

23 May 2023

EX-BVI PREMIER'S CO-DEFENDANT KADEEM MAYNARD SET TO PLEAD GUILTY IN DRUGS TRAFFICKING & MONEY LAUNDERING CASE

On 22 May, Offshore Alert reported that a change of plea hearing has been set for Kadeem Maynard, 32, meaning it is likely that Maynard has agreed to cooperate with prosecutors. It says this is likely to be bad news for former BVI Premier and accused narcotics trafficker and money launderer Andrew Fahie.

<https://www.offshorealert.com/accused-money-launderer-narcotics-trafficker-kadeem-maynard-set-to-plead-guilty-likely-bad-news-for-ex-bvi-premier-andrew-fahie>

US: RECENT CASES HIGHLIGHT 3 WAYS THAT WIRE-FRAUD PROSECUTIONS MAY BE CHALLENGED

On 22 May, an article from Reed Smith says that 2 cases remind one of 3 limitations to which the government should adhere when charging wire or mail fraud.

<https://viewpoints.reedsmith.com/post/102if6r/the-winnowing-of-wire-fraud#page=1>

Meanwhile, a post from the Compliance & Enforcement blog from the Program on Corporate Compliance and Enforcement at the New York University School of Law on 23 May was concerned with the US Supreme Court case of *Ciminelli*, one of those referred to in the above article. As a result of the decision in this case, the post says, going forward, the DoJ will not be able to prosecute a defendant for engaging in mere deceptive or unethical conduct, but must additionally prove that the defendant's objective was to deprive the victim of money or property.

https://wp.nyu.edu/compliance_enforcement/2023/05/23/supreme-court-repudiates-right-to-control-theory-under-the-federal-wire-fraud-statute/

CANADA: IDENTIFYING ULTIMATE BENEFICIARIES

On 18 May, Fasken reported on a new transparency Act, an Act mainly to improve the transparency of enterprises. This includes the requirement, for registrants, to declare their ultimate beneficiaries to the *Registraire des entreprises du Québec*. As a guide is only available in French on the REQ website, Fasken has prepared a courtesy translation to make it more accessible to all its clients.

<https://www.fasken.com/en/knowledge/projet-de-loi-78/2023/05/guide-comment-identifier-un-beneficiaire-ultime>

UK: UPDATE ON SLAPPS (STRATEGIC LAWSUITS AGAINST PUBLIC PARTICIPATION)

On 18 May, an article from Kingsley Napley says that it has been over a year since the government launched its call for evidence on SLAPPs, seeking the views of the public on introducing legislation to address this perceived problem. The article explains that a SLAPP is a type of abusive litigation whereby a solicitor or law firm brings or threatens proceedings which have no real merit, to harass or intimidate somebody and thereby discourage them from publicising something on a topic of public importance. The most obvious example would be bringing or threatening a baseless defamation claim where the real intention was to stifle publication or investigation of a matter of public interest. The firm says that, given the impact both on the legal profession and the public at large, there is a real need for clear legislation, and soon. It is not a satisfactory position for the Solicitors Regulation Authority (SRA) to be left to legislate.

<https://www.kingsleynapley.co.uk/insights/blogs/regulatory-blog/when-will-i-be-slapped-lawyers-need-to-know#page=1>

IRISH BRIBERY AND ANTI-CORRUPTION LAW IN FOCUS

On 19 May, an article from Maples considers the Criminal Justice (Corruption Offences) Act 2018, which came into force in 2018, consolidating Irish law on bribery and corruption and introducing a new form of corporate liability where a company is guilty of an offence if anyone acting on its behalf is found guilty of corruption. It observes that recent EU developments will mean a further tightening of the rules in Ireland and significant amendments to the Act to incorporate the proposed changes once finalised.

<https://www.mondaq.com/ireland/white-collar-crime-anti-corruption--fraud/1317514/irish-bribery-and-anti-corruption-law-in-focus>

AUSTRALIA ANNOUNCED FURTHER SANCTIONS ON RUSSIA AND CONTINUES NORTH KOREA LISTING

On 23 May, the EU Sanctions blog reported that Australia has announced further sanctions on Russia and a ban on the export of machinery and related parts. These sanctions will target 21 entities and 3 individuals. The Ministry for Foreign Affairs has also continued designation of persons on the DPRK sanctions lists.

