Practical Issues in Investigating Corruption Crimes linked with Money Laundering Cases in Estonia (example of Virumaa county)

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The organizers of this seminar have entrusted me with a pleasant but at the same time challenging task to provide you, within half an hour, with an overview of investigation practices of Estonian law enforcement agencies into the crimes related to corruption and money laundering. My second goal is to try and present main challenges related to prosecuting corruption cases, as well as beyond it, from a prosecutor’s standpoint through practical examples, the problems various law enforcement agencies in Estonia face daily.

As far as the examples given and issues addressed in my presentation are concerned, one should consider the specific features resulting from the geopolitical position, legislation and history of Estonia. The period of privatization of property in Estonia with unavoidable bureaucratic and political scheming, confederacies and criminal shootouts are left behind in the nineties. Active willingness of the Estonian authorities to be politically promoted in terms of the membership in NATO and EU, various measures to combat corruption which have been adopted to achieve this aim as well as the small size of the country, population and undistributed resources available – all these are the objective causes of corruption in Estonia. Currently bribes in terms of their quantities are rather modest, and corruption schemes to a large extend may not look too sophisticated or imposing. For this very reason it is hardly possible to share the Estonian experience and set an example for other countries.

The purpose of this presentation is neither to provide you with the specific guidance to action nor to prove the benefits of Estonian practices. At the same time, I do hope that this presentation will give you a decent overview of the situation in Estonia. Keeping in mind the limited time given to me I may not address all relevant issues. That is why I am going to focus more substantially on my personal experience and primarily I am going to dwell upon the practices of investigating bribery related crimes as an example and money laundering cases in Virumaa, my native region.

The written text of this presentation contains some more in-depth reasoning on the subject, as well as abstracts from the relevant legislation. Also the prepared materials include references to various websites where additional information regarding combating bribery and relevant authorities in Estonia can be found, both in English and Russian.

Brief plan of my presentation:

- My tasks and scope of activities;
- Brief overview of law enforcement system combating corruption activities and money laundering in Estonia, and separately in my region;
Problems / trends;
2 examples of actual bribery cases.

In the first part of my presentation I will try to provide some explanations concerning the environment my colleagues and myself are working in daily and also what relevant bodies or law enforcement units should be taken into account.

In the second part of my presentation I will try to address the main practical problems and trends we have to deal with. I will try to do it through two examples or case descriptions, the first one being related to money laundering tangentially; and in the second case the money laundering schemes were of significant importance when transferring, transforming and concealing the property obtained in the result of the corruption crime.

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Kalmer Kask - presenter's background

- 14 years in the prosecution (since 1997);
- Prosecutor for special cases (since 2004 with short breaks).

Scope of activities (2011 – 2012)

Managing criminal investigations, overseeing operational activities\(^1\) and presenting the charges at the court on crimes committed in the area of the Virumaa District Public Prosecutor's Office and related to serious corruption\(^2\) and large-scale money laundering\(^3\) (page 394, part 2, para 3of Penal Code) as well as the crimes connected with rendition of intentionally illegal judgment, illegitimate accusation filing and unlawful enforcement of legal proceeding action. The coordination of performance of the prosecuting attorneys in the Virumaa District Public Prosecutor's Office in combating bribery and money laundering crimes.

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1 Article 19 Part 2 of the Criminal Investigation Act - supervision over investigatory proceedings initiated by an investigation body on the grounds indicated in Para 1, 2, 3 and 7\(^1\) of Part 1 of Article 9 of the present Act (necessity in collection of evidence in the criminal proceedings; evasion of a suspect or accused from criminal proceedings or evasion of a convicted from undergoing punishment under criminal law; necessity in collection of information for preventing and combating crimes; necessity in collection of information for providing witness protection) is implemented by the prosecutor's office.

2 Article 19 Part 2 of the Criminal Investigation Act - supervision over investigatory proceedings initiated by an investigation body on the grounds indicated in Para 1, 2, 3 and 7\(^1\) of Part 1 of Article 9 of the present Act (necessity in collection of evidence in the criminal proceedings; evasion of a suspect or accused from criminal proceedings or evasion of a convicted from undergoing punishment under criminal law; necessity in collection of information for preventing and suppressing crimes; necessity in collection of information for providing witness protection) is implemented by the prosecutor's office.

3 Turnover at least 27, 802 euro (i.e. 100-fold minimum monthly wage) and more.
• Criminal offences connected with competition
• Criminal offences related to computer frauds
• Criminal offences related to public procurement

As far as they are related to corruption crimes and crimes connected with money laundering

• As an acting executive: management of criminal investigations, oversight of operative work going beyond the framework of the criminal investigation² and bringing indictment of crimes committed outside the operation area of the Virumaa District Public Prosecutor's Office and related to organized drug trafficking and smuggling as well as the crimes committed by persons mentioned in the hazard assessment⁴. The coordination of performance of the prosecuting attorneys in the Virumaa District Public Prosecutor's Office in combating drug trafficking crimes.

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⁴ As a rule the crimes committed by individuals connected with organized crime.
1. How to combat corruption?

The anti-corruption strategies on the whole are subdivided into two categories – preventive / liberal methods and reactionary / stringent methods. Anti-corruption activities – joint work of many state agencies for preventing, suppressing and detecting guilty acts in public office. For this purpose the Estonian government has adopted the anti-corruption strategy for the periods of 2004 through 2007 and 2008 through 2012 whose implementation is coordinated by the Ministry of Justice.

• for prevention of corrupt acts the main technique is to raise public awareness through informational campaigns and other ways of communication. Also through educating the individuals working at potentially corruptive positions in order to instruct them on how to avoid bribery and combat corruption.

• for suppression one can consider the establishment of laws for combating corruption which impose certain constraints on state officials in terms of permitted places of employment, activities and actions. Another corruption suppressing method is declaration of economic interests which is supposed to ensure the oversight in order to discourage an official from establishing corruptive relations and obtaining material possessions from bribery profit.

• detection and settlement include proceedings for culpable act based on the Anti-Corruption Act or the Panel Code. These may be petty offenses with constraint violation related to the places of employment, activities and actions as well as criminal infractions (i.e., when giving, accepting or intermediating with bribery or gratuity).  

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5 Rf Attachment 1 Corruption and official misconduct and sanctions in Estonia
2. The structural units related to detection and settlement of corruption related crimes and crimes connected with money laundering

The agencies investigating the guilty actions related to corruption (or in broader meaning – official misconduct) are prefectures of police and Security Police as well as Internal Control Bureau of Department of Police and Frontier Guard. The agencies investigating the guilty actions related to money laundering are prefectures of police and Informational Bureau on Money Laundering integrated with the unit of criminal police of Department of Police and Frontier Guard (self consistent organisation unit of the department whose main tasks are to suppress money laundering and terrorism funding in Estonia).

In case the investigation of the crime precedential to money laundering crime falls within competence of this agency then money laundering crimes can also be investigated by Security Police and investigative unit of Tax and Customs Department.

All required expert examinations and financial surveys are conducted by the employees of Institute of Legal Expertise of Estonia (documents expert examination unit) or by individuals who are registered as experts accredited by the government. The Institute of Legal Expertise of Estonia authenticates their accreditation and enumeration.

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6 http://www.politsei.ee/ru/organisatsioon/rahapesu-andmeburoo/

7 The Informational bureau on money laundering analyses and verifies the information received from obliged parties and other persons regarding suspicion in money laundering and terrorism subsidization, if necessary it takes actions to preserve the transaction related property, and when detecting constituent elements of offence it promptly passes over the materials to the competent authorities.

8 The main tasks of Investigation unit of the Tax and Customs Department are prevention, suppression and detection of the criminal infractions connected with the Tax Law and Customs regulations infringement and if necessary to conduct investigative actions based on and regulated by the law and prejudicial inquiry for the criminal infractions connected with the Tax Law and Customs regulations infringement.
The Prosecutor’s office participates in planning criminal investigation and judicial scrutiny activities required for preventing and uncovering of crime; controls pre-trial detective investigation by ensuring its legitimacy and effectiveness; represents the prosecution on behalf of the state in the court; and also performs other tasks imposed on the Prosecutor’s office. Being the director of criminal proceedings the prosecutor directs an investigation officer while collecting evidence, and makes decision on filing accusation in accordance with the substantiated facts.

Department of Police

The Department of Police and Frontier Guard administrates four regional prefectures which are established on the basis of regional police prefectures, frontier guard districts and service bureau of the Department of Citizenship and Migration.

- Pykhyan prefecture 9 covers the territory of the entire Kharyusk county (Harjumaa) whose population is about 38% of the whole population of Estonia. The prefecture center is located in Tallin (Tallinn).
- Lyuna prefecture 10 covers the territory of 6 counties - Tartu (Tartumaa), Yigeva (Jõgevamaa), Vilyandi (Viljandimaa), Pyilva (Põlvamaa), Vyrua (Võrumaa) and Valga (Valgamaa). The prefecture center is located in Tartu (Tartu).
- Lyane prefecture 11 covers the territory of six counties – Khiyu (Hiiumaa), Saarea (Saaremaa), Lyanea (Läänemaa), Pyarnu (Pärnumaa), Yarva (Järvamaa) and Rapla (Raplamaa). The prefecture center is located in Pyarnu (Pärnu).
- Ida prefecture 12 covers the territory of Lyane-Virumaa(Lääne-Virumaa) and Ida-Virumaa(Ida-Virumaa) counties and administrates 8 cities and 27 districts (for 01.01.2009 the population number is only 236 839.- residents). The prefecture center is located in Yikhvi (Jõhvi).

The main task of the Service for Combating Economic Crimes of the Criminal Bureau of Ida prefecture (15 police officials) among others is preventive measures, suppression and pre-trial procedure for crimes: Article 201 (embezzlement), Article 213 (computer fraud), Articles 394 through 396 (various guilty actions connected with money laundering misconduct) 13. Besides this service before the service for combating corruption misconduct was organized had carried out all the tasks this service was responsible for.

The main task of the Service for Combating Corruption Crimes of the Criminal Bureau of Ida prefecture (4 police officials) among others is investigation on official guilty actions (Articles 288

9 Põhja Prefektuur (North Prefecture)
10 Lõuna Prefektuur (South Prefecture)
11 Lääne Prefektuur (West Prefecture)
12 Ida Prefektuur (East Prefecture)
13 Rf. Attachment 2: Guilty actions connected with legalization (laundering) of money and punishments in Estonia.
through 301 PC), and also crimes committed by officials stated in any other Special part of PC (exclusive of crimes investigated Bureau of internal control of Department of Police and Frontier Guard [official misconduct committed by police employees] or Department of security police). This service investigates administrative misconduct connected with bribery (Articles 26¹-26³ of Anti-Corruption Act) as well.

