
**51st (VIRTUAL) MEETING OF THE GROUP OF EXPERTS
ON MONEY LAUNDERING CONTROL
15-17 NOVEMBER, 2021
Mexico city, United States of Mexico**

**OEA/Ser.L/L. 4.51
DDOT/LAVEX/7/21
Original: Spanish**

FINAL REPORT

1. BACKGROUND

The Group of Experts on Money Laundering Control (GELAVEX) was created through the “**First Meeting of the Inter-American Group of Experts to Prepare Model Regulations on Money Laundering Offenses Related to Drug Trafficking**” (OEA/SGE/CAD-62/90), which was held at the headquarters of the General Secretariat of the Organization of American States (OAS) from **November**

GELAVEX currently serves as one of the OAS advisory bodies and is provided with technical secretariat services by the **Department against Transnational Organized Crime (DTCO)**, as established by Executive Order 16-01 Rev. 1 issued by the OAS Secretary General in July 2016, which created the DTCO.

GELAVEX currently comprises two sub working groups, namely, on International Cooperation and Forfeiture; and on Financial Intelligence Units (FIUs) and Criminal Investigation Agencies (CIAs). Its activities are determined via triennial strategic plans that spell out lines of action, and via annually approved work plans that outline specific activities to be pursued in accordance with predetermined lines of action. The approved 2020-2023 Strategic Planning ([DDOT/LAVEX/doc.33/20](#)), serves as the guideline for the activities pursued by the Group during the current triennium.

Based on the approved 2020-2021 work plan, the Sub-Working group on International Cooperation and Forfeiture will work on: 1) promoting at the hemispheric or sub-regional level the creation of the Illicit Assets Administration Network; and 2) promoting the creation of an asset sharing model, as a reference document for OAS member states. The Sub-Working group on Financial Intelligence Units and Criminal Investigation Agencies will be devoted to: 1) identifying cases with a criminal investigation focus on crypto-assets, with emphasis on successful investigations in any of the member states, so as to share relevant information and best practices; and 2) doing work on the laundering of the proceeds of corruption, illicit drug and arms trafficking, and tax fraud, with an emphasis on the identification of typologies and legislative analysis in the countries of the group.

Taking into account the current context of the global pandemic triggered by the outbreak of COVID-19, the Chair of GELAVEX – held by Paraguay – instructed the Technical Secretariat (DTCO) to convene the LI Meeting of GELAVEX to be held **virtually**, according to the following format: A Regular Meeting, scheduled for 16 and 17 November, 2021, to follow up on the approved Work Plan and the recommendations agreed upon at the XLIX Meeting of GELAVEX that was held virtually from Asunción, Paraguay, on November 10, 2020.

The documents of this meeting are still being translated, classified and published, and they will become available in the GELAVEX 51 page: <https://www.oas.org/en/sms/dtoc/gelavex/51/documents.asp>

2. MINUTES

16 November 2021

2.1 Opening Session

Gastón Schulmeister, Director, OAS Department against Transnational Organized Crime (DTCO). In his welcoming remarks, he acknowledged the Chair and Vice Chair of GELAVEX, held by the delegations of Paraguay and Mexico, respectively; as well as the delegates to GELAVEX; representatives of the permanent missions to the OAS and of the permanent observer countries; the international observer organizations and special guests. He congratulated the Chair Pro Tempore held by Paraguay, which under the leadership of the Minister Secretary of SEPRELAD, Dr. Carlos Arregui, has successfully completed the implementation of the 2021 GELAVEX Work Plan, with the determined and decisive support of Mexico, as Vice Chair, Costa Rica, Chile and Colombia -leading the Sub-working Groups of this important Forum-. Once more, he expressed the continued support of the Secretariat for Multidimensional Security and the dedication and effort provided by the DTCO team.

Carlos Adolfo Arregui Romero, Minister Executive Secretary of the Anti-Money Laundering Secretariat and Chair Pro - Tempore (outgoing) of the Group of Experts for Money Laundering Control (GELAVEX). As outgoing Chair Pro Tempore for the period 2020-2021, held by Paraguay, in the context of the COVID-19 pandemic, he highlighted the strong commitment of GELAVEX countries who have worked untiringly to fight against money laundering, and who have overcome numerous challenges caused by the pandemic. He acknowledged the great work done by the Coordinators of both Sub-working groups and said that the efficient technical work done would benefit not only the continental community but also the worldwide community. He finished by wishing a successful Chair Pro-Tempore to the Mexican delegation.

Pablo Gómez Álvarez, Head of the Financial Intelligence Unit of Mexico and Chair Pro Tempore (incoming) of the Group of Experts for Money Laundering Control (GELAVEX), he thanked the DTCO for the work done and the valuable effort to make this meeting possible. He also greeted and thanked the words of the Minister Secretary Carlos Arregui Romero who has held the Chair Pro Tempore of GELAVEX; he further thanked the Under Secretary for Latin America and the Caribbean of the Secretariat for Foreign Affairs (SRE for its acronym in Spanish) for being at the meeting and for his support during the organization of the meeting. He also saluted and acknowledged Ambassador Luis Elena Baños, Representative of the Permanent Mexican Mission of Mexico at the OAS and the team who have worked hard. In addition, he thanked Dr. Carla Gabriela Mera Proaño, General Director of the Financial and Economic Analysis Unit (UAFE) of Ecuador, Vice Chair of GELAVEX, for attending the meeting. Mexico's FIU acknowledged the regional commitment of the States in combating money laundering and its related crimes. He highlighted the fact the Mexico's FIU renews its commitment to lead the work of the Technical Sub-working groups of GELAVEX and make his team and expertise available to lead the efforts towards the control and elimination of money laundering and related crimes from a broader perspective. He also emphasized the use of a new strategy to dismantle economic structures of criminal organizations through financial intelligence and the cooperation among States to exchange information, best practices, typologies and new trends which will allow us promote public policies to prevent these crimes, such as corruption.

Diego Vinuesa, representing the Deputy Head of the Group of Experts for Money Laundering Control (GELAVEX), **Dr. Carla Gabriela Mera Proaño**, General Director of the Financial and Economic Analysis Unit (UAFE) of Ecuador. He conveyed the greetings to the authorities, delegates and participants. He said that the most efficient way to face the fight against criminal organizations is by joining efforts, best practices, techniques and information and also by recovering in favor of the States the proceeds of the illicit acts. He acknowledged that taking over the Vice Chair of this agency is a challenge that will be undertaken with compromise, responsibility and enthusiasm. The technical team of these institutions is ready to work representing not only Ecuador but also all member countries of the Organization of American States. He

finally renewed their commitment with GELAVEX and said, on behalf of the Vice Chair, that they will allow room for joint work.

Maximiliano Reyes Zuñiga, Under Secretary for Latin America and the Caribbean of the Secretariat for Foreign Affairs (SRE) of Mexico. He expressed his greetings to the authorities, delegates and participants. On behalf of the Secretary of Foreign Affairs of Mexico, Marcelo Ebrard, he welcomed the celebration of this 51st GELAVEX meeting which Mexico, through its FIU, will take over as chair pro tempore in 2021-2022. He highlighted the fact that GELAVEX has become, since 1990, the main hemispheric forum to discuss and propose anti-money laundering action lines in the Americas. He expressed he was glad to see that the annual Mexican action plan includes the fight against political corruption when procuring and delivering justice and recovering assets. He further pointed out the design of a red flag guide to identify human trafficking and migrant smuggling, crimes that, because of their high profit rates, rank as the third most profitable illicit activity in the world, after arm and drug trafficking. He emphasized that Mexico, together with Ecuador as Vice Chair, will follow up on the great job done by the Government of Paraguay during their Chair, finishing today, putting forward proposals with concrete outcomes and complying with the objectives set forth in the strategic 2020-2023 plan.

He finally renewed the Mexican commitment with the principles of this Group of Experts and noted the importance of replicating the work in other regional forums so as to join efforts in common causes and learn from each other.

TECHNICAL AGENDA

2.2 First Session

2.2.1 Adoption of the agenda and review of topics. The Group adopted the agenda without changes ([DDOT/LAVEX/doc.1/21](#)). The agenda was adopted without changes.

Sub-working Group on Financial Intelligence Units and Criminal Investigation Agencies (FIUs/CIAs)

2.2.2 Sub-working group on Financial Intelligence Units and Criminal Investigation Agencies. Work on identification of cases from a criminal investigation perspective involving Crypto Assets. Delegations of Chile and Paraguay. ([DDOT/LAVEX/doc.2/21](#) – *provisionally available in original language only*).

Chile delegation, via **Anibal Martinez** from the Financial Intelligence Unit, presented a summary of the Study of relevant cases of crypto assets and explained the methodology used and how they gathered and analyzed the information. He said that they gathered information from OAS member States and observers such as United States; Paraguay; Costa Rica; México; Chile; Germany; Argentina; Spain; and Guatemala. He further explained how they systematized the information taking into account the following indicators: detection, analysis and risk management, judicialized cases and convictions. He mentioned two important cases: “Silk Road” and “Onecoin”, shared by United States and Argentina, respectively.

