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**XLII MEETING OF THE GROUP OF EXPERTS FOR THE  
CONTROL OF MONEY LAUNDERING  
MEETING ON THE SUB-WORKING GROUPS  
MAY 26-27, 2016  
WASHINGTON, D.C.**

**OEA/Ser.L/XIV. 4.42  
DDOT/LAVEX/doc.18/16  
August 15, 2016  
Original: English**

**FINAL REPORT**

## I. ANTECEDENTES

The Group of Experts for the Control of Money Laundering (GELAVEX) was created in 1990 and it constitutes one of the advisory bodies of the Secretariat for Multidimensional Security (SMS) of the Organization of American States (OAS).

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 Criminal Investigation Agencies, 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 the lines of action.

The Strategic Plan Proposal for the 2015-2017 ([CICAD/LAVEX/doc.19/14](#)) period was approved at the XXXIX GELAVEX meeting and, therefore, serves as a guideline for the future activities of the group in 2015-2017.

In accordance with the 2015-2016 Work Plan approved by CICAD, the Sub-Working Group on International Cooperation and Forfeiture will focus on the: a) management of complex assets; and b) advancement of efficacious forfeiture laws and their effective implementation among Member States. Likewise, the Sub-Working Group on FIUs and Criminal Investigation Agencies will concentrate on the: a) development of a study on Special Investigation Techniques; and b) execution of a study on the risks associated to money laundering and terrorism financing that would allow for the standardization of concepts regarding risk according to the FATF recommendations.

## II. PROCEEDINGS

### **1. Inaugural Session**

i. The opening remarks were given by the **President of the Group of Experts for the Control of Money Laundering, Mr. Sergio Espinosa Chiroque**, Deputy Superintendent of the Financial Intelligence Unit of the Superintendency of Banking, Insurance and Private Pension of Peru. In his speech, Mr. Espinosa mentioned the case of the wrongly dubbed “Panama Papers,” which have put in evidence the weaknesses in states’ capacity to detect operations and people responsible for illicit acts linked to corruption, money laundering and drug-trafficking, among others. Mr. Espinosa stressed that the use of the term “Panama Papers” is not appropriate since Panama should not be pigeonholed due to the case. He also reported that avoiding this term is being proposed in various forums since it stigmatizes the country where investigations are taking place. Mr. Espinosa emphasized that there is a pressing need for the GELAVEX to evaluate the manner in which these unlawful phenomena are being tackled, detect the main challenges to such an exercise, and generate proposals and solutions to help countries combat such acts.

ii. Representing the **Secretariat of Multidimensional Security (SMS), Dr. Paulina Duarte**, Acting Secretary for SMS, greeted the delegations on behalf of the OAS Secretary General and thanked

Peru's leadership in presiding the Group of Experts. She also expressed her satisfaction to be addressing professionals from diverse institutions who are committed in helping the hemisphere combat the financing of organized crime through money laundering.

In addition, Dr. Duarte introduced the new structure of the Secretariat of Multidimensional Security and the creation of the Department against Transnational Organized Crime (DTCO/SMS). Finally, she praised GELAVEX's strategic partners, on the one hand, and the delegations of Costa Rica and Chile for their valuable input as Coordinators of the Sub-Working Groups, on the other hand ([DDOT/LAVEX/doc.8/16](#)).

## 2. Second Session

i. **Approval of the agenda and review of the topics:** the Group of Experts approved the draft schedule of activities without modifications ([DDOT/LAVEX/doc.1/16](#)).

ii. Presentation: Progress report on the analysis of the risks associated to money laundering and terrorism financing. Tania Gajardo, Deputy Chief of Money Laundering. Specialized Unit on Money Laundering, Economic Crimes, Environmental Crimes, and Organized Crime (ULDDECO). Public Prosecutor's Office, Chile ([DDOT/LAVEX/doc.10/16](#)).

### Comments by the participants:

**Delegation of Uruguay:** discussed the importance of labor unions, which can help prevent risks. The delegate also manifested the need for a common approach among Member States to help adopt a standardized position in the manner in which a risk assessment matrix is tackled, defining "risk" as a "threat per vulnerability and impact." To this end, the delegation of Uruguay emphasized that the pooling of efforts is crucial since it is imperative that countries work together in a coordinated fashion. Finally, the delegation expressed its concerns about the confidentiality with which information on the subject is handled.

**Delegation of the Dominican Republic:** stated that the DR carries out its risk assessment with the support of the World Bank, whose template is composed of eight modules that include the 40 recommendations issued by the FATF, and which has resulted very effective. The delegate reminded the Group that it is necessary to consider a comprehensive risk assessment that includes labor unions and other relevant actors, since it is impossible to carry out an effective risk assessment without the input of the financial sector, for example. The delegate also emphasized that states should detect their weaknesses and vulnerabilities, take maximum advantage of the existing resources, and implement well-designed strategic plans where aims and methods are clearly defined.