The main task of **Bureau of Internal Control of Department of Police and Frontier Guard** (5 police officials in Viruma region) is investigation of guilty actions committed by the department workers and employees (exclusive of high ranked police officials) and also guilty actions committed within pre-trial and non-judicial proceedings and directed against law of persons (illegal interrogation, unlawful closure of the procedure on guilty action, etc.).

**Security Police (KaPo)**

The main task of KaPo is collection and processing of the data on invasive alteration of the constitutional order and territorial integrity as well as prevention of such activities, prevention and suppression of intelligence activities against the state, protection of state secrets, struggle against terrorism, disclosure of potential bribery facts among high ranked state officials, and also in cases stated by law pre-trial investigation of misconduct and non-judicial proceedings of misconduct.¹⁴

The structural units of Security Police are departments and bureaus. There are **4 regional departments**: ¹⁵
- **Pyikha department** (covers the territory of the whole Kharyua county)
- **Lyina department** (covers the territory of 6 counties – Tartu, Yilgeva, Vilyandi, Pyilva, Byirua and Valga.)
- **Lyanea department** (covers the territory of six counties – Khiya, Saarea, Lyanea, Pyarnu, Yarva and Rapla)
- **Ida department** (covers the territory of Lyane-Virya and Ida-Virumaadistricts)

In **Ida department** the corruption related misconduct is dealt with actually by 4-5 people, however when necessary in single police operations or proceedings dozens of KaPo policemen can be involved. Department of Security Police performs pre-trial proceedings on crimes stated by Article 201 (embezzlement), Articles 293 through 298 (accepting or transferring gratuities or bribes or intermediating whereby) and Article 299 (forgery in public office) and also stated by part 2 Article 300¹ (specials forms of constraint violation on performing actions), if a crime was committed by President of the republic, a member of the Parliament, a member of the government of the Republic, the chancellor of justice, the State inspector, a judge, a prosecutor...

¹⁴ [http://www.kapo.ee/eng/annual-reviews](http://www.kapo.ee/eng/annual-reviews)

¹⁵ **Põhja osakond** (Northern Department; service area: Harju County); **Lõuna osakond** (Southern Department; service area: Valga County, Võru County, Viljandi County, Tartu County, Jõgeva County and Põlva County); **Lääne osakond** (Western Department; service area: Hiiu County, Saare County, Lääne County, Järva County, Rapla County and Pärnu County); **Ida osakond** (Eastern Department; service area: Lääne-Viru County and Ida-Viru County).
or high ranked official in a state establishment, parliament chancery, secretariat of President of the republic, state control or court, or high ranked police official (major of police or higher rank), or high rank of defense forces (major / officer of HQ or higher rank). Within procedural jurisdiction of KaPo beginning with July 2007 is determination of potential corruption crimes by administrators of six major self-governments (Tallinn, Tartu, Pyarnu, Narva, Kokhtla-Yarve and Yikhvi.

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The investigation bodies outlined above administer the process of analyzing operational status of criminality in this area, performing risk analysis and analysis related to this issue, collection and analysis of investigative information on misconduct which is within their cognizance, as well as identifying and assessing the property obtained through criminal action which is subject to augmented condemnation, performing relevant actions required to preclude its (property) acquisition.

**Prosecutor’s office**

Prosecutor’s office includes two authorities and consists of State Prosecutor’s office as a superior prosecutor’s office and also 4 district prosecutor’s offices. The area of State Prosecutor’s office operation is entire Estonia, and the areas of district Prosecutor’s office operation are the same as police prefectures.

![Diagram of Prosecutor's offices](image)

**State Prosecutor's office**

State Prosecutor's office administrates preliminary investigation and brings prosecution on behalf of the state in courts of all three instances on cross-border or other heavy organized crimes as well as the high-profile crimes. State Prosecutor's office controls and advises on the performance of district prosecutor’s offices and also analyses and consolidates the courts and procuratorate practices. Additionally State Prosecutor's office discharges liability entailed by international cooperation, participates in the work of Euro justice. The task of the Estonian representative is collection, analysis, intermediation in sharing information by EU states in order to promote judicial cooperation.
Also State Prosecutor’s office participates in developing prospective legislation, determinations and directives concerning procuratorate performance issued by the Government of Republic as well as determinations and orders by Ministry of Justice.
In State Prosecutor’s office besides state prosecutor general work 2 lead state prosecutors, 14 state prosecutors and 8 assistants to prosecutors.

Prosecutor’s office of North district of Estonia / Pyikha district prosecutor’s office

Pyikha district prosecutor’s office is located in Tallinn, and area of responsibility is Kharyua 
There are five departments in Pyikha district prosecutor’s office: Department I (drug related crimes and offence against the person), Department II (corruption related crimes, economical and official crimes), Department III (juvenile crimes), Department IV (general crimes), Department V (general crimes).
There are only 67 prosecutors working in Pyikha district prosecutor’s office: in addition to the lead prosecutor there are five senior prosecutors, 22 district prosecutors, and also 37 assistants to the prosecutors. All prosecutors of the district administer certain areas in working with crimes of certain type. There are also two prosecutors for special cases in Pyikha district prosecutor’s office whose task is dealing with prioritized crimes on the basis of the project.

Prosecutor’s office of South district of Estonia / Liyuna district prosecutor’s office

Liyuna district prosecutor’s office is located in Tartu, and areas of responsibility are counties Yigeva, Pyilva, Tartu, Vilyandi and Vyiru.
There are four departments in Liyuna district prosecutor’s office: Tartu Department I which also includes the prosecutors of Yigeva (the area of responsibility is primarily drug related crimes and offence against the person, as well as juvenile crimes and crimes connected with family violence), Tartu Department II (whose competence is primarily economical crimes, corruption related crimes and crimes in environmental area); Vilyandi department which also includes the prosecutors of Valga; Vyirua department which also includes the prosecutors of Pyilva. The latter two departments are established based on territorial principle and are dealing with all crimes committed in the above counties.
There are only 40 prosecutors working in Liyuna district prosecutor’s office: in addition to the lead prosecutor there are four senior prosecutors, 15 district prosecutors, and also 18 assistants to the prosecutors. All prosecutors of the district administer certain areas in working with crimes of certain type. There is a prosecutor for special cases in Liyuna district prosecutor’s office whose task is dealing with prioritized crimes on the basis of the project.

Prosecutor’s office of West district of Estonia / Lyaena district prosecutor’s office

Lyaena district prosecutor’s office is located in Pyarnu and areas of responsibility are counties Kkiyu, Yarva, Lyaene, Pyarnu and Saare.
There are two departments in Lyaena district prosecutor’s office: Pyarnu department which also includes prosecutors of Saaremaa, and Rapla department which also includes prosecutors of Khaapsalu and Yarva. Khaapsle prosecutors administer Khiyu County.

Lyaena district prosecutor’s office according to its territory is the largest district prosecutor’s office and the smallest one according to the staff – in the district work only 24 prosecutors: in addition to the lead prosecutor there are two senior prosecutors, 7 district prosecutors, and 13 assistants to the prosecutors. All prosecutors of the district administer certain areas in working with crimes of certain type. There is a prosecutor for special cases in district Lyaena prosecutor’s office whose task is dealing with prioritized crimes on the basis of the project.

**Virumaadistrict Prosecutor’s office**

The areas of responsibility of **Virumaadistrict Prosecutor’s office** are counties Ida - Virumaa and Lyaena – Virumaa. In addition to that there are departments of the district prosecutor’s office in the largest cities of the district Narva, Yikhv and Rakvere. The largest one is Yikhv department where in addition to the senior prosecutor there are 5 district prosecutors, and 5 assistants to the prosecutors. In the smallest department – Rakvere - in addition to a senior prosecutor there are 2 district prosecutors, and 4 assistants to the prosecutors. In Narva department in addition to the senior prosecutor and an assistant to the prosecutor there are 3 district prosecutors, and 5 assistants to the prosecutors.

There are two prosecutors for special cases in Virumaadistrict prosecutor’s office whose task is dealing with prioritized crimes on the basis of the project. All other prosecutors of the district administer certain areas in working with crimes of certain type. On the whole the operation in Virumaadistrict prosecutor’s office is distributed according to territorial principle.

**Major trends and challenges**

- The most frequent corruption misconduct among both state officials and local self-government employees in Estonia regardless of emerging new corruption forms is accepting gratuities or bribes when taking procedural decisions and carrying out state deliveries. In such cases when placing orders for services, works or procuring provisions the preference is given to those companies the contact with who had been established in the course of previously agreed corruption arrangements. It should be pointed out that bribes or gratuities as a rule are not granted directly any longer, but through the intermediary of business partners related to the official or his acquaintances. A giver of a bribe does not come to the meeting with suitcases or rolls of banknotes any more. Considerations in cash money are rather unusual and out of date phenomenon. It has become usual practice to substitute the money demanded or its transfer with purchasing some commodities or ordering / providing services. Another rather common practice is offering benefits or concessions to the official (i.e. gift cards, tours, education, etc.) so that the bribe giver could achieve his ultimate goal.
The latest example: the vice mayor of the city was arrested on the charge of wilful misconduct of granting a labour contract for the city preschools renewal to a certain company. The prise for the corruptive decision was the consessions given to the official’s wife for construction materials for the flat renewal and household appliances.

- The highest corruption risk in Estonia is primarily bulky and specific state deliveries often connected with EU grants. In contrast to the so called ‘regular corruption’ this area is often characterised by the most conspiratorial criminal arrangements, where instead of demanding and accepting the money directly they use false firms or concealed affiliation to them, bargain power and commit crimes related to competition.

The latest example: several entities operating in the region agreed among themselves and split the trade market (cartel collusive agreement) regarding certain supplies (road construction, municipal services, etc). The winning in tender was arranged with the help of the top manager of relevant organization or self – government. Alongside with real companies some shadow firms controlled by criminals took part in the bidding. Some potion of the money received per the fake contract was transferred to the shadow firm’s bank accounts. Then the money was withdrawn from the bank account through cash points by straw persons specially hired for this purpose (‘tankmen’) and was passed over to the official who facilitated the deal. The financial analysis of income versus expenditures of the official and the members of his family revealed that his expenditures were much higher than earnings, and often cash was used for payments in the shops though there was no cash withdrawn from the bank account through cash machines before that.

