

Appendix B. The Five Component Projects: Methodology and Summary of Findings

Project 1. The Grand Corruption Database Project

1.1 Background

For the Grand Corruption Database Project, 213 grand corruption investigations involving public officials or those with the ability to wield significant power or political influence were examined. These investigations originated from 80 different countries around the world. Initial inquiries revealed 150 instances of the involvement of at least one corporate vehicle that concealed, at least in part, beneficial ownership. In these 150 cases, the approximate total proceeds of corruption amounted to approximately US\$56.4 billion, with 15 cases each involving less than US\$1 million, 67 cases involving between US\$1 million and US\$20 million, and 68 cases involving more than US\$20 million.⁸⁷

1.2 Methodology

Certain parameters were set to determine which cases would be considered to constitute a “grand corruption case involving the misuse of corporate vehicles.” The scheme must have included the misuse of at least one corporate vehicle for which a case could be made that it was used, at least in part, for the anonymity it offered to its beneficial owners. The focus was on those corrupt parties who wanted to obscure their involvement by using a corporate vehicle rather than on those who only sought to use legal features of the corporate vehicle to shield themselves from taxation liabilities or protect their assets. Three additional constraints were placed on the candidate pool. The scheme must have involved a high-level public official or politically exposed person or other party who was able to wield significant influence over a political or bureaucratic process to effect the scheme. Furthermore, the database used a wide time horizon going back 30 years to 1980 to allow for possible analysis of trends over time. Finally, the scheme under consideration must have involved the

87. These numbers represent our approximation; where the most precise data available involved a range of suspected corrupt proceeds, we deferred to the lower end of the spectrum. The moneys referenced here represent both misappropriated public assets (by outright theft or the self-dealing of government contracts outside of accepted government norms) and such private funds as were received in breach of public officials’ fiduciary duties to their nation (for example, bribes, kickbacks, misuse of position, etc.).

equivalent of more than US\$1 million (at the time of the scheme). A few exceptions to this rule were admitted, including instances in which the scheme was particularly expansive or innovative, or when a sum failed to meet the US\$1million threshold but represented a real purchasing power in the particular jurisdiction's economy that was disproportionately greater than what US\$1million would have represented in other parts of the world.

Information on the selected cases was first gathered through publicly available secondary sources, including Internet search engines, academic literature, and reports from national and international bodies pertaining to anticorruption. Subsequently, court documents and other government-sanctioned documents (for example, official government press releases and investigatory hearing reports) were sought to supplement and confirm the information initially gathered. Although many of these documents were obtained through legal research resources,⁸⁸ substantial outreach was conducted to secure relevant documentation through contacts, such as prosecutors and attorneys involved in the cases, World Bank country offices, anticorruption agencies, and local courthouses.⁸⁹

In a significant number of instances, the information-gathering process revealed that access to documents (even when purportedly in the public domain) proved for various reasons to be limited and difficult. In a few jurisdictions, the relevant court did not publish the decision sought. For example, upon conducting outreach to various regional experts for a particular lower court decision, the team was informed that lower court decisions were not published in that country. Also, in attempting to access court documents from another case, an attorney informed the team that the courts in that country generally did not publish and distribute public decisions, and that despite the existence of a Freedom of Information Act, accessing the documents from a courthouse could be challenging. In other instances, access to court documents was constrained by surrounding political sensitivities. Finally, court documents for some other cases were simply not available because litigation was ongoing or proceedings were closed to the public. These factors impeded the team's pursuit of court documents in several instances. Because of the lack of access in other venues (or lack of relevant language skills on the team), most of the cases studied have been documented or reported on in English (and Spanish, French, German, and Chinese to a lesser extent) with a substantial proportion being U.S. and U.K. documents. It is arguable that the U.S. and U.K. bias originates in part from the significant number of criminal and civil legal actions against instances of grand corruption have taken place in these jurisdictions. This also goes some way towards explaining the high incidence of those jurisdictions in table B.3. Despite these hurdles, persistent outreach efforts generally proved fruitful. Most prosecutors and other attorneys contacted were willing to assist in the outreach process, whether it was by providing court documents, by leading the team to an alternative contact, or by directly offering valuable insight into their experiences working on grand corruption cases.

88. For example, LexisNexis, the World Bank Law Library, and the (U.S.) Law Library of Congress.

89. Each such outreach effort was tracked and recorded for future reference.

Because it often takes a number of years before suspicion of corruption surfaces, and then years more before cases are finally tried, the documentary trail often referred to conduct that predated the documents by several years. In that sense, a database that relies solely on official documentation is bound to be a reflection of a much earlier reality. Cases were included in which a public official may not have been convicted, but in which judicial confirmation of the misuse of a corporate vehicle acknowledged the element or specter of grand corruption. In cases in which final court decisions (not contradicted by legal actions in other jurisdictions) cleared the relevant officials of all wrongdoing, such cases were not deemed to fall within the purview of the study and thus were excluded.