**Delegation of Paraguay:** proposed that the Group use some international organization's existing risk assessment matrix and that the Technical Secretariat request the appropriate authorization. The delegation underscored that each state must have a central regional organism to coordinate the implementation of the strategic plan and the dissemination of the corresponding risk assessment. Additionally, the delegation mentioned the importance of working together

internally in terms of including all state powers and social sectors, as well as externally in terms of coordinating efforts among countries.

**Delegation of Venezuela:** stated that, as established in the recommendations issued by the FATF, all countries must have a national risk assessment. The delegate agreed with Uruguay and the Dominican Republic in that labor unions can play a role in the mitigation of risks and threats. The delegate also concurred with Paraguay on the importance of working together and stressed that states may be able to optimize the mandatory regulatory framework and accomplish the efficiency demanded by the FATF through coordinated and cooperative efforts.

**Delegation of Colombia:** asked about what the Sub-Working Group will work on, emphasizing that it is necessary to develop either a common methodology or risk assessment matrix that is standard across the hemisphere, whether by i. creating a new product; ii. using existing initiatives, with the permission of the international organisms that own them; or iii. designing a hybrid matrix from the methodologies used by different countries. The delegation agreed that countries must work in a comprehensive and inclusive manner, including labor unions. The delegate recognized the need for public policies that steer states' work toward the desired results and which consider the adoption of effective strategic mechanisms to address threats or weaknesses.

**Delegation of El Salvador:** explained that El Salvador still does not have a national risk assessment, but that efforts are ongoing. The delegate added that in El Salvador, the financial sector has a state supervisory body, but the DNFBPO sector does not have one and this lack raises doubts about the way in which this sector could be involved in the national risk assessment since it is essential to account for all the weaknesses of the non-financial sector. Finally, the delegate asked that those countries that already completed their national risk assessment please share their experiences with the Group.

**Delegation of Costa Rica:** agreed with the Dominican Republic in that a country's risk assessment must account for and represent all sectors, despite the resistances that may arise. The delegate suggested launching an awareness campaign geared toward resisting sectors. The delegate also stressed the importance of implementing international standards while taking into account that the impact of a risk is different depending on the country in question. The delegation also suggested that National Risk Assessments be sensitive to each state's realities, addressing problems with a domestic focus without losing sight of international standards, but rather applying them as is most appropriate given the circumstances. Finally, the delegate emphasized the importance of risk mitigation and pointed out that a lack of resources is the main challenge for many countries in this regard.

**Delegation of Colombia:** With reference to the request by the delegation of El Salvador, the delegation of Colombia insisted that this kind of work requires coordination among all entities. However, the delegate stated that in his experience there must be an affected party or parties in order to direct the efforts into concrete actions. The delegate explained that, in 2013, Colombia prepared a document dictating all public policy with regard to money laundering and that the different lines of action were put in charge of four ministries, but primarily the Ministry of Justice

with the help of the Unit of Financial Information and Analysis. He acknowledged that it was difficult to get to a point in which nonprofit organizations exercised self-regulation because there are so many different kinds of organizations that qualify as nonprofits. The delegate shared that Colombia was finally able to create a system to prevent money laundering in nonprofits once a confederation of some of these associations started to collaborate with the state. He explained that the real estate sector also lacks a clear regulating entity in Colombia, but that the sector itself is in the process of creating one. The delegate stressed that while progress is gradual, it is crucial to raise awareness among all sectors about the dangers of being perceived as vulnerable to money laundering as such sectors may see investment dry up. He also shared that Colombia focused on strengthening the chain of prevention, investigation, prosecution and punishment, where it is important to train judges and prosecutors given the complexity of money laundering crimes. He added that Colombia began by organizing working groups with different sectors and associations, and then hosted seminars to determine all concrete risks. The delegate explained that this was also done in part because Colombia faces an assessment by the International Monetary Fund (IMF) in 2017.

**Delegation of the Dominican Republic:** stated that regarding the working tool, it would be ideal to gauge, through the Secretariat, if any international organization could lend an existing tool to the Group. The delegate also argued that she believes that all countries are facing problems with the DNFBP sector. She shared that the Dominican Republic has learned that the best way to access resisting sectors is through capacity building trainings, through which the Financial Analysis Unit in the DR was able to position itself as a leader. She added that with this method, the DR has been able to start working with the real estate sector and the labor unions. Finally, she added that the regulatory bodies of these sectors have now begun to report, which they should have been doing since 2012 according to the law, but was not done in practice due to a lack of knowledge.

