

6 March 2024

SPAIN: WHISTLEBLOWING CHANNEL - 1 YEAR OF THE SYSTEM

On 28 February, an article from López-Ibor Abogados reflected on a year of the requirement for companies with 50 or more employees to have the system that shields whistleblowers from retaliation. For example, it notes that organizations must publicise the channel among the people to whom it is directed, among possible informants with whom they have a work or professional relationship. The company's internal channel should appear on the home page of the corporate website in a separate, easily identifiable section.

<https://lopez-iborabogados.com/article/canal-de-denuncias-se-cumple-un-ano-del-sistema-que-protege-a-los-informantes-de-delitos/>

AI ROOTS OUT SUSPICIOUS SPORTS MATCHES

On 6 March, iGB reported on Sportradar's annual Integrity Report which revealed that it had detected 1,329 suspicious matches during 2023, with AI helping to uncover nearly three-quarters of all questionable activity. The surveillance covered 70 sports, with a total of 1,329 suspicious events occurring across 11 of those sports.

<https://igamingbusiness.com/sports-betting/sportradar-2023-integrity-report-finds-stability-number-suspicious-matches>

SOUTH SUDANESE ACTIVIST CHARGED WITH TRYING TO EXPORT ARMS FROM US FOR COUP BACK HOME

On 5 March, BNN reported that 2 men had been charged with violating export controls by allegedly conspiring to send a cache of weapons to South Sudan. One is leading South Sudanese academic and activist living in exile in the US after fleeing there 4 years ago.

<https://bnnbreaking.com/world/northamerica/illegal-arms-export-to-south-sudan-two-charged-in-major-us-violation-case>

<https://sauce.co.ke/2024/03/south-sudanese-activist-charged-with-trying-to-export-arms-from-us-for-coup-back-home/>

RUSSIA OIL FLEET SHIFTS AWAY FROM LIBERIA, MARSHALL ISLAND FLAGS AMID US SANCTIONS CRACKDOWN

On 6 March, Reuters reported that the shift reflects the close relationship between the US and the flag administration companies of Liberia and the Marshall Islands, which are headquartered not in their home countries, but in Virginia.

<https://www.reuters.com/business/energy/russia-oil-fleet-shifts-away-liberia-marshall-island-flags-amid-us-sanctions-2024-03-06/>

US: 6 PEOPLE ARRESTED IN CONNECTION WITH A SCHEME TO SMUGGLE THOUSANDS OF POUNDS OF RAW GOOSE AND DUCK INTESTINES FROM CHINA

On 5 March, ABC News reported that federal law prohibits the importation of raw goose and duck intestines from China and duck-blood products from any unapproved establishments in China.

<https://abcnews.go.com/US/6-charged-smuggling-raw-duck-duck-intestines-packaged/story?id=107818565>

SAN DIEGO MAN FIRST IN US CHARGED WITH SMUGGLING GREENHOUSE GASES

On 6 March, USA Today reported that a man has been arrested and charged with smuggling potent greenhouse gases from Mexico, marking the first prosecution of its kind in the US. He was arrested and charged with smuggling hydrofluorocarbons, a "highly potent greenhouse gas" also known as HFC, according to the US Attorney's Office, allegedly for sale online.

<https://www.usatoday.com/story/news/nation/2024/03/06/san-diego-man-charged-smuggling-greenhouse-gases/72858557007/>

SOUTH AFRICA: INSOLVENCY EXPERT BERNARD GUTMAN SENTENCED TO 10 YEARS FOR FRAUD, MONEY LAUNDERING

On 6 March, BNN reported that the case highlighted the severe consequences of financial crimes in insolvency practice. The defendant employed a strategy of delay which extended the case for more than 15 years, and argued that the misappropriated funds were intended as loans, which he planned to repay.

<https://bnnbreaking.com/world/south-africa/insolvency-expert-bernard-gutman-sentenced-to-10-years-for-fraud-money-laundering>

CZECHIA: AMENDMENT TO MONEY LAUNDERING LAWS EXPANDS OVERSIGHT TO INCLUDE ONLINE GAMING

On 6 March, BNN reported that a new amendment broadens AML measures, covering insolvency administrators and online lottery operators.