In populating the database, where possible, the exact form (name, entity type, and jurisdiction) of each legal entity or arrangement was recorded and then categorized into streamlined types of entities based on their characteristics. It was not possible to ascertain the jurisdiction of all of corporate vehicles and bank accounts used. This was most often due to a lack of specificity in the relevant source documents. Two of the most common scenarios faced in this matter involve a lack of specificity regarding “companies” and “trusts.” Often, court documents implicated a “company” in a jurisdiction that has several variations; without any other independent evidence as to which type of company the courts might have been specifying. In the matter of trusts, these legal arrangements were sometimes specified as being of a certain jurisdiction, but not in many instances. Additionally, many jurisdictions have both common-law and codified variations; again, in the absence of specific evidence, we made no assumptions.

Cases for which evidence of corporate vehicle misuse was not available were excluded from the cases selected; consequently, some of the more sensational and universally known cases of grand corruption were not included in the database, as details of the corporate vehicle misuse were not discovered in the preliminary data-gathering attempts. This does not necessarily mean that corporate vehicles were not used in those cases. A conscious effort to seek cases from all geographic areas (especially in the latter stages of research) means that the 150 cases were not entirely “at random.” This was deemed necessary when considering that certain money laundering typologies may be more prevalent (or potentially only occur) in specific regional settings, and such potential omissions outweighed any concern for producing a scientifically rigorous testing method. As with any study based on criminal cases, the data on which the analysis relied may not fully reflect all of the aspects of the relevant criminal behavior and the full extent of the scheme, and we have attempted to give an honest accounting of the extent to which pragmatism and expediency have factored into our findings.

Such caveats notwithstanding, the information was digested and categorized to identify trends among the cases and to test hypotheses regarding correlations between factors. A sizable number of factors were logged, pertaining to, among other things, the jurisdictions of the parties, corporate vehicles, and bank accounts involved, the particular anonymity- and complexity-enhancing methods employed, and the extent to which investigation and prosecution were pursued and effected.

1.3 Summary of Findings

TABLE B.1	Grand Corruption Cases Database: Case Summary
Field Names	
Case Name	
Country of Public Official	
Year scheme began	
Year scheme ended	
Position of Public Official during scheme	
Asset amount in U.S. dollars	
Description	
Type of illicit activity involving Public Official	
Impediments to investigation	
Most recent legal action against Public Official?	
Other legal action / other prosecutions	
Is there a pending case or appeal?	
Jurisdiction(s) of legal action	
Sources	
<i>Source: Authors' compilation.</i>	

TABLE B.2	Grand Corruption Cases Database: Corporate Vehicles
Field Names	
Case Name	
Corporate Vehicle (CV) Name	
Jurisdiction of CV Incorporation	
Actual legal form of CV type per jurisdiction (e.g., Sociedad anónima, Anstalt, Stiftung, Aktiengesellschaft, etc.)	
CV type: corporation, trust, foundation, limited liability company, or partnership	
Shell entity?	
Nonprofit?	
Beneficial Owner (BO)	
BO relationship to Public Official: self, nominee, front man, corporate, unknown	
Legal Owner (LO)	
LO relationship to Public Official: self, nominee, front man, corporate, unknown	
Manager of CV	

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TABLE B.2	Grand Corruption Cases Database: Corporate Vehicles <i>(continued)</i>
	Manager relationship to Public Official: self, nominee, front man, corporate, unknown
	CV established by public official, professional intermediary, or front man?
	Year of CV incorporation
	CV same jurisdiction as Public Official?
	Jurisdiction of Bank Account (bank name, account name)
	Bank same jurisdiction as Public Official?
	Bank same jurisdiction as CV?
	CV use or role
	<i>Source: Authors' compilation.</i>

Table B.3 shows the key statistics of the database as finally compiled.

