 LAWYERS JAILED FOR MONEY LAUNDERING

On 18 January, a joint news release from the CPS and the Scottish Procurator Fiscal Office advised that 3 former lawyers and 2 other men who masterminded a £1.48 million bank and property money laundering operation have been jailed for a total of 30 years and 4 months. All 5 were found guilty last month following a nine-week trial that was triggered by a Law Society investigation into the Paisley legal firm Robertson & Ross. They were convicted of fraud and multiple charges under the Proceeds of Crime Act 2002.

<https://www.copfs.gov.uk/about-copfs/news/three-lawyers-jailed-for-money-laundering/>

UKRAINIAN GRAIN TERMINAL OWNERS' ASSETS FROZEN

On 18 January, Maritime Executive reported that 2 American investment funds are moving to take control of one of Ukraine's largest grain export terminals over an unpaid debt in excess of \$100 million. In 2019, a US fund loaned \$75 million to the Odesa-based grain terminal operator GN

Terminals (GNT). It is claimed that the loan has now been in default for 12 months, and the outstanding balance is about \$100 million.

<https://maritime-executive.com/article/creditors-win-asset-freeze-against-owners-of-ukrainian-grain-terminal>

FIRST NORTH KOREAN EXTRADITED TO US SENTENCED IN MONEY LAUNDERING CASE

On 20 January, UPI reported that a North Korean citizen, Mun Chol Myong, has been sentenced to 45 months in prison for a money laundering scheme intended to circumvent Western sanctions on North Korea. Authorities charged him with money laundering in 2019, while he was residing in Malaysia. Soon afterward, he was arrested and, after a 2-year legal struggle which ended when a Malaysian court approved Mun's transfer to the US in 2021. North Korea responded to the decision by breaking off diplomatic relations with Malaysia.

https://www.upi.com/Top_News/US/2023/01/20/3421674256049/

HMRC NAMES 3 SCHEMES LINKED TO TORY PEER BARONESS MONE'S HUSBAND AS TAX AVOIDANCE

On 20 January, the Guardian reported that 3 payment programmes operated by a company linked to the husband of the Conservative peer Michelle Mone have been named as tax avoidance schemes by HMRC. HMRC said a Manchester-based company, AML Tax (UK) Ltd, which ran the 3 newly named tax avoidance schemes was "a part of Doug Barrowman's Isle of Man-based Knox Group".

<https://www.theguardian.com/politics/2023/jan/20/hmrc-names-three-schemes-linked-to-michelle-mone-husband-as-tax-avoidance>

<https://www.buymeacoffee.com/KoIvM842y>

