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**INTER-AMERICAN DRUG ABUSE  
CONTROL COMMISSION**

**CICAD**

**Organization of American States**

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**FINAL REPORT  
GROUP OF EXPERTS FOR THE CONTROL OF MONEY LAUNDERING  
(DRAFT)**



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**XXXVII MEETING OF THE GROUP OF EXPERTS FOR THE  
CONTROL OF MONEY LAUNDERING  
September 17-18, 2013  
Brasilia, Brazil**

**INTER-AMERICAN DRUG ABUSE  
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Secretariat for Multidimensional  
Security

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**FINAL REPORT  
(DRAFT)**

## I. BACKGROUND

During the forty-second regular session held in Santa Marta (Colombia), the Commission adopted the following work areas for the Expert Group on the Control of Money Laundering (GELAVEX) that were identified by GELAVEX during its XXV plenary meeting held in Santiago, Chile in November 2007: forfeiture or *In-rem* forfeiture, Asset Recovery Agencies, coordination and integration between the Financial Intelligence Units (FIUs) and Law Enforcement Agencies (LEA), and terrorism financing.

At the same time, the Commission agreed that GELAVEX will hold two annual meetings: one during the first half of the year, exclusively for the Sub Working Groups (one Subgroup for Forfeiture and another for Coordination and Integration); and during the second half of the year, which will feature a Plenary Session as well as an additional meeting of the Sub Working Groups.

The plenary of the Experts Group at its meeting from 27 to September 28, 2011 in Caracas, Venezuela (LAVEX XXXIII), recommended that the Commission, approve the proposal for the development of a planning process for GELAVEX. This proposal was approved by CICAD in its Fiftieth Regular Session, held in Buenos Argentina from 2to November 4, 2011.

During the last meeting, held from 30 to 31 May 2013 in Washington DC, the Sub Working Group of International Cooperation and Forfeiture was coordinated by Costa Rica, and the Sub Working Group for Financial Intelligence Units and Law Enforcement Agencies was coordinated by Chile. At that meeting, participated experts from Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, United States, Guatemala, Haiti, Honduras, México, Panamá, Peru, Uruguay and Venezuela, and representatives of the United Nations Office on Drugs and Crime (UNODC).

According to the 2012-2013 work plan approved by CICAD, the Sub Working Group on International Cooperation and Asset Forfeiture will focus its work on the following topics: 1) **drafting a self-assessment guide** to distinguish the progress of the forfeited asset system on the following topics: a) Asset Investigation; b) Asset Management; and c) Effectiveness of the application of forfeiture. To this end, the coordination of the Sub Working Group will work in coordination and the support of the ES and BIDAL project; and 2) **development of a Study on International Cooperation Mechanisms (formal and informal)** to allow adequate exchange of information for prevention and suppression of money laundering, terrorism financing and recovery of assets of criminal origin. Also, under the same work plan approved by the Commission, the Sub Working Group of Financial Intelligence Units and Law Enforcement Agencies will work on: 1) Continue the process of **identifying and analyzing risk factors associated with money laundering and terrorism financing at the hemispheric level**; and 2) The development of a **guide for asset investigation**, which should contain at least an outline of investigation technique and the the minimum elements that should contain a methodology for working on the topic. In this context, the work would be based on a **sample survey**, designed and sent to the countries in English and Spanish. Countries would submit the survey completed so the coordination of the subgroup could tabulate the answers and **issue a progress report on the meeting of the GELAVEX sub-working group's meeting** held in Washington DC on last May.

## I. AGENDA: AGENDA APPROVAL AND THEMES REVIEW.

## 1. Opening Session.

Justice Minister José Eduardo Cardozo gave the opening speech of the thirty-seventh plenary meeting of the Group of Experts for the Control of Money Laundering (GELAVEX) of CICAD and welcomed delegates, observers and representatives of international organizations, thanking the opportunity for Brazil to assume the presidency of the Group and also congratulated and thanked the outgoing Presidency, in charge of Argentina, the outstanding work during its mandate in the period 2012-2013, committing to continue and enhance the work and activities of GELAVEX.

The National Secretary of Justice, Dr. Paulo Abrão, as incoming Chairman and on behalf of the Federal Republic of Brazil, offered kind words of welcome to all distinguished delegates, reiterating the commitment of Brazil to receive the Presidency *pro tempore* during period 2013-2014, providing full support to the working groups within their respective mandates.