Discussion and proposals

Argentina: Congratulated the delegations of Chile and Paraguay on the great work done and on the clear

way they systematized all countries' responses. The delegate commented that, as per what was said, Argentina sent information about a case known as the "Onecoin", but they also sent information of another case called "White Coils" (Bobinas Blancas in Spanish). He asked if the information had been available to the Group, because this was not mentioned in the sub-group presentation. He added that a brief document drafted by the prosecutor had been sent but after this the grounds of judgement was issued and this was a very interesting judgement because this is the first conviction in Argentina for money laundering involving crypto assets; therefore, he committed himself to send the grounds soon and he also said that the prosecutor of the case is willing to hold a meeting with the sub-group coordinators to share information about the case and the investigation.

Mexico: Mexico's FIU conducted a risk analysis of different virtual assets identified; this information was shared. Regarding the Prosecution office's topics -the General Prosecutor's office was also consulted, in due time, if they had any case- the answer was negative; however, this issue will remain in the work plan to be submitted later.

United States: The delegate said he is part of the criminal investigation area staff of the Internal Revenue Service (IRS); he mentioned that, according to what they see in investigations of money laundering using crypto assets, different virtual currencies are being used to launder money. The use of smart contracts images, especially with the virtual currency "ethereum" will become a major concern, as they carry out transactions from one currency to another directly without a centralized exchange; however, thanks to the records that could be accessed, this is an area that is under investigation in the United States and it requires the use of an advanced software to follow the trace of the intelligent contract from one virtual currency to the other. Therefore, he considers this to be a concern issue and attention should be called.

The Chair submitted for the Group's consideration the work of the coordinators of the sub-working group which was approved by the Delegations.

2.2.3 Sub-working Group on Financial Intelligence Units and Criminal Investigation Agencies.
Presentation: Work on money laundering from political corruption; drug and arm trafficking; tax fraud. Delegations of Chile and Mexico ([DDOT/LAVEX/doc.3/21](#) – provisionally available in original language only).

Chile's delegation, via Mauricio Fernandez Montalvan from the National Prosecution Office, presented the document and said it was part of the work plan 2021-2024 approved by GELAVEX in the Asunción virtual meeting held on 10 November 2020. He described the objectives of said document, the methodology used and the results of the investigation. He highlighted the typologies identified in corruption and tax fraud matters as well as in predicate offenses of money laundering.

Discussion and Proposals

Peru: The delegate thanked and congratulated, on behalf of the Peruvian delegation, the Chilean delegation for the presentation. In addition, he made a comment on the first presentation regarding the chance the authorities have to identify crypto assets when they are being exchanged. He also said that Peru experienced this kind of events and mentioned one case of international swindle which finalized in the freezing of the crypto asset funds. In this case the illicit funds from the swindle were sent to Peru and as a consequence of a warning from the US FIU the transfer could be identified.

Guatemala: The delegate thanked the initial contributions and took the opportunity to say that Guatemala had been cooperating with the work presented; besides the delegate expressed that Guatemala could give support to the new work on arm trafficking precedent offence, if the Group of experts agrees.

The Chair submitted for consideration of the working Group, the work presented by the coordinators, approving them with the agreement of the Delegations, with the observation that a supplementary work would be carried out, as mentioned in the work plan to be considered later on.

2.2.4 Panel: Human trafficking, money laundering and inter-agency cooperation against organized crime.

Moderator: **María Isabel Quintana Luna**, Attache of the Financial Intelligence Unit of Mexico at the Mexican Embassy in the United States of America, who highlighted the importance of re-addressing the topic on human trafficking from a financial intelligence perspective when fighting against organized crime economic structures.

Jose Cardoso, Financial Intelligence Unit of **Argentina**. The delegate presented a case study on a structure of physical and legal persons engaged in the trafficking and sexual exploitation of people in Argentine northern provinces with potential international ramifications into bordering countries. The investigation revealed numerous related assets and businesses owned by those persons, allegedly resulting from criminal activities.

Esther Montalvo, Specialist of the United Nations Office against Drugs and Crime (**UNODC**). She spoke about the UNODC mandate, which is to contribute to the world's peace, security and development, facing various crimes, carrying out actions to prevent and fight against narcotics, organized crime, corruption and terrorism. UNODC's work strategy also includes human trafficking projects, such as: hostels, shelter houses for human trafficking victims and survivors, for institutional development, to improve victims' treatment. In addition, UNODC designed a communication strategy to prevent human trafficking in indigenous cities, and campaigns to prevent money laundering.

Commander Beatriz Vernet Perna, Head of the Economic Crimes Group of the Civil Guard – Spain. She thanked the opportunity to share their experience regarding inter-agency cooperation in money laundering crimes. She spoke about the structure of the Civil Guard, its competencies and missions. Also, the Civil Guard acts as judicial police, tax police and customs control. She pointed out that these competencies also include organized crime, serious crimes and money laundering.

Moderator's summary comments

Regarding **Jose Cardoso's** presentation, he highlighted the importance of Argentina's tri border area and the importance of signing this agreement with the Committee on Human Trafficking. In addition, he mentioned the relevance of building this partnership and said that migrant smuggling and human trafficking crimes can occur one after the other, either way. In relation to the typologies, he highlighted the red flags identified by his FIU: in games of chance, transport companies, soccer management, where

cash management, origin of funds and tax returns play a key role. Lastly, Mr. Cardoso spoke about the importance to work on prevention and institutional strengthening and crime prosecution.

As for the presentation given by **Esther Montalvo**, she spoke about the international scope of UNODC work to contribute to the world's peace and combat against narcotics, organized crime and the importance of working on victims' support in shelter homes as well as the prevention of money laundering from human trafficking crimes. She also spoke about the "funnel pattern", where money transfers are made without reaching the limit permitted so as not to be identified by the authorities and the flags raised when unusual movements are made, such as repeated incomes in front companies.

Beatriz Vernet spoke about the competencies of the Spanish Civil Guard, who act as prevention, judicial, administrative, tax, environmental, and road police. Their main objectives are border control and organized crime. In addition, she mentioned the challenges of inter-agency coordination, the increase of national cooperation, the use of new technologies to monitor cash flows and how inter agency coordination can, undoubtedly, help combat organized crime and transnational crimes.

2.2.5 Panel: Inter-agency cooperation in customs to combat money laundering.

Moderator: Abdías Olguin Barrera, Coordinator of Strategic Analysis - FIU Mexico

Sandra Fabiola Valdez Méndez, General Director of Strategic Analysis of the FIU of Mexico. She presented the "Customs Administrators' Risk Model" used by Mexico's FIU to analyze the information provided by Customs Administrators, with a first exercise done with the information collected up to May 2020. She explained that the Risk Model has a score from zero (0) to ten (10): a result closer to ten (10) means high risk and officials will focus on that person. The model helps to prioritize cases, which are now around twenty million subjects. One risk model test was run containing 49 Customs Administrators, obtaining results of 41 Administrators. Ms. Valdez Mendez showed some of these results, although, for confidentiality reasons, only reference to the Administrators' location was given; Yucatan, Queretaro, Guanajuato, Lazaro and Tecate.

Sandra De la Rosa, Customs Service and International Affairs Administrator, Mexican Customs, gave a general outlook of the Federal Law on the Prevention and Identification of Operations using Resources of Illicit Origin (LFPIORPI), its bylaws and other general regulations, starting with the responsibilities of the Tax Administration Service, its institutional cooperation initiatives and mechanisms, particularly in Mexican Customs. She also introduced the "Vulnerable Activities' Catalogue", done with national and international institutions, including the FIU of Mexico. Finally, she presented some cases related to money laundering, typologies of origin triangulation, double invoicing, undue use of promotional activities, undue tax devolutions, smuggling, among others.

Moderator's Summary Comments

He highlighted how interesting both presentations were and, regarding the risk model introduced by Sandra Fabiola Valdez Mendez of Mexico's FIU, pointed out that it allows the identification of prioritized subjects as, otherwise, it would be impossible to monitor all subjects within the financial system or non-financial activities system; he added that the presentation on typologies allows the identification of money laundering patterns, making it very relevant. He further stressed that the information shared in these working spaces improves the fight against these crimes. Finally, he said that this information can

only be viewed by specialized officers or officers authorized by the FIU, what is very important in terms of confidentiality and data protection.

As for Sandra De la Rosa's lecture, this addressed the importance of implementing cooperation mechanisms to collaborate and create better working methodologies between the FIU and other key agencies such as the General Prosecution Office and State institutions.

2.2.6 Money Laundering linked to illicit arms trafficking

Moderator: **John Grajales**, Technical Specialist of the Department against Transnational Organized Crime (DTCO/OAS).