<https://bnnbreaking.com/politics/senate-passes-amendment-to-combat-money-laundering-expands-oversight-to-include-online-gaming>

UK: FCA SOUNDS ALERT OVER WEAK AML CONTROLS

On 6 March, Finextra reported on a “Dear CEO” letter circulated by the FCA warning of widespread failings in how firms are preventing money laundering. Key areas of concern identified by the FCA include discrepancies between firms' registered business activities and what they actually do. The regulator says some firms have failed to properly notify it about changes to their businesses.

Awareness of risks, due diligence, governance and oversight of financial crime controls are also highlighted.

<https://www.finextra.com/blogposting/25843/fca-sounds-alert-over-weak-money-laundering-controls---quotdear-ceo-letterquot>

<https://www.fca.org.uk/publication/correspondence/dear-ceo-letter-action-response-common-control-failings-anti-money-laundering-frameworks.pdf>

UK: CIVIL LEGAL AID REVIEW - MoJ KICKS TIMETABLE INTO LONG GRASS

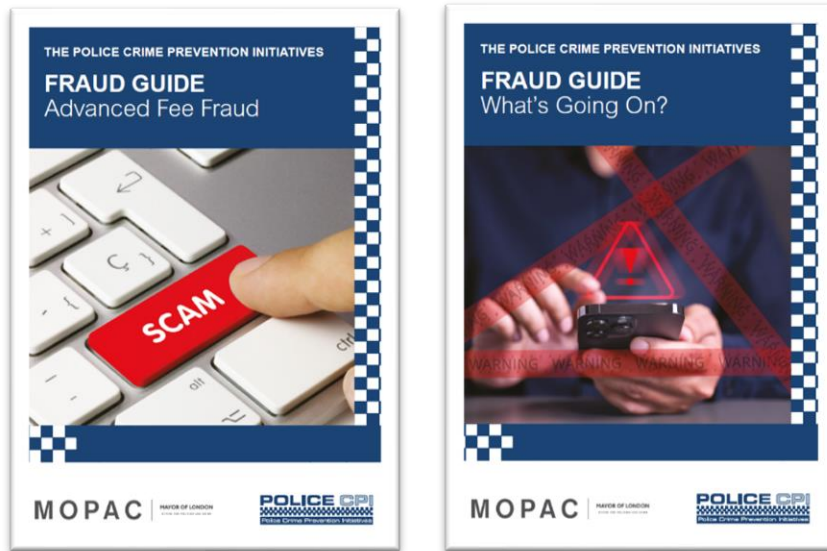
On 6 March, the Law Society Gazette reported that reforms to save the civil legal aid sector may never see the light of day in the current parliament it has emerged following the government's decision to push back the timetable for its review on building a sustainable system.

<https://www.lawgazette.co.uk/news/civil-legal-aid-review-moj-kicks-timetable-into-long-grass/5118966.article>

UK: LONDON-WIDE FRAUD PREVENTION PROJECT

Professional Security Magazine carried a report saying that, with the Mayor's Office for Policing & Crime, Police Crime Prevention Initiatives are launching a London-wide fraud prevention project. The aim is to increase understanding about the various types of fraud, and in doing so improve awareness and make people less vulnerable to becoming victims of these scams. It will publish blogs that will explain the tradecraft and methodology of fraudsters across a variety of fraud types to better equip people and help protect them from becoming a victim. 4 fraud guides, 2 aimed at individuals and 2 at businesses, will be published with each giving examples of how fraudsters

operate, how to identify suspicious behaviour, and of course how people and businesses can prevent themselves becoming a victim.



<https://professionalsecurity.co.uk/news/case-studies/london-wide-fraud-prevention-project/>

<https://www.policecpi.com/fraud>

US: KONSTANTIN IGNATOV, LINKED TO THE ONECOIN SCAM, HAS BEEN SET FREE AFTER COMPLETING A 34-MONTH PRISON SENTENCE

On 6 March, Be in Crypto reported that he served 34 months for aiding the OneCoin scam after his sister Ruja Ignatova (aka the “Cryptoqueen”) disappeared. He was sentenced to “time served”, the 34 months he had already spent in jail.

<https://www.bloomberg.com/news/articles/2024-03-05/cryptoqueen-s-brother-gets-time-served-for-leading-onecoin-scam>

<https://beincrypto.com/onecoin-scam-leader-free-prison-sentence/>

CARLO ANCELOTTI: SPANISH PROSECUTORS DEMAND 5-YEAR PRISON SENTENCE FOR REAL MADRID COACH OVER TAX FRAUD

On 6 March, the Evening Standard reported that the Italian, 64, is accused of using shell companies to hide parts of his income during his first spell as Real Madrid coach, when he managed the team between 2013 and 2015.

