

23 January 2023

UK: MONEY LAUNDERING - ADVICE TO SUSPECTS

On 18 January, BCL Solicitors published the latest article in a series of legal guides explaining the process of money laundering investigations. This one outlines the steps that are taken once a person is arrested in connection with money laundering offences.

<https://www.bcl.com/money-laundering-advice-to-suspects/>

ALLEGED DRUGS “SUPER CARTEL” BOSS RELEASED IN DUBAI

On 22 January, Panama America reported that alleged cartel boss Edin Gacanin, who was born in Bosnia and raised in the Netherlands, together with others arrested in Dubai in November have been released, with claims of paperwork problems over his extradition to the Netherlands. Panamanian interest comes from one of the arrested having ties to Colón port.

<https://www.panamaamerica.com.pa/judicial/liberan-jefe-de-supercartel-con-nexos-en-puertos-de-colon-1217221>

INDIA EMERGES AS TOP BUYER OF RUSSIA’S SEABORNE CRUDE

On 23 January, Offshore Energy reported that India has become the largest seaborne importer of Russian crude in the wake of the EU ban on seaborne oil imports and subsequent G7 price cap for exports.

<https://www.offshore-energy.biz/sanctions-aftermath-india-emerges-as-top-buyer-of-russias-seaborne-crude/>

MONACO: MONEYVAL SAYS AML SYSTEM INADEQUATE

On 23 January, EurActiv reported that a mutual evaluation report from MONEYVAL highlights key vulnerabilities in Monaco’s measures against money laundering and the country risks being placed under intense scrutiny by FATF. The report is said to say that it faces significant money laundering risks, mostly due to the “internationally oriented financial activities” that are being offered – and that the Principality is a “prime target” for illicit cross-border financial flows, and that, in most cases, frauds are committed abroad, while the proceeds of the crime are laundered in Monaco.

<https://www.euractiv.com/section/economy-jobs/news/monacos-anti-money-laundering-system-inadequate-risks-name-and-shame/>



https://search.coe.int/directorate_of_communications/Pages/result_details.aspx?ObjectId=0900001680a9d823

<https://rm.coe.int/moneyval-2022-19-eng/1680a9d7d0>

Effectiveness and technical compliance ratings

Effectiveness ratings⁵

IO.1 – Risk, policy and co-ordination	IO.2 – International co-operation	IO.3 – Supervision	IO.4 – Preventive measures	IO.5 – Legal persons and arrangements	IO.6 – Financial intelligence
Moderate	Moderate	Low	Moderate	Moderate	Moderate
IO.7 – ML investigation and prosecution	IO.8 – Confiscation	IO.9 – TF investigation and prosecution	IO.10 – TF preventive measures and financial sanctions	IO.11 – PF financial sanctions	
Low	Low	Moderate	Moderate	Moderate	

Technical compliance ratings⁶

R.1 – Assessing risk & applying risk-based approach	R.2 – National co-operation and co-ordination	R.3 – Money laundering offence	R.4 – Confiscation and provisional measures	R.5 – Terrorist financing offence	R.6 – Targeted financial sanctions – terrorism & terrorist financing
LC	LC	LC	PC	LC	PC
R.7 – Targeted financial sanctions – proliferation	R.8 – Non-profit organisations	R.9 – Financial institution secrecy laws	R.10 – Customer due diligence	R.11 – Record keeping	R.12 – Politically exposed persons
PC	PC	LC	LC	LC	PC

R.13 – Correspondent banking	R.14 – Money or value transfer services	R.15 – New technologies	R.16 – Wire transfers	R.17 – Reliance on third parties	R.18 – Internal controls and foreign branches and subsidiaries
LC	C	PC	LC	LC	LC
R.19 – Higher-risk countries	R.20 – Reporting of suspicious transactions	R.21 – Tipping-off and confidentiality	R.22 – DNFBPs: Customer due diligence	R.23 – DNFBPs: Other measures	R.24 – Transparency & BO of legal persons
LC	C	C	LC	PC	PC
R.25 – Transparency & BO of legal arrangements	R.26 – Regulation and supervision of financial institutions	R.27 – Powers of supervision	R.28 – Regulation and supervision of DNFBPs	R.29 – Financial intelligence units	R.30 – Responsibilities of law enforcement and investigative authorities
PC	PC	PC	PC	LC	C
R.31 – Powers of law enforcement and investigative authorities	R.32 – Cash couriers	R.33 – Statistics	R.34 – Guidance and feedback	R.35 – Sanctions	R.36 – International instruments
PC	LC	LC	PC	PC	LC
R.37 – Mutual legal assistance	R.38 – Mutual legal assistance: freezing and confiscation	R.39 – Extradition	R.40 – Other forms of international co-operation		
PC	LC	LC	LC		