- As compared with the state sector the characteristic feature of the local self-governments is often inefficiency of control tools and actions for reducing corruption risks, and due to this fact an individual official has much more opportunities for misconducting. That is why bribery cases in the local self-governments under investigation are more frequent versus average level. If to consider the court practice or statistics then alongside with the officials of self-governments among typical takers of bribes there are such persons as a senior specialist on registration of Autoregister bureau, a labour inspector, a director of commercial partnership, an employee of IT unit in the department, a traffic policeman, an empowered officer to certify fuel oil, an official on criminal surveillance, a senior Customs inspector, a judge, etc.

- In Estonia we have an expression ‘semukapitalism’, which literally means ’capitalism of sidekicks / buddies’ – in governmental, municipal or private organization side by side work former classmates or school fellows. Political and common corruption fatally intermingled with each other. So in order to be successful in business or to be ‘accepted in the circle of confidants’ it is of primary importance to select the right political party or to be a playfellow of a powerful official or at least to be a member of an exclusive tennis.

- It is inevitable that sooner or later any legal proceedings will be given political coloration. Is is becoming a common practice that when reviewing corruption cases that were made public the most important point is not only the subject matter of the suspected official misconduct, but the question of the party whose member the official is. This situation has made the majority of the
public to believe that KaPo and Ministry of Justice are engaged in arranging for much publicized anti-corruption accusations and mainly regarding the persons belonging to opposition parties or supporting them, and legal order is of least interest for the agencies. When appropriate officials under suspect prefer using the above attitude and attempt to influence the public opinion – speak out in mass media actively, give comments regarding the suspicions and ‘suffering’ they had to experience, and picture themselves as victims of political persecution or pre – election fight (when reading such articles in newspapers one gets a deceptive impression that in Estonia there is a permanent process of parliament elections or elections to self - government and resulting ‘snookering’).

- The level of corruption in Ida-Virumaa is higher than in other regions of Estonia. The main cause for that is the semiclosed community of Ida-Virumaa and more spread existence of corporate club relationship in business and labour relations as compared with other regions. Many of the local self-governments have become sort of ‘a state within a state’ where the entire control over the municipal power and commercial interests are concentrated in hand of a narrow circle of those who administer significant monetary resources and deciding vote in the coalition of municipal power. Often such persons are influential and honoured members of the community, generous benefactors for charity and church, supporting the rights of minority groups, etc. This ensures success for them during elections and local residents support .

- In Virumaa there is relatively high level of unemployment that is why many people willingly offer to criminals their services as straw men (bank accounts selling and transfer; transit of the money received through ‘phishing’ from Europe to Russia; presence and right of signature in the boards of false / shadow firms, withdrawing and handing over the money from the bank accounts through cash machines, etc.). Until recently it was possible for anyone who comes over to open a bank account with maximum limits and internet banking support without questioning, and at the bank doorway they assigned all their bank documents to the criminals for a small consideration. Due to hyperliberal business climate in Estonia the companies which specialize in selling out prepared companies [shelf firms] (if necessary together with a ‘professional’ board member or providing services of a reliable and uninquisitive attorney or accountant). And the latest trend is to import the board’s members from Russia, and they are simply assigned as a board’s member for a registered shelf company, whereafter as a rule the person is granted a residence permit from the Estonian authorities for employment. Should he have residence and labour permit for Estonia, the whole European Union is open for him.

- The persons who commit crimes connected with corruption and money laundering similar to tax evaders willingly and actively use the services of unlawful the so called ‘tax carousels’ / ‘laundry’s for legalization’ which if necessary put together all paperwork used in the criminal arrangement. At the same time it is extremely difficult to detect such service providing persons because in case of minor suspect all traces of misconduct are immediately destroyed. Not rare are the cases when right before investigators visit the company computers come out of order and hard discs are destroyed or when going to the investigator’s inquiry the car with all required accounting documents all of a sudden catches fire on the way to the prosecutor’s office and burns out together with the documentation. Nevertheless when there is will an investigator can
avoid such situations and with the help of various sources to recover the accounting documentation or at least its part to be used as evidence.

- Since the majority of small businesses buy the service for book-keeping and drawing up of the accounts for a fiscal year from the specialist companies or individuals very often the first step in the investigation for the investigative agencies is surveillance and visit of such companies. The dominating practice of using the services of the same accounting and auditing firms by criminal groups for illegal arrangements can be helpful in revealing numerous interesting findings during search visits and sending requests to such companies.

- Operational search actions (wiretaps, simulation, concealed surveillance, etc.) are efficient when detecting cases of corruption and money laundering in real time, but due to the problem of ensuring basic human rights which is an urgent issue in Estonia right now, the media gives coverage of methods of detection. That is why everybody know and believes that KaPo and the Government watch them (the so called syndrome of „Big Brother watches you“), and this results in conspiracy and mistrust. Everything is done through a chain of numerous intermediates, a phone card is changed three times a day or is not used at all. An operative officer should keep up the pace with all that. Often for decrypting the content of phone conversations one should use interpreters with special knowledge or a culpable participant ‘from the closest circle’ who is able to explain the text with prowords and slang. Investigatory bodies keep lacking good specialists – investigators. Rather often the government is not able to compete with private sector which lures a police employee or an expert to work for them for higher payments. Often there are vacancies in the investigatory agencies.
1. **Circumstances of the criminal offence:**

In 2007-2008 the Head of the City Property Management and Municipal Services Department, taking advantage of his official position, unlawfully accepted, received or demanded a bribe from various legal entities in exchange for promise to give privileges to bribers in obtaining orders for municipal services. Upon fulfillment of the orders and in accordance with the requirements, businessmen had to pay a bribe from the money they received from the city for their services. Based on the preliminary agreement and promises and when committing illegal action, Head’s spouse provided assistance both to the Head of the Department and the bribers making the latter transfer money and conceal the crime on the grounds of prepared by the Head and handed over by the spouse fictitious contracts and invoices to be paid in favor of the enterprise (Limited Liability Partnership/share society) in which the Head’s spouse was the single shareholder and member of the Board.

As a result, the enterprise got possession of the money resulted from a guilty act (receipt of bribe).

After that, under the pretense of routine company’s business activities, a part of the money was wired to the account of a counterfeit company from which Head’s vacation trips were eventually paid for. Another part of the money received from the criminal scheme was used for a vehicle leasing for the share society which belonged to the spouse of the Head of the Department.
Actually the company neither needed this vehicle nor used it. Power of attorney for the vehicle was given to the Head of the Department who had the car at his disposal.

In the framework of this criminal scheme the Head of the Department met with a participating or willing to participate in an auction entrepreneur. In the course of the meeting the public official would make a proposal to the entrepreneur or to the company in which he guaranteed to award a contract in the current or future tender (if wanted, the same scheme can be repeated in the future), and then agreements for supplies or works were signed. As a remuneration, these companies should have placed an advertising order (in one case it also included putting up together a rough plan for construction project) with the company which belonged to the spouse. In reality this kind of service was never rendered (the spouse ran a tourist agency), and the only purpose of the signed agreements and the submitted invoices was to conceal the actual amount of money in the form of a bribe. After signing the fictitious agreements the Head of the Department asserted influence on the contest procedure and/or announcement of a tender for placement of order in such a way that the company which agreed to pay the bribe would become the winner. Upon supply of commodities or fulfillment of work under the terms of the signed agreement, the city paid the company the amounts stipulated in the agreement, and then the briber-company wired the agreed upon percentage to the account of the share society owned by the spouse of the Head of the Department.

2. How was it discovered?

As a matter of rule, similar cases start with some hints given to the police. This particular case was not an exception. One enterprise (see #4 on the picture) got a demand from the Head of the Department to pay money for winning the tender on manufacturing billboards, maps and tourist signs for the city. He also received from the public official’s spouse a fictitious agreement for signing and instructions where and to whom he had to pay money. But the businessman did not sign it and simply threw it away. About half a year later this businessman turned to police and told them what had happened. Despite the fact that he failed to provide direct evidence, decision was made to examine his information.

3. Investigation actions

- Since the facts were ascertained after they had had place, in other words, post factum, special investigation activities were not conducted.
- There was a reason to believe that the corrupted public official could have used such a scheme more than once, that is why similar „payments“ could have appeared on the bank account of the share society belonging to the Head’s spouse. Therefore, first of all, inquiries were sent to the banks and bank account statements of the share society were verified.
- Review of accounts and reconciliation of the records in the accounts and the data in the register of the orders and on the website of self-administration regarding winners in tenders and the companies which obtained the orders gave positive results with regard to three enterprises (one of them was Estonian subsidiary of the Latvian company) which, after having won the tender, paid all the invoices issued by the company of the official’s spouse.
• Next step was to retrieve account statements from the three above-mentioned companies, account statements of the self-administration as well as annual reports on business activities of the company which belonged to the Head’s spouse. It was found out that all three companies involved in the case took part in tenders on several occasions, and the city signed a number of agreements with them. At the same time upon receipt of money from the city, they transferred significant amounts to the accounts of the spouse’s company for rough plan required for construction project or advertising services. Suspicion was aggravated by the fact that the spouse’s company provided tourist services which was proved by actual visits to the company premises, but nothing was there to prove that they were doing rough plans or providing advertising services. What also aroused some interest was that after having received the transferred funds, the spouse’s company leased a company vehicle, and one of the users of the vehicle, based on the register records, was the Head of the department.

• Next step was to search the Head’s office and the companies involved in the case. Later the companies providing accounting services, were also searched. The transaction-related documents were found and withdrawn. Besides, from the court’s register department business activity reports pertained to tender procedures were received from the spouses’s company and from City Management.

• While reviewing the bidding documents and interrogating the city officials the suspicion was confirmed that the invitations to take part in the tender were sent out only to those companies which were appointed by the Head of the Department. Some facts of the violations of the bidding rules and manipulations with the contest results were also confirmed.

• During the search in the Head’s office a CD was found containing files with draft fictitious agreements concluded on behalf of the spouse’s company with other companies. It was established that the files were created in the office computer of the Head of Department.