<https://www.europeansanctions.com/2023/05/australia-announces-new-russia-sanctions-and-continues-dprk-listings/>

UK: ONLINE CASINO OPERATOR AND PLATFORM SkillOnNet TO PAY £305,150 OVER A SERIES OF AML AND SOCIAL RESPONSIBILITY FAILINGS

On 23 May, iGB reported that the operator runs 50 websites in Britain, and will make the payment in lieu of a financial penalty after reaching a settlement agreement with the Gambling Commission.

The funds will be directed to socially responsible causes.

<https://igamingbusiness.com/legal-compliance/skillonnet-ordered-to-pay-305150-over-regulatory-breaches>

GERMANY ISSUES ARREST WARRANT FOR LEBANON'S CENTRAL BANK CHIEF

On 23 May, The Print reported claims that Germany has informed Lebanon it has issued an arrest warrant for Central Bank Governor Riad Salameh on corruption charges.

<https://theprint.in/world/germany-issues-arrest-warrant-for-lebanons-central-bank-chief-sources/1590481/>

RUSSIA AND IRAN PLAN TO BUILD 20 SANCTIONS-PROOF SHIPS

On 23 May, TradeWinds reported that the joint venture would operate vessels into and out of Russia through north-south and east-west routes.

<https://www.tradewindsnews.com/containerships/-freedom-flotilla-russia-and-iran-plan-to-build-20-sanctions-proof-ships/2-1-1454701>

UK: COVERAGE OF IVORY ACT EXTENSION TO 5 NEW SPECIES

On 23 May, a post on the DEFRA blog says that hippopotamus, walrus, narwhal, killer whale (orca) and sperm whale are set to receive greater legal protections under the UK's ban on importing, exporting and dealing in items containing ivory.

<https://deframedia.blog.gov.uk/2023/05/23/coverage-of-ivory-act-extension-to-five-new-species/>

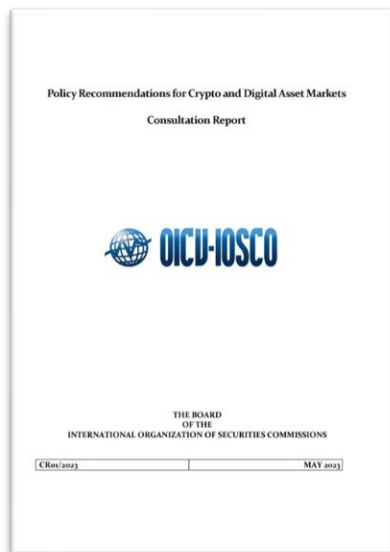
IOSCO CONSULTATION ON GLOBAL RULES TO CLEAN UP CRYPTO

On 23 May, Financial News London reported that the International Organisation of securities Commissions, the global standard-setter for securities regulators, has set out its view of the major problems plaguing the digital asset industry, with 18 recommendations, in a consultation issued on 23 May.

<https://www.fnlondon.com/articles/iosco-pushes-global-crypto-standard-to-clean-up-fraud-pump-and-dump-schemes-and-insider-trading-20230523>

<https://www.iosco.org/news/pdf/IOSCONEWS693.pdf>

<https://www.iosco.org/library/pubdocs/pdf/IOSCOPD734.pdf>



4 FAKE DESIGNER WATCHES WORTH OVER \$577,000 SEIZED BY US CUSTOMS

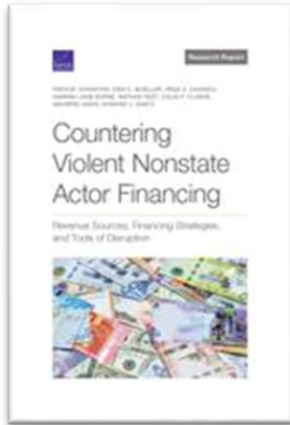
On 22 May, a news release from US Customs & Border Protection advised that officers had seized a shipment containing multiple watches. The watches, which came from Hong Kong, would have had a Manufacturer's Suggested Retail Price of \$577,800 had they been legitimate. Based upon country of origin and inferior quality, officers suspected all were counterfeit. The watches were marked with trademarks owned by Jacob & Co, Audermars Piguet, and Rolex and were copies of the Astronomia Oak, Royal Oak, and Oyster Perpetual models, respectively. The shipment had an ultimate destination to an address in Miami.