MONACO REACTS SWIFTLY TO MONEYLAUNDERING COMPLIANCE REPORT

<https://news.mc/2023/01/23/monaco-reacts-swiftly-to-money-laundering-compliance-report/>

UK GOVERNMENT TARGETS BOMB-MAKING MATERIALS AND POISONS IN NEW CRACKDOWN

On 23 January, the Home Office advised that the government had laid secondary legislation to further tighten controls for poisons and chemicals which can be used to make explosives, aka ‘explosives precursors’, by updating the Poisons Act 1972. New measures will come into force on 1 October and include improving requirements for reporting of suspicious activity, adding new substances, providing additional obligations on online marketplaces, and requiring that certain information is recorded when selling regulated explosives precursors to business user.

<https://www.gov.uk/government/news/government-targets-bomb-making-materials-and-poisons-in-new-crackdown>

<https://www.legislation.gov.uk/uksi/2023/63/contents/made>

https://www.legislation.gov.uk/uksi/2023/63/pdfs/uksiem_20230063_en.pdf

DISCLOSURE IN THE BUSINESS AND PROPERTY COURTS

On 23 January, the Law Society Gazette reported on a speech given by the Chancellor of the High Court in which he discussed the origin of the current regime, which led to the setting up of the Disclosure Working Group and the disclosure pilot scheme.

<https://www.lawgazette.co.uk/practice/disclosure-exchange-of-letters-not-enough-says-flaux/5114875.article>

ISRAEL SACKS CABINET MINISTER ARYEH DERI AS NETANYAHU COMPLIES WITH SUPREME COURT ORDER

On 23 January, WION reported that Israeli Prime Minister Benjamin Netanyahu has dismissed a senior cabinet member with a criminal record, Aryeh Deri. The development comes even as the coalition government continues to pursue contested judicial reforms that would curb the judiciary's powers.

<https://www.wionews.com/videos/israel-sacks-cabinet-minister-aryeh-deri-as-netanyahu-complies-with-supreme-court-order-555110>

<https://www.jurist.org/news/2023/01/israel-dispatch-pm-netanyahu-dismisses-cabinet-ally-aryeh-deri-after-mass-protests-and-supreme-court-ruling/>

AZERBAIJANI STRONGMAN'S BUSINESS PARTNER BUILDS PROPERTY EMPIRE IN GEORGIA

On 23 January, a report from OCCRP saying that Turkish businessman Emin Uchar has made a fortune in Nakhchivan, an autonomous Azerbaijani territory between Iran, Turkey, and Armenia. New documents and interviews provide evidence he may have acted as a proxy for the family of autocrat Vasif Talibov, who ruled Nakhchivan for 27 years before resigning in December.

<https://www.occrp.org/en/investigations/azerbaijani-strongmans-business-partner-builds-property-empire-in-georgia>

A RECORD-BREAKING YEAR – 690 TONNES OF CHEMICAL PRECURSORS SEIZED IN CHILE

On 20 January, a news release from UNODC advised that 2022 was a record-breaking year for the Container Control Programme (CCP) of the UN Office on Drugs and Crime (UNODC). November 2022 concluded with the largest seizure of chemical precursors by a CCP unit since the programme's inception in 2005. As a result of coordinated work between Bolivia and Chile, 690 tonnes of chemical substances intended for cocaine production were seized. This constituted approximately 80% of the total CCP chemical precursor seizures for the entire year (over 830 tonnes).

<https://www.unodc.org/unodc/frontpage/2023/January/a-record-breaking-year--690-tonnes-of-chemical-precursors-seized-in-chile.html>

UK: REGULATORS PLAN NEW WORK ON LAWYERS' MISUSE OF NDA

On 23 January, the Law Society Gazette reported that the Legal Services Board, the oversight regulator, plans to consult publicly on new expectations of lawyers' conduct this summer and wants, in particular, to look at how best to address the misuse of non-disclosure agreements (NDA).