The moderator, **John Grajales**, mentioned the celebration of the Conference of the Member States of the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials, which fifth edition was held under the Chair of Mexico last 5 October.

Ranmses Ruiz, General Director of Analysis of the FIU Mexico. He said that the fight against money laundering is a key priority in the security strategy of the current administration. Though the idea is to avoid direct confrontation with organized crime groups, this does not mean that the fight has been abandoned nor that it is not being faced from all sides; on the contrary he said it is important to highlight the efforts in money laundering matters to combat financial structures and weaken them. Financial intelligence has been used to combat criminal organizations and a map of the Mexican Republic has been designed, identifying, based on the information held by the different security departments of the cabinet, the places where criminal organizations are carrying out financial activity; the map also identifies the zone where the criminal groups are conducting their criminal activities and their bank accounts are blocked as a way to weaken their structures.

Salvador Tinajero Esquivel, from the Legal Consultancy office of the SRE of **Mexico**, spoke about the efforts exerted by the Legal Consultancy of the SRE on Illicit arms trafficking, particularly about a civil claim in a US Court. Much has been discussed earlier about how this crime is being prosecuted, prevented and about how to prevent the proceeds of it from entering the legal market. He mentioned another approach to address this crime, and this involves corporations and how legally established companies can contribute directly or indirectly to illegal activities – either during the production, distribution or commercialization stages. His lecture focused on the importance of corporate responsibility and money laundering prevention through their products.

Luis Alberto Rivera Cuellar, Money Laundering Investigations' Group of Interpol Criminal Investigation Bureau – DIJIN , National **Colombian** Police. He mentioned that, thanks to the public policies implemented, Colombia published COMPES 4042 (National Council for Economic and Social Policy) on money laundering and an interesting report on criminal policy to gather all agencies responsible for money laundering and terrorism financing. These efforts contribute to the drafting of documents together with Financial Analysis and Information Unit (UAIF as per its acronym in Spanish) of Colombia, and with the National General Prosecution Office under which the UAIF operates as implementers of criminal investigations.

Discussions and Proposals

Mexico: The delegate thanked the interesting subject discussed in the panel, and said arms control is one of the biggest challenges that not only Mexico but also the region, and the world, are facing and asked Salvador Tinajero if in Mexico someone can sell arms easily as in the United States and if there is any legal consequences for the manufacturer.

Legal Consultancy, SRE, Mexico: In response to the question made he said that in Mexico the sale of arms depends on one office in the Secretariat of National Defense and a couple of hundreds arms a year are sold. The delegate said that in TV commercials or in marketing publicity we can see arms or rifles called “Chief or Chiefs” or “I am the Chapo” clearly directed to the Mexican market. If a person tries to buy a gun, what is prohibited, he/she can buy it on line from their home in Mexico, and get it delivered in the United States. It is evident that in this way the buyer is not screened and on many occasions the arm is paid with the proceeds of drugs trafficking which is then laundered by the purchase of the arm in a US shop.

Colombia: The delegate acknowledged the presentation and asked the speaker from the Legal Consultancy of Mexico if companies would have a legal or penal responsibility when obliged to conduct a due diligence of their beneficial owners or if they should block the arm transaction so that the offence cannot be committed. It is agreed that the whole criminal chain should be considered, known in Colombia as “holding criminal”, and not only in arms trafficking cases but also in all drugs related cases and some other offences. Finally the delegate asked if the Legal Consultancy had any investigation to be shared?

Legal Consultancy, SER, of Mexico: The delegate said responsibilities will be established case by case, por instance, in a case in which archeological assets are being sold, it is easier to determine penal responsibility to the person who claims to be the legal representative of the corporation; in the case of arms manufacturers, the responsibility will not necessarily be criminal, since -as mentioned before- the company is engaged in a licit activity with illicit ramifications; however, what does imply some sort of or corporate or civil responsibility: he who continues carrying out an activity knowing that it has illicit effects and does not take any measures to fix it because it would mean a loss or profit. The delegate added that the studies and reports the Consultancy office is carrying out on corporate responsibility and “criminal holding” can be shared.

Moderator’s summary comments

The moderator acknowledged all presentations which showed how FIUs are trying to combat criminal organizations through money laundering investigations as well as the key role criminal investigation agencies have in money laundering cases.

He further highlighted the most important elements addressed by the panel, such as the possibility to attack criminal organizations by combating money laundering; the importance of cooperation and exchange of information among FIUs, investigation authorities and the Judiciary and the relevance of investigating all arms distribution chain to identify when a terrorist attack can be committed -such as the case presented by Mayor Rivera.

2.2.7 Panel: Financial technology services supervision and investigation. Moderator: **Mónica de la Macarena Juárez**, FIU’s Attache in **Mexico**.

The panel started with an introduction speech by **Monica de la Macarena Juarez**, FIU's Attache in **Mexico**, who highlighted the relevance of the topic and the constant evolution of the financial system, what requires that its regulation, supervision and investigation come in line with the transformation of the sector's agencies. Financial industry has rapidly adopted technology advances.

Daniel Ackerman, from International Computer Hacking and Intellectual Property Advisor of the Department of Justice (DOJ) of the **United States**. He has been a prosecutor for more than twenty years and is currently advisor at the United States Embassy in Panama. He spoke from a prosecutor's point of view, same way as when he advised or trains other prosecutors, police officers and judges who work on cryptocurrencies. He mentioned that there is an increasing use of crypto currencies in criminal activities to launder money from drug trafficking or child pornography in the deep web. He added that it is necessary to prevent the flow of illicit money, both through centralized or de-centralized financial agencies which are not supervised or oversighted.

Jose Luis Guzman, General Director of Operations Prevention - Resources of Illicit Origin of the National Banking and Securities Commission of **Mexico**. He spoke about the transformation of the financial services industry caused by technology, including the oversight of the agencies and the need to develop faster data analysis systems. New technologies such as Regtech and Suptech allow officials to comply with the regulatory obligations and identify risks. He emphasized the importance of replacing old mechanisms by digital data, networks and analytical tools for decision making processes.

Viviana Garza, Director of Regulation and Supervision of the Bank of **Mexico**, as closing remarks, Ms. Garza highlighted the importance of technology, digital services and the upsurge of new institutions, companies and financial services products that will pose opportunities and challenges; technological tools also contribute to improving supervising activities of obligated subjects and provide more robust models to review databases in a timely manner. However, entities work faster than authorities and then these have to adjust supervision models and applied technology and as the governor of the Bank of Mexico said, technological progress reduces entry barrier and promotes competition but increases positive externalities in the payment system and cost reduction. She ended by saying that it is necessary to have resources and processes for prevention actions.

Discussion and proposals

Colombia: The delegate offered a reflection and then made a question: he said that he totally agreed with the panelists regarding the use of artificial intelligence, learning tools for anti-money laundering systems and financing of terrorism, data mining, image mining and rapid learning methodologies. However, he also mentioned an important problem and made a questions to the US panelist regarding, as per his point of view, decentralized crypto currencies: how do they trace, in the United States, a crypto asset operation?

Daniel Ackerman (US DOJ): he indicated that it is a huge challenge because when we speak about "exchange" we refer to a decentralized entity; for example, if a client was depositing money due to a ransomware attack, who should the judicial warrant be sent to or who should be contacted to request cooperation for relevant information? then traditional surveillance, investigative and searching tools would be used. Therefore, there is a challenge when we speak about decentralized platforms, as this means knowing who the assistance request should be sent to when we need to identify the holder of a

smart phone which represents a virtual asset. He stressed that it is essential that financial, stock and tax regulators, among others, interact with other agencies, taking into account police officers, ministries of justice and prosecution offices who will have to trace and identify the persons who, eventually, would be making a bad use of those technologies.

Moderator's summary comments

We come to the conclusion that, around the world, financial industries are shaped by the multiple technological advances which, in turn, pose multiple challenges to regulate, supervise, investigate and, as Daniel Ackerman mentioned, it is necessary to implement methodologies to prevent the bad use of crypto assets as well as the flow of illicit money.

On the other hand, one of the challenges on our way is the limited resources; the use of technology, undoubtedly, allows us to minimize risks and I support the idea that -as mentioned by Ms. Viviana Garza- today in Mexico there are technologies to collect and analyze much data on clients and operations in the financial system and others to link accounts to mobile phones what has dramatically increased the challenges.

2.2.8 Panel: Environmental crimes, illegal mining and money laundering. Presentation of OAS-DTOC project on the combat against illegal mining finances in Colombia, Ecuador, Guyana, Peru, Suriname as well as other regional proposals.

Moderator: **Shuber Muñoz**,. Director of Strategic Analysis of the Financial and Economic Analysis Unit (UAFE) of **Ecuador**.

The moderator, Shuber Muñoz, Director of Strategic Analysis of the Financial and Economic Analysis Unit (UAFE) of **Ecuador**, said that this session's topic is included in Ecuador's agenda, as they are working with the DTOC on the analysis of micro finances to implement new national risk assessments using new technologies.