**Delegation of Uruguay:** stated that he was going to make a comment but was asked not to due to time constraints, even though other delegations were then given the floor for another twenty minutes. The delegate of Uruguay added that he traveled to this city to attend this meeting and had expected to be heard.

**President:** thanked the delegate of Uruguay for giving up his turn, and reminded the Group that one of the duties of the presidency is to monitor that the time limits are respected so the Group can fulfill the agenda without denying the floor to those delegations that would like to speak. The President added that the work day must end at 6 p.m. since budgetary constraints prevent allocating funds to pay overtime to the meeting's interpreters. He urged all the delegations to please be brief in their comments so that everyone can have the floor. Finally, the President determined that the Group will next hear the IDB's presentation before returning to the subject of risk assessment matrix and allowing the Coordination of the Sub-Working Group to wrap up that discussion.

iii. Presentation: The experience of the Inter-American Development Bank (IDB) in the development of National Risk Assessments in the region ([DDOT/LAVEX/doc.15/16](#)). Roberto de Michele, IDB Representative.

### Comments by the participants:

**Delegation of Paraguay:** thanked the support extended by the IDB to Paraguay. The delegate stressed the need to establish a coordinating unit and stated that groups of neighboring countries should address risks through a regional approach.

**Delegation of Costa Rica:** asked the IDB representative what is the procedure to organize a second intervention to update the National Risk Assessment, which should be done every two years. The delegate explained that in the case of Costa Rica, two years have already passed since the last assessment.

**Delegation of the Dominican Republic:** stated that although the process of requesting the use of a BID tool is quite clear, sometimes there is no time to carry out such a request. The delegate added that if formal channels were used in the Dominican Republic, there would not be enough time to carry out the fourth assessment before the mutual evaluation that will take place this year. The delegate also asked the BID representative for authorization to share the BID's tool with the rest of the GELAVEX countries.

**IDB Representative:** in response to the question raised by the delegation of the Dominican Republic, the IDB representative stated that since the IDB uses the FATF's methodology, which is public, the tool can be freely shared. However, he explained that when the IDB partners up with the IMF, the IDB complements the FATF's methodology with the IMF's methodology, which is sometimes shared by the agency. The representative stated that countries can also choose to execute a self-administered assessment, taking the guidelines issued by the FATF and adapting them independently, since it is otherwise necessary to involve an international organization. He shared that in the initial mission to Costa Rica, when the National Risk Assessment was completed, the IDB was supported by the IMF in the development of the national plan once the National Risk Assessment was completed. Regarding the comment made by the delegation of Paraguay, the IDB representative explained that the National Risk Assessment was implemented in Paraguay in a less than ideal time. However, he stated that the presence of the members of the technical team among critical state agencies strengthened institutional memory, bolstered strategic knowledge, and expanded the ability to prioritize needs. Finally, the IDB representative stressed how success in this kind of venture is predicated on sustaining political will over time instead of sitting on one's laurels once a national plan is designed.

**President:** after thanking the IDB representative for his presentation, he gave the floor to the Coordination of the Sub-Working Group on Financial Intelligence Units (FIU) and Criminal Investigation Agencies in order to define the manner in which the Group will collaborate to accomplish the corresponding Work Plan.

**Coordination of the Sub-Working Group:** thanked the interventions and summarized each of the delegations' comments. The Coordination asked the delegation of the Dominican Republic if they might be able to share the template supplied by the World Bank for the elaboration of a common risk assessment plan. She suggested that another possibility would be to create a

hybrid of the different methodologies used by the states, perhaps with the assistance of the World Bank or the IDB. Finally, she stressed that all delegations seem to support the adoption of a common risk assessment matrix or methodology.

**President:** In response to the comment by the delegation of Colombia, he stated that the design of a common methodology would fall beyond the mandate of the Sub-Working Group, which focuses on the standardization of concepts relating to the risk assessment. The President added that in accordance to the existing mandate, the GELAVEX should develop a matrix rather a methodology.

**Coordination of the Sub-Working Group:** thanked the President for his intervention and agreed that given the existing mandate of the Sub-Working Group, the focus should be on developing a common matrix. The Coordination listed the delegations that volunteered to participate in this activity as Peru, Uruguay, Bolivia, the Dominican Republic, the GAFILAT Secretariat, Argentina, Costa Rica and Colombia. The Coordination asked the delegations to share their views on how to address the task, pointing out some alternatives such as adoption of the template used by the Dominican Republic and owned by the World Bank, the adoption of an IDB template or the creation of a hybrid template.

**Delegation of Uruguay:** requested that Uruguay be removed from the group of delegations in charge of designing the matrix since there are enough delegations participating in the initiative.