Concerns remain that lawyers may be using such agreements to stop wrongdoing from coming to light and going beyond their professional ethics and the rule of law. The LSB will make a call for evidence in March before consulting formally in the Summer on a policy statement or guidance to be issued early next year.

<https://www.lawgazette.co.uk/news/regulators-plan-new-work-on-lawyers-misuse-of-ndas/5114873.article>

PODCAST: WHERE HAVE ALL THE PIRATES GONE?

On 20 January, Lloyds List released this podcast, saying that piracy attacks are at a 30-year low according to the latest figures, but have the pirates really hung up their Kalashnikovs, or is this a statistical anomaly, rebranding, or just more opaque reporting? The podcast investigates what really lies behind the lack of piracy headlines and the real security risks still out there for shipping.

<https://lloydslist.maritimeintelligence.informa.com/LL1143685/The-Lloyds-List-Podcast-Where-have-all-the-pirates-gone>

US: PHONE SCAM INVESTIGATION RESULTS IN FORFEITURE OF NEARLY \$3 MILLION IN CRYPTOCURRENCY

On 20 January, a news release from US Attorney for the District of Connecticut advised that an investigation of a fraud scheme targeting vulnerable victims has resulted in the forfeiture of approximately 151 Bitcoins, as well as other digital assets. The case involves overseas individuals began targeting vulnerable victims, including first generation US citizens and elderly persons, through phone calls by pretending to be members of US law enforcement agencies and telling the victims that their identity had been compromised.

<https://www.justice.gov/usao-ct/pr/phone-scam-investigation-results-forfeiture-nearly-3-million-cryptocurrency>

MALTA: 17 BLACK CORRUPTION PROBE

On 23 January, the Times of Malta published an update on this case. Reporting that an agent for the floating storage tanker fuelling the Electrogas power station features in a money laundering and corruption probe linked to 17 Black and 2 ex-government officials.

<https://timesofmalta.com/articles/view/Ing-tanker-agent-features-17-black-corruption-probe.1008903>

DUTCH GAMBLING REGULATOR FINES MALTA-BASED OPERATOR €900,000 FOR CATERING TO DUTCH PLAYERS WITHOUT A LOCAL LICENCE

On 23 January, Focus Gaming News reported that the KSA had fined Malta-based Shark77 Ltd €900,000 for catering to Dutch players without a local licence.

<https://focusgn.com/dutch-gambling-regulator-fines-shark77>

SANCTIONED RUSSIAN SHIP DEPARTS INDIAN WATERS AFTER FAILING TO UNLOAD CARGO IN BANGLADESH

On 20 January, Lloyds List reported on a Russian cargo ship that has left Indian waters and is allegedly travelling back to Russia after being unable to unload equipment for the Rooppur nuclear power plant in Bangladesh. It says that the ship had been trying to deliver its cargo since 24 December, after it was denied access to Bangladesh ports because of links to US sanctions.

<https://lloydslist.maritimeintelligence.informa.com/LL1143680/Sanctioned-Russian-ship-departs-Indian-waters-after-failing-to-unload-cargo>

PANAMA: MARTINELLI BROTHERS TO ARRIVE AFTER SERVING SENTENCE IN NEW YORK

On 23 January, La Estrella de Panama reported that the 2 sons of former President Martinelli are due to arrive back in Panama on 25 January after serving their sentences for money laundering. In Panama they have been granted a bail of \$7 million for each, in the Blue Apple and Odebrecht corruption cases.

<https://www.laestrella.com.pa/nacional/230123/hermanos-martinelli-arriban-miercoles-luego>

BRAZIL LAUNCHES FIRST ANTI-DEFORESTATION RAIDS UNDER LULA BID TO PROTECT AMAZON

On 20 January, Swissinfo reported that Brazilian environmental agents have undertaken raids in search of criminals in the first anti-deforestation operations under President Luiz Inacio Lula da Silva, who has pledged to end surging destruction inherited from his predecessor, Jair Bolsonaro.