John Grajales, Technical Specialist of the Department against Transnational Organized Crime (**OAS/DTOC**). He gave the first presentation of the session and commented that the objective of the project is to strengthen the capacities of the agencies engaged in the fight against illegal mining finances in participating countries, including prevention, detection, intelligence analysis and processing activities as well as forfeiture, administration and disposition of assets either produced or used in those crimes. He further stressed that illegal mining is fostered by the high profits obtained, the trafficking of high demand asset and the low level of awareness, all within weak legal frameworks regarding environmental crimes. Mr. Grajales also presented the results of the initial analysis of threats and vulnerabilities including typologies and red flags. He finally described the key elements in the fight against environmental crimes.

Ricardo Carlos Villegas Pávez, Head of the Regional **INTERPOL** office for South America (OIPOLC), gave the next presentation of this interesting panel, highlighting that environmental crimes affect international security which is characterized by transnational trafficking, a criminal supply chain linked to other serious crimes. This includes other related crimes such as, fraud, human trafficking, money laundering and corruption. He described in detail the Environmental Security Program (ENS) which includes the following areas: fishing crimes, forest crimes, illegal mining, pollution related crimes, and crimes against wildlife.

Mr. Villegas Pavez presented the “Operation Model: Intelligence-driven work”. Finally, he shared the results of global operations conducted between 2018 and 2020.

Discussion and proposals

Argentina: The delegate made two requests: firstly, and following the guidelines of his foreign office, he asked the Chair to consider replace, from now on, the expression “environmental crimes” by the expression “crimes affecting the environment”, as per the terminology used by international fora. Secondly, and in relation to something discussed during the first panel on virtual assets, he said that Argentina sent information about a case called “White Coils” to be included in the documents prepared by the Sub-working group FIUs/CIAs regarding the identification of cases from a criminal investigation perspective involving Crypto Assets.

Technical Secretariat: Regarding the request made by the Argentine delegation, the technical secretariat will ask the coordination of the sub-working group FIUs/CIAs to make sure they incorporate Argentina’s contribution to the report on identification of cases from a criminal investigation perspective involving crypto assets and which will be attached to the final report.

Colombia: made a question to both panelists, thanking for the presentations and agreeing with the issue discussed which has transnational implications and worries the world; the question addressed the “*criminal holding*” concept and the professionalization of the crime, taking into account that criminal organizations are highly techy and professional: how does illegal mining relate with other offences derived from money laundering within the same *holding* and how does it relate with the exchange of information, being this phenomenon of transnational nature?

Ricardo Carlos Villegas (INTERPOL): Regarding the question about the promptness of international cooperation, the main restrictions are legal. It is necessary to let legislators of each country know that laws need to be reviewed and updated so as to avoid a fragmented approach of their application and therefore live in a more unfair region, from a legal perspective. There are countries, for instance, that rapidly freeze or confiscate assets, others do not need to identify a predicate offense to investigate money laundering. This means that we have different laws, so it is important that law enforcement officials let authorities and legislators know how crime evolves to that they are aware of this fact and can take actions to counteract new criminal trends.

John Grajales (DIOC): He added that Colombia’s intervention is correct as it is necessary to change the language: say “holding criminal” instead of “criminal organization”; say “criminal mining” instead of “illegal mining”. This language changes help investigators and prosecutors; they give an idea that those who are part of a criminal holding gather to organize a criminal business where there are different roles, with ranks and levels, and where each person has a function and where the organization deliberately commits the crimes.

Moderator’s summary comments

These criminal organizations engaged in illegal mining activities make a lot of money and this causes a lot of problems not only economically but also socially and environmentally affecting people’s health. In summary, this is a highly profitable activity and with a low or even zero level of awareness; assets

trafficking responds cycles of placement, stratification and integration clearly mentioned by John Grajales.

It is key to respond to global threats with global answers from each State and develop ways to share information and work jointly through institutions that can operate regionally and eventually internationally. It is impossible to combat criminal organizations without sharing information; environmental crimes such as fishing, illegal logging and illegal mining, result in other crimes underlying money laundering such, as sexual exploitation and human trafficking -crimes of great concern and under analysis in all regions- criminal organizations change, get transformed, but -as Ricardo Villegas said- Interpol and its associates are acting jointly against these crimes.

17 November 2021

Sub-working Group on Forfeiture and International Cooperation

2.3 Second Session

- 2.3.1 Sub-working Group on forfeiture and International Cooperation.** Presentation: Establishment of the Network for the Administration of Illicit Assets at a hemispheric level. Delegations of Colombia y Costa Rica. ([DDOT/LAVEX/doc.4/21](#)).

The Delegate of Colombia, **Laura Corral**, Special Assets Group, remarked that the work made progress thanks to Costa Rica's active participation and the support of the Technical Secretariat (DIOC). She described the actions taken to promote the creation of the Network for the Administrations of Assets subject to Forfeiture before agencies and countries that may be interested in participating in this initiative. She then recommended to work jointly with the Technical Secretariat in the creation of said Network.

Discussion and Proposals

Costa Rica: Cost Rica remarked that the Network comprises people and agencies with contact points, however, using a technologic tool as a platform for safe communications gives rise to the need of technical support and analysis that the network and its points of contact have yet to define. For instance, when these networks are used only as a means of communications, like the email, they are not being thoroughly exploited; we already have email communications for that purpose. Instead, the idea would be mainly to establish an electronic communication platform that serves and is seen as a tool to make information requirements or to post relevant information, like rules and regulations, among other things, but also to create a means to satisfy information requirements, such as the tracing of assets. Therefore, we should develop platforms which are based on our objectives.

Costa Rica – Coordinator of the Sub-Working Group: The delegate emphasized that the topics and objectives of the network are defined pursuant to the current work plan; the platform shall be used not only to exchange information like electronic email, but it will also serve as a useful resource for the offices managing forfeited assets. For instance, it will be used to exchange information on experiences, results, and difficulties faced during the administration and management of assets, thus becoming a source of knowledge , he stressed, and such knowledge will be shared among the members and also at the regional level.

The Chair submitted the presentation of the Sub-Working Group Coordinator to the Group for consideration, and it was finally approved with the agreement of all Delegations.

2.3.2 Sub-working Group on Forfeiture and International Cooperation. Presentation: Creation of a model for sharing assets subject to forfeiture, as a reference document for OAS member States. **Delegation of Costa Rica** ([DDOT/LAVEX/doc.5/21](#)).

Costa Rica's Delegation, through **Marcela Carvajal** of the Costa Rica's Institute on Drugs, put forward the "Guidelines to share assets among countries", as part of the 2021 work plan, approved in Asunción, Paraguay, on 10 December, 2020. She detailed the objectives and methods applied to develop this work, pointing out that different regulatory instruments were analyzed within the framework of the United Nations, as well as regional agreements on the subject, in the context of MERCOSUR and CARICOM. Some other conventions on the sharing of assets, signed by Canada with some Caribbean countries, were also taken into account.

The Chair submitted the presentation of the Sub-Working Group Coordinator to the Group for consideration, and it was finally approved with the agreement of all Delegations.

2.3.3 Panel Use of Resources of Illicit Origin during elections and how to fight it.

Moderator, Gaston Schulmeister, Director of the Department against Transnational Organized Crime (DTOC/OAS)

Gastón Schulmeister, Moderator, introduced the panel and stressed out that the DTOC has broad mandates to support member States in their efforts to fight all variants of transnational organized crime, but he underlined one particular mandate which is the fight against corruption: Pursuant to Resolution AG/RES 2950, 2020, OAS Member States mandated the DTOC to continue supporting Member States in their efforts to prevent and to fight corruption, specially with reference to money laundering and asset recovery. This resulted from the Lima Commitment on Democratic Governance against Corruption, assumed during the VIII Summit of the Americas, held on April 13/14, 2018, in Lima, Perú. He went on to open the panel introducing the distinguished panelists.

Delia Ferreira Rubio, President of **Transparency International**, started her presentation by making reference to the connection established by the Moderator between corruption and the Lima Declaration. She said that said Declaration - which is now being scrutinized by civil society organizations in the region, includes many topics related to electoral processes and particularly to the relationship between money and politics, primarily in the area of election campaigns' financing. However, there can be no doubt that the relationship between politics and money goes far beyond elections and that it comprises the whole cycle of political processes, like election processes, pre-election processes and Governance itself, and obviously, this is a relationship that poses many other areas of risk. She made it clear that she did not mean to demonize the role of money in politics, because money is necessary for the campaigns and to

promote our interests or projects. However, as far as the electoral processes are concerned, money poses challenges to the legitimacy and the quality of the electoral process itself; which should be democratic, free, inclusive and competitive. Money may also impair the quality of democracy and the quality of representation. ¿Who do our elected officials represent? ¿Do they represent the citizens who voted for them or is it that they represent the interests or groups that provided funds for their political campaign? she asked. But the issue does not end here. The relationship between money and politics also pervades the administration and the results of governance. Usually decisions are based on returning favors or are inspired only in the protection and privileges for those who offered financial support for the campaign, and that is the central theme of our debate on corruption and State capture.