**Delegation of the Dominican Republic:** suggested that the Group itself create a matrix from what already exists since the Dominican Republic is not authorized to share the World Bank tool and would need to request permission to do so. The delegate proposed that the Group develop its own product taking into account international standards and the recommendations issued by the FATF.

**Delegation of Venezuela:** added that the FATF's guidance on international risk assessments could be useful.

**Delegation of Costa Rica:** expressed confusion regarding the development of the tool in question and asked whether such a product will be a matrix, a template or a methodology.

**Coordination of the Sub-Working Group:** stated that the Group should work on a matrix and present it at the next GELAVEX meeting.

**Technical Secretariat:** expressed that having conducted a comprehensive review of what was agreed upon during the meeting in Lima, the mandate dictates that the Sub-Working Group focus on the standardization of concepts. The Secretariat stressed the need to define what the matrix in question would contain since it should not contain actual risks; rather, it should focus on the standardization of concepts relating to the risk assessment. The Secretariat emphasized that the Sub-Working Group may not exceed its mandate to develop a methodology or a risk matrix, which would also take longer to prepare such that it would be impossible to present a

final product at the regular session of the Inter-American Drug Abuse Control Commission (CICAD) to be held in November.

**Delegation of the United States:** concurred with the creation of a common matrix, but expressed disagreement with the development of a common template or methodology, noting that such a product would fall beyond the mandate of the Sub-Working Group. The delegate stressed that a potential change in the mandate to accommodate such a task would worry her because of the vast diversity among the countries and legal systems making up the GELAVEX. She stated that for this reason, she believes that a common, “one size fits all” template would be too prescriptive to be helpful. The delegate reminded the Group that any developed product should have practical utility to the Member States.

**Coordination of the Sub-Working Group:** suggested that the Group focus on creating a matrix that standardizes concepts and serves as the basis for a future task of evaluating the potential need to create a common methodology. The Coordination added that, in this way, the Group will not exceed the mandate agreed upon at the meeting in Lima.

**President:** stressed that the results of this work should be evaluated before deciding whether it is even necessary to conduct a future study. The President also reminded the Group not to use the term "methodology" in reference to the Group's upcoming task. Finally, he echoed the concerns of the delegation of the United States in terms of the practical utility of GELAVEX products given the diversity of legal systems among Member States.

iv. Presentation: Progress report on the complementary study on the rights of victims and bona fide third parties. Tania Gajardo, Deputy Chief of Money Laundering. Specialized Unit on Money Laundering, Economic Crimes, Environmental Crimes, and Organized Crime (ULDDECO). Public Prosecutor's Office, Chile; Cristian Taboada. Chief of Security and Justice Unit, Department of Public Security (DPS/SMS/OAS); Ana Álvarez, Legal Specialist, Department against Transnational Organized Crime (DDOT/SMS/OAS) ([DDOT/LAVEX/doc.11/16](#)).

Comments by the participants:

**Delegation of the Dominican Republic:** added that in the last case presented by the Coordination of the Sub-Working Group there would only be a partial recognition of property rights because prosecutors can enter judicial agreements according to what is permitted by each jurisdiction. The delegate made reference to Dominican legal system, in which the existence of bona fide third parties must be proven for judicial agreements to proceed.

**Delegation of Bolivia:** requested information about the possibility of extending the public safety program to South America. The delegate asked that, to the extent possible, the Technical

Secretariat formalize its requests for information through the delegates participating in GELAVEX meetings. The delegate also stated that Bolivia would be interested in collaborating on the report presented, but that since it does not often have sentences such as those presented by the delegation of Chile, it would not be able to contribute in matters of legal doctrine or jurisprudence. However, the delegate added that Bolivia could identify some “best practices” on the subject from the country’s experiences.

**Delegation of Costa Rica:** consulted if the Technical Secretariat may be able to support Costa Rica in the training of state officials from different backgrounds. The delegated expressed the aim to standardize criteria and distill the international best practices on the subject so that they may be implemented in the context of Costa Rican law.

v. Presentation ([DDOT/LAVEX/doc.3/16](#)): Progress report ([DDOT/LAVEX/doc.16/16](#)) on the challenges and solutions in the management of complex assets. Dennis Cheng, Director of Project BIDAL; Xiomara Cordero, Coordinator of the Sub-Working Group on International Cooperation and Forfeiture.

vi. Presentation: Case study on the management of complex assets. Francisco Zavala, Director of the Office for the Administration of Seized Assets (OABI), Honduras ([DDOT/LAVEX/doc.12/16](#)).