<https://www.swissinfo.ch/eng/reuters/exclusive-brazil-launches-first-anti-deforestation-raids-under-lula-bid-to-protect-amazon/48217226>

US: BUSINESSWOMAN SENTENCED FOR FACILITATING UNREGISTERED LOBBYING CAMPAIGN IN EXCHANGE FOR APPROXIMATELY \$3 MILLION

On 19 January, a news release from US DoJ advised that a businesswoman with international ties had been sentenced in Hawaii to 2 years in prison for her role in facilitating an unregistered lobbying campaign of the Administration of the former President of the US and the DoJ on behalf of foreign principals in exchange for millions of dollars. Nickie Mali Lum Davis, 47, admitted that between March 2017 and January 2018, she and her co-conspirators agreed to lobby the then-President, the Attorney General, and other high-level US Government officials to drop civil forfeiture proceedings and a criminal investigation into the embezzlement of billions of dollars from 1Malaysia Development Berhad (1MDB).

<https://www.justice.gov/opa/pr/businesswoman-sentenced-facilitating-unregistered-lobbying-campaign-exchange-approximately-3>

NEW YORK MAN DEFRAUDED THOUSANDS USING CREDIT CARDS SOLD ON DARK WEB

On 18 January, the Bleeping Computer website reported that a New York resident has pleaded guilty to charges of conspiracy to commit bank fraud using stolen credit cards purchased on dark web cybercrime marketplaces. He admitted to playing a key role in the operation of a credit card conspiracy group that caused over \$1,500,000 in damages to 4,000 account holders.

<https://www.bleepingcomputer.com/news/security/new-york-man-defrauded-thousands-using-credit-cards-sold-on-dark-web/>

FUGITIVE \$100 MILLION NEW JERSEY DELI DEFENDANT PETER COKER JR ARRESTED IN THAILAND

On 18 January, CNBC reported that a fugitive facing federal criminal charges in the US in connection with a small New Jersey deli whose parent company was once preposterously valued at \$100 million has been arrested by authorities in Thailand. He was last known to be living in Hong Kong, and is 1 of 3 people charged in the case involving the deli owner, Hometown International, and a related shell company, E-Waste.

<https://www.cnbc.com/2023/01/18/fugitive-new-jersey-deli-defendant-peter-coker-jr-arrested-in-thailand.html>

UK AND ISLE OF MAN: 7 ENTRIES ADDED TO IRAN SANCTIONS LIST

On 23 January, a Notice from HM Treasury advised that 7 persons had been added to the Iran human rights sanctions list. They are 5 individuals, plus the BASIJ RESISTANCE FORCE and BASIJ COOPERATIVE FOUNDATION.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1130665/Notice_Iran_Human_Rights_230123.pdf

<https://www.gov.im/news/2023/jan/23/financial-sanctions-iran-human-rights/>

OFAC DESIGNATES 10 INDIVIDUALS AND THE ISLAMIC REVOLUTIONARY GUARD CORPS (IRGC) COOPERATIVE FOUNDATION

On 23 January, OFAC designated the Islamic Revolutionary Guard Corps (IRGC) Cooperative Foundation, 5 of its board members, the Iranian Deputy Minister of Intelligence and Security, and 3 IRGC officers. A State Department explains that the listings are for human rights abuses.