Paula Lekanda, Specialist of the Department for Electoral Cooperation and Observation (DECO/OAS), started her presentation by describing OAS's Missions of Electoral Observation as a tool which has been used by OAS since 1962 to strengthen electoral systems and processes in the region. Said missions carry out multiple activities, before, during and after the polls, the most relevant of which is the technical and comprehensive analysis through the implementation of various observation methods, with the purpose of offering observations, recommendations and good practices to the citizens. Ms. Lekanda also explained the procedures of political electoral financing, which focuses on equity and transparency of the financing systems in every country. Said procedure includes the observation of various categories, variables and indicators, many of which are directly or indirectly connected to the detection of illegal resources in electoral processes. Finally, she concluded by underlining the need to continue in our efforts to ban anonymous contributions and made the following recommendations: to set limits to campaigns' expenditures and/or strengthen the institutions and government control in order to enforce said limits; to increase the accountability of political parties and candidates during all kinds of election processes; to reinforce the capacity to control and verify financial reports, as well as cooperation among institutions; and to effectively apply statutory sanctions which are often overlooked in reality.

Carla Humphrey Jordán, Electoral Consultant, National Electoral Institute (INE, by its Spanish acronym) from Mexico, said that we are living in a very complex and globalized world, where legal persons play a prominent role in the world economy and it is the governments' duty and commitment to lead governmental actions and to use public resources in accordance with the principles of lawfulness and transparency. She continued to say that the need to have instruments that help us attain and strengthen the objectives of the Public Sector institutions, has become increasingly evident during the last decades, since the most resounding unlawful acts related to corruption, involved the participation of government officials, political parties and corporations. Therefore, it is essential to establish programs that not only seem to comply with our obligations, instead, we need a real commitment with the constitutional principles, as well as with prevention and relief mechanisms. She underlined the fact that INE has mechanisms and protocols that govern its performance; among them, a Code of Ethics, which sets forth the ethics that the institution's public officials must comply with. Said Code embraces the guidelines of the National Anticorruption System, goes back to the legal and constitutional principles by which public service should be governed, as well as various public interest standards, the respect for human rights, equality and non-discrimination, gender equality, friendly cultural and ecological environment, as well as for institutional leadership and cooperation. To conclude her presentation, she pointed out that actions must be taken to strengthen interagency cooperation in order to prevent the high risk of money laundering posed by polls or election days.

Discussion and Proposals

Argentina: Argentina thanked the three delegates for their presentations. Argentina's delegate expressed his agreement and endorsed the idea that the funding of politics is a core issue when it comes to preventing and combating money laundering, in particular, and organized crime, in general. The delegate reaffirmed that we are not exclusively concerned about money laundering, but also, in more general terms, we are concerned about co-optation and institutional State capture. He stressed that, in the future, analysis should not be focused only on the use of illicit origin resources during electoral processes, but also on resources of lawful origin, since those funds may also influence the public policies that will be later designed and implemented. He made it clear that they were two different things, and that he had no intention to compare them, but he insisted on the fact that they represent two different approaches for the same problem. He added that the delegates' presentations were consistent with the idea that private funding, in general, is a broader universe to be analyzed, and, as they said, the analysis should not only be focused on national elections, but on subnational elections as well. Argentina's delegate said that in a way there is a connection with the presentation on illegal mining, in the sense that, if criminal organizations are taken solely as illegal players, we are losing another important aspect which should also be taken into account; however, some criminal policy decisions will have to be taken in order to define the scope of our work in each case and in each environment. Nevertheless, the delegate stressed the importance of including these other aspects in this Group's field of work.

Delia Ferreira (Panelist): (...). The issue of State Capture, or of buying anticipated decisions, as mentioned before, may come from lawful sources and not from illegal activities, and that is a phenomenon that we should take as a whole. The Delegate stressed that the challenges posed by State capture, i.e., the capture of political decisions by great corporations or by very wealthy people, if you will, to serve the economic interests of the private sector, are completely different to the challenges posed when State capture or buying anticipated decisions come from criminal organizations. The challenges, the risks and the way in which they affect the quality of democracy, social life, and so on are very different. Hence, we do not always look at this issue from the point of view of money laundering alone; and we should bear in mind that the money and funding of political campaigns provided by criminal organizations cannot be subject to the regulations or control mechanisms we have mentioned before, because it is "black money". And "black money" is never showed in the government's reports, no matter how detailed or timely the reports might be. It cannot be detected, fought or controlled with the same tools, for it is a completely different phenomenon.

Paula Lekanda (Panelist): She agrees with the opinions of Argentina's delegate and of Dr Ferreira, in that the analysis is being focused on a very small portion of the political electoral funding. However, going back to Argentina's comments, in the case of electoral observation missions, an important recommendation would be to promote public financing, so as to basically prevent the public establishment from been coopted, and to ban donations coming from private companies or corporations. There are countries in the region that still allow that type of funding, but imposing restrictions to individual contributions, namely the contributions of the candidates themselves to their campaigns, banning donations from contractors, authorized dealers, and from the media. All those measures aim at preventing elected persons from being co-opted, and ultimately to put an end to corruption.

Carla Humphrey (Panelist). Ms. Humphrey said that it is necessary to receive information from other

agencies so as to know what is really happening during electoral processes; i.e., how are the funds channeled, in particular cash resources, which – in her opinion, are illegal, even though they might not be originated from illegal activities. In MEXICO, though, everyone knows how political parties and candidates are funded. Corporations are not allowed to fund political parties, there are limits to the financial support from supporters, or from party members; foreign companies and political parties are not allowed to finance campaigns, but the most important thing is that the elected candidates should not come to office with their hands tied; or having to return favors to natural persons or companies, or being forced to award contracts or construction works without a competitive bidding, etc. These are the challenges faced by the government, he said.

Moderator's Summary Comments

The Moderator emphasized that civil society may be an important partner in the fight against corruption, not only protecting political and governmental institutions, but also helping private sector players to act with transparency, and promoting as well as reinforcing the principles of transparency and accountability.

The moderator emphasized that corruption is a key element of organized crime, just as violence and money laundering are. Criminal networks through their agents use bribery and illegal payments to certain government officials, in order to facilitate human trafficking, drug trafficking, illegal mining, and illicit arms trafficking, among others. Besides, corruption not only facilitates these crimes but also hinders the effective fight against transnational organized crime, and thus it expands a vicious circle in which these criminal groups' capacity to generate corruption increases every time.

Based on the presentation on the OAS historical performance through Electoral Observation Missions (EOMs), the delegate stated that corruption in the funding of election campaigns and processes, at all governmental levels, weakens the rule of law, increases the impunity of organized criminal groups, and allows them to expand their illicit activities. In that context, she stressed the importance of protecting every electoral process from corruption or the illicit funding of candidates and political campaigns, advising the agencies to continue to work jointly in the detection of illicit resources in electoral processes, and the tasks carried out by the EOMs are essential for these purposes.

In conclusion, she underlined the most relevant aspects discussed by this panel, stating that each country should have strong and effective systems to fight money laundering, supported by appropriate risk management methods for Politically Exposed Persons (PEP), with legal frameworks that prevent the use of legal persons and other agencies as mechanisms for money laundering; and also with the support of law enforcement authorities, qualified and authorized to carry out financial investigations in a proactive manner, while fighting other related crimes in parallel.

2.3.4 Panel: Instrumental tools for the fight against organized crime. Strengthening of Asset Administration Units for the recovery and management of assets in the region.

Moderator: Mónica Espinoza. Project Assistant, Department against Transnational Organized Crime (DTCO/OAS).

Mónica Espinoza, Moderator, introduced the members of the panel and pointed out that the DTCO has been working in this field since 2008, in the Project on Seized and Forfeited Assets in Latin America (BIDAL, as per its Spanish acronym), which had Argentina, Chile and Uruguay, as beneficiary countries, in its first

stage, El Salvador and the Dominican Republic, in its second phase, and Brazil and Paraguay in its third stage. Currently, the DTOC is advancing a technical assistance process for the National Program of Seized and Forfeited Assets (PRONABI, as per its Spanish acronym) from PERU, and the Special Assets Group (SAE) from Colombia will support the strengthening of its operational capacity and personnel, but this subject will be dealt with later in this panel. Then he went on to declare the panel open for the distinguished panelists.