TABLE B.3	Grand Corruption Case Database—Key Statistics			
Total No. of Cases	150	Total No. of Corporate Vehicles (CVs)	817	
Total funds estimated to be involved^a	US\$ 56.4 billion			
Transnational schemes	112 ^b	Total number of persons charged and/or convicted	118 ^c	
Jurisdictions of incorporation for the entities involved (Top 20)	Jurisdiction	No. of CVs incorporated	Jurisdiction	No. of CVs incorporated
	United States ^d	102	Bermuda	12
	British Virgin Islands	91	Jersey	12
	Panama	50	Cyprus	11
	Liechtenstein	28	Indonesia	8
	Bahamas	27	Tanzania	8
	United Kingdom	24	Trinidad & Tobago	8
	Hong Kong SAR, China	24	United Arab Emirates	8
	Nigeria	20	India	7
	South Africa	16	Isle of Man	7
	Cayman Islands	15	Switzerland	7

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TABLE B.3 Grand Corruption Case Database—Key Statistics (<i>continued</i>)					
Types of entities involved	Type of entity				No. of entities in database
	Company (e.g., corporation, LLC, <i>sociedad anónima</i> , etc.)				593
	Trust				43
	Foundation				40
	Partnership				9
	Unidentified/Misc.				132
Bank account jurisdiction (Top 10)	Jurisdiction	No. of CVs with account in this location	Jurisdiction	No. of CVs with account in this location	
	United States ^e	107	Cyprus	15	
	Switzerland	76	Hong Kong SAR, China	14	
	United Kingdom	19	Antigua and Barbuda	11	
	Nigeria	17	Jersey	11	
	Bahamas	18	Liechtenstein	10	
Cases with Intermediaries	72 ^f	Cases with Lawyers	32 ^g	Cases with Bearer Shares	10
<p><i>Source:</i> Authors' compilation.</p> <p><i>Note:</i> a. Taking the low-end estimate in cases in which an estimated range of amounts was involved.</p> <p>b. Cases were also considered transnational schemes where it was known that bribe funds originated from a jurisdiction that differed from that of the public official(s).</p> <p>c. Includes prosecution, civil suit, plea agreement, and indictment.</p> <p>d. Top five U.S. states for CV incorporation: Florida (20 CVs); California (18 CVs); New York (13 CVs); Delaware (13 CVs); Maryland (6 CVs).</p> <p>e. Top five U.S. states for CV bank accounts: Florida (31 accounts); New York (16 accounts); California (16 accounts); District of Columbia (3 accounts); Virginia (3 accounts). U.S. Virgin Islands (3 accounts) and Louisiana (3 accounts).</p> <p>f. Professional service provider that either established a corporate vehicle or held positions of ownership or management through nominee services; of the 150 cases, 59 had insufficient information to definitively determine if an intermediary was involved.</p> <p>g. Professional legal advisor, solicitor, or attorney who either established a corporate vehicle or held positions of ownership or management.</p>					

Project 2. The Bank Beneficial Ownership Project

2.1 Background

The purpose of this study was to gain a clearer insight into the procedures banks use to establish beneficial ownership when providing financial services to corporate clients. The views of banks were solicited on the extent to which they can and do determine beneficial ownership, what methods they employ, and how those methods might be improved upon or what other parties could do to ensure that the information banks obtain is of a higher quality.

The perspective of financial institutions was considered especially valuable in informing this report and in particular, on the contentious matters of the beneficial ownership issue and its place in global standards. Since the adoption of the Financial Action Task Force on Money Laundering (FATF) 40 Recommendations in 2003, regulatory reforms that were designed to bring financial sectors into compliance were among the first changes to be adopted. As a result, implementing beneficial ownership measures for corporate vehicles has improved significantly according to practitioners, although as yet only 3 out of the 31 FATF member countries evaluated obtained a “Largely compliant” rating for Recommendation 5 (which deals with this matter).

2.2 Methodology

To gain practitioners’ insight, a multifaceted questionnaire was devised (see figure B.1). It went through several rounds of revision in consultation with anti-money laundering (AML) and regulatory enforcement experts. The questionnaire touches on many aspects of the beneficial ownership issue. In particular, the project team sought to explore what the banks consider to be their beneficial ownership obligations (imposed by their jurisdictions and by the banks themselves) and how these obligations play out in practice, from the initial contact with a client and throughout any subsequent ongoing business relationship. The questionnaire examined the structures of the banks’ client evaluation, monitoring, and review processes and sought technical insight into how these processes handle complex corporate vehicle–related scenarios.

Although the questionnaire provided data on how a certain number of global actors dealt with the beneficial ownership issue, it was primarily intended to facilitate a dialogue, to be held at a later time, between the banks’ compliance practitioners and the project team. After receiving clearance or acknowledgment from each jurisdiction’s financial intelligence unit or central bank, invitations were sent to 11 nations that were either commonly known as major players in the global (or specific regional) financial systems or whose financial systems frequently were mentioned in the Database Project. In each jurisdiction, input was sought from two or three separate financial institutions to (a) take into account the fact that different banks have different market focuses and risk probabilities and (b) identify inconsistent understandings of, or approaches to, shared regulatory obligations. All invited parties accepted the invitation, and 50 compliance personnel from 25 individual banks participated in the exercise.