Mr. José Alberto Sbattella, President of the Financial Intelligence Unit (UIF) of Argentina, as GELAVEX outgoing Chairman, welcomed all delegations and authorities, thanking the trust during the year of its mandate; outlined succinctly activities, work and accomplishments that the Group achieved, specially highlighting the work of the Sub-Working Groups with the active participation of all delegates, finally offering all the support of the Delegation of Argentina to the incoming Presidency to continue generating products and tools that contribute the countries to face the next round of Mutual Evaluations of the FAFT-style regional bodies, thereby improving its AML/CFT systems.

The Executive Secretary, through Mr. Nelson Mena, Head of the Anti-Money Laundering Section, greeted the delegations on behalf of the OAS Secretary General and the Executive Secretary of CICAD, making himself available to provide technical support to the Group to successfully advance the work and activities for the current working period.

2. **Agenda.** The Group approved the draft of the agenda without modifications (CICAD/LAVEX/doc.1/13).-

## **III. GROUP DELIBERATIONS**

### 1. Report of activities of the Executive Secretary (ES).

The ES/CICAD presented to the Plenary an executive report of the activities undertaken during the period 2012-2013 (CICAD/LAVEX/doc.6/13). The Group adopted the aforementioned report without modifications.

2. The Coordination of the Sub-Working Group of International Cooperation and Forfeiture and BIDAL Project, presented the **“Self-Assessment Guide for the Forfeiture and Assets Administration Systems”** (CICAD/LAVEX/doc.3/13 rev.1), approved by the Group with the observation of Argentina, supported by Brazil, Uruguay and Ecuador to replace the term “recommendations” by “guidelines” in the body of the document, given that it could generate some confusion with the FATF 40 Recommendations and considered binding on countries, being that the document has been prepared for the sole purpose of serving as a tool for Member States and internally reviewing the matter. The delegations of United States of America and

Uruguay also suggested that this work could serve the evaluators for the next mutual evaluations of the FATF style bodies, so it was agreed to instruct the ES to communicate and make available to the Executive Secretaries of FATF, CFATF and GAFISUD the work of the GELAVEX, after approval by the Commission.

3. Presentation of the delegation of the United States of America: International Sharing of Forfeited Assets, Perspective and Case Analysis in United States. Michael J. Burke, Senior International Counsel, Asset Forfeiture and Money Laundering Section, US Department of Justice. The delegations welcomed the presentation given by the distinguished delegate of the U.S., highlighting the importance of sharing assets internationally, thus promoting the possibility of joint actions at bilateral and multilateral levels on the basis of international agreements or arrangements, recognizing the interest to carry out a fair and equitable sharing among participating countries in these proceedings.
4. Presentation of the United Nations Office on Drugs and Crime (UNODC), of the “Guide to Judicial Cooperation in Asset Recovery”, by Andrés Ormaza, Legal Expert of the Crime Prevention and Criminal Justice Program –PRECO-UNODC. Delegations welcomed the interesting presentation of the representative of UNODC, work that matches the lines of action which is currently working on GELAVEX, so the Group urged to coordinate, through the Executive Secretary of CICAD and UNODC office based in Bogota, in order to seek synergies and complement the work that both agencies is advancing in the field.
5. Presentation of the Executive Secretary of GAFISUD, by Andrea Garzón, Technical Assistant: Report on the Implementation of GAFISUD Asset Recovery Network (RRAG). The Group welcomed the report submitted by the Executive Secretariat of GAFISUD, stressing the importance of the informal network for exchange of information that seeks to identify and arrest of the property or assets of illicit origin. The distinguished delegation of Brazil highlighted the significant progress in its implementation and invited all jurisdictions that are part of the network to actively use the platform for sharing real-time flow of relevant information in cases of ML/FT.
6. Presentation of the delegation of Argentina: Case Studies in money laundering and capital flight practiced by Financial Institutions. Mr. José Alberto Sbattella, President of the Financial Intelligence Unit (FIU) of Argentina. The Group received with much attention the case study presented by the distinguished delegation of Argentina, whose practical approach with this type of exposure during the session of GELAVEX generated important information to Member States and helped to identify ML/FT typologies and different mechanisms useful to address these risks and threats in a continental level, implementing a strong AML/CFT system, thus avoiding further possible damage to the economic and financial order.
7. Presentation of the delegation of Brazil: The National Plan to Combat Money Laundering in Brazil, and implementing Laboratories against Money Laundering as a tool for supporting the development of asset investigation. The Group kindly listened to the exposition of the delegate of Brazil, which highlighted the creation of AML laboratories, which perform a task of information analysis in the cadastral, banking, tax, accounting, securities, property, telephone domain and other forms of telematic communication, which supports the authorities in law enforcement, thereby promoting proactive and multidisciplinary research. He emphasized the use of a diverse range of information sources -open and closed- to which laboratories have

