Republic of Serbia
Ministry of Interior
Service for Combating Organized Crime
Financial Investigations Unit

FINANCIAL INVESTIGATIONS
CONTENT of the PRESENTATION

1. MoI R Serbia – Financial Investigation Unit – legal framework

2. Financial Investigations

3. Case Study
Service for Combating Organized Crime

- was established in October 2001
- main operational units within the SCOC are:

  - ORGANIZED FINANCIAL CRIME SUPPRESSION DEPARTMENT
  - CLASSIC ORGANIZED CRIME SUPPRESSION DEPARTMENT
  - DRUGS SMUGGLING SUPPRESSION DEPARTMENT
  - FINANCIAL INVESTIGATIONS UNIT
  - HIGH-TECH CRIME SUPPRESSION DEPARTMENT
**Legal Framework**

Law on seizure of crime proceeds

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<table>
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<tbody>
<tr>
<td>1.</td>
<td>Establishment of specialized unit competent for financial investigations within the MoI R Serbia</td>
</tr>
<tr>
<td>2.</td>
<td>Taks of the Unit: detection of property/assets originating from criminal offence</td>
</tr>
<tr>
<td>3.</td>
<td>Unit acts by the order of Public Prosecutur or Court OR by its official duty</td>
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</table>
4. Financial investigation is initiated when there are grounds for suspicion that person owns certain crime proceeds.

5. FI collects evidences related to properties, licit incomes and expenditures of the accused, witness collaborator or testator, evidences on the property inherited by a legal successor i.e. compensation by which property was transferred to a third person.

6. Priority and confidentiality

7. Competencies underlined in p. 18, 19, 20 of the Law

8. International aspect
FINANCIAL INVESTIGATION

- Objectives and tasks
- FI procedure and flow
- Examples
- Case Studies
OBJECTIVES AND TASKS of FI

- Detect crime proceeds
- Ground of suspicion that person owns significant crime proceeds
- Collect evidences related to properties, licit incomes and expenditures of the accused, witness collaborator or testator, evidences on the property inherited by a legal successor i.e. compensation by which property was transferred to a third person
FINANCIAL INVESTIGATIONS

Police

Submitted criminal charge

Prosecutor

Pre-trial procedure

Information

Court
Information

on ground for suspicion that criminal offebece was committed, as well on personal proerty is obtained by / from:

- Operational work of the police (cases, informants, etc.)
- Claims of natural and legal persons
- Anti-money Laundering Administration (suspicious transactions on the basis of indicators, such as big values, structured values, off shore, etc.)
- Other state authorities – Tax Police, Customs, Foreign Currencies Inspecorate . . .
- International co-operation – liaison officers, Interpol, bilateral co-operation (matching investigations – same objectives)
- Miscellaneous (Internet, e-media and other media, etc.)
Pre-trial procedure
against a person for who there are grounds to suspect
that he/she committed criminal offence and collection of
data about the property of this person

- Data collection on the basis of legal competencies of the police - articles 225, 226, 77, 232, 238, 504lj of Criminal Proceedings Law, etc.
- MoI database
- Collection of data from other state authorities – Anti-money Laundering Administration, Tax police, Revenue Administration, Customs, Land Registry, Court registries, etc.
- Data collection from other natural persons, inquiries in companies and financial institutions – banks, insurance companies, etc.
- Special investigative techniques
- Inter-police co-operation
- Internet
Police authorizations (powers)

- Withdrawal of documentation (financial flow of the property, etc.)
- Interviews of persons
- Checks with other state authorities (within the scope of powers)
  Etc.
MoI database
contains data about:

- persons
- legal entities
- vehicles
- weapons
- from databases of some other state authorities (Bureau for Statistics, etc.)
Collection of data from other state authorities

- Anti-money Laundering Administration
  1. Internal data from Administration’s database
     - data based on the membership to Egmont group
     - necessity to form a file
  2. External data on bank accounts: in which banks accounts are opened, further insight into the account, turnover on the account
  3. monitoring of accounts’ blocking
- Tax Administration
  - data about inheritance and gift tax, tax on the transfer of absolute rights, revenue tax, data on legal entity, assessment of property’s value, tax (taxation) history, etc.

- Customs
  - data about import, export and services, data on legal entities, suppliers – buyers abroad, customs documentation (invoices, UCD, CMR, warranties, vehicles, values, etc.)