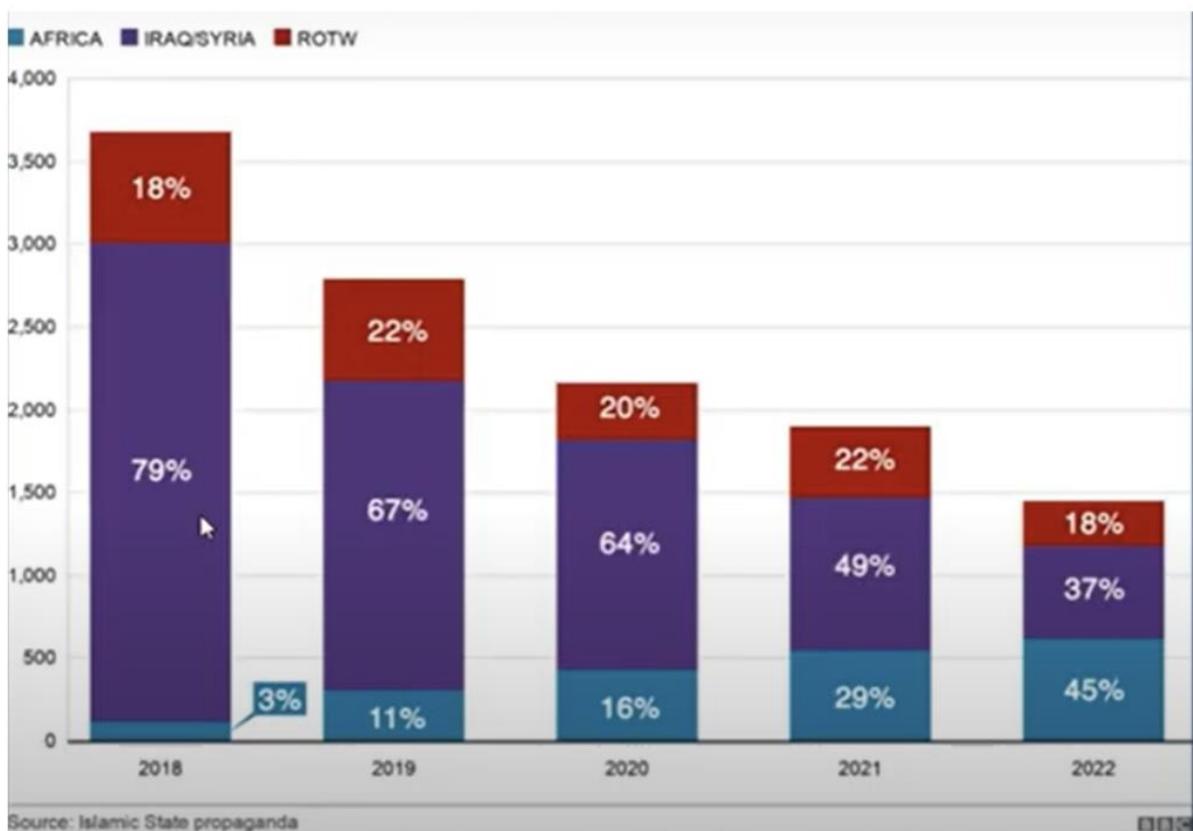
<https://home.treasury.gov/policy-issues/financial-sanctions/recent-actions/20230123>

<https://home.treasury.gov/news/press-releases/jy1209>

<https://www.state.gov/designations-in-connection-with-human-rights-abuses-in-iran/>

ISIS AND ITS REGIONAL AFFILIATES REMAIN PERSISTENT AND PERVASIVE THREAT WORLDWIDE

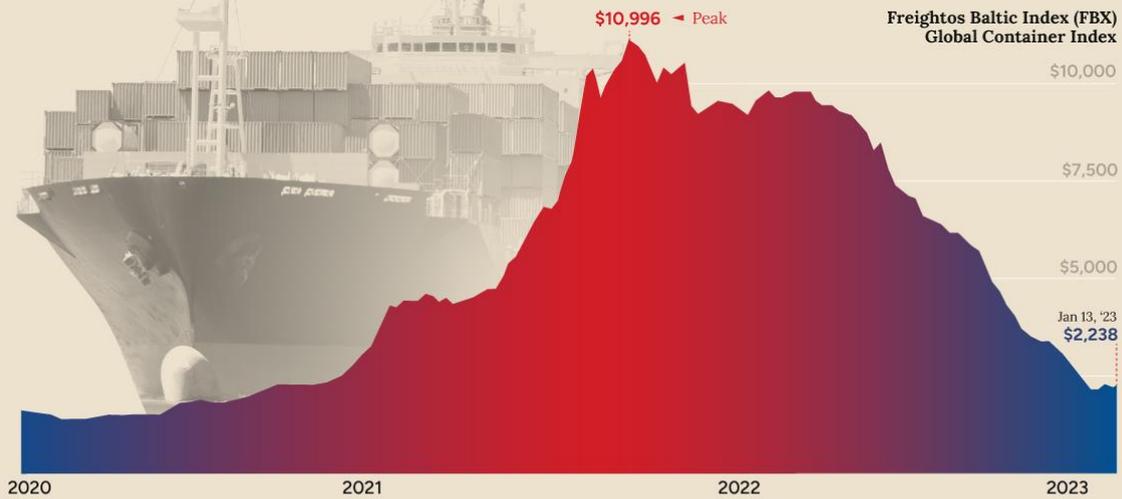
On 16 January, Homeland Security Today reported that the organisation’s legacy has influenced its regional branches, which have continued to threaten regional and global security in Asia and Africa. ISIS-Claimed Attacks between January 2018 and October 2022 -