#### Comments by the participants:

**Delegation of Peru:** stated that it would be convenient for countries to learn from the examples given by the representative of the OABI, especially those countries with legislation that hinders the management of seized companies by agencies that are not considered to be part of public or private law. The delegate mentioned that political decisions sometimes interfere with the effective management of seized assets. Finally, the delegate asked the other delegations to share their experiences to bolster the study and suggested maintaining virtual communications among the representatives of the asset management agencies to address doubts, exchange best practices and implement effective national strategies.

**Delegation of Venezuela:** shared a case of complex asset management in Venezuela stemming from the seizure of acidic fertilizers meant to be used as drug precursors. The delegate stated that although new alternatives are being studied, the current Venezuelan legislation mandates that seized or confiscated assets may only remain under the state’s management if there is consonance between the assets in question and the work of the state or the national anti-drug office.

**Delegation of Costa Rica:** requested, like Peru, that countries please share their experiences so that each country has an array of examples of different frameworks from which to choose the most suitable. The delegate shared a case in which Costa Rica issued a policy about the management of assets of economic interest, which helped settle what was assumed in judicial warehouses, with the goal of only forfeiting those assets that award benefits to the state. He explained that in this way the country managed to reconcile with judicial authorities such that

while the Office of the Prosecutor can seize whatever they deem appropriate, those goods that are deposited for management by the Asset Recovery Unit are only those of economic interest.

**Delegation of Colombia:** asked whether the questionnaire to be circulated includes other countries' experiences managing companies that are included in the sanctions list published by OFAC<sup>1</sup>. The delegate also requested more information on best practices on the subject.

**Director of Project BIDAL (DDOT):** recognized that the objective of the study is not only to collect best practices but also common problems such as those mentioned by the delegations of Peru and Costa Rica. He stated that the provisional use of seized assets is also riddled with challenges and that some contexts are more suitable for anticipated sale than others. He added that these topics are discussed in a best practices document published by the SMS in 2008 or 2009, which perhaps should be updated. With regard to the interjection by the delegate of Costa Rica, he said that in many countries the standard operating procedure of the 1980s and 1990s was to seize all assets that might be of criminal origin, without discriminating objects of evidentiary interest. However, he stressed that, with time, each country's authorities have learned that there should be a purpose to every seizure. He added that with respect to the seizure of companies, cooperation between the relevant investigative bodies is crucial. Finally, he suggested that with respect to the challenges presented by Bitcoins, perhaps one could use the legal tool of forfeiture of assets of equivalent value.

**Coordination of the Sub-Working Group:** clarified that the Technical Secretariat will circulate the questionnaire to the delegations and will specify who should answer them. The Coordination thanked in advance any and all input from the delegations.

**OABI Representative:** shared that in Honduras there is still no strategy in the event that a functioning asset or company is declared in forfeiture. He stated that an important challenge ahead will be the development of a valuation method that can handle such a complex transaction as the sale of an operating company.

**Delegation of Peru:** requested that the final minutes of the meeting include mention of the need to work on a new manual on the management of seized assets, since it is important to develop guidelines or publications that can help countries improve their management mechanisms. The delegate added that it is crucial that asset managers be proactive and seek practical solutions to different challenges. In this regard, the delegate proposed the creation of a network or group of representatives of asset management offices in order to share experiences with the goals of improving the use of managed assets and answering questions that may arise from other countries.

**Delegation of Venezuela:** shared that Venezuelan legislation mandates the immediate disposal of seized or forfeited assets and only allows for the management of consonant assets. For this reason, the idea has been proposed to transform certain goods into assets that are in consonance with the work of the Venezuelan state.

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<sup>1</sup> Oficina de Control de Activos Extranjeros del Departamento del Tesoro de los Estados Unidos.

**Delegation of Costa Rica:** suggested the establishment of an online network or virtual library among the different countries to facilitate the share of lessons learned and best practices on all these topics. The delegate added that Costa Rica's RAAG platform could be used to create this network.

**Coordination of the Sub-Working Group:** thanked the proposals put forth by the delegations and invited the delegates to think about other initiatives that could be included in the Group's next Strategic Plan.

vii. Presentation: Training and professional development for managers of seized and forfeited assets: the experience of Mexico. Rodrigo Garza, Director of Corporate Affairs. Asset Administration and Disposal Service (SAE), Mexico ([DDOT/LAVEX/doc.13/16](#)).

Comments by the participants:

**Delegation of Peru:** asked the speaker if the diploma on asset management and disposal is open to the general public or if it is limited to SAE professionals. The delegate also requested information regarding cost of the course.

**Delegation of the Dominican Republic:** commended the SAE's initiative, stressing the importance of properly managing seized assets. The delegate also thanked the Technical Secretariat's efforts to help other countries in the region learn from the Mexican experience.

