



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

INTER-AMERICAN DRUG ABUSE
CONTROL COMMISSION

CICAD

Organization of American States

P. 202.458.3000

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Secretariat for Multidimensional Security

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FINAL REPORT
(DRAFT)

GROUP OF EXPERTS
FOR THE CONTROL OF MONEY LAUNDERING



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XXXIII MEETING OF THE GROUP OF EXPERTS FOR THE
CONTROL OF MONEY LAUNDERING
September 27-28, 2011
Caracas, Venezuela

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FINAL REPORT
(DRAFT)

i) BACKGROUND

The Commission, during its forty-second regular session in the city of Santa Marta (Colombia), accepted, as a basis for the work of the Group of Experts to Control Money Laundering (GELAVEX), areas of action identified by GELAVEX in the XXIV plenary Meeting held from 07 to 09 November, 2007 in Santiago de Chile, namely, forfeiture, *in rem* forfeiture, asset recovery agencies, coordination and integration between the Financial Intelligence Units (FIUs) and agencies of prosecution and investigation, and terrorism financing.

The Commission, during its forty-second regular session in the city of Santa Marta (Colombia), also agreed to conduct two annual GELAVEX meetings: one during the first half, exclusively for the working subgroups (a subgroup on asset seizure and a subgroup on coordination and integration) and another meeting during the second half of the year for the plenary group, and at the same time, another meeting for subgroups. The subgroup of forfeiture would be responsible for the following: 1) Study on the identification, seizure or freezing, administration and use of confiscated property, 2) recovery of criminal proceeds, asset recovery agencies, 3) exchange of experiences in property management and 4) international cooperation in detecting, identifying, seizing and confiscating assets abroad. The subgroup of coordination and integration will carry out similar studies on: 1) identification of applicable regulations, 2) good practices, 3) inter-agency cooperation, and 4) common projects.

During the last meeting, the subgroup of forfeiture was coordinated by Costa Rica and experts from Argentina, the Bahamas, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Surinam, the United States and Venezuela, and the subgroup of coordination and integration was coordinated by Chile with the participation of experts of the Bahamas, Belize, Bolivia, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Dominica, Mexico, Panama, Paraguay, Peru, the Dominican Republic, Surinam, the United States and Venezuela.

According to the 2010-2011 work plan approved by the Commission, the subgroup of forfeiture will continue working on a guide on internal procedures for requesting mutual legal assistance in locating and identifying assets and their recovery, headed by the United States. The creation of a basic document on the legal nature of forfeiture is headed by Uruguay. Also under the same work plan approved by the Commission, the subgroup of coordination and integration will continue working on the project of information sources, as well as the preparation together with the Executive Secretariat of CICAD, on an evaluation of the work done by the Group in the last ten years. The subgroup of coordination and integration also received a mandate to prepare the following documents: 1) a situational analysis of needs for money laundering and related areas present in countries, 2) an evaluation on the projects currently being carried out by the group, and 3) a proposal for basic guidelines necessary to structure a strategic plan regarding the work to be developed for the Group.

ii) AGENDA: APPROVAL AND REVIEWING OF THEMES.

Inaugural session

- Opening remarks were given by the outgoing Chairman of the Group of Experts to Control Money Laundering of CICAD, Mr. Engels Jimenez Padilla, Ms. Annalibe Ruiz, Director of Anti-Laundering Section of the National Anti-Drug Office of Venezuela, General Nestor Reverol, Vice Minister of Prevention and Citizen Security of Popular Power of Ministry of Interior Relations and Justice and President of the National Anti-Drug Office and Mr. Tareck El Aissami, Minister of Prevention and Citizen Security Popular Power of Ministry of Interior Relations and Justice

Approval of Agenda and Revision of Themes

- The Chair submitted for consideration by the plenary on the draft agenda, asking the representative of the UNODC, who asked the group to provide a space on the agenda to present a progress report regarding the implementation of the Model Law on *In Rem* Asset Forfeiture of the UNODC. The Plenary approved the proposal and asked the point be added into the Agenda.
- The Group adopted, without more modifications, the draft agenda (CICAD/LAVEX/doc.1/11) as presented (Annex I).

