



17th St. & Constitution Avenue N.W.
Washington, D.C. 20006
United States of America

Organization of American States

P. 202.458.3000
www.oas.org

Secretariat for Multidimensional Security

**XLIII MEETING OF THE GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING
September 28-29, 2016
Punta Cana, Dominican Republic**

**OEA/Ser.L/XIV. 4.43
DTCO/LAVEX/doc.29/16
25 October 2016
Original: Spanish**

FINAL REPORT

I. BACKGROUND

The Group of Experts for the Control of Money Laundering (GELAVEX) was created in 1992 in accordance with Article 22 of the [Statute](#) of the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS) and is, therefore, one of the advisory bodies of CICAD.

Currently, GELAVEX is formed by two Sub-Working Groups: the Sub-Working Group on International Cooperation and Forfeiture and the Sub-Working Group on Financial Intelligence Units (FIU) and Law Enforcement Agencies (LEA), whose activities are determined by strategic plans that define lines of action and work plans that define concrete actions to be developed in accordance with those lines of action.

The Strategic Plan Proposal for the 2015-2017 period ([CICADCICAD/LAVEX/doc.19/14](#)) was approved at the fifty-sixth regular session of CICAD ([CICAD/doc.2162/14](#)) and, therefore, serves as a guideline for the future activities of the group in the three years of the 2015-2017 period.

In accordance with the 2015-2016 Work Plan approved by CICAD, the Sub-Working Group on International Cooperation and Forfeiture will focus on the following lines of action: a) complex asset management; and b) promoting the development of effective forfeiture laws and their effective implementation among Member States. Furthermore, under the same work plan approved by the Commission, the Sub-Working Group of Financial Intelligence Units and Criminal Investigation Agencies will focus on: a) conducting a study on special investigation techniques; and b) conducting an assessment of the risks associated with ML/TF, which will help to standardize risk-related concepts in accordance to the FATF recommendations.

II. PROCEEDINGS

Inaugural Session

i. The opening remarks were delivered by Daniel Linares Ruesta, Manager of Operational Analysis, Department of Operational Analysis of the Financial Intelligence Unit of the Superintendence of Banking, Insurance, and PFA of Peru, **on behalf of the outgoing President of the Group of Experts for the Control of Money Laundering**, Sergio Espinosa ([DTOC/LAVEX/doc.16/16](#)).

ii. On behalf of the **Secretariat for Multidimensional Security (SMS)**, Nelson Mena, Legal Specialist of the Department against Transnational Organized Crime (OAS/SMS/DTOC), greeted the delegations on behalf of the OAS Secretary General, Mr. Luis Almagro, and the Interim Secretary of the Department of Multidimensional Security (SMS), Dr. Paulina Duarte. He also thanked the leadership of Peru as Chairman of the Group and that of the Dominican Republic for hosting the meeting. Mr. Mena also thanked the valuable collaboration of the Delegations of Chile and Costa Rica, serving as Coordinators of the Sub-Working Groups.

iii. As for the Delegation of the Dominican Republic, Dr. Dulce Maria Luciano, Executive Director of the Financial Analysis Unit of the National Committee Against Money Laundering, and **incoming President of the Group**, welcomed the delegates, thanked General Rafael Guerrero Peralta for his attendance, and subsequently offered him the floor ([DTCO/LAVEX/doc.27/16](#)).

iv. Representing the Dominican Republic, **General Rafael Guerrero Peralta, President of the National Drug Commission and the National Commission against Money Laundering**, also offered words of welcome to the delegates ([DTCO/LAVEX/doc.20/16](#)).

Second Session

i. **Approval of the agenda and review of the issues:** the group approved the draft agenda without modifications ([DTCO/LAVEX/doc.1/16](#)).

ii. Representing the ES/CICAD, Ana Álvarez, Legal Specialist in the Anti-Money Laundering Area of the DTCO, presented the **Activities Report for the period 2015-2016** ([DTCO/LAVEX/doc.6/16](#)). The report was approved by the plenary.

iii. Panel: **identifying, preserving, and disposing of complex criminal assets**. Gene Patton. Chief of Program Operations of the Asset Forfeiture and Money Laundering Section (AFMLS) of the Department of Justice, USA ([DTCO/LAVEX/doc.7/16](#))¹; Francisco Roberto Gerhard Tuma, Asset Administration and Disposal Service (SAE), Mexico ([DTCO/LAVEX/doc.19/16](#)); José Luis Andino Carbajal, Seized Assets Management Office, Honduras ([DTCO/LAVEX/doc.15/16](#)).

