

# ICE

## U.S. Immigration & Customs Enforcement (ICE)



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**Miami, Florida**

## FOREIGN CORRUPTION



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## ***What is a “Politically Exposed Person”?***

The term politically exposed person, or PEP, may apply to a person who performs important public functions, or holds a high-level government position.



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## Examples to Aid Interpretation:

- Heads of state, government and cabinet ministers
- Functionaries in nationalized industries and government administration
- Senior judges
- Senior party functionaries
- Senior and/or influential officials, functionaries and military leaders and people with similar functions in international or supranational organizations.
- Members of ruling royal families.
- Senior and/or influential representatives of religious organizations (if these functions are connected with political, judicial, military or administrative responsibilities).



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***Commonly used statutes:***

***18 USC 1956  
Money Laundering***

***18 USC 1957  
Transaction of Property  
derived from an SUA***



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## ***USA PATRIOT Act:***

## ***Legal Authorities***



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## USA Patriot Act Money Laundering Sections

**Section 314(a) Cooperative Efforts to Deter Money Laundering**

**Section 315 Foreign Corruption Offenses**

**Section 317 Long-Arm Jurisdiction over Foreign Money Launderers**

**Section 319 Subpoena and Summons Authority Over Corresponding Accounts**

**Section 320 Proceeds of Foreign Crimes**

**Section 353 Penalties for Violating Geographic Targeting Orders**

**Section 371 Bulk Cash Smuggling**

**Section 373 Illegal Money Transmitting Businesses**



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## USA Patriot Act Investigative Authorities

**The authority to investigate foreign corruption has been enhanced by the enforcement provisions provided for by the U.S.A. PATRIOT ACT, specifically Sections 315, 317, 319 and 320.**

**Section 315, Foreign Corruption Offenses - added several new foreign crimes to the list of money laundering predicates, to include:**

- (1) any crime of violence**
- (2) bribery of a foreign public official or misappropriation of public funds by a foreign public official**
- (3) smuggling munitions or technology with military applications**
- (4) any “offense with the respect to which the US would be obligated by multilateral treaty” to extradite or prosecute the offender**



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## USA Patriot Act Investigative Authorities - Cont.

### **Section 317, Long-Arm Jurisdiction over Foreign Money Launderers -**

**Gives the U.S. District Court jurisdiction over a foreign persons, including a foreign bank, that commits a money laundering offence in the United States or converts laundered funds that have been forfeited to the Government.**

### **Section 319, Subpoena and Summons Authority Over Corresponding Accounts –**

**Provides that if money subject to forfeiture under U.S. law is deposited into a foreign bank and the foreign bank has a correspondent U.S. bank account, the Government may seize and bring a civil forfeiture action against the funds in the correspondent account.**

### **Section 320, Proceeds of Foreign Crimes –**

**Amended 18 USC 981(a)(1)(B) to allow civil forfeiture of proceeds and facilitating property of all money laundering predicates (old law authorized forfeiture for offenses against a foreign nation involving violation of Controlled Substances Act only).**



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## **RED FLAG INDICATORS**

- Accumulated financial wealth by government officials inconsistent with that reported on mandatory financial disclosure forms for government officials.
- General accounting procedures for purchases of government equipment and use of government funds not followed.
- Government purchases for goods never received by the purchasing government agency.



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## **RED FLAG INDICATORS - Cont.**

- Official government checks issued to names of individuals with no justification or purpose listed on accounting books and subsequently cashed at exchange houses.
- Inflated government purchases of goods in which the purchase price obviously exceeds the normal price of items purchased.
- Political influences by government officials facilitate the non-disclosure of financial institutions when requesting and instructing bankers to conduct electronic transfers of large sums of currency to off shore accounts.



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## Foreign Political Corruption Task Force

### MISSION:

- To target and prosecute corrupt foreign public officials that have utilized the United States' financial institutions to perpetrate criminal acts involving money laundering and fraud.
- To develop evidence of criminal activity and conduct investigations that will successfully identify, seize, forfeit, and repatriate funds traceable to fraud, embezzlement and public corruption in foreign countries.