- **GROUP DELIBERATIONS**

- i) Presentation of the SE on its Report of Activities for the period 2010-2011. The Plenary welcomes the report, in particular the delegation of Dominica expressed his thanks to GELAVEX and the ES for legislative assistance that will be provided in the immediate future to his country on the best implementation of the FATF 40 +9 Recommendations . Also, the Plenary approved the report in question, which will be added as an appendix to this report (CICAD/LAVEX/doc.15/11) (Annex II).
- ii) Presentation of the Progress Report of the Draft Model Law on *In Rem* Asset Forfeiture of the United Nations Office on Drugs and Crime (UNODC).

The representative of the UNODC, Andrew Ormaza, presented the progress report on those countries that expressed interest in receiving technical assistance after the submission of the draft "Model Law on *In Rem* Asset Forfeiture," in May in Washington, DC this year. In this regard, it was reported that requests have been received from El Salvador, Costa Rica and Paraguay.

He also mentioned that in the Republic of El Salvador there was an initial mission to raise awareness with some institutions and high-level representatives who currently have an action plan, which will start activities through the creation of an inter-institutional working group for the development of a bill of law for the end of this October.

The UNODC representative in his report mentioned several countries that have adopted special forms of forfeiture going above the enforcement of traditional penal forfeiture. Ecuador and Argentina solicited incorporation to the Report presented to the Plenary by the UNODC, their recent legal reforms in their systems of forfeiture, wherever they appear to be missing.

- iii) Report on the progress of the execution of the BIDAL Project in El Salvador and the Dominican Republic presented by Mr. Dennis Cheng, Project Coordinator.

The Project Coordinator of the BIDAL (Forfeited Assets in Latin America) Project, Dennis Cheng, presented the progress report on the Project which is currently being carried out in El Salvador and the Dominican Republic, giving mention to the diagnostic situational results and the progress of the inter-institutional working groups as well as the national seminar on "*Investigation of Seized and Forfeited Assets,*" carried out during the month of August in El Salvador.

Additionally, it was indicated that the project has the terminal goal of providing technical assistance in material of administration of assets for the creation and strengthening of national systems of administration of seized and forfeited assets in OAS member countries. However,

there was given a brief review of the project's history and beginnings in 2008 and the relation that GELAVEX has with BIDAL as well as its principal goals and the methodology used.

Furthermore, results were given for countries like Guatemala, Uruguay and Venezuela, which took as a basis the “*Document of Best Practices of Systems of Administration of Assets in Latin America*” to create their specialized bodies of administration of seized and forfeited assets, as well as the bills of laws found in El Salvador and Honduras.

The group welcomed the report and made comments on the importance of the BIDAL Project, its tangible results, and the impact in some member countries. Comments were offered by Guatemala, Costa Rica, the United States and Uruguay.