**Technical Secretariat:** highlighted SAE's leadership in the training of government officials through the only known diploma course worldwide on the management of seized assets. The Technical Secretariat added that it is exploring various alternatives to formalize a strategic alliance with the SAE, either by creating an online version or organizing an adapted course that can be completed by asset managers from different jurisdictions.

**SAE Representative:** answered Peru's question, stating that the diploma is currently open only to SAE officials. However, he stressed that the SAE is interested in exploring synergies and establishing partnerships that will help it share its experience with other delegations.

### 3. Third Session

i. Presentation: Progress report on the study on the use of special investigative techniques. Tania Gajardo, Deputy Chief of Money Laundering. Specialized Unit on Money Laundering, Economic Crimes, Environmental Crimes, and Organized Crime (ULDDECO). Public Prosecutor's Office, Chile ([DDOT/LAVEX/doc.9/16](#)).

Comments by the participants:

**Delegation of Paraguay:** observed that in Paraguay, phone companies often refuse to share information transmitted by users on their mobile phones. The delegate argued that this practice

is a problem for the authorities, since there is no coercive legislation to force the private sector to cooperate with investigations.

**Delegation of Chile:** suggested that the topic introduced by Paraguay is a very serious one. The delegate introduced the example of the FBI's controversial request that Apple provide the agency access to an encrypted phone belonging to the perpetrator of the attacks in San Bernardino. He added that there are countries like Colombia where legislation does allow access to private "chats".

**Delegation of Bolivia:** commented that in a recent training with the United Nations, the delegation learned about transactions happening through a hidden computer network called Tor. He stated that the delegation of Bolivia present at this meeting has not received any request for information by the Technical Secretariat in the context of the study on special investigative techniques. The delegate requested that the questionnaire be circulated.

**Delegation of the Dominican Republic:** explained that Dominican legislation authorizes intercepting social networks in general and emphasized the usefulness of broad terminologies such as "social networks" to make sure that future communication mediums are covered by the legislation. The delegate shared that, in the Dominican Republic, there is also a broad definition of the pertinent authorities with access to collected information, such that it includes not only the judge and competent court, but also the public prosecutor's office and other agencies involved in the investigation. The delegate argued that this legislation has allowed for the intercepting of messages sent via WhatsApp, which is currently the preferred social network by criminal cells in the Dominican Republic. She added that in terms of creating fictitious companies to conduct undercover investigations, it is better that companies are established formally and are registered under all relevant authorities so that they are credible and do not endanger the undercover agent.

**President:** said that often the obstacles are not legal. Stated that Peru has all the necessary legislative tools and that the United States has donated equipment to help intercept messages in the context of battling drug trafficking. However, he explained that on the subject of using special techniques such as creating fictitious companies and legal persons, there are operational difficulties related to the need to involve other public agencies in addition to the prosecution.

**Technical Secretariat:** stated that the questionnaires will be circulated once again to those delegations that failed to receive them. The Technical Secretariat added that the responses will be presented in the next meeting of the GELAVEX.

ii. Progress report on the Technical Assistance Program on International Cooperation in Asset Recovery (REACT). Ana Álvarez, Legal Specialist, Department against Transnational Organized Crime (DDOT/SMS).

The Technical Secretariat reported on the progress made since the last plenary. First, in order to continue the development of **situational diagnoses** on the international recovery of assets, the Secretariat has prepared a questionnaire for specialists on the subject, whose answers will be

received until July 15, 2016 and will serve as inputs for the diagnoses. Second, in order to elaborate **framework provisions** to help OAS Member States implement international standards on asset recovery, the Technical Secretariat reported that the registration period for the establishment of the Ad-Hoc Group will end on July 15, 2016 .

Comments by the participants:

**Delegation of Costa Rica:** expressed its desire to continue working on the project and its interest in collaborating with Professor Dr. Isidoro Blanco in the development of the framework provisions to help Member States implement international standards on asset recovery.

iii. Presentation: Progress report on the project “Open sources of information as a tool in the development of ML/TF investigations.” Daniel Linares Ruesta, Manager of Operational Analysis, Department of Operational Analysis, Financial Intelligence Unit, Peru; José Luis Choque Gomez, Chief of Information Technology Systems, Financial Investigations Unit, Bolivia ([DDOT/LAVEX/doc.5/16](#)).

Comments by the participants:

**Delegation of Panama:** asked if it was necessary to ask permission to the entities that own these webpages to include the information in the database.

**Delegation of Peru:** answered that all the information is public, so it was not necessary to ask permission.

**Delegation of Colombia:** asked which platform was used to develop the webpage and inquired about the sustainability of the webpage if it were to generate costs in the future the tool. The delegate also pitched the creation of a glossary of equivalent technical terms between countries to facilitate the use of the webpage.