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## Foreign Political Corruption Task Force

With an increasing trend of criminal referrals from Central, South American and Caribbean governments seeking U.S. assistance, an ICE initiative based out of Miami, Florida (comprised of ICE's Foreign Political Corruption Investigations Group and Asset Identification and Removal Group (AIRG)) was created to identify, locate and seize assets of corrupt government officials involved in the theft and embezzlement of foreign governmental funds.



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## Foreign Political Corruption Task Force

ICE investigations have indicated that the criminally derived proceeds are being funneled to the United States for the purchase of assets.

In addition to task force in Miami, several other ICE domestic and international offices are involved Foreign Corruption cases which are being investigated accordingly.

The initiative has expanded from South and Central American nations and currently includes investigations being conducted worldwide.



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## Foreign Political Corruption Task Force Strategy

- State Department Engaged – request comes *from* the effected country.
- High Level of Cooperation from effected country required.
- Suspension of Visas of the PEP or PEP family members denied access to US.

- Presidential Proclamation 7750



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## Foreign Political Corruption Task Force Strategy

### Deny Safe Haven to Corrupt Officials:

- On January 12, 2004, President Bush signed Presidential Proclamation number 7750, under section 212(f) of the Immigration and Nationality Act, making excludable and suspending entry into the United States as immigrants or non-immigrants of certain corrupt public officials, those who corrupt them, and their dependents.
- The Proclamation applies to both current and former officials and those who corrupted them, as well as dependents, in all immigrant and non-immigrant visa categories.



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## Foreign Political Corruption Task Force Strategy

- Extensive use of subpoenas to gather financial records and establish links through signatory cards, visa and passport information and other forms of identification.
- Frequent communication between foreign & U.S. prosecutors.
- Use of news reports and commercial databases to gather intelligence and establish personal and business relationships connected to the primary PEP targets.



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## Foreign Corrupt Practices Act



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## Foreign Corrupt Practices Act

### Anti-Bribery Prohibitions:

- Corruptly paying, promising to pay, or authorizing to pay
- Anything of value
- To any foreign official
- In order to assist in obtaining or retaining business or in licensing or authorizing reinsurer or insurer in foreign country



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## Foreign Corrupt Practices Act

### “Anything of Value”

- Traditional bribes
- Also gifts, travel expenses and entertaining
- No de minimis violation

### “Obtain or Retain Business”

- Or direct business to a particular person
- Or secure any other improper advantage
- Simply a business nexus (e.g., lower taxes or tariffs)
- Obtain insurance license or authorization



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## Foreign Corrupt Practices Act

### “Foreign Official”

- Can include political candidates, parties, family members
- Insurance regulator and staff
- Can include making a payment to a private party with belief that the private party intends to turn over all or part of that payment to a foreign official
- Officers, directors and employees of state-owned businesses
  - No bright line rule as to what counts as “state owned”
  - U.S. enforces focus on the issue of “control” and determine whether the business acts as an “instrumentally” of a foreign government
  - In some countries and sectors (e.g., China), everyone should be presumed a foreign official until proven otherwise



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## Miami Foreign Corruption Task Force

### *Case Example*

### Nicaragua



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**Jose Arnaldo  
ALEMAN LACAYO**

- Served as President of the Republic of Nicaragua from January 1997 to December 2001.
- Charged with money laundering and embezzlement.
- December 2003 – Sentenced to 20 years in prison.



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Assets identified and seized include:



**\$3,500,000 in Real Property – Beachfront  
Luxury Apartment**



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\$300,000 in Real Property – Beachfront Cabana



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\$671,000 Proceeds from Sale of  
Helicopter



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## **Additional assets identified and seized include:**

- Seven certificates of deposit valued at \$700,000
- Four investment accounts valued at total sum of \$1,123,211
- \$150,000 on deposit for the purchase of Key Biscayne, Florida condo
- \$10,095,317 in bank accounts in Panama
- A vessel (in Nicaragua) valued at \$119,000