- iv) Presentation of the Guide of internal proceedings for the solicitation of Mutual Legal Assistance in the Identification and Recovery of Assets, carried out by the delegation of the United States. The distinguished delegation of the United States presented the Guide, noting that it was developed based on the answers of the questionnaires that 20 member countries responded to, document is annexed at the end of this final report (CICAD/LAVEX/doc.3/11) (Annex III). Additionally, the Plenary recommends that the Commission instruct the ES to solicit countries did not submit information to the questionnaire for the Hemispheric Guide on Mutual Legal Assistance Forfeiture with the required information and to send it to the ES all outstanding information before the 31 of January of 2012 so that the ES can update information so each country can be included in the document.
- v) Report on the document on Juridical Nature on Forfeiture. The document was presented by the distinguished delegation of Uruguay and was approved by the Plenary (CICAD/LAVEX/doc.2/11) (Annex IV), along with the proposed compilation and publication of different models that additionally were found by this delegation on the systems and legislation on forfeiture. The Commission recommends that the ES compile the different documents that contain these initiatives at the different levels of international organizations, legislation and bills of laws that the different member states have implemented or plan on implementing. Furthermore, the Plenary recognized the importance and interest of the member states on the Model Law on *In Rem* Asset Forfeiture by the UNODC, recommending to the Commission that this initiative be adopted as a reference model and forms part of the compilation and publication of the different existing models of forfeiture that would be entrusted to the ES.
- vi) Proposal for the development of a process of Strategic Planning for the Group of Experts for the Control of Money Laundering of the CICAD. The coordinator of the sub-working group of Coordination and Integration between FIU and OIC presented the report corresponding to the work carried out and the contributions and commentaries provided on this proposed plan. Among documents and opinions contributed, a presentation was made with the objective of generating the discussion among different experts of LAVEX, noting the creation of an *ad hoc* group that would develop a proposal plan, which would be discussed in the following session of the Plenary. The *ad hoc* planning group underlined the following points: I) define the mission and vision of LAVEX that would allow for the orientation of work to be carried out in the next years; ii) identify the work guidelines of the group; iii) define the methodology of work; and iv) establish the time period of work. The proposal referenced is added to the annex of this form at the end (CICAD/LAVEX/doc.11/11) (Annex V).

- vii) Progress on the guide of best practices for the exchange of information between FIUs and OICs. The sub-working group coordinator of the Coordination and Integration between FIUs and OICs presented the report of work carried out, as well as the contributions and commentaries provided by the different delegations. The Plenary, regarding the development of principles and material of exchange of information between FIU/OIC, agreed to work on a proposal to be presented at the next meeting of the sub-working groups, using as a foundation the document developed by the delegations of the United States and Mexico (CICAD/LAVEX/doc.4/11) (Annex VI) and the contributions made by the delegation of Argentina and other countries.

viii) **CONCLUSIONS AND RECOMMENDATIONS OF THE SUB-WORKING GROUPS OF GELAVEX**

- I) Reports by coordinators of the working subgroup of Asset Forfeiture (CICAD/LAVEX/doc.16/11) (Annex VII) and those of Coordination and Integration of FIU/OIC (CICAD/LAVEX/doc.12/11) (Annex VIII) and the Activity Report of the Executive Secretariat are received.
- II) Work Plan for 2011-2012

Sub-Working Group on International Cooperation and Forfeiture

1. Elaboration of normative aspects for the creation and development of specialized bodies on the administration of seized and/or forfeited assets that will be carried out through the BIDADAL Project.
2. Elaboration of a report on the progress on the implementation of the different systems of asset forfeiture and on the identification, among member countries on the efficient mechanisms to share forfeited assets.

Sub-working Group between FIU and OIC

1. Presentation of a first progress report on the elaboration of recommendations, principles and best practices that permit countries to unify criteria regarding the information that is shared among Financial Intelligence Units and Criminal Investigation Agencies.
2. Presentation of a first progress report on the elaboration of recommendations for the identification and analysis of risk factors on material of money laundering and financing of terrorism at the hemispheric level.

ix) **OTHER MATTERS**

Chair and Vice Chair

The panel welcomed the applications of the delegations of Argentina and Brazil to the Chairmanship and Vice Chairmanship, respectively, for the period of 2012-2013, recommending that these delegations submit these nominations of their delegates before the next ordinary session of CICAD, the forum at which the positions will be elected.

Next Meeting

The group agreed that future meetings of the working groups and the plenary will be set by the Chair and the Executive Secretary, who will communicate, when appropriate, the times and places established.

The group expressed gratitude to the Group Chair, exercised by the Delegation of the Bolivarian Republic of Venezuela, for the excellent organization of this meeting and for the outstanding leadership of this Plenary.