<https://www.standard.co.uk/sport/football/carlo-ancelotti-tax-fraud-real-madrid-b1143459.html>

TRIAL BEGINS IN LARGEST FINANCIAL FRAUD CASE IN VIETNAM

On 6 March, Vietnam Net reported that the chairwoman of major developer Van Thinh Phat went on trial along with dozens of others, accused of embezzling \$12.5 billion in Vietnam's largest financial fraud case. The dozens of co-defendants include State Bank of Vietnam officials, 3 from the Government Inspectorate, and a former official at the State Audit Office.

<https://vietnamnet.vn/en/trial-begins-in-largest-financial-fraud-case-in-viet-nam-2256603.html>

INDIA: SUPREME COURT RULES THAT THE MEMBERS OF PARLIAMENT AND STATE LEGISLATURES WHO TAKE BRIBES TO VOTE OR SPEAK IN A CERTAIN MANNER IN THE HOUSE ARE NOT IMMUNE FROM PROSECUTION

On 6 March, Jurist reported that the Court overruled an earlier decision which granted immunity to such politicians and held that such members of the legislature enjoy immunity from being charged with bribery in relation to the way they vote or speak in the House.

<https://www.jurist.org/news/2024/03/india-supreme-court-overrules-judgment-that-granted-immunity-to-politicians-charged-with-bribery/>

INTERPOL AND UNICRI HAVE RELEASED AN UPDATED VERSION OF THE *TOOLKIT FOR RESPONSIBLE AI INNOVATION IN LAW ENFORCEMENT*

On 5 March INTERPOL advised of the publication of a practical guide for law enforcement agencies on developing and deploying artificial intelligence (AI) responsibly, while respecting human rights and ethics principles. It guidance for law enforcement executives and officers to navigate responsible AI innovation from technical foundations to organizational assessments on readiness and risk.

<https://www.interpol.int/News-and-Events/News/2024/Revised-toolkit-empowers-law-enforcement-with-responsible-AI-practices>

<https://www.interpol.int/How-we-work/Innovation/Artificial-Intelligence-Toolkit>

HOW CRIMINAL GROUPS HELP EXPAND MEXICO'S MULTIBILLION-DOLLAR AVOCADO INDUSTRY

On 5 March, Insight Crime reported that the boom of Mexico's avocado market has been accompanied by heightened criminal activity in avocado-growing regions, particularly the state of Michoacán. But a recent report from the Global Initiative Against Transactional Organized Crime explains that rather than inhibiting the growth of the legal market, the presence of criminal groups has helped it expand.

<https://insightcrime.org/news/how-criminal-groups-help-expand-mexicos-multi-billion-dollar-avocado-industry/>

<https://insightcrime.org/wp-content/uploads/2023/08/Romain-Le-Cour-Grandmaison-Paul-Frissard-Martinez-Violent-and-vibrant-Mexicos-avocado-boom-and-organized-crime.-GI-TOC-January-2024.pdf>

UZBEK INSIDER TAKES OVER GAS PROJECT LINKED TO SANCTIONED RUSSIAN TYCOON CLOSELY TIED TO PUTIN

On 5 March, Rferl reported that control of an \$850 million gas-storage development in Uzbekistan linked to sanctioned Russian tycoon Gennady Timchenko, a close associate of President Putin, has been transferred to an obscure offshore company owned by an Uzbek political insider with whom Timchenko has commercial ties.

<https://www.rferl.org/a/uzbekistan-investigation-gas-project-putin-tycoon-timchenko/32848767.html>

SURINAME IS SELLING ITS GOLD AND TIMBER – AT THE COST OF TRIBAL LAND RIGHTS

On 21 February, the Guardian reported that legal and illegal gold mining and expanding logging operations are increasingly putting forests at risk and undermining the rights of tribal and Indigenous people to the land.