**Delegation of Bolivia:** replied that Bolivia will bear all the costs as long as the tool proves useful. The delegate also answered that the webpage was developed on a Linux platform, but that the acquisition of an SSL certificate is being considered in order to increase the system’s security. Finally, the delegate praised the idea of developing a glossary of equivalent terms, and promised to consider it.

**Technical Secretariat:** reminded the Group that there are still 14 countries that have not designated national coordinators and pledged to follow up on the issue.

**Delegation of Costa Rica:** requested that the contact points of those who can designate platform users be defined and that a list of these contact points is circulated by the coordinators. The delegate also asked for a clarification on whether the platform is now available for use.

**Delegation of Peru:** explained that the communication mechanism in this regard is through the coordinator appointed by each country and that such country coordinators may ask for however

many users they wish. He clarified that the tool presented here is a prototype and has not yet been validated.

**Delegation of Chile:** requested that the Technical Secretariat circulate an updated list of national contact points.

**Delegation of Bolivia:** answering the question of Costa Rica, stated that while the system is already operating, the pertinent information has yet to be uploaded since so far only four countries have loaded their information. He reiterated the need for countries to submit relevant information through each country coordinator.

iv. Presentation: Progress report on the regional assessment on the status of implementation of forfeiture laws in OAS Member States. Xiomara Cordero, Lawyer, Asset Recovery Unit, Costa Rican Drug Institute; Michael Burke, Senior International Counsel, Asset Forfeiture and Money Laundering Section, U.S. Department of Justice ([DDOT/LAVEX/doc.4/16](#)).

v. Presentation: International Cooperation: strategies for the efficient recovery of illicit assets. Andrea del Pilar Agudelo Sarmiento. Advisor on Persecution of Assets Program. Crime Prevention and the Justice Strengthening Area (PROJUST), UNODC Colombia ([DDOT/LAVEX/doc.6/16](#)).

Comments by the participants:

**Delegation of the Dominican Republic:** stated that the Dominican Republic still does not have an *In Rem* forfeiture law and is now working on a bill based on other countries' legislation. The delegate added that despite not having such a law, the Dominican Republic efficiently meets requests for mutual legal assistance since it has a great deal of political will, which helps overcome these obstacles.

**Delegation of El Salvador:** said that in El Salvador this law is recent and sometimes its results are ineffective. According to the current system, a criminal process begins and when a definitive sentence is passed, the sentence does not make any reference to the assets of illicit origin identified in the process. This is due to the notion that assets should be handled under a different process, which results in a doubling of efforts and expenses, which undermines the principle of procedural economy. The delegate expressed an interest in learning the true reasoning behind this legislation and in receiving an explanation of the substantive distinction between retrospectivity and retroactivity.

**Delegation of Chile:** revealed that Chile does not have an *In Rem* forfeiture bill either and requested arguments that could be used in favor of such a law, so as to share them with the competent authorities. The delegate said that, as in the case of the Dominican Republic, although there is no such law in Chile, it is still possible to achieve positive results on issues of cooperation with other countries. The delegate added that creativity plays an important role in this regard.

**Delegation of Venezuela:** mentioned that there is a special forfeiture procedure within the Venezuelan penal code that is not restricted to drug-related crimes, but which also applies to

other crimes perpetrated by organized criminal networks. However, the delegate stressed that such legal figure operates only in cases in which the asset has been confiscated for more than a year. The delegate asked whether these characteristics of Venezuelan law are in compliance with international standards such as the FATF recommendations.

**Delegation of Peru:** explained that there have been legislative developments in Peru in relation to forfeiture without conviction, although to date such a figure is accessory to criminal proceedings. The delegate added that there is a bill seeking to generate autonomy of the *In Rem* forfeiture figure in Peru. The delegate added that the country's legal specialists should know about the matter fully and continue to work with a focus on international cooperation.

vi. Presentation: Challenges in evaluating the effectiveness of anti-money laundering systems in the Caribbean region. Evaluation of the immediate results of the new round of mutual evaluations. Dawne Spicer, Deputy Executive Director, Caribbean Financial Action Task Force (CFATF) ([DDOT/LAVEX/doc.7/16](#)); Roman Chavarria Campos, Chief of the Financial Intelligence Unit, Costa Rica ([DDOT/LAVEX/doc.14/16](#)).

#### Comments by the participants:

**Delegation of the United States:** with regard to the first recommendation, the delegate asked which are the evaluators' indicators in trying to determine if a jurisdiction understands, evaluates and assumes risks. The delegate also asked if the results are always negatively impacted if there is no national risk assessment. On the subject of recommendation 29, the delegate asked what is the weight that evaluators assign to Financial Intelligence Units (FIUs) having memorandums of understanding (MOUs) in contrast to other factors such as the quality and quantity of information exchanges carried out.