• Judging by the evidence of the Sales Director of the Estonian subsidiary of the Latvian company, Sales Director’s Assistant and the former Sales Director as well as the construction team there was no need at all to order building project or rough plan from the third company since it was a standard procedure and they did not use any rough plans in their work. According to them, they never made orders for, saw, received or used any rough plans.

• Accountants of the companies involved in the criminal scheme (who personally did not know about committing a crime) explained that despite the fact that invoices were paid and agreements were available, to the best of their knowledge, the share society of the Head’s spouse did not render any services to other companies. No documents including expenditure ones were either available or submitted to the accountant office, there were no actual advertising materials or posters which could have proved the fulfillment of this kind of work. Apparently, no evidence of providing advertising services were identified. Employees/former employees of the tourist agency confirmed that the share society provided only intermediary services associated with tourist vouchers and they were not aware of any advertising or engineering services.

• Expert examination of accounting and finance documentation was performed which confirmed the absence of any case-specific accountant data or violations of the accounting requirements which, in its turn, resulted in presenting accusation of a relevant contents.
4. **Accusation**

- Head of the Department (dismissed from the position even before the end of pretrial investigation) was accused of receiving a bribe by a public official at least two times and of demanding it.
- Three companies and their leaders (both legal and physical persons) were accused of giving a bribe or several bribes.
- The Head’s spouse and the company managed by her were charged with the accusation of aiding on many occasions to receive and to give a bribe if receiving a bribe was done on demand. She was also accused of a willful violation of the accounting requirements and of providing falsified data in accounting documentation which significantly complicated the assessment of financial status by the person in charge of accounting.

5. **Main challenges**

- In this particular case there were no specific problems or significant difficulties in the investigation.
- All the companies-entrepreneurs and the corrupted public official took a position of covering each other’s back, and nobody wanted to give testimony or admit guilt. And it happened despite the fact that prosecution made a proposal to terminate the proceeding in exchange for collaboration of the first company/entrepreneur which would agree to help the prosecutor or to apply favourable simplified judicial procedure. A number of companies hired the lawyers from the same law office where the Head of the Department, his spouse and her company (as a legal entity) were clients.
- Only after sending the case to court, contact with the spouse was established who declined the services of the available defendent and asked the court to appoint another defendent from the state (she and her husband, the Head of the Department, quarreled and got divorced due to some serious disagreements).
- Suspicion in money laundering was still ambivalent. Transactions suspected in money laundering were identified and proved only after the case was sent to court and the spouse started giving evidence.
- For determining component elements of the crime, the State Court of Estonia took the position that when introducing liability to criminal proceedings for money laundering, lawmakers did not proceed on the basis of classifying any possessions obtained by illegal means as criminal, when actual origin of the possessions remains hidden but on the basis of protecting financial and economic system of the country from manipulations with the property. Thus, in the court practice actions aimed at circulation of property of criminal origin for personal needs, or hidden or unhidden obtaining of property for ultimate use and which is not intended for infliction of harm to financial or economic system are not considered as money laundering.
1. **Circumstances of the offence:**

**Phase 1**

The Estonian subsidiary of a foreign enterprise (hereinafter referred to as the Subsidiary), having its outlets and representation offices throughout Estonia, in 2006 undertook to found a large-scale entertainment and commercial centre in one of the Virumaa regional towns. The investments were planned in the amount of 700-800 million EEK. The Subsidiary’s representatives found a convenient plot of land bordering on the main street of the town, but the plot in question was currently occupied by several buildings owned by a municipal enterprise. The existing legal relations involved only the ownership of movable effects while the land property rights were not secured. The Subsidiary’s legal consulting bureau found that registering this plot of land as real estate and obtaining all required approvals in order to start construction should normally take 1.5 – 2 years. But the Subsidiary, desiring to attain its business goals, aimed to start construction as soon as possible.

The managing director of the Subsidiary made the acquaintance of an influential and locally proactive entrepreneur (hereinafter referred to as Businessman A.) who offered his assistance in the solution of the existing problems. Businessman A. explained that some of his business partners were very influential persons as they were also members of the municipal government,

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16 $1 = 15.6466$ EEK
and that he was closely acquainted with many municipal functionaries. Businessman A. promised that, if necessary, he could expedite certain processes so that the desired plot of land would be sold to none other but the Subsidiary and at the price acceptable for the latter. In addition, Businessman A. promised to make sure that the Subsidiary, with no delay, received from the municipal authorities all the documents and approvals necessary to secure the right of private ownership for the plot of land, as well as all the permits and authorizations required to realize the design, engineering and construction of the entertainment and commercial centre in question. To recompense Businessman A. for his services, the Subsidiary was to pay him a certain sum of money. The Subsidiary agreed with this proposal.

In his own right, Businessman A. did not have any authority or right to make executive decisions concerning this town or the said municipal enterprise. But still he wielded certain influence and had connections with some of the municipal administrators and functionaries (e.g. one of the members of the board of the said municipal enterprise was also working as CFO subordinate to Businessman A.; one of Businessman A.’s business partners (hereinafter referred to as Businessman M.) was member of the municipal government, etc.). Offering such influence for sale, as well as agreeing to receive any benefits/property obtained through the exercise thereof, is legally treated in Estonia as official malfeasance, irrespective of whether it was taking place in reality or only being discussed.

There exists no direct evidence as to whether Businessman A. was exercising the real influence he had on the said public functionaries or not. But only a month later the Subsidiary was able to purchase all the movable effects, previously owned by the municipal enterprise and located on the said plot of land, for a sum of 22,000,000 EEK. Also, the Subsidiary received from the municipality (without any procrastination from their side) a permit to start construction, as well as a permit for detailed planning. To help solve any issues, the Subsidiary’s representative constantly worked by phone through the mayor’s deputy or the chairman of the municipal government who then directed their subordinates to expedite the processes affecting the realization of the plans of the Subsidiary.
Phase 2
Within the next couple of months, the Subsidiary, under several fictitious brokerage contracts, transferred a sum of approximately 8 million EEK into the bank accounts of two enterprises controlled by Businessman A. Some of the money thus acquired was utilized by Businessman A. for the business activity of his enterprises (e.g. repaying a 2 million EEK bank loan; bulk purchasing of gold jewelry (one of his enterprises ran a chain of jewelry stores) etc.).

In 2006, Businessman A. contacted an entrepreneur proactive in the same town, to whom he introduced the Subsidiary’s representative, proposing them a lucrative deal. The entrepreneur was to render the Subsidiary certain brokerage services, the final aim of which was to find in the town an appropriate soil for founding a small retail store. Then, in his turn, this entrepreneur was to conclude a brokerage service contract with the firm belonging to Businessman A., who would offer to the former a proper piece of real estate. Doing this, the entrepreneur was to request from the Subsidiary the sum of money designated by Businessman A. Since the entrepreneur desired to purchase for himself the apartment of Businessman M., Businessman A. suggested using some of the money earned to finance the proposed purchase deal.

Even though no brokerage services were actually rendered, the Subsidiary still transferred the requested money in two installments both payable into the entrepreneur’s bank account in the period of August-September, 2006. Having received the money, the entrepreneur, acting per the previous agreement, forwarded € 1,248,000 into the bank account of the firm controlled by
Businessman A. The remaining sum, filed as a loan, was deposited by the entrepreneur into his private bank account and later used to purchase the apartment of Businessman M. In so doing, the sum designated in the sale and purchase agreement was, in fact, different from the sum actually paid, which meant that some of the money paid under the sale and purchase agreement was actually a share of illegal profit that Businessman M. (as member of the municipal government) received in the result of this criminal scheme’s perpetration.

Similarly to the above, in order to disguise the fee received by the „seller of influence”, the Subsidiary concluded with two sham firms several fictitious brokerage contracts (under which these sham firms acting as would-be brokers in the sale and purchase agreements were to look throughout the entire territory of Estonia, and in the interests of the Subsidiary, for objects of real estate suitable for creation of shopping malls and retail stores). Besides, the Subsidiary concluded with one of the sham firms a fictitious contract for construction site supervision, even though such services were actually rendered by another enterprise.

Phase 3
Utilizing the services of an enterprise specializing in the sale of the so-called “shell companies” and acting through a chain of intermediaries, the perpetrators created several sham companies whose boards of directors were staffed with figureheads. In reality, the said BoD figureheads wielded no authority whatsoever concerning the administration and business activities of the said companies, whereas the bank accounts thereof were controlled by a totally different group of persons. Some of the money transfers between the accounts of the said sham companies
were effected through Internet banking, using for this the personal home computer belonging to the accountant of the “shell-co” selling enterprise. Assisted by some of Businessman A.’s acquaintances involved in the criminal scheme and using their enterprises and “money laundromats”, operating with fictitious bank accounts, even more numerous sham accounts and contracts were created, into which and under which the money received from the Subsidiary were channeled into the bank accounts designated beforehand. Following the initial transfer, the money were kicked about between several bank accounts opened by the dedicated sham companies, then the money was converted into cash by withdrawing it using ATMs not outfitted with CCTV surveillance. Afterwards, some of the involved sham companies were re-registered using new BoD figureheads, while other sham structures were reorganized.

Some of the illegally obtained money to the amount of 1,036,324 EEK was transferred into the clearing account belonging to a construction firm engaged in the renovation of the apartment complex owned by Businessman A. To conceal the fact of illegal financing of these activities, the said construction firm and Businessman A. concluded a fictitious contract under which this firm was allegedly building for Businessman A. a retail store in another city. In reality, the builders there were paid from a different source.

The remaining money was evidently transferred abroad and deposited into several shadow accounts at some foreign banks.

2. Detection of the Crime

The police investigation in this case was started in 2008, this happened quite accidentally and partly even unintentionally in the course of investigation of another criminal case. The above-mentioned Businessman A., acting as BoD member in the enterprise with shared municipal ownership, in 2005-2007 effected on behalf of the said enterprise (and in violation of the existing procedural restriction) several operations with his own enterprise (which was utilized in the above-described criminal scheme). To investigate the circumstances under which the breach of law was committed, the state initiated criminal proceedings in the course of which the suspect’s business activities were analyzed together with the relevant statements of account. Also, starting June 2007, Businessman M. became a suspect in the criminal case connected with the provision to the municipal authorities of falsified information by the enterprise acting in the interests of Businessman M.