<https://www.theguardian.com/global-development/2024/feb/21/suriname-loggers-miners-forests-deforestation-saamaka>

SHELL’S DIVESTMENT FROM THE NIGER DELTA “MUST BE HALTED UNTIL CLEAN-UP AND DECOMMISSIONING ARE ADDRESSED”

On 27 February, a report from SOMO in the Netherlands argues that Shell cannot be allowed to divest from the onshore oil industry in the Niger Delta before it takes responsibility for its toxic legacy of pollution and the safe decommissioning of abandoned oil infrastructure. The report exposes how Shell has sold to newly created companies that have – in some cases – little real substance, opaque backgrounds or involve complex groups of domestic and foreign investors. It also claims that while Shell has offloaded its problem assets, it is still involved financially in some of the new operations. Shell has loaned funds to several of the new companies or will buy the oil they produce.

<https://www.somo.nl/download/46806/?tmstv=1709730764>

<https://www.somo.nl/shells-reckless-divestment-from-niger-delta/>

QATARI OFFICIAL JAILED FOR 15 YEARS AND FINED IN CORRUPTION CASE

On 6 March, The National reported that a Qatari official working for Hamad Medical Corporation had been sentenced to 15 years in prison and fined \$200 million after being found guilty of bribery, exploitation of position, damage to public funds and money laundering. 3 other HMC employees were convicted on the same charges, including another Qatari official who was sentenced to 11 years in jail and fined.

<https://www.thenationalnews.com/gulf-news/2024/03/06/qatari-official-jailed-for-15-years-and-fined-in-hamad-medical-corporation-corruption-case/>

TURKISH OIL TERMINAL HALTS RUSSIAN OIL BUSINESS

On 6 March, Hellenic Shipping News reported that one of Turkey's mid-sized Mediterranean oil terminals – the Dortyol terminal – will no longer accept Russian imports after receiving record volumes last year, amid an increase in sanctions pressure by the US. Turkey's seventh-largest import terminal by volume, rising from 10th in 2021. Its 2023 Russian crude and fuel imports were around seven times higher than the total volume it received from all origins in 2021, the last full year before Russia's invasion of Ukraine.

<https://www.hellenicshippingnews.com/turkish-oil-terminal-halts-russian-oil-business/>

UKRAINE'S SMALL BUT LETHAL WEAPON LIFTING MORALE: UNMANNED SEA DRONES PACKED WITH EXPLOSIVES

On 5 March, Military.com carried a feature saying that Ukraine claims it is the first country to set up a specific unit dedicated to producing them.



<https://www.military.com/daily-news/2024/03/05/meet-ukraines-small-lethal-weapon-lifting-morale-unmanned-sea-drones-packed-explosives.html>

US: VIRTUAL CURRENCY PLATFORM FINED FOR UNSATISFACTORY SANCTIONS COMPLIANCE

On 6 March, Global Sanctions blog reported that the New York State Department of Financial Services (NYSDFS) has imposed a penalty of \$37 million against Gemini Trust Company, a virtual currency exchange platform, because, amongst other things, the company's sanctions compliance policy did not contain sufficient controls related to IP verification and VPN.

<https://globalsanctions.co.uk/2024/03/nysdfs-fines-virtual-currency-platform-for-unsatisfactory-sanctions-compliance/>

OFAC TARGETS COMPANIES AND VESSELS FACILITATING QODS FORCE AND HOUTHİ COMMODITY SHIPMENTS

On 6 March, OFAC advised of additional action to target shipments of Iranian commodities undertaken by the network of Iran-based, Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF)-backed Houthi financial facilitator Sa'id al-Jamal. The action targets 2 Hong Kong- and Marshall Islands-based ship owners and 2 vessels for their role in shipping commodities on behalf of al-Jamal, and follows action targeting a related vessel, the *ARTURA*. The revenue generated through al-Jamal's network continues to enable Houthi militant efforts, including ongoing and unprecedented attacks on international maritime commerce in the Red Sea and Gulf of Aden.

<https://home.treasury.gov/news/press-releases/jy2159>

<https://ofac.treasury.gov/recent-actions/20240306>

CARGOLUX HAS BANNED THE TRANSPORT OF DISPOSABLE ELECTRONIC CIGARETTES, OR VAPES, ON ALL ITS FLIGHTS

On 6 March, Loadstar reported that the cargo airline said that it was a response to growing concern about the adverse effects of these products on both public health and the environment, and the "environmental risk, if not properly disposed of", rather than the fire risk posed by the lithium batteries in the products.

<https://theloadstar.com/cargolux-bans-transport-of-disposable-vapes-from-all-flights/>

THIRD COUNTRIES ALIGN WITH LATEST EU SANCTIONS CONCERNING TERRORISM, RUSSIA, TUNISIA, GUATEMALA, AND MOLDOVA

On 6 March, the Global Sanctions blog reported that various non-EU European countries had undertaken to align with a raft of recent sanctions updates.