Comments by the Delegations:

- Delegation of Costa Rica: asked the speakers if their countries have manuals and/or specific procedures containing references or guidelines about the proper course of action to be taken when certain situations arise. The delegation also requested that these manuals and procedures be shared with the group if they do exist.
- Mr. Gene Patton: explained that there are no concrete manuals; rather, in each case, the course of action is decided upon depending on the nature and characteristics of the assets and is informed by common sense and the asset managers' cumulative experience.
- Mr. Roberto Francisco Gerhard Tuma: promised to pass on the question to his superiors.
- Mr. Jose Luis Andino Carbajal: stated that in Honduras, asset managers take into consideration the provisions of a manual about the receipt of seized companies. He added that this manual is published on the DTCO website and is available to the GELAVEX. He also mentioned that

¹ During his presentation, Mr. Patton made reference to the following documents: [INF 3](#), [INF 4](#), and [INF 5](#).

Honduras has created a regulatory guideline for the management of seized assets, which is still pending approval and which he offered to share upon approval.

iv. Presentation: **Training and professional development for administrators of seized and forfeited assets: the experience of Mexico.** Mr. Roberto Francisco Gerhard Tuma, Asset Administration and Disposal Service (SAE), México ([DTOC/LAVEX/doc.14/16](#)).

Comments by the Delegations:

- Delegation of Costa Rica: praised the initiative and asked the speaker what would be the cost per participant for those wishing to take part in the course.
- Mr. Roberto Francisco Gerhard Tuma: replied that the cost per participant has not yet been determined and that negotiations are being carried out with the university in order to obtain such information.
- Delegation of Honduras: expressed interest in the initiative and suggested that the course include topics related to the receipt and registration of seized assets.
- Mr. Roberto Francisco Gerhard Tuma: welcomed the suggestion and mentioned that the receipt of assets is the subject of one of the diploma's modules.
- Delegation of the United States: praised the diploma course carried out by the SAE/Mexico as an excellent idea and added that the U.S. Marshall Service has an academy in Texas that offers asset management training. The delegate argued that training is essential in ensuring the success of the whole process of managing the assets seized in a country. The delegate concluded by stating that trainings should target not only asset managers, but also members of the legislature.
- Mr. Roberto Francisco Gerhard Tuma: stated that one of the ideas being considered in order to offer the diploma to other countries is to count on international trainers. Thus, he proposed that some manner of collaboration with the U.S. Marshall Service be explored.
- Technical Secretariat: pledged to help build alliances with the Bidal Project, U.S. Marshall Service, and other strategic partners who can support this initiative. The Technical Secretariat also stressed that the DTOC currently has no funds to finance the diploma.

Sub-Working Group on Forfeiture and International Cooperation. Coordinated by the Delegation of Costa Rica.

v. Presentation ([DTOC/LAVEX/doc.9/16](#)): **report on the management of complex assets: challenges and solutions.** Dennis Cheng, Director of the Bidal Project; Xiomara Cordero, Coordinator of the Sub-Working Group ([DTOC/LAVEX/doc.5/16](#)).

Comments by the Delegations:

- Mr. Mauricio Mello, GAFILAT Representative: asked what strategy should be taken in cases in which a company must be intervened upon immediately, but it is not possible to know the costs of recovering the bridge loan.
- Mr. Dennis Cheng: replied that the Manual for the Receipt and Administration of Seized Enterprises determines that a company's receipt phase includes the development of a "feasibility analysis" based on the financial and legal documents of the company being seized. He added that such analysis provides an initial view of the business situation and greatly helps in decision-making.
- Delegation of Brazil: welcomed the study and shared his country's interest in improving the management of seized assets. The delegate mentioned that last year saw the completion of the last phase of implementation of the Bidal Project in Brazil and that the recommendations offered in the framework of the projects are expected to be implemented too since the lack of an efficient system to manage seized and forfeited assets is a major deficiency in the country.

vi. Presentation ([DTOC/LAVEX/doc.12/16](#)): **regional assessment on the status of the implementation of forfeiture laws in OAS Member States**. Xiomara Cordero, Coordinator of the Sub-Working Group and Michael Burke, Delegation of the United States ([DTOC/LAVEX/doc.11/16](#)):

Sub-Working Group on Financial Intelligence Units and Criminal Investigation Agencies. Coordinated by the Delegation of Chile.

vii. Presentation ([DTOC/LAVEX/doc.25/16](#)): **study on the analysis of risks associated with money laundering and terrorist financing**. Delegation of Chile ([DTOC/LAVEX/doc.3/16](#)).

viii. Presentation: **The New Structure of the Secretariat of Multidimensional Security: The DTOC/SMS/OAS and the Anti-money Laundering International System**. Department against Transnational Organized Crime (DTOC/SMS/OAS) ([DTOC/LAVEX/doc.13/16](#)).