access, and that allows crossing information that can help the detection of inconsistencies in the wealth increase of subjects under investigation. It also highlighted the use of high-tech hardware and software- for gathering, centralizing and analyzing information, generating the possibility of developing an extensive network of ALD technology laboratories at the national and international level.

8. The coordination of the Sub-Working Group of International Cooperation and Asset Forfeiture presented the draft of the “Study on International Cooperation Mechanisms (formal and informal)” that permit adequate and efficient exchange of information for the prevention and suppression of money laundering, terrorism financing and the prevention and recovery of criminal assets (CICAD/LAVEX/doc.5/13 rev.1). The Group approved this document making a slight modification proposed by the distinguished delegation of United States regarding the sentence “through diplomatic channels and procedures”, deleting the word “diplomatic”.
9. The Coordination of the Sub-Working Group of Financial Intelligence Units and Law Enforcement Agencies presented the document “**Recommendations for the Identification and Analysis Risk Factors Associated with Money Laundering and Terrorism Financing at the American States Level**” ...(CICAD/LAVEX/doc.4/13 rev.1), which was approved, since it is an important reference document that Member States can use to improve their systems to combat ML/TF.
10. The Coordination of the Sub-Working Group of Financial Intelligence Units and Law Enforcement Agencies presented the “ **Methodological Guide of Asset Investigation**” (CICAD/LAVEX/doc.2/13), the Group deliberated that the work will be extremely useful to Member States, specially taking into account the new requirements arising from 40 FATF Recommendations regarding the parallel asset investigations that law-enforcement agencies should carry-out around predicate offenses to money laundering. In this context, the Group adopted the aforementioned methodological guide.
11. Following the mandate from the GELAVEX meeting in May 2013, about working on a statement on the murder of the Prosecutor Dr. Orlan Chávez, Chief of the Anti-Money Laundering Unit of the Public Ministry of Honduras, the delegation of Argentina introduced a draft statement (CICAD/LAVEX/doc.18/13) subjecting it to the discussion and consideration of the plenary, that was approved with slight formal modifications, thanking the delegations to the representatives of Argentina and other delegates that participated in its drafting. It was also agreed that this Statement will be presented for discussion and consideration before the Commission, in its next regular session, and also presented in other specialized AML/CFT forums. The U.S. delegation, regarding this statement, reported on the death of **Ms. Linda Marie Samuel**, who was in charge of the Anti-Money Laundering Section in the U.S. Justice Department, to which various delegations expressed their condolences for such irreparable loss.
12. The Chilean delegation presented to the Group the Document “**Proposed Recommendations for Enhancing Anti-Money Laundering Systems at the level of the OAS Member States**” (CICAD/LAVEX/doc.17/13 rev.1), which contains a summary of the work and recommendations of the Expert Group made in the last three years, prepared by the delegations of Chile and Costa Rica as coordinators of the Sub-Working Groups of GELAVEX, supported by the ES. The document defines lines of action that are recommended for strengthen and/or improving the AML/CFT systems in the American States, in accordance with the **Declaration of Antigua Guatemala** (“For

a Comprehensive Policy Against the Drug Problem in the Americas” - Paragraph 15), approved by the OAS General Assembly at its forty-third regular session (CICAD/LAVEX/doc.19/13); condensed these recommendations in the following lines of action: **a) Strengthen the capacity of the authorities responsible for combating crimes of money laundering and related offenses; b) Improving the effectiveness of international cooperation in asset recovery; c) Develop and/or strengthen the assets forfeiture systems, including the asset investigation, the administration of assets of criminal origin and its Specialized Units; and d) Advance in the study of methodical tools that allow each country to develop its analysis of risk factors, in cooperation with specialized international organizations.** In this regard, the Group decided to raise these recommendations for consideration by the Commission and eventually the General Assembly at its next session, if the Commission deems it is appropriate.