Upon receipt of the completed questionnaires, interviews were conducted to clarify the answers received and pursue relevant lines of inquiry more thoroughly. To promote frank exchanges, the project team attempted to visit as many of the participating personnel for face-to-face interviews as was feasible. In the end, such meetings occurred with participants from 8 of the 11 jurisdictions. All other interviews were conducted by telephone or videoconference. Given the various sensitivities involved, all participants were guaranteed confidentiality as to the specifics of their contributions to further facilitate a candid exchange.

Organization: _____

Position/Title: _____

Number of years working on anti-money laundering (AML)/combating the financing of terrorism (CFT) issues: _____

City, country: _____

Date: _____

Please note that for the purposes of this questionnaire:

- The term *business relationship* refers to any and all activities or arrangements that your financial institution can engage in, with, or on behalf of a client where Know Your Customer (KYC) and Customer Due Diligence (CDD) protocols apply (including, but not limited to, account opening and service, management activities, one-time transactions, etc.).
- The term *legal entity* refers to any organizations that, for legal purposes are considered capable of engaging in activities and transactions in their own right, separate from any natural person who owns them.
- The term *trust* refers to all arrangements properly so-called and similar arrangements that separate legal and beneficial title to an asset.
- To “identify” a person refers to the process of ascertaining the identity of a person without obtaining further documentation.
- To “verify” the identity of a person refers to the process of using documentation, typically government-issued, to confirm the identity information.
- “Independent verification” refers to the process of conducting verification based on documentation not supplied by clients or their representatives.

For each question, please select all answers that apply, and feel free to alter the length of the response space as required for your answer:

1. Does domestic legislation require, as a part of the customer due diligence process, that financial institutions have procedures for identifying the beneficial owner(s) when establishing a business relationship with a client?
 - Yes
 - Laws and regulations do not require it, but our internal policies do
 - It is not required by laws, regulations, or internal policies

(continued)

FIGURE B.1 (continued)

2. How does domestic legislation define beneficial owner for the purposes of your institution's customer due diligence process?

- The physical person(s) who own or control the legal entity
- The physical person(s) who enjoy the benefits of owning the security or property, regardless of whose name the title is in
- Any physical person directly or indirectly holding more than ___percent (please provide) of the shares in a company or able to exercise equivalent control
- Other (please describe if ownership or control is specified differently or beyond the above):

3. Does domestic legislation define beneficial owner in a sufficiently specific manner for you to be able to apply it in practice? Or has your institution (or the group it belongs to) further clarified or expanded upon that definition? If so, how?

- The definition of beneficial owner in domestic legislation is sufficiently specific to allow direct applicability
- The definition of beneficial owner in domestic legislation is, on its own, not sufficiently specific to allow direct applicability. However, jurisdictional guidance (please identify the authority providing guidance) has clarified beneficial ownership to mean:

- Our institution has defined beneficial owner as (please provide institutional definition):

4. What measures (e.g., asking the client, requiring evidentiary documentation and/or client-signed declaration, checking publicly available information, etc.) does your institution use to determine beneficial ownership? If utilized, how helpful do you find publicly available information (such as that found in corporate registries) in identifying beneficial ownership?

(continued)

FIGURE B.1 (continued)

5. Does your financial institution update beneficial ownership information? If yes, how does it go about doing so?

- No
- Only in certain circumstances (please specify circumstances and explain how):

- Yes (please explain how):

6. Does your institution use a Risk-Based Approach to modify beneficial ownership procedures? If so, please explain: (1) What factors are used to classify those business relationships with legal entities or trusts into different risk levels? (2) Which CDD measures for determining beneficial ownership are affected by this classification? and (3) What percentage of business relationships typically fall into each classification?

- No
- Yes (please describe):

7. When starting a new business relationship with a client that is a legal entity or representing a trust, are there any situations in which your institution does not identify the beneficial owner(s) (e.g., when an intermediary, such as a lawyer or TCSP, vouches that they have satisfactorily identified the beneficial owner)?

- No
- Yes (please describe):

8. If domestic legislation or your institution's internal policies require the identification of beneficial owner(s) of clients that are legal entities, does the requirement apply to all such clients or only to some (e.g., high-risk business relationships or other specific categories)?