<https://globalsanctions.co.uk/2024/03/eu-renews-belarus-sanctions-third-countries-align-with-various-eu-sanctions-measures/>

PODCAST: RUSSIAN SANCTIONS: IMPACT AND DUE DILIGENCE

In the latest TRACE podcast, Pavel Verkhniatsky joins from Kyiv where he is the Managing Partner of COSA Solutions with particular expertise in sophisticated due diligence and cross-border investigations. The talk ranges from the very broad and geopolitical to the very specific as Pavel discusses the impact of sanctions on Russia, as well as common due diligence 'red flags'.

<https://www.traceinternational.org/resources-podcast>

US JUDGE REJECTS FOURTH AMENDMENT DEFENCE IN SUPERYACHT SANCTIONS CASE

On 6 March, the Global Sanctions blog reported that a federal judge had rejected the claim that the DoJ violated the Fourth Amendment (which proscribes unlawful and unreasonable searches and seizures) by seizing the yacht *Amadea* in Fiji in April 2022. The judge held that it did not apply extraterritorially.

<https://globalsanctions.co.uk/2024/03/us-judge-rejects-4th-amendment-defence-in-superyacht-sanctions-case/>

EU AND US UPDATE FAQ ON RUSSIAN DIAMONDS SANCTIONS

On 6 March, the Global Sanctions blog reported that both the EU and US had updated their respective FAQ in the light of heightened controls from 1 March.

<https://globalsanctions.co.uk/2024/03/eu-us-guidance-on-russia-diamond-import-ban/>

UK ECONOMIC CRIME LEVY: INCREASED CHARGES FOR VERY LARGE ENTITIES

As usual, hidden among the papers released following the UK Budget Statement were various documents pertaining to matters not mentioned (or only touched upon) in the speech or the general media coverage. One was this Tax Information and Impact Note about an increase to the Economic Crime Levy for entities regulated for AML purposes and with a UK revenue of more than £1 billion each year. The amount charged for these entities will increase from £250,000 to £500,000, being payable after the end of each financial year.

<https://www.gov.uk/government/publications/economic-crime-levy-increased-charges-for-very-large-entities>

UK CONSULTATION: CRYPTOASSET REPORTING FRAMEWORK (CARF) AND COMMON REPORTING STANDARD (CRS)

Another document in the post-Budget bundle informed of a public consultation on the Cryptoasset Reporting Framework (CARF) and amendments to the Common Reporting Standard. CARF is a wholly new standard that addresses tax non-compliance using cryptoassets and CRS is updated to the existing framework on offshore accounts. Following public consultation at the OECD, the rules and commentary for the package has been agreed but the practical implementation is not prescribed in detail. This consultation sets out the details of the rules and invites views on the UK's proposed implementation. The consultation closes on 29 May.

<https://www.gov.uk/government/consultations/cryptoasset-reporting-framework-and-common-reporting-standard/cryptoasset-reporting-framework-and-amendments-to-the-common-reporting-standard-extension-to-domestic-reporting-and-implementation>

2 MEN ACQUITTED OF BRIBING SAUDIS IN HUGE BRITISH DEFENCE DEAL

On 6 March, the Guardian reported that the men had been accused of bribing a Saudi prince and his associates to secure and maintain a huge defence deal for a British company. But, a jury in London acquitted them after lawyers argued the payments had been authorised by the British and Saudi governments.

<https://www.theguardian.com/uk-news/2024/mar/06/two-men-acquitted-of-bribing-saudis-in-huge-british-defence-deal>

DUTCH MINISTERS TRYING TO STOP TECH COMPANY ASML MOVING ABROAD OVER FOREIGN LABOUR FEARS

On 6 March, the Guardian reported that the Dutch Government is trying to ensure that the country's largest company, the semiconductor equipment maker ASML, does not move operations or expand abroad after the company voiced concerns over the country's hardening stance on migrants. The company has been warning against any moves that could hinder its ability to attract skilled foreign labour - about 40% of its 23,000 employees in the Netherlands are not Dutch.

<https://www.theguardian.com/world/2024/mar/06/dutch-ministers-trying-to-stop-tech-firm-asml-moving-abroad-over-foreign-labour-fears>

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