#### **IV. CONCLUSIONS AND RECOMMENDATIONS OF THE PLENARY SESSION OF GELAVEX**

1. To welcome the report of activities of the Anti-Money Laundering Section of CICAD, recognizing the effort that the ES has made in the area of technical assistance to strengthen the institutional capacities of member States.
2. To welcome the introduction of the Guide to Judicial Cooperation in Asset Recovery of the United Nations Office on Drugs and Crime (UNODC), as a reference document for the OAS member countries.
3. To highlight the presentation on Forfeited Asset Sharing abroad – Perspective and Case Analysis in the United States of America.
4. To highlight the presentation of Argentina about Case Studies in money laundering and capital flight practiced by Financial Institutions.
5. Recognizing the significant progress of the National Plan to Combat Money Laundering in Brazil, as well as the significant contributions that the implementation of Anti-Money Laundering Laboratories have given as a tool for supporting the development of asset investigations in Brazil.
6. To approve the “Self-Assessment Guide for the Forfeiture and Assets Administration”.
7. To approve the Document “Study to Identify International Cooperation Mechanism (formal and informal)” that provides an adequate exchange of information to prevent and combat money laundering, the financing of terrorism and the recovery of assets of criminal origin.
8. To approve the document “Recommendations for the Identification and Analysis of Risk Factors Associated with Money Laundering and Terrorism Financing at the Hemispheric Level”.
9. To approve the “Methodological Guide for Asset Investigations”.
10. To approve the statement on the assassination of the Prosecutor Orlan Chávez, Chief of the Anti-Money Laundering Unit of the Public Prosecutor’s Office of Honduras, raising this statement for discussion and approval, by the Commission, at its next regular session and to present it to other AML/CFT specialized forums.

11. To approve the document “**Recommendations to Improve the Anti-Money Laundering Systems at the level of the OAS States Members**”, and raise these recommendations for consideration to the Commission and, eventually, to the General Assembly, in its future sessions, if the Commission deems it appropriate.
12. To approve the 2013-2014 Work Plan of the GELAVEX Sub-Working Groups, in the following order:

**Sub-Working Group for International Cooperation and Forfeited Assets (CICAD/LAVEX/doc. 14/13):**

- Development of a comparative report among work plans, developed products and contacts of strategic partners in order to find possible synergies.
- Complementary study on the procedures and/or criteria for international cooperation in assets sharing. To this end, the Subgroup Coordination will be supported by the ES and with the collaboration of the delegations of the United States and Uruguay.

**Sub-Working Group of Financial Intelligence Units and Law Enforcement Agencies (CICAD/LAVEX/doc.20/13):**

- Asset Investigation. Document containing an analysis on how impact the new FATF 40 Recommendations, particularly regarding the formation of multi-disciplinary teams. Also, this document will deepen the work developed in the Asset Investigation Methodology Guide, featuring tools to implement the work developed.
- Security and integrity of the officials responsible for combating crimes of money laundering and related offenses. Development of a diagnostic document of the points that should be addressed in this work, which will be presented at the next GELAVEX sub-working groups meeting of.

## **V. OTHER BUSINESSES**

### **Presidency and Vice-presidency**

The Group of Experts welcomed the nominations of the delegations of **Uruguay and Peru to the presidency and vice-presidency, respectively, for the period 2014-2015**(to assume in September 2014 at the upcoming Plenary meeting), recommending the delegations to manage those applications with their delegates before the next ordinary session of CICAD, forum that chooses these positions.

### **Next Meeting**

The group agreed that the next meeting of the Sub-Working Groups of GELAVEX will be established by the Chair and the Executive Secretariat, in coordination with the Vice-Chair. For this purpose, the ES will confirm the dates and venue in due time.

The Group thanked the Chair of the Group, held by the Republic of Brazil Delegation, for the excellent organization of the meeting and for the outstanding handling of the Plenary.