<https://www.cbp.gov/newsroom/local-media-release/4-fake-designer-watches-worth-over-577000-seized-cincinnati-cbp>

COUNTERING VIOLENT NON-STATE ACTOR FINANCING

The RAND Corporation has produced an e-book, saying that violent nonstate actors (VNSA) obtain money from multiple sources, both licit (e.g., donations and legitimate businesses) and illicit (e.g., extortion, smuggling, theft). They use that money to pay, equip, and sustain their fighters and to provide services to local populations, which can help build support for the groups, allowing them to extract resources, gain safe havens, and challenge state authority and territorial control. In this way, financial resources can prolong conflicts and undermine stabilisation efforts after the fighting ends. Countering VNSA financing plays a critical role in degrading such organisations. The authors draw lessons from efforts against 5 VNSA groups to discover, in each case, how they financed their activities and for what purposes, as well as which methods to counter this financing worked best and

which were counterproductive. The authors then consider what the US Army can do to support counter-terrorism financing efforts.



https://www.rand.org/content/dam/rand/pubs/research_reports/RR600/RR687-1/RAND_RRA687-1.pdf

INTRODUCTION TO CRYPTOCURRENCY

On 23 May, the US Congressional Research Service published this briefing which introduces crypto market structure, regulatory frameworks, and policy issues.

<https://crsreports.congress.gov/product/pdf/IF/IF12405>

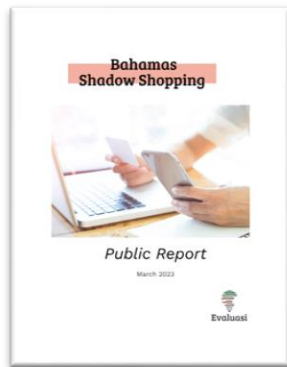
FCPA INVESTIGATION INTO PFIZER EXPANDS TO MEXICO

On 23 May, a post on the FCPA Blog reported that US pharmaceuticals giant Pfizer disclosed this month that the DoJ and SEC's investigation into possible FCPA violations has expanded to Mexico, the third country named so far.

<https://fcpablog.com/2023/05/23/government-fcpa-investigation-into-pfizer-expands-to-mexico/>

AML COMPLIANCE REPORT ON BAHAMIAN INTERNATIONALLY-ACTIVE PUBLIC BANKS AND TRUST COMPANIES

On 17 May, the FATF-style regional body CFATF announced that the Central Bank in the Bahamas had released an AML compliance report prepared by Evaluasi, a specialist firm comprising some of the world's leading AML researchers. The Central Bank commissioned Evaluasi to conduct an assurance study or "shadow shopping" exercise on a large majority (more than 75%) of Bahamian internationally active public banks and trust companies. It is said that this is thought to be the first time any financial regulator has conducted a shadow shopping exercise on an entire class of supervised institutions to check AML compliance.



<https://www.cfatf-gafic.org/home/cfatf-news/786-bahamian-banks-and-trust-companies-record-highly-favourable-compliance-result-in-central-bank-assurance-study>

<https://www.centralbankbahamas.com/news/press-releases/press-release-bahamian-banks-and-trust-companies-record-highly-favourable-compliance-result-in-central-bank-assurance-study-1?N=C>

MURDER PLOT TRIAL PUTS LATVIA BANK SYSTEM IN FOCUS

On 20 May, the BBC reported that a businessman has appeared in court in Latvia in a murder plot trial that could shed light on the murky past of its banking system. The case involves the death of an insolvency lawyer in 2018. He had survived one unsuccessful attempt on his life in September 2016, but was then shot dead in broad daylight with an assault rifle in rush-hour traffic in May 2018.

<https://www.bbc.com/news/world-europe-65647391>

INDIA: NEW FRAUD METHOD EXPOSED

On 20 May, DNA India reported that a new method has emerged that bypasses the need for OTP, CVV numbers, and even bank details, by exploiting Aardhaar Enabled Payment Services (AePS) numbers and duplicating fingerprints.