Javier Rojas Silva, Deputy Minister of the National Secretariat for the Management of Seized and Forfeited Assets (SENABICO, as per its Spanish Acronym) from **Paraguay**, detailed the results of cases in which SENABICO managed seized and forfeited assets, and he explained the process of assets management during 2021. He said twelve (12) real estate properties were seized and some of them were used to give lodge to fellow citizens who arrive in the country and to comply with the mandatory lockdown, thus, helping prevent the spread of COVID 19; twenty-three (23) motor vehicles, for the aggregate amount of 736.4000 guaraníes (Paraguayan currency), and around USD 255.000 in cash. Finally, he described briefly the assets managed and delivered for various purposes and to public interest institutions, as well as in support of the fight against illegal activities related to organized crimes.

Andrés Ávila, President of the Special Assets Society (SAE, by its Spanish acronym) from **Colombia**, described the good practices that are being implemented for South-South cooperation in the area of forfeited assets management, and he mentioned the provisions of Section 30, of the UN Convention against Transnational Organized Crime, also known as Palermo Convention, which encourages countries to reinforce international cooperation in order to prevent, detect and curb transnational organized crime, subscribing bilateral cooperation agreements for material and logistic support. He pointed out that historically Colombia has offered technical assistance to the countries of the region in areas such as: identification of the drug trafficking routes, land frontier, ports and airport controls; detection of new psychoactive substances and the treatment of precursor chemicals; cannabis medical and scientific use; alternative development; money laundering; prevention programs; among others. However, he emphasized that new areas of interest have emerged in the region over the last years, such as the establishment of the legal entity of forfeiture, adopted by Guatemala, El Salvador, Honduras, México and Peru. For the last seven years, Colombia has been building a Taylor-made analysis of the different types of assets managed in Colombia and in the region. Nowadays, there is an exchange of cooperation and synergies between PRONABI of Peru-DTOC-SAE of Colombia, highlighting the advantage of this type of knowledge exchange.

María Isabel Quintana Luna, Attaché of the FIU-Mexico at the Mexican Embassy in United States of America, spoke about instrumental tools in the fight against organized crime and the strengthening of the asset management units in the region. She emphasized that the recovery of the proceeds of crime is essential in support of the efforts of the State to curb the cycle of impunity and to help societies exercise their rights to repair the damages caused by illicit behaviors. Any State that within its boundaries has been affected by crimes producing profits has the right to recover these financial proceeds of the criminal activity, even though these illicit profits may have been transferred, exported to another country, and also to resort to international litigation and request international collaboration. In this context, the task of the FIUs is essential, because they use effective systems for the recovery, analysis and spread of information about the financial flows of the banking systems of the whole world, and therefore they have the capacity to detect and trace the route of illicit money. She said that FIU was the first to file a suit for the recovery of assets before civil courts, and will try to repatriating funds that were stolen to the Mexican government

by former public officials and their accomplices. Lawsuits are faster than criminal proceedings and make it easier to recover the money and to repair the damages caused to victims and society in general.

Jonathan Riggs, Secretary General of the Ministry of Public Security of **Panamá**, put forward the bill on “Illicit Assets Forfeiture” which is now being discussed at Panamá’s National Convention. In 2019, the Ministry of Public Security suggested that a Technical Work-group should be established for the drafting of a Bill agreed upon by the Economy and Financial Ministry; the Public Prosecutor’s Office and the Judicial body. He explained that said bill was intended to reinforce the fight against criminal activities, to repair the damages inflicted to society, to weaken criminal groups financially, and to reduce their expansion and recruiting capacity. He said it will be a law of public and social interest, and that it will implement good practices in the matter of asset confiscation and administration, from countries like El Salvador, Honduras and Colombia. He added that this legal initiative is based on the UN Convention against Illicit Traffic of Narcotic Drugs and Psychotropic Substances, the UN Convention against Transnational Organized Crime, and the UN Convention against Corruption, as well as the recommendations of the Financial Action Task Force (FATF).

Discussion and proposals

Perú. The delegate began by congratulating the delegations for their presentations and asked if, in the cases described before, any country had had the chance of managing crypto assets. He said in Peru there was a case of crypto assets freezing, but he added that those funds were still in the hands of the administrator, that is the company or “dealer”.

Andrés Avila (Panelist). Colombia has had no experience at all in the administration of crypto assets. This subject has been consistently put forward in GELAVEX meetings; it is important for the region to learn about crypto assets administration and all administrators of forfeited assets should get acquainted with those assets.

María Isabel Quintana (Panelist). In the case of México, the FIU has detected the use of crypto assets, and the Mexican delegate explained that information is now being processed to determine if there is reasonable cause to file the pertinent reports and to proceed to the freezing of those virtual assets.

Argentina. Argentina’s Delegate thanked and congratulated the panelists for their presentations. He explained that Argentina has a well-structured guide issued by the Public Prosecutor’s Office for assets recovery and forfeiture, in which the whole process is assessed. The Delegate added that both Code, the Code of Criminal Procedure and the Code of Civil and Commercial Procedure, set forth the rules of procedures for precautionary measures and seizure proceedings. Then he asked the delegates of the other countries if they had been able to establish space-time statistics.

María Isabel Quintana (Panelist) made it clear that the strategic lawsuit brought by the FIU for the recovery of assets stolen from Mexico, has been brought to other jurisdictions - in this case to the United States, before the tribunals of Miami – it was possible to take action to secure those assets, until the civil suit is settled. Thus, it is a way of shortening time, and prevents the protected assets from being sold or transferred to a *bona fide* third party. This kind of strategic litigation helps prevent the assets from being stolen in the future. She added that the process is just starting and that they haven’t yet succeeded in recovering the assets, however, civil cases are deemed to be faster and easier than the criminal cases,

which are generally longer.

2.3.5 Panel: Panel: The fight against political corruption from a financial intelligence perspective.

Moderator. Nelson Mena, Legal Specialist, Department against Transnational Organized Crime (DTCO/OAS).

The Moderator, **Nelson Mena**, introduced the members of the panel and emphasized that the common factor behind all organized criminal activities is economic benefit. This economic benefit must be entered into the financial system so that the proceeds from illicit activities appear legitimate. He explained that organized crime tries to create a convenient atmosphere of impunity in order to avoid being apprehended and to hide the profits of their crime, and usually try to corrupt institutions and officials, both from the public and private sectors. -Therefore, money laundering controls should be reinforced, bearing in mind that corruption poses a high threat and needs to be closely monitored. This panel will address the various tools available and permitted by international and national regulations to effectively and efficiently face a modern and more diverse organized crime, its connection with corruption, and the importance of fighting it from the financial intelligence perspective. He then let the panelists have the floor.

Javier Alberto Gutiérrez López, Director of the Financial Information and Analysis Unit (UIAF, by its Spanish acronym), of Colombia, highlighted the results obtained in the fight against corruption, during the last three years. In Colombia, this unit makes an appraisal of the expected profits of criminal organizations, in the fields of corruption, drug trafficking, oil fields, blackmail, smuggling, and then, it estimates the rate of detection of illicit funds flows. In general, in Colombia the rate of detection of assets of illicit origin seems to be increasing and has accelerated in the last years. The UIAF noticed that it depends on the size of the country, and no matter the number of criminal acts committed, the illicit assets detected represented an amount close to 8 billion, including the value of the operation and the assets and properties detected in each operation. When referring to the reports, Mr. Gutierrez Lopez refers mainly to the reports to the Attorney's General Office of the Nation, 306 financial intelligence products, and to the Attorney's General Office and to the rest of the Intelligence Community. The UIAF in Colombia is part of the Intelligence Community, and therefore it has the power to share those intelligence products, with the rest of the law enforcement forces. The financial intelligence products delivered, to the General Attorney's Office and a few to the Supreme Court of Justice, represent 109 cases for USD 1.2 billion. In the last years, it has become evident that corruption is the principal crime giving origin to money laundering, accounting for 37%.

Claudia Roca, FIU of **Argentina**, expressed that her presentation would portrait Argentina's situation. She agreed with the idea that corruption is undoubtedly a complex, multifaceted, social, political and economic phenomenon with serious consequences known by all of us; corruption undermines the legitimacy of democratic institutions; hinders economic growth, discourages investment and the creation of new working opportunities; reduces tax revenues, erodes people' faith in public institutions and its agents. Obviously, it also creates inequality in the exercise of fundamental rights, and reduces access to quality public services and infrastructure, which mostly affect low-income people, paving the way to organized crime, delinquency and poverty. Corruption is commonly defined as the misuse of public or private office for personal benefits, and in general it can be classified pursuant to its methods; for instance, *minor corruption*, when it implies small amounts of money paid as administrative bribe to public officers, or bribery for tax evasion, acquisition agreements, or cases of *generalized corruption*, when it spreads to

all the administrative areas. Another classification relates to the organizations involved, such as *corporate corruption*, in the private sector, and *political corruption*, in the public sector. The different levels within the organizations denote another classification, for instance, *systemic corruption*, when it prevails in all levels of society, and *great corruption* when it involves high-ranking officials favoring a small group of businessmen, politicians or a criminal organization.