In August 2008, the senior police commissioner in charge of both criminal proceedings was contacted by his friend who told him that Businessman M. was seeking for a possibility to resolve the problem which had arisen in connection with the police investigation of the enterprise belonging to Businessman A. as both these problems might also personally concern Businessman M. That is why “his budget” had allegedly allocated for this problem’s solution up to 360,000 EEK. The senior commissioner asked to tell Businessman M. that he agreed to meet in three days’ time. In the same evening the senior commissioner was again contacted by his friend who
told him that Businessman М. was okay with the proposed date. After this the senior commissioner in charge of investigation contacted the [KaPo] division. During the meeting (as the senior commissioner was wearing a concealed microphone with a radio transmitter, — the operation which—together with his other actions—was properly sanctioned by the court) Businessman М. (who came to the meeting in person!) asked that in the course of investigation of Businessman A.’s activities neither in-depth analysis nor tax audit should be performed as those might disclose his personal deals. Businessman М. typed the figure “300,000” on the screen of his cell phone and gave to understand that after a satisfactory resolution he would pay this sum in three installments through the agency of their common friend. The first installment was to be paid within a week’s time. Also, Businessman M. asked the senior commissioner to delay the other criminal investigation and send the bill of indictment to the public prosecutor’s office only by the end of the year. The parties agreed to meet again in two days’ time.

Two days later, Businessman M. met with the senior commissioner at the appointed location, the latter explained that soon should arrive a vehicle on the back seat of which would be lying a small parcel. The senior commissioner was to get onboard and tell the driver to take him wherever he needed to go. Two minutes later a white van stopped by, the senior commissioner sat on the back seat and found there a parcel wrapped in a newspaper. Unfolding it, he saw a wad containing 100,000 EEK. Businessman M. for his criminal activities was convicted to serve 10 months in prison. The enterprise acting in his interests and one of its BoD members were later punished (per the case of provision of falsified information) by paying a fine. As for the violation of the procedural restriction, the criminal proceedings were later closed, and Businessman A. was adjudged to administrative penalty (fine).

* * *

However, the police became at once interested what was so important to conceal in the books of the said enterprise, if such a “respected” individual as Businessman М. came to bribe the top police official in person.

3. **Main Steps of Investigation**

- In the framework of this criminal case investigation, an extensive analysis was made concerning all the bank transfers effected in 2005-2007 between the bank account of the firms either owned by Businessman A. (or those known as being under his control). The investigation showed the said accounts to receive several large payments of 8-10 million EEK each) from the Subsidiary. The purpose of payment often referenced brokerage contracts. Also, it was noted that part of this money was then forwarded into the accounts of some shell companies.
- The audit of the bank account belonging to the Subsidiary additionally disclosed that in the same time frame several large sums of money were transferred, using the similar method and purpose of payment, into the account of two other enterprises.
- In parallel with the criminal investigation, a full-scale audit of the Subsidiary’s business activities was also performed by the State Taxation and Customs departments. Invoicing and
contracting analyses were also underway. During the search at the Tallinn HQ of the Subsidiary were seized brokerage contracts with acceptance certificates for various objects of real estate throughout the entire territory of Estonia. Also found were the sale and purchase agreements for these objects of real estate. The agreement with the municipal enterprise was found, too.

- Then the investigators found the former owners of the objects of real estate, referenced in the seized brokerage contracts, these owners were questioned regarding the circumstances under which they sold their property. None of them knew anything of the said brokerage contracts and enterprises involved in rendering brokerage services. According to the former owners, they concluded the sale and purchase agreements directly with the representatives of the Subsidiary without the involvement of any brokers.

- The investigation found that the Subsidiary had quite a number of brokerage contracts with various Estonian enterprises, according to which the latter were seeking for the Subsidiary objects of real estate without using intermediary sale and purchase agreements. Despite the statements of the signatories to the brokerage agreements to the effect that they found the land and were paid for their services a fee in the amount of 5-10 per cent of the purchase price, the former real estate specialist of the Subsidiary testified as a witness that he in fact knew nothing of any brokerage contracts, and that he had been purchasing objects of real estate directly from their owners and obtained all the information on his own. He used no intermediaries and also personally came to inspect the site to be purchased. The purchasing of real estate was handled by a division inside the Subsidiary, and it is therefore improbable that the Subsidiary paid any brokers for their services connected therewith. The brokerage fees were also counter-productive, since when signatories of the brokerage contracts were questioned, the broker referred only to the possible plot of land and, in fact, made no further practical steps.

- The Subsidiary’s Executive Director (at present, the former director) could say nothing concerning the brokerage contracts. He confirmed that the Subsidiary had no problems with money – they paid whatever price they were asked for. It was found that the enterprises allegedly involved in the brokerage contracts, were usually not chartered for this type of activity. In one of the enterprises whose brokerage services were bought, one member of the BoD was a citizen of the Russian Federation, who according to the border guard logs visited Estonia only twice. In the days when the brokerage contracts were concluded he was not in Estonia (according to the Subsidiary’s Executive Director statement the contract was signed at their Estonian HQ). However, this member of the BoD was in Estonia on the day when he was registered as the owner of the enterprise and its bank account were opened. Another BoD member of the same enterprise was drug addict with a 100 percent work disability whose passport data, according to the commercial register, was connected with approximately 40 different enterprises. Earlier he had been already questioned as a witness in connection with other criminal case proceedings where he explained that he was a commercially hired figurehead.

- Since the inquest harbored a suspicion that the said money transfers included the bank operation between the Subsidiary and the municipal enterprise, the inquest requested the relevant documents from the Mayor’s Office; while the office of the municipal enterprise was searched, and the documents related to the sale of their buildings were seized.

- A wider audit of Businessman А.’s activities was initiated. It was found that he had requested a permit to design and build an individual house for his personal use. The said house
was built on the land which until now is owned by the state. It was determined that the house in question was erected unlawfully since all the required permits were, in fact, forged. The construction firm was found. It became known that when the house was being built people saw there the workers from the enterprise into the account of which the firm owned by Businessman А. had transferred more than a million EEK. The auditor provided the inquest with a number of documents relevant to the case which reflected the relations existing between the firm owned by Businessman А. and the construction company. When the latter was requested to provide the explanations, they changed the documents which now showed that the work in question had been done in a different town. Thus, the case investigator had a number of documents belonging to two different versions of what had allegedly happened.

- Little by little the inquest was discovering the links and ties between different enterprises and shadow firms. The courts had provided the economic annual reports. The bank had provided the IP-addresses used for Internet-banking when making suspicious transfers. This search in some case had revealed the accountant of the enterprise engaged in the sale of shell companies who was effecting these transfers from his computer.

- Insofar as it was possible, the inquest had found the former and present-day BoD members of the shadow firms involved in the transfers. Most of the questioned witnesses had confirmed their status as sheer figureheads and failed to explain what their firms were actually doing for business. Some attempted to supply a prepared legend but their statements could not be confirmed by existing documents and witness testimonies (which abounded in essential contradictions).

- It was found that figureheads allegedly in charge of the shadow firms managements (all of them had quite a picturesque past) agreed to become members of the BoD for many different reasons (some needed money to buy drugs, some were paying debts after buying an apartment, some were promised a good job at construction sites, etc.) One of the most proactive figureheads was registered in the managing boards of more than 40 enterprises in Estonia, the Ukraine, Russia and Bulgaria.

- The inquest had questioned a representative on the enterprise engaged in the sale of „shell companies“. The said person explained that their archives had been temporarily moved to the warehouse while being stored in unmarked boxes, as their archive room was being renovated. Since it was nearly impossible to find anything at their warehouse, the search for the requested documents might take an indefinitely long time. The staff who handled the sale of the shell companies in question was not working there anymore, that is why it was impossible to find out who were the buyers of these specific “shell-co’s”. The email correspondence did exist in some computers, but later the computers were changed and the email archives were completely lost. During forensic search on the office of the enterprise engaged in the sale of „shell companies“ an email containing a directive to replace a ‘blacklisted’ figurehead in all related registration documents was found on some of the office computers.

4. **The Charges in this Case**

- Businessman А. – sale of influence, money laundering, forgery
- Shadow firms, enterprises, the seller of „shell companies“, their representatives (in some instances) – money laundering or assistance therein, forgery
5. **Main Challenges**

- There is some information that Businessman A. was able to transfer more than €1,000,000 via Cyprus and Russia into some foreign banks, but, unfortunately, the inquest could not to collect more exact evidence thereupon.
- The antisocial way of life that many figureheads are leading makes it very difficult to find and question them as witnesses. Most shadow firms do not have even a rudimentary bookkeeping, while members of their managing boards cannot say anything even barely coherent nor of their deals nor of the persons who had hired them. It is extremely complicated and difficult to retrace the path leading to the ‘masterminds’ standing behind these figureheads and firms operating through fictitious accounts, since there is almost no evidence indicating who they are, as they masterfully conceal their identity. Most pieces of evidence concerning those masterminds are only circumstantial.
- Often, the inquest has failed to perform their forensic searches simultaneously at all required locations (even though this is critical for their success), owing to which two enterprises involved in the criminal scheme were able to dispose of possibly incriminating accounting documents relevant to the case in question. Besides, after the initiation of criminal proceedings one of the enterprises previously officially owned by Businessman A. was then re-registered in the name of a person permanently domiciled in Russia. There was a suspicion of possible leakage of information, which failed to receive its final proof.

* * *

In conclusion: in both above-described cases the results were firstly yielded through finding the documents which could serve as evidence, by performing an in-depth analysis of the documents and accounting data, by searching for witnesses who could testify on what had really happened, and by searching connections in the collected evidence.

These efforts give grounds for those conducting the investigation to make conclusive statements and provides the possibility to bring charges against the suspects and later on – held them liable.
How an FIU can help to investigate corruption?

Mr. Oleksiy Feshchenko
First Deputy Head
State Financial Monitoring Service
Ukraine

FIU ПФР

- Receives Suspicious Transaction Reports (STRs) получает отчет об операциях
- Analyses Анализирует
- Sends money-laundering cases to law enforcement Передает материалы об отмывании в правоохрану

Why? Почему?

- FIU helps law enforcement in corruption cases ПФР помогает правоохране в расследовании дел по коррупции
Answer Ответ

- Because corruption is a predicate offence (FATF Recommendation 1)
  Коррупция – предикатное преступление (Рек.1 ФАТФ)

- Special attention to PEPs (FATF Recommendation 6)
  Особое внимание политическим деятелям (Рек.6 ФАТФ)

A bit about definition of Politically exposed persons (PEPs)...