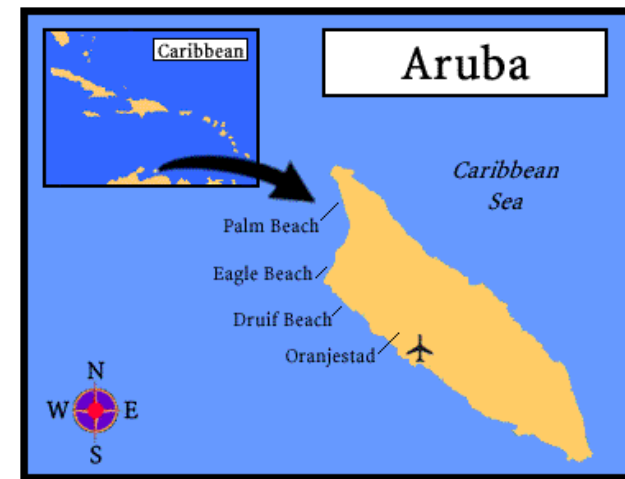
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## Miami Foreign Corruption Task Force

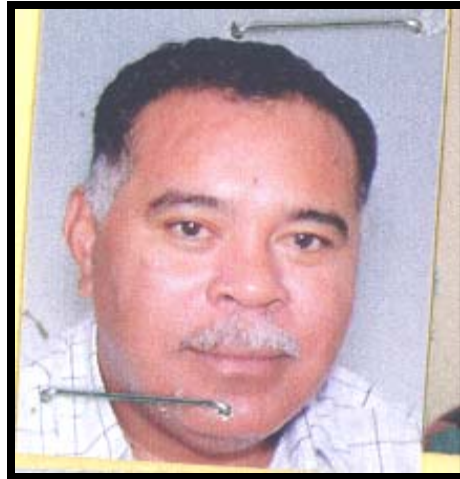
### *Case Example*

### Aruba



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**Mario M. Faro**

- Served as former Director of National Laboratory in Aruba.
- Stole \$9,000,000.
- Arrested/extradited.
- Funds were seized.



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Assets identified and seized include:

**Vehicle - 2007 Mini Cooper**



**Pleasure Vessel**



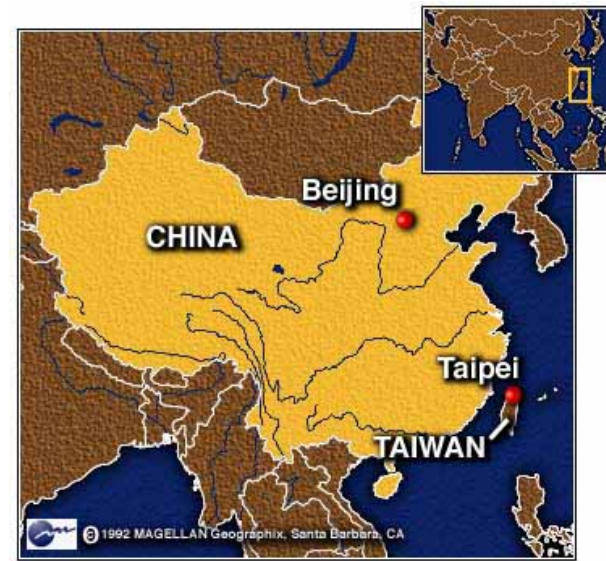
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### *Case Example*

### Taiwan



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**CHEN, Shui-Bian**

- Taiwanese politician and former President of the Republic of China.
- Allegedly stole \$300,000,000.
- Arrested by Taiwanese Law Enforcement,
- Properties and accounts in U.S. are pending seizure.



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Assets identified and to be seized include:



Real Property  
located in Virginia.



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Real Property  
located in  
New York



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### *Case Example*

### Equatorial Guinea



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**Teodoro  
Obiang Nguema  
MBASOGO**

- President of Equatorial Guinea.
- Embezzled \$700,000,000 of Equatorial Guinea government funds through personal bank accounts and offshore companies. Funds were later repatriated back to Equatorial Guinea to be used for infrastructural projects.
- MBASOGO has insulated himself by placing family members in key government positions.