- Not required
- All client business relationships in the name of legal entities
- Only some business relationships in the name of legal entities (please specify):

(continued)

FIGURE B.1 (continued)

9. Which parties to trusts (beneficiaries or otherwise, e.g., settlor, trustee or protector) does your domestic legislation or your institution's internal policies require you to identify? Is this requirement applied to all such clients or only some (e.g., required for high-risk business relationships, not required for unit trusts, etc.)?

- Required to identify all client business relationships in the name of trusts. Please specify which parties to trusts—beneficiary or otherwise: e.g., settlor, trustee or protector—your domestic legislation or your institution's internal policies require you to identify:
-
-

- Only required to identify when engaged in business relationships in the name of certain trusts (please specify which). Please specify which parties to trusts (beneficiary or otherwise—e.g., settlor, trustee or protector) your domestic legislation or your institution's internal policies require you to identify:
-

10. When establishing a business relationship, does your institution always determine if this relationship is being established on behalf of someone other than the person with whom your institution is dealing? If so, how?

- No
 - Only if there is reason to believe that outside parties are involved
 - Yes (please explain how):
-
-

11. When dealing with an intermediary acting on behalf of a principal or corporate legal entity, does your institution verify the existence of the power of attorney?

- Yes, by requiring the original power of attorney or a certified/notarized copy
 - Yes, by requiring a uncertified/non-notarized copy of the power of attorney
 - Yes, by asking the intermediary if he or she has valid power of attorney to act on behalf of the legal entity (with no further documentation required)
 - Other (please explain):
-
-

12. In what cases does domestic legislation or your institution's internal policies require your institution to *verify* information on the identity of the beneficial owner(s) provided by clients?

- All cases
- None

(continued)

FIGURE B.1 (continued)

- Only some cases (e.g., higher-risk business relationships, foreign business relationships; please specify and describe):

- 13.** What types of information, documents, or requisite courses of actions does your institution typically request in order to verify information on the identity of the beneficial owner(s) provided by clients?

- 14.** In what cases does domestic legislation or your institution's internal policies oblige your institution to conduct *independent* verification of the information on the identity of the beneficial owner(s) provided by clients?

- All cases
- None
- Only some cases (e.g., higher-risk business relationships, foreign business relationships; please specify and describe):

- 15.** What considerations are used to determine whether your institution needs to gather additional information on the identity of the beneficial owner from clients?

- When we doubt or are dissatisfied with the information provided
- When the legal entity is considered higher-risk or suspicious (please explain):

- Other situations (please explain):

- 16.** What sources and types of information does your institution typically use to conduct *independent* verification of the information on beneficial ownership provided by clients?

(continued)

FIGURE B.1 (continued)

17. Does your institution conduct any extra checks on the authenticity of foreign documentation (e.g., articles of incorporation, registration documents, and powers of attorney)? If so, what types of checks?

- No, it is impossible for us to do this
 - We try to do so when we know a counterpart in another country who can help us
 - We verify the authenticity of the foreign license and certificate of registration of the legal entity or trust
 - We verify whether the entity is regulated
 - Other (please explain):
-
-

18. Are there any particular jurisdictions or particular types of legal entities, trusts, or other contractual arrangements that commonly or always pose a challenge in terms of identifying the beneficial owner(s)?

19. Approximately how often does your institution decide not to establish a business relationship because you are not satisfied you have identified the beneficial owner?

- Very rarely (1–2 times a year)
- Rarely (3–6 times a year)
- Sometimes (1–2 times a month)
- Often (several times a month)
- Very often (daily)

20. If domestic legislation requires you to identify beneficial ownership, does your country’s supervisory authority for financial institutions assess compliance with this requirement during onsite inspections?

- Yes, that is a standard component of onsite inspections
- Yes, but only rarely
- No

21. Has your institution ever been subject to supervisory action (in the form of warning letters, fines, etc.) for noncompliance with this requirement? If so, please describe any supervisory or internal remedial actions that have been implemented as a result.

- No
 - Yes (please describe):
-
-

(continued)

FIGURE B.1 (continued)

22. How much time do you estimate is spent by staff at your institution on seeking accurate beneficial ownership information on potential or existing clients (including ongoing CDD in the case of continuing business relationships)?

23. Do you think the time spent on CDD to *verify* identification of beneficial ownership is useful in reducing the risk of AML/CFT-related financial crimes?

24. Broadly speaking, based on your experiences as a compliance officer in dealing with AML/CFT issues, can you think of any modifications to your jurisdiction's legislation or your institution's beneficial ownership procedures that could improve effectiveness?

25. Broadly speaking, based on your experiences as a compliance officer in dealing with AML/CFT issues, can you think of any modifications to the international standards regarding beneficial ownership identification that could improve effectiveness?