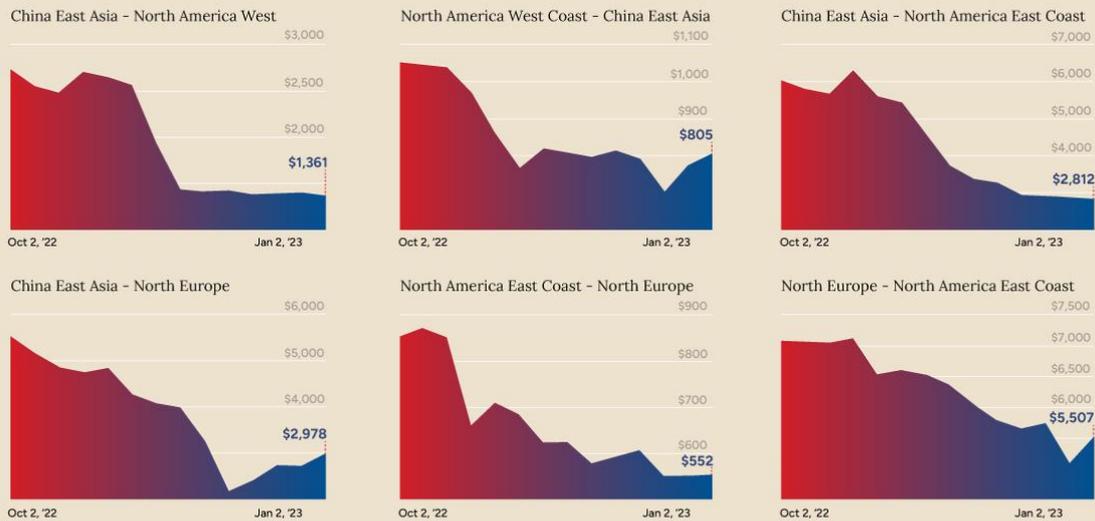
<https://www.hstoday.us/featured/isis-and-its-regional-affiliates-remain-persistent-and-pervasive-threat-worldwide/>

THE DIPPING COST OF SHIPPING

After a massive spike last year, container shipping costs for many routes are finally falling back down to pre-pandemic levels.



Over the last few months, costs on key routes have been falling:



Source: Freightos



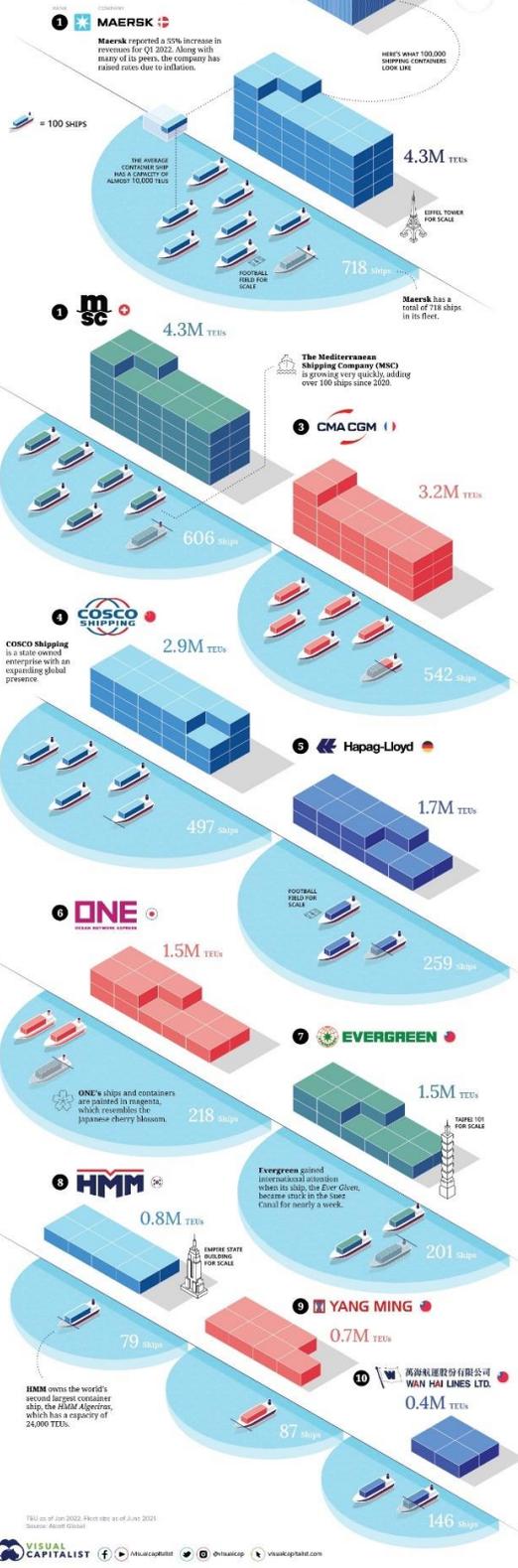
[/visualcapitalist](#) [@visualcap](#) [visualcapitalist.com](#)