? ? ?
When FIU helps? Когда ПФР поможет?

- **Detect corruption**
  Обнаружить коррупцию

- **Find information on request / Support asset recovery**
  Найти информацию по запросу / Поддержать возврат активов

Detection - typical scheme
Screening  Проверка

- Check all reports about public officials
  Проверка сообщений о госслужащих

- Compare declarations vs. STRs
  Сопоставление деклараций и сообщений об операциях

Software
Access to databases

On request  По запросу

- Search transaction reports
  Поиск по базе сообщений

- Get information from abroad
  Получить информацию из-за границы
Case example
Бюджет
Госпредприятие
$3m
$2m
$0,6m
$0,6m

The same address, founder, director

FIU limitations
Ограничения ПФР

FIU limitations
Currently the most comprehensive and globally used treaty on countering corruption is the UN Convention against Corruption, adopted by the Resolution 58/4 of the General Assembly of 31 October 2003, which became effective in December 2005.

Art. 14. Each State Party shall: ... consider the establishment of a financial intelligence unit to serve as a national centre for the collection, analysis and dissemination of information regarding potential money-laundering.
Art. 58: States Parties shall cooperate with one another for the purpose of preventing and combating the transfer of proceeds of offences established in accordance with this Convention and of promoting ways and means of recovering such proceeds and, to that end, shall consider establishing a financial intelligence unit to be responsible for receiving, analysing and disseminating to the competent authorities reports of suspicious financial transactions.

As requested by law-enforcement bodies and foreign PFRs conducting of financial investigations connected with incidents of corruption crimes and legalization (laundering) of criminally received proceeds

Proactive analysis of information on financial transactions and other informational sources for the purposes of identification of main and concurrent attributes of corruption crimes as well as attributes of legalization (laundering) of criminally received proceeds
Proactive Analysis

Implementation stages:

1. Classification of standard financial schemes (typologies) of receipt of corruption income
2. Description of typologies, including description of their attributes
3. Formalization and automation of identification of attributes of typologies
4. Development of techniques of proactive analysis

Classification of financial schemes of receipt of corruption income:
1. Receipt of corruption income by an official empowered to dispose of any assets.
2. Receipt of corruption income by other official empowered to perform actions, which may have material effect on various aspects of activities of other persons affecting their property and other rights.
Generalized financial scheme of receipt of corruption income by an official empowered to dispose of any assets

Formal relations:

- Tender procedures and public contract;
- Credit agreement;
- Procedures for obtaining subsidies, privileges, VAT refund;
- Bankruptcy procedures;
- Insurance agreement;
- Assets purchase and sale agreement;
- Investment agreement
Corruption income:
- Cash funds;
- Non-cash funds;
- Various material valuables and official title thereto (real estate, means of transport);
- Provision of (payment for) various services;
- Title to shares in charter capital of companies;
- Title to intellectual property objects;
- Career promotion

Generalized financial scheme of receipt of corruption income by an official empowered to dispose of any assets
Main types of affiliation of individuals:
- ancestral relationship;
- live together;
- ‘boss-subordinate’ relations;
- colleagues;
- friends;
- ‘community’ relations;
- neighbors relations;
- partners relations;
- criminal relations;
- business relations

Main types of controllability of an organization by an individual:
- direct management;
- direct ownership;
- indirect ownership
Generalized financial scheme of receipt of corruption income by an official empowered to dispose of any assets

- **Organization “A”, which is being harmed – the main source of CI**
- **Potential recipients of corruption income**: affiliated persons
- **Corrupted official**:
  - 1. Informal agreement
  - 2. Potential affiliation
  - 3. Possible extortion
- **Corruption income (CI)**

- **Additional sources of CI**
- **Organization “B” which gets the benefit**
- **Official or owner or their representative**
- **Controlled organizations**

- **High-risk Spheres of Corruption Offences**
  - public procurement field;
  - management of state-owned property;
  - lending activities;
  - provision of subsidies, privileges, VAT refund
Financial scheme of receipt of corruption income by an official of the public customer in the course of public procurement

Additional sources of CI

Public customer

Official

Actions (inaction) in accordance with informal agreement

Forming and placing of order, conclusion and performance of contract

Potential recipients of corruption income

affiliated persons

Corrupted official

1. Informal agreement
2. Potential affiliation
3. Possible extortion

Corruption income (CI)

Contractor

Official or owner, or their representative

‘Fly-by-night company’

Bribegiver

Controlled organizations

Public contract

Publication of a purchase notice by the Customer

• replacement of the Russian letters with Latin letters with similar writing in the text of the notice (description of the subject-matter);
• inclusion of ungrounded requirements for the contractor into tender documentation;
• inclusion of technical requirements into tender documentation which relate to a particular product being manufactured by one particular company in the presence of similar products of other manufacturers;

Customer and Contractor

• there are complaints of tender participants with respect to illegal actions of the Customer;
• the Customer orders a great volume of purchases from a single supplier;

• overstated contract price;
• unusually short term for performance of the contract;
Corruption Attributes in the Public Procurement Field

Customer and Contractor

• the Contractor has attributes of fictitious company;
• the cash flow on the Contractor’s accounts is of transit nature;
• the Contractor sends substantial amounts of money into “shadow” financial arrangements;
• the Contractor withdraws from its accounts substantial amounts of cash, which is not dictated by the nature of its core activities;
• the Contractor forwards substantial amounts of money to offshore companies, when it is not dictated by the nature of its core activities;
• the Contractor’s core activities do not correspond to the subject-matter of the public contract;
• the Contractor has been registered shortly before holding of the tender;
• the Contractor is liquidated shortly (within 2-3 months) after performance of the contract;

Typology of powers abuse
(basic)
Example: Typologies of powers abuse
(additional)
Role of FIUs and co-operation with law enforcement authorities – Experience in Poland

Ms. Elżbieta Franków-Jaskiewicz,
Department of Financial Information
Ministry of Finance
Poland

MAIN TASKS OF THE FIU

1) Storing information.
2) Taking possible actions after confirmation of money-laundering (or terrorism financing).
3) Cooperation with cooperative units (especially with law enforcement agencies - LEAs).
4) Cooperation with obliged institutions (institutions obliged to report suspicious transactions).

COOPERATIVE UNITS

• law enforcement bodies (LEAs),
• National Bank of Poland,
• Polish Financial Supervision Authority,
• customs authorities,
• tax control authorities,
• tax authorities,
• authorities of government administration,
• local self-governing administration,
• Supreme Chamber of Control,
• other public administration bodies.
THE GENERAL SCHEME OF THE POLISH AML/CTF SYSTEM

The Polish FIU in the Ministry of Finance

obliged institutions

other cooperative units

tax authorities

fiscal control authorities

custom authorities

the foreign FIUs

The Anti-terrorism Center in the Internal Security Agency

The Recovery Agency in the Polish Police

the public prosecutors

other law enforcement agencies

COOPERATION WITH CUs

Levels of cooperation:

1) Practical level
   • information exchange,
   • mutual “actions”.

2) Training level
   • courses,
   • e-learning platform,
   • manual.
COOPERATION WITH CUs

Levels of cooperation:
1) Practical level
   • information exchange,
   • mutual “actions”.
2) Training level
   • courses,
   • e-learning platform,
   • manual.

Department of Financial Information, Ministry of Finance

COOPERATIVE UNITS

Cooperative units are obliged to send to the FIU:
1) Information about transactions or other actions which are presumably tied with the money laundering (art.15a) – all without LEAs.
2) Information on criminal proceedings conducted by LEAs in connection of the ML and FT (art.14).
3) Information and documents concerning suspicious transactions sent on GIFI’s demand - in writing (art.15).

Department of Financial Information, Ministry of Finance
COOPERATION WITH LEAs
information exchange

The Anticorruption Bureau
The ISA along with ATC
The Polish Police
other LEAs

The Polish FIU

the public prosecutors

notifications & on request
inf. on proceedings & on request
inf. on proceedings & on request
reports on suspicion of ML/TF & information on requests
information on suspicion of ML/TF & data on request

other cooperative units
tax authorities
fiscal control authorities
custom authorities

COOPERATION WITH LEAs
information exchange

<table>
<thead>
<tr>
<th>years</th>
<th>notification to the public prosecutors</th>
<th>blockades of accounts / suspensions of transactions</th>
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<tr>
<td>VI - XII 2001</td>
<td>20</td>
<td>1</td>
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<tr>
<td>2002</td>
<td>104</td>
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<tr>
<td>2003</td>
<td>152</td>
<td>20</td>
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<td></td>
<td></td>
<td>(7.7 mln zł)</td>
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<tr>
<td>2004</td>
<td>148</td>
<td>18</td>
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<td></td>
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<td>(4.6 mln zł)</td>
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<tr>
<td>2005</td>
<td>175</td>
<td>39</td>
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<td></td>
<td></td>
<td>(5.7 mln zł)</td>
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<tr>
<td>2006</td>
<td>198</td>
<td>96</td>
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<tr>
<td></td>
<td></td>
<td>(68.0 mln zł)</td>
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<tr>
<td>2007</td>
<td>190</td>
<td>98</td>
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<tr>
<td></td>
<td></td>
<td>(77.3 mln zł)</td>
</tr>
<tr>
<td>2008</td>
<td>246</td>
<td>320</td>
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<tr>
<td></td>
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<td>(1.03 mld zł)</td>
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<tr>
<td>2009</td>
<td>180</td>
<td>103</td>
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<tr>
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<td>(3.04 mld zł)</td>
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COOPERATION WITH LEAs
information exchange

Data concerning I – XII 2010:
1) Notifications to the public prosecutors: 120
2) Blockades of accounts: 112 (59.81 mln PLN).
3) Notifications to other LEAs:

<table>
<thead>
<tr>
<th>Internal Security Agency (inc. CAT)</th>
<th>Police (inc. CBI)</th>
<th>Central Anticorruption Bureau</th>
<th>fiscal control authorities</th>
<th>Border Guards</th>
<th>Sum</th>
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<tr>
<td>89</td>
<td>122</td>
<td>6</td>
<td>195</td>
<td>7</td>
<td>399</td>
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</table>

4) Replies to requests of cooperative units:

