

Case Ref: 08013
Distribution: Unrestricted
Chapter: Misuse of business facilities

Company A, established overseas with very vague corporate goals and with foreign managers, opened an account with a bank in Country X. This company was granted an investment loan to purchase a real estate company in Country X. This loan was not paid off by the company but by international transfers from Mr. Z's personal account, lawyers and one of Company A's managers.

Analysis revealed the following elements:

- The money for paying off the loan did not originate from the company's activities in Country X.
- The loan was covered by a bank guarantee from a private bank in North America. This bank guarantee was taken over by a bank established in an offshore jurisdiction. A number of countries, including offshores, were involved in the financial structure. The aim of this was possibly to hamper investigation into the origin of the funds.
- The account of the company was credited by an international transfer from an unknown principal. These funds were then withdrawn in cash shortly afterwards by Mr. Z, who did not have an official address in Country X.
- The FIU received information from its foreign counterparts which showed that the lawyer's office of which Mr. Z was an associate was suspected of being involved in the financial management of the proceeds of crime. One of the managers of the company was known for trafficking in narcotics and money laundering.

All of these elements indicated that the company and its managers were part of an international financial structure set up for laundering the proceeds of crime which had derived from drug trafficking and organised crime.

Indicators:

- Use of shell companies / corporations