COLLABORATORS RESEARCH + WRITING Nick Routley | DESIGN Bhabna Banerjee

<https://www.visualcapitalist.com/dipping-cost-of-shipping>

THE WORLD'S LARGEST CONTAINER SHIPPING COMPANIES

Did you know that 89% of the global goods trade is transported over sea? This requires an enormous number of shipping containers, as well as ships to carry them.



MALI TAKES DELIVERY OF MILITARY HARDWARE FROM RUSSIA

On 20 January, the North Africa Post reported that Mali had acquired military equipment including fighter jets and helicopters from Russia to beef up the army in the fight against terrorists. The delivery included 1 Sukhoi Su.25 attack aircraft, Czech-built Aero L-39 Albatros trainer jets and several Mi.8 helicopters.

<https://northafricapost.com/64550-mali-takes-delivery-of-military-hardware-from-russia.html>

GLOBAL COMPANIES HELP MYANMAR'S MILITARY MAKE WEAPONS, SAYS REPORT

On 16 January, the BBC reported on a UN report that revealed that Myanmar's military is producing a vast range of weapons to use against its own people thanks to supplies from companies in at least 13 countries. The US, France, India and Japan are among those named, despite Western-led sanctions intended to isolate Myanmar. It says that the companies named supply Myanmar's military with raw materials, training and machines, the report says, and the weapons produced as a result are not used to defend its borders.

<https://www.bbc.com/news/world-asia-64250674>

RESEARCHERS HACKED A LAB'S PATHOGEN CONTAINMENT SYSTEM. WAS IT A GOOD IDEA TO PUBLISH THE RESULTS?

On 19 January, an article from the Bulletin of the Atomic Scientists explained that negative pressure systems help keep dangerous pathogens contained in laboratories and hospital rooms. Given the potentially dire results should microbes escape one of these containment facilities, researchers at a major US university sought to probe whether negative pressure systems could be hacked. The team not only disrupted such a system at a real laboratory, but the researchers also laid out in great detail how to perform the hack.

<https://thebulletin.org/2023/01/researchers-hacked-a-labs-pathogen-containment-system-was-it-a-good-idea-to-publish-the-results>

POLAR AIR CARGO HAS FRAMED ITSELF AS THE VICTIM OF EMBEZZLEMENT IN A CASE WHERE IT HAS ALREADY ADMITTED ITS MANAGEMENT RECEIVED ILLICIT PAYMENTS

On 23 January, Loadstar reported on a case where a freight forwarder claimed th it had “been forced to pay consulting fees” of nearly \$4 million over 7 years to the private accounts or companies of 6 Polar executives. It also alleged that Polar then cut all its business ties with the forwarder in 2021, leaving it in the lurch. But Polar has told a court the “illicit payments” were at its expense, and it had to cut its ties with the forwarder after the company discovered the payments. Polar argues that the

forwarder was an active participant in an embezzlement and bribery scheme, in which a portion of cargo fees were diverted to the executives and away from Polar, in exchange for the forwarder receiving favourable treatment in the form of lower rates and guaranteed cargo space, all to the detriment of Polar.