<table>
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<tr>
<th>the public prosecutors</th>
<th>Police (inc. CBI)</th>
<th>Border Guards</th>
<th>Central Anticorruption Bureau</th>
<th>Internal Security Agency</th>
<th>fiscal control authorities</th>
<th>others</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>254</td>
<td>90</td>
<td>15</td>
<td>6</td>
<td>31</td>
<td>214</td>
<td>5</td>
<td>615</td>
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Statistic data about cooperation with the NCCI:

<table>
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<tr>
<th>year</th>
<th>requests to the GIFI</th>
<th>requests from the GIFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1,767</td>
<td>2,256</td>
</tr>
<tr>
<td>2008</td>
<td>1,326</td>
<td>3,486</td>
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<tr>
<td>2009</td>
<td>1,541</td>
<td>2,340</td>
</tr>
<tr>
<td>2010</td>
<td>2,133</td>
<td>1,932</td>
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</table>
COOPERATION WITH LEAs

*mutual actions*

Example of possible mutual action:

- analytical case of FIU
- data linking (e.g. by NCCI or SI*GIIF)
- operational activity of LEA
- exchange information
- work meeting

**LEA:**
- detention of suspicious persons
- arrangements & actions

**FIU:**
- blockades of accounts

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Department of Financial Information, Ministry of Finance

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**COOPERATION WITH LEAs**

*mutual actions*

**Cooperation with the Police:**

From the beginning of 2008 to August 2010, the Polish FIU initiated 31 analytical cases which were conducted in strict cooperation with the Police. These cases concern inter alia laundering money stemming from drug trade, thefts, frauds, fiscal crimes. Their results are following:

- 11 notifications on suspicious transactions to the Police,
- 11 reports on suspicion of money laundering to the public prosecutors,
- blockades of 113 accounts belonging to suspicious persons.

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Department of Financial Information, Ministry of Finance
Examples:

2009/2010

The joint cooperation of GIFI, the Internal Security Agency and the fiscal control bodies in the case of criminal group acting in the VAT carousel: resulted in blocking 23 bank accounts amounting to over 47,5 mln PLN. 7 persons were retained by the police and the total of secured property amounted to ca. 57 mln PLN.

Content of the third edition (issued in 2009):

Ch. I Introduction
Ch. II Obligations and powers of obliged institutions with reference to statutory regulations
Ch. III Issues on suspicious transactions analysis
Ch. IV Co-operation with Polish cooperative units
Ch. V Rules of management and criminal responsibility
Ch. VI Special restrictive measures
Ch. VII International aspects of fighting money laundering and terrorism financing
Chapter III – „Issues on suspicious transactions analysis” in detail:
1. What is money laundering?
2. Stages of money laundering
3. Methods of money laundering (with characteristics, typology and sanitized case studies)
4. Risk Area Identification
5. Money laundering through fuel trading transactions
6. Money laundering through scrap metal trading activity
7. Prevention of terrorism financing
8. Picking out transactions
9. Model bank accounts
10. Transaction typology
11. Basic sources of knowledge of transactions and subjects involved
12. STRs from obliged institutions and cooperative units

Department of Financial Information, Ministry of Finance
AGENDA

DAY I: 28 June 2011

9:30 Welcoming remarks
Mrs. Dorothy Mayhew, Head of Law Enforcement Section, U.S. Embassy in Ukraine
Mrs. Olga Savran, Manager, OECD Anti-Corruption Network for Eastern Europe and Central Asia

TOPIC 1: FINANCIAL INVESTIGATIONS
Plenary session

Moderators: Mr. John J. Leahy Jr., Special Agent International Affairs, U.S. Consulate in Frankfurt
Ms. Tanya Khavanska, OECD Anti-Corruption Network for Eastern Europe and Central Asia

10:00 – 13:00

Presentation 1: Proactive detection of corruption
Mr. Jay Shapiro, Esq., former prosecutor, White and Williams, LLP, United States

Presentation 2: How to conduct successful financial investigations: tracing the movement of money and other assets in criminal cases
Mr. Yury Kruty, Special Agent, IRS-Criminal Investigations, U.S. Treasury Department

Questions/answers

11:30 – 12:00 Coffee break

12:00 – 13:00

Presentation 3: Use of multi-disciplinary teams involving other agencies, such as tax, accounting, supreme audit, asset declarations, customs, procurement, FIUs and others.
Mr. Saulius Verseckas, Prosecutor, Department of Organised Crime and Corruption Investigations, General Prosecutor’s Office of Lithuania

Discussion

13:00 – 14:00 Lunch

14:00 – 16:00

Presentation 4: Use of forensic accounting in investigation and prosecution of corruption.
Mr. Ivan V. Ryutov, Partner, Assurance Services, Ernst & Young (CIS)

Presentation 5: Using evidence of unlawful or unexplained financial transactions in prosecuting public corruption offenses.
Ms. Mary Butler, prosecutor, Resident Legal Advisor, U.S. Embassy in Ukraine, Prosecutor, Department of Justice, United States

Discussion
16:00 – 16:30  Coffee break

16:30 – 17:30  **Parallel Working Groups**
Break-out session

<table>
<thead>
<tr>
<th>WORKING GROUP 1:</th>
<th>WORKING GROUP 2:</th>
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</thead>
<tbody>
<tr>
<td><strong>Financial investigations in practice</strong></td>
<td><strong>Multi-disciplinary teams and external expertise</strong></td>
</tr>
<tr>
<td>Moderators: Mr. Jay Shapiro, Esq., White and Williams, USA</td>
<td>Moderators: Mr. Saulius Verseckas, Prosecutor, Department of Organised Crime and Corruption Investigations, General Prosecutor’s Office of Lithuania</td>
</tr>
<tr>
<td>Ms. Tanya Khavanska, OECD Anti-Corruption Network for Eastern Europe and Central Asia</td>
<td>Ms. Inese Gaika, OECD Anti-Corruption Network for Eastern Europe and Central Asia</td>
</tr>
</tbody>
</table>

Participants will brainstorm on the use of financial investigations (WG1) and use of multi-disciplinary teams and involvement of outside financial expertise (WG2). Each participant will be required to present three examples of the use of the above tools in his or her recent practice. The working groups will identify tools which are currently used to detect, investigate and prosecute corruption, and recommend what can be done better to promote the use of these tools.

**DAY II:  29 June 2011**

**TOPIC 2: LINKS BETWEEN CORRUPTION AND MONEY LAUNDERING**
Plenary session

**Moderators:** Ms. Olena Smirnova, Head of the Anti-Corruption Division, Ministry of Justice of Ukraine  
Ms. Inese Gaika, OECD Anti-Corruption Network for Eastern Europe and Central Asia

10:00 – 13:00  **Presentation 1:**  A complex corruption and money-laundering investigation – experience in Italy  
**Cap. Francesco De Lellis,** Special Operational Group, the Carabinieri Force, Italy

**Presentation 2:** Investigating and prosecuting corruption and money-laundering cases in Estonia  
**Mr. Kalmer Kask,** Special Prosecutor of Corruption Cases, Viru District Prosecutor’s Office, Estonia

Questions/answers

11:30 – 12:00  Coffee break

12:00 – 13:00  **Presentation 3:** How an FIU can help to successfully investigate and prosecute corruption?  
**Mr. Oleksiy Feshchenko,** First Deputy Head, the State Financial Monitoring Service, Ukraine
Discussion

13:00 – 14:00  Lunch

14:00 – 15:30  Presentation 4: Capacities of FIUs in the Area of Countering Corruption and Money-Laundering (Typical patterns of links between corruption and money-laundering)

Mr. Igor Voluevich, Macro analysis and Typologies Department, Federal Financial Monitoring Service, the Russian Federation

Presentation 5: Co-operation of FIUs with law enforcement authorities - experience in Poland

Ms. Elżbieta Franków-Jaskiewicz, Head of International Cooperation Unit, Department of Financial Information, Ministry of Finance, Poland

Discussion

15:30 – 16:00  Coffee break

16:00 – 17:30  Parallel Working Groups

Break-out session

<table>
<thead>
<tr>
<th>Case study on money laundering and corruption</th>
</tr>
</thead>
<tbody>
<tr>
<td>WORKING GROUP 3:</td>
</tr>
<tr>
<td>Moderators:</td>
</tr>
<tr>
<td>Ms. Mary Butler, Department of Justice, United States</td>
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<tr>
<td>Mr. Dmytro Kotliar, OECD Anti-Corruption Network for Eastern Europe and Central Asia</td>
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<tr>
<td>WORKING GROUP 4:</td>
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<tr>
<td>Moderators:</td>
</tr>
<tr>
<td>Mr. Oleksiy Feshchenko, First Deputy Head, the State Financial Monitoring Service, Ukraine</td>
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<tr>
<td>Ms. Inese Gaika, OECD Anti-Corruption Network for Eastern Europe and Central Asia</td>
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</tbody>
</table>

Participants of each working group will discuss the same hypothetical case with elements of money-laundering and corruption crimes. The participants will identify which actions involving financial investigations, use of circumstantial evidence, establishment of multi-disciplinary teams and use of external expertise they could use to investigate and prosecute this case.

Hypothetical case distributed at the seminar.