Moderator's Summary comments

The Moderator thanked Dr. Claudia Roca for the presentation made from the perspective of Colombia's UIAF, underlining the importance of analysis tools to manage the information collected by the FIUs. Said tools yield a valuable product for criminal investigation and prosecution authorities, since they help gather quality information derived from a comprehensive analysis of the financial state and the assets of the subjects under investigation. This information then becomes the work route to guide investigators and prosecutors to detect persons and entities associated to the assets under investigation and also persons who shall be the beneficial owners, and may be the perpetrators or accessories of the crimes being investigated.

He also thanked Dr. Claudia Rocca for her presentation made from the Argentina's UIF perspective. Dr Rocca underlined the efforts made to control and analyze the operations reported by the various reporting agencies, pursuant to the rules that regulate this type of suspicious operations or the operations linked to politically exposed persons (PEP). She described in detail some critical elements, like the systematic analysis of financial intelligence information, which may later be evidence or proof to be produced later in criminal proceedings by the police and prosecution authorities.

2.4 Fourth Session

2.4.1 Conclusions and recommendations

2.4.1.1 Presentation: Work Plan 2020-2021 put forward by the Chair and Sub-working Groups. ([DDOT/LAVEX/doc.6/21](#)).

Mexico's distinguished delegation presented the Annual Work Plan Proposal, for the term 2021-2022, stating that the activities strategically planned for GELAVEX for 2020-2023 will include the following: crypto assets, corruption crimes related to drugs and arms trafficking, and tax evasion; beneficial owners of asset laundering, the use of technological tools in order to improve operational and strategic analysis; Politically Exposed Persons (PEP); illicit mining exploitation, illicit assets management at a Hemispheric level, assets distribution, assets subject to forfeiture, and requests for international legal cooperation in asset laundering matters.

Based on the strategic plan approved for the next three years, the delegate proposed the following Work Plan 2021-2022:

Sub-Working Group on Financial Intelligence Units and Criminal Investigation Agencies:

- 1- Study of Money Laundering typologies based on Foreign Trade. Countries may decide to participate jointly in this Study Group. During the meeting, member countries shall be encouraged to join the project.
- 2- A Red flags guide to detect Money Laundering cases through Human Trafficking. Countries may

decide to participate jointly on this Guide. During the meeting, member countries will be encouraged to join the project.

- 3- Analysis of money laundering cases, linked to environmental crimes. Countries may decide to participate jointly in this Analysis. During the meeting, member countries will be encouraged to join the project.

Sub-working Group on International Cooperation and Forfeiture

- 1- Study of the best practices in the coordination by the authorities on asset forfeiture in cases of money laundering associated to illegal arms trafficking, and its pertinent disposal. Countries may decide to participate jointly in this Study. During the meeting member countries will be encouraged to join the project.
- 2- Guidelines on Identification and Investigation Techniques, in cases of money laundering from political corruption. Countries may decide to participate jointly in this Guidelines. During the meeting, member countries will be encouraged to join the project.
- 3- Regional analysis of the fight against money laundering from cybercrimes in OAS member States. Countries may decide to participate jointly in this Regional Analysis. During the meeting, member countries will be encouraged to join the project.

In addition, the following work and coordination guidelines for the Sub-working groups were proposed:

- Each Sub-Working Groups shall appoint a technical secretary, who will be in charge of connecting and coordinating the activities planned by the Chair, both within or outside the Sub-Working Group.
- Each Sub-Working Group shall provide documentation on every task they carry out, which may serve as a basis for the final report.
- Each Sub-working group shall establish a meetings Schedule (at least, two meetings per month)
- Each Sub-working group shall establish a useful and friendly mechanism for the exchange of information with other Delegations.

With the aim of establishing a method for virtual meetings, the following was proposed:

- The Schedule of the virtual meetings shall be delivered in advance.
- Meetings shall be moderated according to the agenda, which shall be circulated in advance.
- All attendants shall have their turn to participate in the virtual meeting (up to 5 minutes).
- At the end of each virtual meeting, there will be time for questions and answers.

Finally, he proposed the following Rules to be followed during virtual meetings:

- Participants will ensure that their internet connection, their devices (computer, microphone, webcam or any other) are in good condition before the meeting.
- Join the virtual meeting on time. Ten-minute tolerance will be given to join the meeting.
- Participants will be required to keep the microphones off and webcams on.
- Privacy and the protection of the information to be discussed are essential.
- Virtual meetings may last two hours, at the most.

Discussion and Proposals

Brazil. The Brazilian delegate thanked the proposal of the distinguished Mexican delegation, and made it clear that he is representing the Directorate on the Fight against Transnational Crime. He added that in Brazil, there are many institutions involved in the fields of work that have been discussed previously in this meeting. However, even though he understands that the proposal has been presented and disseminated in a timely manner, the delegate states he does not feel comfortable with the idea of approving the proposal without requesting the opinion of the Brazilian competent authorities. Therefore, he asked for additional information on the consultation process, and wondered if there will be other opportunities soon to make comments on the proposal.

Technical Secretariat (DTC): When the Chair asked if there was a deadline for introducing additional comments to the proposed work plan, the answer was that the proposal should be approved as submitted. However, it was mentioned that changes to the report and its annexes could be made until the final report was circulated. He added that once the report is distributed, the **delegations** will be able to make observations to the contents of the report, reflecting discussions, presentations and decisions made during the plenary meeting. Should any delegation make an observation or a request for corrections to be made, the report and its annexes shall be approved including said observation and corrections. Hence, for the purpose of registration, the work plan proposal may be approved ad referendum and/or with the observations made by this plenary meeting, reserving the opportunity to make observations during the final report's revision.

Chile thanked and congratulated México and the Technical Secretariat for the meeting's organization, and also congratulated Mexico's ambitious proposal, because it sets many goals and hoped everyone will cooperate for the achievement of those goals. And as it was explained, he agreed in that the Mexican proposal addressed new and relevant issues. He made two requests: first, that the delegations should reaffirm their commitment to cooperate in the coordination of the task of the Sub-Working Groups, which is essential for a work plan like this one. There is no doubt that active participation of all countries will be needed, so that the work should not only depend on the efforts of the Chair and of the coordination groups; and second, that, the initiatives that are already established and the efforts made in other areas should be taken into account, for instance, in the field of cybercrime, where there have been certain developments and various products have been delivered, with the participation of many countries that are present in this meeting, with the aim of avoiding the duplication of efforts, as well as supplementing the work that has already been done and add value to it.

Colombia. The delegate highlighted one special topic of the work plan proposed by the Mexican delegation which was carefully developed, on the strategic planning for 2020-2023, and includes many topics that this Group has been analyzing. One of these topics is related to the 12th Recommendation of the FATF, on Politically Exposed Persons (PEP). It will be useful for all the countries and in his opinion, it should be further developed and placed on the agenda. Regarding cybercrime – he suggested the work should be focused on money laundering, because in many countries the term “cyber delinquency” is not a base crime and it opens a broad security gap; therefore, he suggests that the proposal should focus, in the first place, on money laundering, and then on cyber crime as a predicate offense.

Argentina. The Argentine delegate said that he shares Brazil's concerns, however, he acknowledged the presentations made during the last two days, regarding the work plan being discussed and also regarding

the documents related to each project. Delegations are requested to approve documents, which in many cases have not been previously reviewed. Therefore, presentations will not be as extensive as they would have been should the analysis have been made in advance, with the participation of the delegations' agencies so as to decide possible contributions. Thus, he suggested that the documents should be shared with the sub-working groups and all delegations.

Ecuador. Ecuador's delegate stated that the work plan is very ambitious, it poses a challenge to this Group and that the Vice Chair, represented by Ecuador, will support Mexico, not only for the benefit of this administration but also for the benefit of the Hemisphere, with the purpose of restricting the funds of organized crime, putting criminals behind jails and also seizing their assets in order to prevent the expansion of said criminal organizations. Ecuador offers full cooperation for the execution of the proposed plan.

Colombia. The delegate of the Permanent Mission of Colombia in the OAS wondered what was being approved, ¿was it the work plan?

Chair. The Chair made it clear that they were submitting for approval the plan of action proposed for Mexico's Chair of GELAVEX, so that the sub-working groups analyzed these proposals.

Colombia: (...) In Colombia's delegate opinion, they cannot approve a document without comments by the States. He suggested leaving the documents to be discussed virtually at a later stage, so that they include the contributions of the States that have not seen these documents in detail, and then approve the reviewed documents.

Technical Secretariat (DTCO): Based on the question made by Colombia, the technical delegate stated that the work plan may be approved with the observations made during this plenary meeting. However, the work plan shall not start until all observations made by the delegations have been analyzed, once this meeting's final report is circulated, within the time agreed upon.

Mexico. For Mexico's delegation, it is necessary to build consensus. The delegate considered that the right thing to do is to circulate the document among all delegations. He welcomed the Technical Secretariat's proposals intended to sort the situation out, trying to find solutions to the problems that may arise in the region and in OAS States, to continue making progress on this important tasks and to give delegations the chance to review the whole document.