26. What are the most vexing and/or recurrent obstacles that your institution experiences when identifying beneficial ownership of legal entities and/or trusts, and what are the most common situations in which these issues arise?

27. Please describe any "good practices" that your financial institution applies when identifying beneficial ownership of legal entities and/or trusts:

Thank you for your participation. Please return the completed questionnaire to Emile van der Does de Willebois, Task Team Leader of the Project.

Once we have compiled the responses from all participants, we will contact you to arrange a face-to-face or videoconference interview in order to discuss our findings and seek your feedback. If permitted at your financial institution, we would appreciate it if you would attach copies of the relevant Customer Due Diligence and Beneficial Ownership Identification guidelines that your institution operates. While not necessary for completion of this survey, such material would be used to help ensure that the matters discussed during our interview are germane.

2.3 Summary of Findings

Questions 1–3: Beneficial Ownership Standards

- The participating compliance personnel stated that the laws of their nation, with the exception of one jurisdiction, require that measures be taken to ascertain the beneficial owner of corporate vehicles in all instances of entering into relationships with corporate vehicle clients. In the exceptional nation, such measures are only deemed necessary in certain circumstances.
- All compliance personnel reported that in their jurisdictions the beneficial owner is considered to refer only to natural persons; however, two participants (from the same jurisdiction) indicated that, contrary to the FATF definition, their national industry standard allows for corporate persons to be considered beneficial owners. Beneficial ownership standards imposed by government, industry, or the institution generally focus on a percentage threshold (most typically in the 20 to 25 percent range) of ownership or control rights (for example, shareholdings or voting rights in a company). All compliance personnel felt that their institutions have sufficient guidance on the topic of beneficial ownership, although quite a few expressed the opinion that, within countries, the standards applied may vary widely among institutions. International banks are the most likely to have broad, self-imposed beneficial ownership definitions, subject to adjustment via a risk-based assessment of the customer.

Questions 4–9, 12–18: Beneficial Ownership Data-Gathering and Verification

- Banks said they rely on client-provided evidence to a significant extent. Most stress, however, that they do not rely on that alone, but rather seek to have collaborative and corroborating evidence available from multiple sources.
- Compliance officers enthusiastically endorsed the idea of Disclosure Forms (whether provided directly to the bank or to a government registry to which the bank has access). Beneficial ownership forms are well thought of, with the caveat that, to avoid accidental misrepresentation, they must be comprehensible to the client and furthermore should be based on the percentage threshold definition of beneficial ownership (usually 25 percent). Consequently, many potential customers that are corporate vehicles do not have beneficial owners in this more technical sense (be that by natural or illicit circumstance), resulting in no such information being gathered. Participants in one nation have full access to shareholders

and directors holdings that domestic companies must file with the government, giving them much more detail than the more standard (although still uncommon among practitioners) beneficial ownership forms.

- Participants reported that company registries are much relied on to cross-check client-provided data. Domestic registries are highly regarded across the board. This is sometimes because of the quantity or quality of information they contain; in other cases, however, it is because they provide easier access to whatever materials they contain, in contrast to foreign registries, which may be difficult to identify or access. Banks with a multinational presence often have less of a problem with foreign corporate vehicles, as (depending on their company's presence in the jurisdiction) they can rely on a sister bank in a foreign nation to forward the relevant information obtained from registry checks. They can sometimes rely on additional "local banker" knowledge about particulars or persons involved. Although other sources (credit checks, company websites, professional references, or hired investigators) are used to varying degrees, company registries are, for all financial institutions, the primary source of non-client-provided ownership and control information.
- Risk-based assessment typically involving politically exposed persons, high net-worth persons, at-risk jurisdictions, and at-risk industries is widely used by financial institutions around the globe. Atypical transactional activity is also used as a risk indicator, with some larger financial institutions monitoring the business volume, account turnover, and other transactional activities of corporate vehicles. These institutions compare the activities of corporate vehicles with industry benchmarks or medians based on other companies of similar size and profile with whom they conduct business. For most banks, risk-based assessment is lauded as the most efficient way to thwart money laundering; it also appears to be the key factor in going above and beyond nationally mandated standards of customer identification in due diligence efforts.
- Trust identification standards are far more rigorous among the majority of banks who are willing to conduct business with international or foreign trusts. Smaller or primarily domestic banks from civil law jurisdictions indicated that accepting such trusts as clients is typically the exception rather than the rule. (A minority expressed the same concerns about foundations, referring to the legally codified variants of such, rather than the generic nonprofits that may also be referenced by the term). Many compliance personnel indicated that the concept of a beneficial owner is a poor choice for a trust client, as beneficially interested parties are (typically) different parties than trust controllers or power-holders (that is, the persons who would seem most likely to misuse the account). All banks indicated a need to identify declared settlors, trustees, beneficiaries, and power-holders as well as a need to ascertain the source of funds or wealth of the declared settlors. None mentioned concerns about "economic settlors" (those persons not legally affiliated with a trust, but who nevertheless contribute assets to the legal arrangement).
- Requirements to verify documents independently generally were found to be underwhelming and to rely primarily on government registries. When these prove unavailable, "sighted" or copied corporate vehicle documentation (of a foreign legal person or arrangement) is usually accepted, on the condition that it is a notarized,