- RDI – data about employment, incomes, etc.
- Republic Geodetic Institute, Land Registry
  Registries of land and immovables - 80% regulated land registry in Serbia
- Registries of courts/sale and purchase contracts, mortgage, etc.
- Registries of local administrations (municipalities) – data about paid tax for property, objects, construction licenses (licenses, claims for legalization of property), stage of object construction, inspection reports, etc.
Public Companies and Institutions

- Electro power distribution company (Elektrodistribucija),
- Telekom,
- Public utilities companies
Gathering data about legal entities
- money flows, property flows, ownership structure, insight into business, linked legal entities

Data gathering from physical entities

Financial-economic institutions
- National Bank of Serbia
- Business banks – data about accounts of physical and legal entities (orders of Prosecutor, Court or Anti-money Laundering Adm.), transactions, etc.
- Central Securities Registry
- Business Registers Agency
- Stock Makret
- Securities Commission

- Use of special investigative measures
  Art. 232 CPC (information about property)
- Operational and intelligence work in the field
- Inter-police co-operation
  liaison officers, Interpol, bilateral agreements, SECI Center
- Internet
  Data about legal and natural entities and their property, etc.
Criminal charge
prosecution of persons for who there is a reasonable suspicion of committing criminal offence and continuation of financial investigations

- Enforcement of investigative judge’s orders for search of apartments and other premises, insight into the account of a natural entity, account blocking

- Interview with persons as citizens or suspects

- Submission of criminal charge to the competent Prosecutor’s office with other measures defined by the law
Financial investigations

Organized crime

CLASSIC CRIMINALITY
Drugs,
 Trafficking in weapons,
 human beings,
 kidnappings, murders

FINANCIAL CRIMINALITY
Money laundering, corruption,
 counterfeits, cyber crime
Istrage KD i finansiske istrage

Evidences and traces of criminal offence

Assets identification

Initial info

Pre-trail procedure

realization

investigation
Finansiske istrage: novac i imovina

Initial info

Pre-trail phase realization investigation

Money

Assets

Fi pk

Fi real

Fi ist
Examples - tendencies

- INTERNATIONAL CO-OPERATION
- OPERATIONAL ANALYSIS
- EXPERIENCES SO FAR
# INTERNATIONAL CO-OPERATION

<table>
<thead>
<tr>
<th>Mutual legal assistance</th>
<th>Inter-police co-operation</th>
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<tbody>
<tr>
<td>1. Request of Inv. Judge</td>
<td>1. Levels – checks, actions, joint operations</td>
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<tr>
<td>2. Request of Special Prosecutor</td>
<td>2. Institutions - liaison officers, Interpol, bilateral co-operation</td>
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- AMLA
  1. Egmont group
TRUST AGREEMENT

To P.P.T.: Limited,

of 18 Emmanuel Papachristoforou St, Pareuos Building, 3rd Floor, 3030 Limassol, Cyprus HEREBY ACKNOWLEDGE and declare that we hold the shares shown in the Schedule hereafter
registered in our name as Nominees of and Trustee for Mr.  of Vugovakia
hereafter called "the Owner") and WE UNDERTAKE and agree not to transfer deal with or
dispose of the said shares save as the Owner may from time to time direct. And further to give full
effect to the most hereby declared WE HEREBY DEPOSIT with the Owner the Certificate for
the said shares together with a transfer thereof executed by us in blank and WE HEREBY
UNIVERSALLY AUTHORIZE and empower the Owner at any time to complete such transfer by
typing the name or names of any transferees and the date of the transfer and to complete the
same in any other necessary particulars AND WE DECLARE that this authority is irrevocable
in AND WE FURTHER UNDERTAKE and agree to account to the Owner for all dividends and
interest which may be paid to us from time to time upon the said shares and for all other money of
which may be payable to us in respect thereof. AND WE FURTHER UNDERTAKE and
are to exercise our voting power as holder of the said shares in such a manner and for such purpose as
Owner may from time to time direct or determine.

SCHEDULE

ORDINARY SHARES NUMBERED 001 - 300

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Signed by the owner of

For and on behalf of

Nominees Ltd
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<th>Current Balance</th>
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Notification (Transmission) of Original sent to SWIFT (ACK)
Network Delivery Status: Network ACK
Message Input Reference: 1847 00803166577276583
Swift Input: FIN 103 Single Customer Credit Transfer
Sender: TUTUNOK22XXX TUNTUNA BANCA AD SKOJSX MX
Receiver: 2ABAB5XXX ZAGHERBA BANCA DD ZAGHER SV

20: Sender's Reference
B500-149888/MI
218: Bank Operation Code
CRID
32A: Val Dte/Curr/Interbank Settld Amt
Date: 04 August 2005
Currency: EUR
Amount: $150,000
338: Currency/Instructed Amount
Currency: EUR
Amount: $150,000
50X: Ordering Customer-Name & Address
/1000225
TRADING LIMASOL CYPVR
MK
59A: Sender's Correspondent
LIMASOL
59B: INTERNATIONAL BANCA BAVIERA
59: Beneficiary Customer-Name & Address
/236930093000000013
70: Remittance Information
/RFB/TRANSFER
71A: Details of Charges
BN
71F: Sender's Charges
Currency: EUR
Amount: 80,000

MAC: 349CDBDF34
CHK: 983282953830
Category: Network Report
Creation Time: 03/08/05 15:00:37
Application: SWIFT Interface
Operator: SYSTEM
Text:
[1]:P11TUTUNOK22XXX609777765983[41:277:0508031547][451:0]]
Operational analysis
EXPERIENCES SO FAR…

- Time when FI is initiated
- Significant property VS assets benefit
- Content of the request for FI
- Daily communication between Prosecutor and Police
- Priorities of FI
- Law and law enforcement
- Databases
- Education
Thank you for your attention!