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**Teodoro  
Nguema OBIANG  
("Teodorin")**

- Son of Equatorial Guinea President Nguema MBASOGO and Minister of Agriculture and Forestry.
- Assets in France, South Africa, United States.
- Suspected of using oil revenues from his country to support his "lavish" lifestyle.



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OBIANG owns several assets in Cape Town, South Africa, which include:

**Residence at 35 Klassens Road**

*Estimated Value: \$3.6 million*

**Residence at 76 Fourth Beach**

*Estimated Value: \$3.2 million*

**Two (2) Bentley luxury vehicles**

*Estimated Value: \$970,000*

**2005 Lamborghini Murcielago**

*Estimated Value: \$440,000*



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OBIANG owns multiple luxury vehicles in storage at an automobile museum in Los Angeles, California.

**(2) Rolls Royce Phantoms** (*\$350,000 each*)

**(2) Maybachs** (*\$350,000 each*)

**(4) Ferraris** (*\$250,000 each*)

**(1) Bentley Arnage** (*\$240,000*)

**(1) Rolls Royce Park Ward**



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Other assets owned by OBIANG in the United States include:

## Aircraft



**Gulfstream V jet** (*\$36,000,000 estimated value*)

## Watercraft



**2 Speedboats of unknown value**  
**(1 for West Coast residence and 1 for East Coast residence)**

## Exotic Vehicle



**Bugatti** (*\$1,500,000 estimated value*)



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### *Case Example*

### Colombia



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**William Fernando  
ALVARADO Saavedra**

- Colombian Navy Officer.
- Arrested in Colombia.
- Pending Extradition – Supplying DTO's with information.



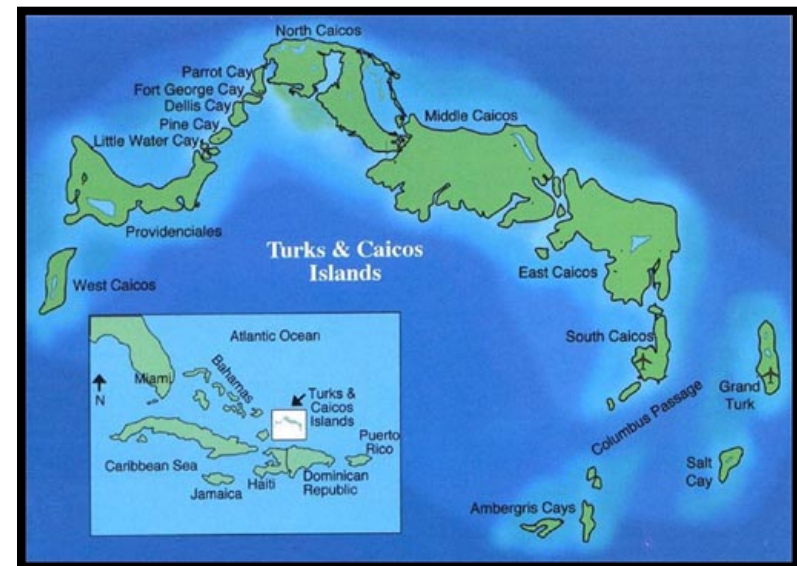
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### *Case Example*

### Turks and Caicos Islands



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**Michael Eugene  
MISICK**

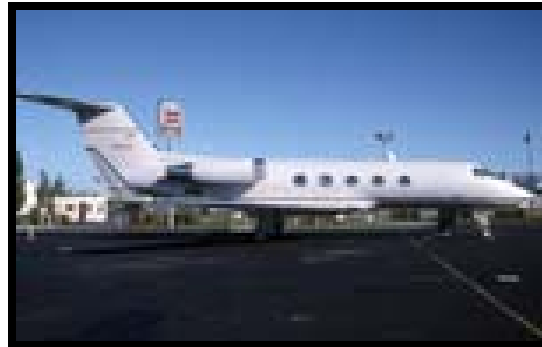
- Currently under investigation.
- United Kingdom suspends constitution.
- Alleged to have stolen millions of dollars.



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Assets identified and to be seized include:



**Aircraft**

**Real Property in  
Emerald Cay**



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