certified true copy. Many participants complained about a lack of materials enabling them to confirm client-provided evidence. In fact, those banks that press further indicated that they seldom can be certain that they hold irrefutable, conclusive proof of a (corporate vehicle) customer's beneficial ownership. Instead, they seek comfort by tracing as many unrelated streams of information on the client as can be found, to ensure that the client is presenting a coherent story to all such sources.

Questions 10–11: Verifying the Credentials or Relationship of the Face-to-Face Client Representative

- When faced with a properly credentialed corporate vehicle representative, few banks inquire whether that person ultimately is acting on behalf of (in the beneficial interest of) an undisclosed party. The most common reason given is that, when banks review the credentials presented, such standing usually becomes apparent. A few compliance officers indicate that “straw men” account openers (and the occasional unscrupulous intermediary) are of the mind-set to misrepresent themselves as not acting for an undisclosed party. In other words, they will have come in prepared to lie, no matter what questions they may be asked. In one particular jurisdiction, the financial institutions indicate that national guidance was such that they are allowed to consider the individual before them to be the “beneficial owner” of the account no matter what parties actually own or control the corporate vehicle that he or she is representing—just as long as legal authority is clearly established.
- Generally, any time a party exercises power through a power of attorney over an account, the power of attorney is scrutinized thoroughly, it must be properly notarized, and a copy is kept on file. Recognizing the potential for misuse of powers of attorney to obscure ownership and control to gain access to and control of financial accounts, several compliance personnel state that their institutions do not accept general, all-purpose, or overbroad power-of-attorney holders as signatories on a corporate vehicle account (except those who are regulated trust and company service providers from acceptable jurisdictions).

Questions 19: Refusal to Begin Customer Relationships

- Few institutions keep records of such data, and most contributors supply estimates that are in all cases very low in number. They typically attribute these low estimates to front-end due diligence that might “scare off” bad actors at the inquiry stage or to the inherent low risk of money laundering in their general set of products and services.

Question 20: Supervisory Inspection

- All financial institution personnel indicate that their financial institutions are subject to onsite inspections and assessment by mandated supervisory authorities.

Question 21: Punitive and Cautionary Measures

- Despite the fact that several compliance personnel represent banks that were implicated in major money laundering schemes, only one admits to having

received any form of formal reproach. This is potentially attributable to the fact that most respondents' particular branch or territory is distinct from the particular sister company that may have been involved in such cases. The one respondent who admits a case of official sanction indicates that it has acted as an effective call to their organization to strengthen existing beneficial ownership practices. The interviewed financial authority representatives confirm that public censure (causing reputational harm) and punitive fines (causing financial harm), more so than education and training outreach (although also crucial), are the two most effective ways through which to ensure that compliance goals are taken seriously.

Questions 22–24: Efficient Use of Limited Compliance Resources

- Financial institutions generally cannot estimate the average amount of time spent on compliance per account, given the variation that would obtain within any given set of clients and the fact that such efforts are often integrated into (and not particularly assessable separately from) general account opening activities. They generally consider that this time is effectively spent to the betterment of the institution and the local financial system; however, some do complain that when scarce resources must be allocated evenly, without taking into account risk variables, the resulting inefficiency may prevent proper focus on high-risk corporate vehicles.

Questions 25–27: General Guidance

- These questions typically resulted in discussions of lessons learned, corporate commitment to anticorruption goals, effective client acceptance practices, training for front-end staff, the development of in-house information resources, and the effective implementation of risk-based AML strategies; responses were reported in box 3.13 of this report (Developing a “Nose” for Inappropriate Complexity).