Comments by the Delegations:

Third Session

- Delegation of Dominican Republic: made reference to money laundering's evolution of since the Vienna Convention of 1988 and stressed the need to combat money laundering with a broad perspective that includes all predicate offences.
- Delegation of Chile: thanked the presentation of the new structure of the SMS and commented that the decision to move the money laundering unit to the DTOC is consistent with the way countries are working on the issue. First, because—as explained by the delegate—when money laundering investigations are carried out, all predicate offences are taken into account. Second, criminal groups operating today often engage in various criminal activities, the delegate added. The delegate thus concluded her intervention by expressing support for the holistic view that the

OAS is taking toward money laundering in the broader context of combating transnational organized crime.

- Delegation of Costa Rica: asked whether there is any political forum within OAS that engages the issue of organized crime.
- Nelson Mena, Legal Specialist DTOC: replied that there is no specific forum that addresses the problem of transnational organized crime at a hemispheric level; rather, such issues are tackled by various forums, such as the Committee on Hemispheric Security of the Permanent Council, CICAD, CICTE, REMJA, and MISPA. He added that if States consider it appropriate, they could pose to the OAS General Assembly the need to create a specific political forum to deal with transnational organized crime.
- Delegation of Peru: asked who would have the authority to determine the manner in which the issue of money laundering continues to be addressed, given the OAS Secretary General's Executive Order.
- Nelson Mena, Legal Specialist DTOC: answered that in the CICAD's Statutes, OAS Member States established that part of its function is to "facilitate the implementation of actions and the adoption of necessary measures to adequately prevent, control, and sanction the laundering of the proceeds of crime." He further stressed that in the CICAD's Regulation, it was agreed that the GELAVEX was created as one of the advisory bodies of the Commission. He stated that the CICAD remains the political forum with a specific mandate on matters relating to money laundering, and that therefore the GELAVEX should continue reporting its activities and work plans to the CICAD. He concluded by emphasizing that only Member States, through the General Assembly, can decide if the issue of money laundering is to be handled by a political forum other than the CICAD.

i. Presentation: **the importance of interagency coordination and efficient international cooperation for purposes of forfeiture**. Mr. Daniel Villalona, Delegation of Dominican Republic ([DTOC/LAVEX/doc.18/16](#)).

Comments by the Delegations:

- Delegation of Honduras: emphasized the importance of interagency cooperation for purposes of forfeiture both internally in each state as well as in the region. In addition, the delegate asked the speaker about the manner in which seized and forfeited assets are managed and how actions are coordinated with the administrative body.
- Mr. Daniel Villalona: expressed agreement and mentioned that one of the challenges his country is facing in order to move forward in effective asset management is the need to implement laws that clearly define the responsibilities of each of the institutions that participate in forfeiture proceedings.

ii. Presentation ([DTCO/LAVEX/doc.10/16](#)): **complementary study on the rights of victims and bona-fide third parties**. Ms. Tania Gajardo, Coordinator of the Sub-Working Group FIU/LEA; Mr. André Wainer, Delegation of Brazil; Mr. Michael Burke, Delegation of the United States; Mr. Jose Luis Andino Carbajal, Delegation of Honduras; Mr. Dennis Cheng, Bidal Project; and Ms. Ana Álvarez, DTCO/SSM/OEA ([DTCO/LAVEX/doc.28/16](#)).

iii. Presentation: **open sources of information as a tool in the development of ML/TF investigations**. Mr. Daniel Linares Ruesta, Manager of Operational Analysis, Financial Intelligence Unit of the Superintendence of Banking, Insurance, and PFA, Peru; Jose Luis Choque Gomez, Chief of Information Technology Systems, Financial Investigation Unit, Bolivia ([DTCO/LAVEX/doc.23/16](#)).