<https://theloadstar.com/polar-air-cargo-the-victim-claim-in-illegal-payments-for-cheap-space-action/>

FRESH WARNINGS ABOUT THE STORAGE OF LITHIUM-ION BATTERIES FOLLOWING A MASSIVE FIRE AT A WAREHOUSE IN FRANCE

On 23 January, an article in Loadstar reported that the number of recent incidents involving battery fires in a transport context is a matter of increasing concern, particularly as battery-electric trucks begin to appear on the roads.

<https://theloadstar.com/bollere-warehouse-fire-raises-new-concerns-over-lithium-battery-safety/>

ZIMBABWE TURNS TO CHINESE TECHNOLOGY TO EXPAND SURVEILLANCE OF CITIZENS

On 23 January, Defence Web reported that, in early 2021, Zimbabwe President Emmerson Mnangagwa officially opened the country's National Data Center, proclaiming the Chinese-built data hub key to the country's economic advancement. Mnangagwa has boasted that the government can track where people walk, who they talk to, even where they sleep.

<https://www.defenceweb.co.za/security/civil-security/zimbabwe-turns-to-chinese-technology-to-expand-surveillance-of-citizens/>

US: FEDERAL COURT ADDRESSES WHETHER PLAINTIFFS MAY BRING CIVIL RICO CLAIMS THAT ALLEGE INJURY TO A BUSINESS THAT VIOLATES FEDERAL LAW

On 23 January, Morrison & Foerster LLP reported that a court has held that plaintiffs do not have statutory standing under the Racketeer Influenced and Corrupt Organizations Act (RICO) to bring claims that allege injury to cannabis-related business or property. The founder of a business alleged that a partner and others engaged in fraudulent conduct that injured her business and property, and she sought damages under the civil RICO statute.

<https://leftcoast.mofo.com//topics/this-week-at-the-ninth-cannabis-law>

MEXICO'S EX-SECURITY CHIEF TOOK 'MILLIONS IN BRIBES' FROM CARTEL, US COURT HEARS

On 23 January, the Guardian reported on the trial of a former top Mexican law enforcement official which has got under way in a Brooklyn court. Genaro García Luna, who ran Mexico's version of the

FBI before being appointed to lead the country's security ministry – and therefore its war on drug trafficking groups – is accused of taking millions in bribes in exchange for granting protection to the violent Sinaloa cartel.

<https://www.theguardian.com/world/2023/jan/23/mexico-genaro-garcia-luna-trial-brooklyn-drug-cartel>

EU ADDS 18 INDIVIDUALS AND 19 ENTITIES TO IRAN SANCTIONS LISTS

EU Regulation 2023/152/EU has added 37 entries to the EU sanctions lists following human rights abuses in the wake of protests in Iran, and the widespread and disproportionate use of force by the Iranian security forces against non-violent protestors.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.LI.2023.020.01.0001.01.ENG&toc=OJ%3AL%3A2023%3A020I%3ATOC>

<https://eur-lex.europa.eu/legal-content/EN/AUTO/?uri=uriserv:OJ.LI.2023.020.01.0023.01.ENG&toc=OJ:L:2023:020I:TOC>

FinCEN BENEFICIAL OWNERSHIP INFORMATION ACCESS PROPOSAL RAISES MANY QUESTIONS

On 23 January, an article from Davis Wright Tremaine LLP was concerned with a Notice of Proposed Rule Making (NPRM) outlines these parameters for specified recipients to access the beneficial ownership information database and the data protection protocols and oversight mechanisms that will be applicable to the various types of recipients. Comments on the proposals are requested by 14 February.

<https://www.dwt.com/blogs/financial-services-law-advisor/2023/01/fincen-beneficial-ownership-access-cta>

FORMER FBI OFFICIAL ACCUSED OF VIOLATING RUSSIA SANCTIONS TO HELP OLIGARCH OLEG DERIPASKA

On 23 January, Forbes reported that a former FBI agent who once led counterintelligence in the bureau's New York office has been charged with money laundering and violating sanctions to benefit Russian oligarch Oleg Deripaska. Charles McGonigal and Sergey Shestakov, a former Russian diplomat-turned-translator, of providing services to the US-sanctioned Deripaska, including investigating a rival of Deripaska for money and trying to help Deripaska get off the US sanctions list.

<https://www.forbes.com/sites/anafaguy/2023/01/23/former-fbi-official-accused-of-violating-russia-sanctions-to-help-oligarch-oleg-deripaska>

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