<https://www.dnaindia.com/personal-finance/report-new-fraud-method-exposed-cyber-scammers-clear-bank-accounts-with-aadhaar-number-no-otp-needed-3043409/>

OFAC TARGETS DPRK MALICIOUS CYBER AND ILLICIT IT WORKER ACTIVITIES

On 23 May, OFAC advised that it had sanctioned 4 entities and 1 individual involved in obfuscated revenue generation and malicious cyber activities that support the North Korean (DPRK) Government. The DPRK conducts malicious cyber activities and deploys information technology (IT) workers who fraudulently obtain employment to generate revenue, including in virtual currency, to support the Kim regime and its priorities, such as its unlawful WMD and ballistic missile programs. Those designated include Pyongyang University of Automation, one of the DPRK's premier

cyber instruction institutions, the Chinyong Information Technology Cooperation Company, and one of the latter's representatives, based in Vladivostok, Kim Sang Man.

<https://ofac.treasury.gov/recent-actions/20230523>

<https://home.treasury.gov/news/press-releases/jy1498>

THIRD COUNTRIES ALIGN WITH EU SANCTIONS ON BURMA/MYANMAR

On 23 May, the EU Sanctions blog reported that North Macedonia, Montenegro, Serbia, Albania, Ukraine, Bosnia and Herzegovina, Georgia; Iceland, Liechtenstein and Norway have aligned with the EU and a recent EU Council Decision concerning restrictive measures against Myanmar/Burma, renewing the sanctions for another year.

<https://www.europeansanctions.com/2023/05/third-countries-align-with-eu-sanctions-against-myanmar-burma/>

US: FATHER AND SON RAN ELABORATE \$20 MILLION LOTTERY FRAUD SCHEME FROM CASHED WINNING TICKETS

On 23 May, the Mirror reported that a father and son from Massachusetts have been sent to prison for their multimillion-dollar scheme in which they cashed winning lottery tickets on behalf of ticket holders to avoid taxes. They cashed a staggering 14,000 winning lottery tickets in just 10 years.

<https://www.mirror.co.uk/news/us-news/father-son-ran-elaborate-20million-30059248>

SEC SHUTS DOWN WeedGenics \$60 MILLION CANNABIS OFFERING FRAUD

On 23 May, a release on Mondo Visione advised that the SEC had obtained an emergency order to halt an alleged ongoing offering fraud and Ponzi-like scheme by Integrated National Resources Inc, which does business as WeedGenics, and its owners, Rolf Max Hirschmann and Patrick Earl Williams, who have raised more than \$60 million from investors to expand their cannabis operations, but have instead are said to have used the majority of funds to make \$16.2 million in Ponzi-like payments and to enrich themselves.

<https://mondovisione.com/media-and-resources/news/sec-shuts-down-weedgenics-60-million-cannabis-offering-fraud/>

**JOINT COMMITTEE OF THE EUROPEAN SUPERVISORY AUTHORITIES (EBA, EIOPA AND ESMA)
ANNUAL REPORT 2022**

On 23 May, the Joint Committee published its annual report, focused on issues of cross-sectoral relevance, such as joint risk assessment, sustainable finance, digitalisation, consumer protection, securitisation, financial conglomerates, and central clearing.

<https://www.esma.europa.eu/document/joint-committee-annual-report-2022>

US: MAN FROM BELIZE PLEADS GUILTY TO LAUNDERING MILLIONS OF DOLLARS IN DRUG PROCEEDS

On 23 May, a news release from the US Attorney's Office in the Eastern District of Virginia announced that Jianxing Chen, 44, had led and controlled a network of couriers who transported cash generated by the sale of cocaine throughout the US.

<https://www.justice.gov/usao-edva/pr/member-international-money-laundering-network-pleads-guilty-laundering-millions>

PANAMA EX-PRESIDENT MARTINELLI GOES ON TRIAL FOR MONEY LAUNDERING

On 23 May, France 24 reported that Martinelli, 71, who was president from 2009-14, is one of 15 people accused of having bought, in 2010, a majority share in the Editora Panama America publishing house using state funds. One of 15 people on trial, according to prosecutors, the defendants used a series of front companies to siphon off almost \$44 million from state infrastructure contracts during Martinelli's Presidency. He is also accused in a separate case of laundering money from Brazilian construction giant Odebrecht.

<https://www.france24.com/en/live-news/20230523-panama-ex-president-martinelli-goes-on-trial-for-money-laundering>

<https://www.buymeacoffee.com/KolvM842y>