- Delegation of Dominican Republic: stressed the need for delegations that have not yet sent their inputs pertaining to this project to do so without delay so that the group may benefit from the new tool.

iv. Presentation ([DTCO/LAVEX/doc.26/16](#)): **study on special investigative techniques**. Delegation of Chile ([CDTDCO/LAVEX/doc.4/16](#)).

iv. Presentation: **the experience of Trinidad and Tobago at the fourth CFATF mutual evaluation round**. Mr. Marin Dylan, Analyst, Financial Intelligence Unit, Trinidad and Tobago ([DTCO/LAVEX/doc.17/16](#)).

- Mr. Carlos Acosta, CFATF Representative: recognized the commitment shown by Trinidad and Tobago during the conducted evaluation. He explained the process that the country will undergo within the framework of the “progress report” (follow-up report), in which there will be an opportunity to comment on the advances being implemented to overcome the deficiencies identified during the evaluation.

Fourth Session. Conclusion and Recommendations of the Group of Experts

- Approve the **Activities Report 2015-2016** of the Anti-Money Laundering Area ([DTCO/LAVEX/doc.6/16](#));

- Thank the presentations of the Delegations of the United States ([DTCO/LAVEX/doc.7/16](#)), Mexico ([DTCO/LAVEX/doc.19/16](#)), and Honduras ([DTCO/LAVEX/doc.15/16](#)) in the panel on **identifying, preserving, and disposing of complex criminal assets**;

- Thank the presentation on **training and professional development for administrators of seized and forfeited assets**, delivered by the Delegation of Mexico ([DTCO/LAVEX/doc.14/16](#));

- Approve the **report on the management of complex assets: challenges and solutions** ([DTCO/LAVEX/doc.5/16](#));

- Approve the **regional assessment on the status of the implementation of forfeiture laws in OAS Member States** ([DTCO/LAVEX/doc.12/16](#));
- Approve the **study on the analysis of risks associated with money laundering and terrorist financing** ([DTCO/LAVEX/doc.3/16](#));
- Thank the presentation on the **new structure of the Secretariat for Multidimensional Security**, which reaffirms the crucial role of the GELAVEX as an advisor to the OAS Member States, through the CICAD, on matters of prevention, control, and punishment of the laundering of assets derived from drug trafficking, related crimes, and activities linked to transnational organized crime ([DTCO/LAVEX/doc.13/16](#));
- Thank the presentation on the **importance of interagency coordination and efficient international cooperation for purposes of forfeiture**, delivered by the Delegation of Dominican Republic ([DTCO/LAVEX/doc.18/16](#));
- Approve the **complementary study on the rights of victims and bona-fide third parties** ([DTCO/LAVEX/10/16](#));
- Thank the project **open sources of information as a tool in the development of ML/TF investigations**, presented by the Delegations of Peru and Bolivia ([DTCO/LAVEX/doc.23/16](#));
- Approve the study on **special investigative techniques** ([DTCO/LAVEX/doc.4/16](#));
- Approve the **Work Plan 2016-2017** for the GELAVEX Sub-Working Groups ([DTCO/LAVEX/21/16](#)) and ([DTCO/LAVEX/22/16](#)) and recommend that the Commission approve it at its next regular session.

Other Matters

At this meeting, the Delegation of the Dominican Republic began to exercise the Presidency of the Group, following the approval of its candidacy for the exercise of the Vice Presidency in the fifty-eighth regular session of the Inter-American Commission for Abuse Control Drugs (CICAD), held in Trujillo, Peru, from November 11th to November 13th, 2015 ([CICAD/doc.2240/15](#)).

For its part, the Delegation of Paraguay assumed the Vice Presidency, as was approved at the fifty-ninth regular session of CICAD, held in Washington, D.C., from April 25th to April 26th, 2016 ([CICAD/doc.2251/16](#)).

Next Meeting

The Delegation of Bolivia submitted its candidacy to exercise the Vice Presidency in the period 2017-2018, which corresponds to the period in which the Delegation of Paraguay shall exercise

the Presidency. The Group unanimously supported this nomination and recommended that it be approved by CICAD at its sixtieth regular session, to be held from November 2nd to November 4th of this year in Nassau, Bahamas.

The Group preliminarily agreed for the next meeting of the GELAVEX Sub-Working Groups to take place in May 2017 in Washington, D.C. The Technical Secretariat shall confirm such information in a timely manner by circulating formal invitations to the honorable delegations.