

TPOLOGY 2. Legalization of criminally obtained money in large sums on the basis of fictitious import contracts by transferring them to shell companies of foreign countries, including offshore areas through bank accounts.

Person LS (proxy, nominee) who is a taxi driver and has been registered as director of several local shell companies carried out inbound and outbound operations in high amount of cash from his accounts in banks G, B, and Y in the A country where he is the resident.

“The person LS had transferred funds totaling hundreds of millions of dollars through the accounts of 9 legal entities (identified as a director of 8 of them) belonging to country A in G, B, and Y banks of that country over the next 4 years. Only one of these companies - ES Company which transferred most of the funds is a real operating business company, others are "shell" companies that are not engaged in real business activities and who use fake documents. The relocated funds were mainly credited to the accounts of up to 500 legal entities (presumably "shell" companies) in Europe, the Middle East, East / Southeast Asia and operating in various fields (including accounts in offshore banks). LS also made transfers from its bank account to companies X and Y located in offshore areas.

Part of the transfers is expected to be carried out on the basis of more than 10 fictitious trade agreements totaling hundreds of millions of manats between the "shell" companies of the A country (with the exception of ES company) and Company Z of the country Y. However, relevant transfers have been made to countries and entities other than those specified in the contract.

Also, the identity of the goods to be purchased and their prices in the invoice information on contracts with companies from different countries provided grounds for the probability of legalizing the illegally obtained proceeds through trading.

Herewith, Person LS, who was identified as a director of a number of ("shell") companies in the A country and other persons related to him/her entered criminally obtained proceeds into the accounts in the G, B, and Y banks of the local companies, later transferred them to the accounts of foreign "shell" companies in the foreign countries on the basis of fictitious contracts, however no goods were imported into the country in exchange for these transfers.

Indicators:

- very high amount of transferred funds;
- width of geography of transfer operations;
- the complexity of the business relationship between the parties to the transaction (based on contracts);

- conclusion of large-scale suspicious agreements with a foreign company without a real economic basis;
- their being "shell" companies that are not engaged in real business activities according to the operations of the companies;
- non-import of goods into the country in exchange for advance transfers and capital outflow from the country;
- making transfers in areas not consistent with the purpose of the contract; making transfers to offshore zones and banks.
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Mechanisms, tools and methods used

- Registration of "one-day" firms and cash withdrawal through them;
- Attraction of proxy and nominal persons;
- Use of "shell" company to hide beneficiaries;
- Use of offshore banks;
- Counterfeiting of contract documents or non-reflection of correct information in them;
- Legalization of the criminally obtained proceeds through trade.