DAY III:  30 June 2011

TOPIC 3: EMERGING GOOD PRACTICE

Plenary session

Moderators:  Mrs. Olga Savran, Manager, OECD Anti-Corruption Network for Eastern Europe and Central Asia

10:00 – 12:30  Reporting back from Working Groups

Brainstorming

Conclusions
### LIST OF PARTICIPANTS

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
<th>Position</th>
<th>Address</th>
<th>City</th>
<th>Country</th>
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</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Mr Kujtim Luli</td>
<td>General Prosecutor’s Office of Albania</td>
<td>Prokuroria e Përgjithshme, Rr. Qemal Stafa, Nr. 1</td>
<td>Tirana</td>
<td>Albania</td>
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<tr>
<td>Albania</td>
<td>Mr Shkëlqim Hajdari</td>
<td>Prosecution Office of Appeal, Tirana Head of the Prosecution Office of Appeal of Tirana</td>
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<td>Tirana</td>
<td>Albania</td>
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<td>Mr Levon Melkonyan</td>
<td>Special Investigation Service of the Republic of Armenia Investigator of Especially important cases 5, V. Sargsyan street</td>
<td>0010 Yerevan</td>
<td>Yerevan</td>
<td>Armenia</td>
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<tr>
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<td>Armenia</td>
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<td>Azerbaijan</td>
<td>Mr Parvin Guliyev</td>
<td>Prosecutor General’s Office Anti-corruption Department</td>
<td>Nigar Rafibaily 7</td>
<td>Baku</td>
<td>Azerbaijan</td>
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<td>Azerbaijan</td>
<td>Mr Rovshan Aliyev</td>
<td>Prosecutor General’s Office Anticorruption Department Investigator on serious cases of the Investigation division</td>
<td>Nigar Rafibaily 7 Baku Azerbaijan</td>
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<tr>
<td>Bosnia and Herzegovina</td>
<td>Mr Saša Sarajlić</td>
<td>Prosecutor’s Office BiH Special Department for Organized Crime, Economic Crime and Corruption Prosecutor</td>
<td>Kraljice Jelene 88 Sarajevo Bosnia and Herzegovina</td>
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<tr>
<td>Bulgaria</td>
<td>Mrs Vania Nestorova</td>
<td>Public Prosecutor’s Office of Bulgaria Fighting Money Laundering Senior Prosecutor, Head of Department Prosecutor’s Office of Bulgaria Supreme Cassation</td>
<td>2. Vitosha Bul., Sofia 1065 Bulgaria</td>
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<tr>
<td>Croatia</td>
<td>Ms Diana Pervan</td>
<td>County State Attorney’s Office Economic Crime Dpt. Deputy County State Attorney</td>
<td>Savska 41 Zagreb Croatia</td>
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<td>Mr Kalmer Kask</td>
<td>Prosecutor’s Office of Estonia Viru District Prosecutor’s Office Special Prosecutor of Corruption Cases</td>
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<td>FYR Macedonia</td>
<td>Ms Mirjana Micevska</td>
<td>Ministry of Finance Office for Prevention of Money Laundering and Financing of Terrorism Department for Prevention of Money Laundering Head of Department</td>
<td>Str. Velko Vlahovik no.11 Tehnometal Vardar, Skopje FYR Macedonia</td>
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<td>FYR Macedonia</td>
<td>Mr Vlado Arizankovski</td>
<td>Ministry of Finance Financial Police Office Head Inspector Veljko Vlahovic No. 11 Skopje FYR Macedonia</td>
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<td>Office of Chief Prosecutor Ministry of Justice Department of Supervision over the Investigation in the Ministries of Finances, Environmental Protection and Natural Resources and the Prosecution of Illicit Income Legalization Head of the Department 24, Gorgasali street Tbilisi Georgia</td>
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<td>Georgia</td>
<td>Mr Giorgi Mikaia</td>
<td>Office of the Chief Prosecutor of Georgia, Tbilisi Prosecutor’s Office Anti-corruption Investigative Unit Prosecutor Dighmis Masivi, 2nd Block #7a Robakidze Street Tbilisi Georgia</td>
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<tr>
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<td><strong>Mr Francesco De Lellis</strong></td>
<td>Carabinieri Army Specialised Operational Group – II° Department Head of the 1ST Unit</td>
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<td>Kazakhstan</td>
<td><strong>Mr. Nurzhan D. Kapparov</strong></td>
<td>Agency on Fighting Economic and Corruption Crime (Financial Police) 60 Omarova Street 010000 Astana</td>
<td>60 Omarova Street 010000 Astana Kazakhstan</td>
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<tr>
<td>Kyrgyzstan</td>
<td><strong>Mr Turusbek Ishenaliev</strong></td>
<td>General Prosecutor Office of Kyrgyz Republic Anti-corruption Department Prosecutor Tinistanova street 107, Bishkek</td>
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<tr>
<td>Latvia</td>
<td><strong>Ms Viorika Jirgiena</strong></td>
<td>Prosecutors General Office Criminal Law Department Prosecutor Kalpaka blvd.6</td>
<td>Kalpaka blvd.6 Riga Latvia</td>
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<tr>
<td>Latvia</td>
<td><strong>Ms Lienīte Šikore</strong></td>
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<td>Lithuania</td>
<td><strong>Mr Saulius Verseekas</strong></td>
<td>Prosecutor General’s Office of the Republic of Lithuania Department of Organised Crime and Corruption Investigation Prosecutor Rinktinės str.5 a, Vilnius</td>
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<tr>
<td>Lithuania</td>
<td><strong>Mr Miroslavas Jagėla</strong></td>
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<td></td>
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<td></td>
<td>Mr Victor Muntean</td>
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<td>Mr Vasili Levitki</td>
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<tr>
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<td>Ms Nina Ivanovic</td>
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<tr>
<td>Romania</td>
<td>Mr Eugen-Alexandru Babiceanu</td>
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<td></td>
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<tr>
<td>Romania</td>
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<tr>
<td>Russian Federation</td>
<td>Mr Igor Voluevic</td>
<td>Federal Financial Monitoring Service Macro analysis and Typologies Department Deputy Head of Department</td>
<td>Myasnitskaya Str., 39-1, Moscow, Russian Federation</td>
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| Ernst & Young | Mr Ivan Ryutov    | Ernst & Young (CIS) B.V.  
Fraud Investigation and Dispute Services  
Partner  
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Anti-Corruption Department  
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Serbia               |                                                                                                    |
| Serbia    | Ms Gordana Stojanovic | Higher Prosecution Office  
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Deputy  
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Serbia               |                                                                                                    |
| Tajikistan | Mr Farrukh Gafurov  | Agency for State Financial Control and Struggle with Corruption  
Investigation Department  
Senior Coroner on Specifically important deals  
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734001 Dushanbe  
Tajikistan               |                                                                                                    |
| Tajikistan | Mr Muhammadjon Usmonov | General Prosecutor's Office  
Office for the Supervision of the execution of laws in the organs of the state financial control and struggle with corruption  
Senior Prosecutor  
Sino avenue - 126  
Dushanbe  
Tajikistan               |                                                                                                    |
| Ukraine   | Mr Oleksandr Ishchuk  | Head of Division for Investigation of the Criminal Cases in the Field of Economics  
Department of Investigation of the Criminals Cases by the Investigators  
Prosecutor General’s Office of Ukraine  
13/15 Riznytska Str., Kyiv 01011  
Ukraine               |                                                                                                    |
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<tr>
<th>Country</th>
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<tr>
<td>Ukraine</td>
<td>Mr Yurii Vysotskyi</td>
<td>Senior Prosecutor Division for Supervision over Law Observance in Operative and Search Activity and Inquiry</td>
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<td>Main department of Supervision over Observance of Laws by the Special Units and Other Authorities Fighting Organized Crime and Corruption</td>
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<td>Mr Oleksandr Buriak</td>
<td>Head of the Investigation Division Department of Investigation of the Criminals Cases by the Investigators</td>
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<td></td>
<td>Ms Alyona Lishchynska</td>
<td>The State Financial Monitoring Service of Ukraine, Department for Financial Investigations, Division for Financial Investigations of Transactions with State Funds and other State Assets, Chief Expert</td>
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<td>24, Biloruska St., Kyiv, 04655, Ukraine</td>
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<td>Mr Radzhami Dzhan</td>
<td>The State Financial Monitoring Service of Ukraine, Department on Risk Analysis and Typology Research</td>
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<td>Division Chief for Risk Analysis in the Budget Area of State Governance and Monopoly</td>
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<td></td>
<td>Mr Oleksiy Feshchenko</td>
<td>Deputy Head Financial Monitoring Committee of Ukraine</td>
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<td></td>
<td>Mr Igor Denisov</td>
<td>Ministry of Internal Affairs Main Department on Combating Organized Crime, Anti-Corruption Bureau</td>
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<td><strong>Mr Oleg Grishchuk</strong></td>
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<td><strong>Mrs Kateryna Sakharenko</strong></td>
<td>The State Financial Monitoring Service of Ukraine</td>
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<td><strong>Ms Olena Smirnova</strong></td>
<td>Head of the Anti-Corruption Division</td>
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<td>USA</td>
<td><strong>Ms Mary Butler</strong></td>
<td>U.S. Department of Justice</td>
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<td>USA</td>
<td><strong>Ms Dorothy Rogers Mayhew</strong></td>
<td>Head of Law Enforcement Section</td>
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<td>USA</td>
<td><strong>Ms Tetiana Vozniuk</strong></td>
<td>Law Enforcement Section Training Program Assistant</td>
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<td>USA</td>
<td><strong>Mr Jay Shapiro</strong></td>
<td>White and Williams LLP</td>
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<td>USA</td>
<td><strong>Mr Yury Kruty</strong></td>
<td>IRS-Criminal Investigations&lt;br&gt;Treasury Department&lt;br&gt;Special Agent&lt;br&gt;1200 First Street, NE, Stop 4400&lt;br&gt;Washington, DC 20002&lt;br&gt;USA</td>
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<td>USA</td>
<td><strong>Mr Lacy A. Wright Jr.</strong></td>
<td>Foreign Affairs Officer&lt;br&gt;Office of Europe and Asia&lt;br&gt;Ukraine, Moldova and Belarus&lt;br&gt;Washington, DC 20522</td>
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<td><strong>Mr John Leahy Jr.</strong></td>
<td>Special Agent International Affairs&lt;br&gt;United States Consulate Frankfurt&lt;br&gt;Giessenerstrasse 30&lt;br&gt;60435 Frankfurt am Main&lt;brGermany</td>
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<td>USA</td>
<td><strong>Mr Michael Montanez</strong></td>
<td>Internal Revenue Service&lt;br&gt;Criminal Investigation&lt;br&gt;Special Agent&lt;br&gt;2675 Prosperity Avenue&lt;br&gt;Fairfax, VA 22031, SA</td>
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<td>Uzbekistan</td>
<td><strong>Mr Durbek Turahonov</strong></td>
<td>Prosecutor General’s office&lt;br&gt;Department on struggle against economic crimes and corruption&lt;br&gt;Prosecutor of Department&lt;br&gt;Y. Gulyamov Street 66-A&lt;br&gt;Tashkent&lt;br&gt;Uzbekistan</td>
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<td><strong>Mr Fakhriddin Djamolov</strong></td>
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<td><strong>Ms Tanya Khavanska</strong></td>
<td>Anti-Corruption Division</td>
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<td><strong>Mrs Olga Savran</strong></td>
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<tr>
<td><strong>Mr Oleh Klynchenko</strong></td>
<td>Program Coordinator</td>
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<td>Political and Legal Issues</td>
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