Mexico. The representative of Mexican Mission to OAS said that his delegation was taking the floor again hoping to overcome this obstacle and, in line with the Technical Secretariat's position, he reminded the panel that that GELAVEX is indeed going through a period of transition after having left the Interamerican Drug Abuse Control Commission (CICAD, by its Spanish acronym), and it is still exploring different modes of action for this group. After listening to the observations made by the delegations, he finds that there is a general interest in the progress of the group, that delegations are willing to make observations or comments, and to read the documents in detail. And MEXICO gladly welcomes those comments and observations. He suggested to the Chair that documents should be approved leaving some space to make observations on this work plan, in case some delegations wish to do it.

Chair. Based on the comments received, and with the delegations' agreement, the Chair approved the

work plan and remarked that further observations and suggestions will be accepted from delegations once the final report has been circulated by the Technical Secretariat.

2.4.1.2. Conclusions and recommendations of the Group of Experts for the Control of Asset Laundering.

- i. To approve the reports submitted by the **Sub-Working Group of the Financial Intelligence Units and Criminal Investigation Agencies**, in charge of the distinguished delegations of Chile, Mexico and Paraguay, on: a) detection of cases involving crypto assets; and b) the study on Money Laundering Proceeds of political corruption, illicit drugs and arms trafficking and tax evasion. With reference to this last subject, there was not enough time to deal with all predicate offenses, and therefore, they will be analyzed during the next sessions, as the Chair recommends in its Work Plan.
- ii. To highlight the relevant interventions of the panel on “Human Trafficking, Money Laundering and Interagency Cooperation against Organized Crime”, acknowledging the presentations of the expert panelists: **José Cardoso**, Financial Intelligence Unit (FIU), from Argentina; **Commander Beatriz Vernet Perna**, Head of the Group on Economic Crime, Spain’s Civil Guard; **Esther Montalvo**, Specialist of the UN Office on Drug and Crime. The conclusions expressed by **María Isabel Quintana Luna**, Moderator of this interesting panel, Attaché of the Financial Information Unit of Mexico, at the Mexican Embassy in the United States of America are most welcome.
- iii. To acknowledge the interventions of the panel on “Customs Interagency Cooperation for the fight against Money Laundering”, made by the expert panelists: **Sandra Fabiola Valdez Méndez**, Director General of the Strategic Analysis of the Financial Information Unit of Mexico; and **Juan de Dios Vázquez Álvarez**, Administrator of the Customs Office, Mexico. The conclusions expressed by the Moderator of this interesting panel, **Abdías Olguin Barrera**, Strategic Analysis Coordinator of UIF, Mexico, are most welcome.
- iv. To thank the panel on “Money Laundering linked to Illicit Arms Trafficking”, for the contributions made by the following expert panelists: **Ramsez Ruiz**, Director General of Analysis of the Financial Information Unit, Mexico; **Salvador Tinajero Esquivel**, Legal Consultant of the Ministry of Foreign Affairs of Mexico; and Luis Alberto Rivera Cuellar, Anti-Money Laundering Investigation Group, of the Criminal Investigation Directorate and Interpol, Colombia National Police. Conclusions expressed by the Moderator of this interesting panel, **Karoline Moraes**, Program Officer, DTOC, are most welcome.
- v. To highlight the relevant interventions of the panel on “Supervision and Investigation of the Financial Technology Services”, acknowledging the outstanding presentations of the following expert panelists: **Daniel Ackerman**, International Computer Hacking and Intellectual Property Advisor, Department of Justice of the United States of America; **José Luis Ortiz Guzmán**, Director General, Operations Prevention, Resources of Illicit Origin of the National Banking and Securities Commission, Mexico; and **Viviana Garza**, Supervision and Regulation Manager of the Bank of Mexico. The conclusions expressed by the Moderator of this interesting panel, **Mónica de la Macarena Juárez**, Attaché of the Financial Information Unit of Mexico, are most welcome.

- vi. To thank the panel on “Environmental Crimes, Illegal Mining and Money Laundering”, for the valuable interventions, and acknowledge the outstanding presentations made by the following expert panelists: **John Grajales**, Technical Specialist of the DTOC; and **Ricardo Carlos Villega Pávez**, Chief of INTERPOL’s Regional Office for South America (OIPOLC). The conclusions expressed by the Moderator of this interesting panel, **Shuber Muñoz**, Director of the Strategic Analysis, Financial and Economic Analysis Unit from Ecuador, (UAFE, by its Spanish Acronym) are most welcome.
- vii. To approve the work documents submitted by the **Sub-Working Group on International Cooperation and Forfeiture**, headed by the distinguished delegations of Colombia and Costa Rica, related to: a) the set-up of an Illicit Asset Administration Network in the Hemisphere; and b) the elaboration of a method for sharing assets subject to Forfeiture, as a reference document for OAS member States.
- viii. To highlight the valuable interventions of the panel on “The Use of Illicit Origin Resources during Electoral Process and the Fight against it”, and acknowledge the presentations made by the following expert panelists: **Delia Ferreira Rubio**, President of Transparency International; and **Paula Lekanda**, Specialist of the OAS Electoral Cooperation and Observation Department (DECO) The conclusions expressed by the Moderator of this interesting panel, **Gastón Schulmeister, Director of the DTOC**, are most welcome
- ix. To welcome the valuable comments by the panel on “*Instrumental Tools in the fight against organized crime: Strengthening the Asset Administration Units for asset Management and Recovery in The Region*”, by **Javier Rojas Silva**, Vice Minister of the National Secretariat for the Administration of Seized and Forfeited Assets (SENABICO, by its Spanish acronym); **Andrés Avila**, President of the Special Assets Group (S.A.E.), of Colombia; **María Isabel Quintana Luna**, Financial Intelligence Unit of Mexico; and **Jonathan Riggs**, Secretary General of the Ministry of Public Security of Panamá. The conclusions expressed by the Moderator, **Monica Espinoza**, Project Assistant, DTOC, are most welcome.
- x. To thank the interventions of the panel on “The Fight Against Political Corruption from a Financial Intelligence Perspective”, and to acknowledge the interesting presentations of the following expert panelists: **Javier Alberto Gutiérrez López**, Head of the Information and Financial Analysis Unit (UIAF) from Colombia; and **Claudia Rocca**, Financial Intelligence Unit from Argentina. The conclusions expressed by the Moderator of this interesting panel, **Nelson Mena**, Legal Expert, DTOC, are most welcome
- xi. To approve the 2021-2022 Work Plan proposed by the distinguished delegation of Mexico, **including the observations** made by the distinguished delegations of Argentina, Brazil, Chile and Colombia, so that they are able to introduce changes or comments to said work plan, within the timeframe established to send comments to the final report of this LI GELAVEX Meeting.

2.5.1 Miscellaneous

2.5.1.1 Election of Chair and Vice Chair for the term 2022-2023

This Plenary approved Ecuador's nomination to the Chair of GELAVEX, for the term **2022-2023**. Ecuador will take over the Chair during the LIII (53rd.) Plenary Meeting of GELAVEZ, to be held during the second half of 2022, in Ecuador. Delegations have not yet filed their candidacies for the Vice Presidency, and therefore, are here invited to submit their candidacies to the Technical Secretary, and through their respective OAS Permanent Missions, at the latest, on **February 28, 2022**. The candidacies received shall be analyzed during the LII Plenary Session of GELAVEX.

2.5.1.2 Next Meeting

The next GELAVEX Plenary Meeting shall be scheduled by the Chair and the Executive Secretariat, and it will be held during the first semester of 2022. The Technical Secretariat shall confirm dates, city and format in due time.

The Group thanks the Chair, exercised by the Delegation of Mexico, for its outstanding performance during this Plenary Meeting.

1. Closing of the Meeting

Pablo Gómez Alvarez, Head of the Financial Intelligence Unit of Mexico, and Chair Pro Tempore of the Group of Experts for the Control of Money Laundering (GELAVEX), in his closing remarks for the LI Meeting of GELAVEX, thanked the different OAS delegations for the support given to MEXICO, and also thanked the Foreign Affairs Secretariat, through the Mexican Permanent Mission in OAS, and the GELAVEX' Vice-Chair, held by Ecuador, for the coordination efforts and activities carried out for this LI Meeting. He added that the efforts to fight money laundering are essential and have to be made through cooperation mechanisms, strengthening ties of effective collaboration, trust and friendship among nations to succeed in dismantling the financial and economic structures of transnational and national crime. The above comments and analysis are aimed at fulfilling international obligations. He went on to say that, at the closing ceremony of this LI Meeting, he encourages delegations to keep communication lines open and to foster effective and safe mechanisms for information exchange in the region, on the basis of reciprocity, and to pursue the common objectives of the work plan proposed in this meeting, through instruments created for that purpose. Finally, he declared the Meeting closed.