**Delegation of the Dominican Republic:** highlighted that several of the countries that are in the first group of the fourth round do not have a full risk assessment. The delegate recommended that states learn about their risks through internal sectoral assessments and that they create risk mitigation plans so that each country is prepared. She also suggested that the Group's discussions remain grounded on official reports issued by recognized international organizations and urged caution regarding the role of the press and what is disseminated through it.

**Delegation of Costa Rica:** discussed the assessment carried out in Costa Rica and warned that the process is rigorous and requires the utmost dedication by state officials who are involved in it.

#### **4. Fourth Session: Conclusions and Recommendations of the Group of Experts**

i. To move forward with the study ([DDOT/LAVEX/doc.10/16](#)) on the analysis of risks associated with money laundering and terrorism financing in a manner that allows to standardize risk-related concepts as recommended by the FATF, taking into account the inputs that the Coordination of the Sub-Working Group on FIU/LEA and the Technical Secretariat are able to gather from among the delegations that pledged to support the study and the international organizations working on the subject;

- ii. To thank the presentation ([DDOT/LAVEX/doc.15/16](#)) on the experience of the Inter-American Development Bank (IDB) in the development of national risk assessments in the region;
- iii. To thank the presentation ([DDOT/LAVEX/doc.12/16](#)) on the management of complex assets given by Honduras's Seized Assets Management Office (OABI);
- iv. To continue to work on the complementary study ([DDOT/LAVEX/doc.11/16](#)) on the rights of victims and bona fide third parties, setting July 15 as the deadline for all delegations to submit their inputs to the Technical Secretariat;
- v. To continue to work on the study ([DDOT/LAVEX/doc.16/16](#)) about the challenges and solutions on the management of complex assets, setting
  - a. June 15 as the deadline for delegations to send any comment to the Technical Secretariat in relation to the questionnaire created by the Sub-Working Group on International Cooperation and Forfeiture with the support of Project BIDAL; and
  - b. July 15 as the deadline for delegations to submit their answers to the questionnaire to the Technical Secretariat;
- vi. To thank the presentation by Mexico's Asset Administration and Disposal Service (SAE) ([DDOT/LAVEX/doc.13/16](#)) and to ask the Technical Secretariat to continue its efforts to establish a strategic alliance to learn from Mexico's leadership and to provide trainings to managers of seized and forfeited assets from all OAS Member States;
- vii. To move forward with the study on special investigation techniques ([DDOT/LAVEX/doc.9/16](#)), instructing the Technical Secretariat to circulate the corresponding questionnaire again so that the delegations that have not answered it have the opportunity of submitting their answers by July 15;
- viii. To move forward with the Program on International Cooperation for Asset Recovery (REACT), setting July 15 as the deadline for delegations to submit their answers to the questionnaire that will be circulated by the Technical Secretariat;
- ix. To thank the progress report "Open sources of information as a tool in the development of ML/TF investigations," ([DDOT/LAVEX/doc.5/16](#)) agreeing to
  - a. Urge the delegations that have not designated a country coordinator to do so without delay;
  - b. Remind country coordinators who have not yet submitted the list of the websites for their countries to do so to the Project Coordinators, copying the Technical Secretary, by July 20;
  - c. Instruct the Technical Secretariat direct its efforts to supporting the implementation of training and capacity building activities required by the project;
- x. To move forward in the creation of a regional assessment ([DDOT/LAVEX/doc.17/16](#)) about the the status of implementation of forfeiture laws in OAS Member States, setting

- a. June 15 as the deadline for delegations to send any comment to the Technical Secretariat in relation to the questionnaire;
- b. July 15 as the deadline for delegations to submit their answers to the questionnaire to the Technical Secretariat;

xi. To thank the presentation ([DDOT/LAVEX/doc.6/16](#)) on the efficient recovery of illicit assets, given by UNODC Colombia and to ask the Technical Secretariat that it continue to explore synergies with UNODO on the subject;

xi. To thank the presentation ([DDOT/LAVEX/doc.7/16](#)) on the challenges in evaluating the effectiveness of anti-money laundering systems in the Caribbean region, given by the Executive Secretariat of the Caribbean Financial Action Task Force (CFATF) and the delegation of Costa Rica;

## **5. Other Issues**

### Next Meeting

- i. The next plenary meeting of the GELAVEX will be organized in the Dominican Republic by the Presidency and the Technical Secretariat, in coordination with the Vice-Presidency. The Technical Secretariat will confirm the dates and exact location ahead of time.
- ii. The Group expressed its appreciation of the Presidency, exercised by the delegation of Peru, for the excellent organization of the meeting and for its outstanding handling of the plenary.