Project 3. The Trust and Company Service Providers Project

3.1 Background

This project centered on two audit studies involving the solicitation of offers for shell companies from a range of Trust and Company Service Providers (TCSPs). The data were supplemented with in-depth interviews conducted with TCSPs. The use of a direct approach to testing regulatory compliance in the form of an audit study is unusual. Collecting data by soliciting offers for shell companies is premised on a simple *a fortiori* logic: If it is possible for people who are essentially amateurs to obtain anonymous corporate vehicles for a few thousand dollars via the Internet, then participants in grand corruption schemes, professional money launderers, and others should have no difficulty whatsoever. The project serves two purposes: On the one hand, this effort complements the data of other projects with a “what-happens-in-practice” perspective as to what really occurs when one seeks to obtain corporate

vehicles for unseemly purposes. On the other hand, it also addresses the additional issue of the lack of source information on the role of TCSPs in grand corruption cases, occasioned by their (relatively speaking) lower profile when implicated in the aiding of money launderers to obtain corporate vehicles. Thus, the approach adopted in the TCSP Project corresponds to this report's emphasis to go beyond mere examination of such rules-on-the-books as may exist. All fact-gathering for this project was conducted independently of the Stolen Assets and Recovery (StAR) Initiative, from November 2008 to August 2010.

3.2 Methodology

The research for this component developed a substantial evidentiary base amassed through the most direct and powerful technique for judging the availability of companies that leave the identity of the beneficial owner unknown: Seeking offers for such vehicles, and in three cases, purchasing the vehicles in question. Such an approach provides answers to two key questions:

1. How easy or difficult is it for would-be criminals and others to purchase companies while hiding their underlying controlling interest?
2. Does the recommendation that all corporate vehicles should be able to be linked to their beneficial owner really make any difference?

Even if only a few jurisdictions are failing to adhere to the proper standards (compliance with FATF Recommendations 33 and 34) with regard to collecting beneficial ownership, the exceptions may well dominate the rule. In July 2008, the president of the FATF observed the following:

We live in an increasingly interconnected world and money launderers and terrorist financiers will exploit any gaps between countries. Consistent application of recognised international standards is essential. The weakest link gives the strength of the chain.⁹⁰

Thanks to online incorporation systems, it is likely that criminals, and unscrupulous TCSPs, can effortlessly arbitrage to form companies in the jurisdictions that require the least identification and verification (if any) with regard to the beneficial owners. The rigor of the many may be rendered irrelevant by the laxity of the few.

Early on in the Trust and Company Service Providers Project, a decision was reached that the solicitation of offers by TCSPs would be geared toward obtaining shell entities (that is, corporations, limited liability companies, or jurisdictional variants of the same). Because of pragmatic considerations having to do with ensuring that this subcomponent would be manageable, the omission of other forms of corporate vehicles (trusts, foundations, partnerships, etc.) is nevertheless justifiable for two reasons: (a) the total numbers of such alternate corporate vehicle forms are an order of magnitude smaller compared with total of all types of existing corporate vehicles (at the highest end, there

90. FATF e-news, Issue 5, July 2008, available at <http://www.oecd.org/dataoecd/57/19/41094921.pdf>.

are only an estimated 40,000 Liechtenstein *Anstalten*⁹¹ and 26,000 Panamanian foundations⁹²) and (2) reference to Database Project findings suggests that corporate vehicle misuse in grand corruption cases has most frequently implicated companies.

Decisions as to which TCSPs would be approached were informed to some extent by the distribution of TCSPs and corporate vehicles around the globe. To begin with, a minor note must be made of the conceptual difficulty involved in determining what or who counts as a TCSP. It is typically not possible to strictly delineate between TCSPs and financial institutions and “designated nonfinancial” businesses and professions, because a business may offer one such service as a primary function and the other(s) as an ancillary service, or they may market themselves as a one-stop provider of both (or all three) functions in equal measure. It is easiest to quantify those TCSP providers who fall under the purview of a jurisdiction with a regulated-TCSP regime (most typically found in the “offshore financial centers” [OFCs])—those jurisdictions whose corporate vehicles are primarily used by nonresidents) because, whether as primary or auxiliary function, all those seeking to engage in the provision of such services must be licensed.⁹³ The larger OFCs usually have 80–120 licensed TCSPs, whereas smaller OFCs may have 6–20. Attempts to count the TCSPs operating in so-called onshore jurisdictions (those jurisdictions whose corporate vehicles primarily are used by domestic individuals) prove more problematic, as most of the onshore jurisdictions do not require TCSPs to obtain licenses within a regulatory framework, and often any range of individuals or companies belonging to the financial, designated non-financial businesses and professions (DNFBPs), or unrelated sectors can engage in the creation and sale of these corporate vehicles as a primary or ancillary service to their clients.

Some of the largest TCSPs are headquartered in the United States, the United Kingdom, Panama, the Isle of Man, and Hong Kong SAR, China.⁹⁴ Individually, larger TCSP firms (for example, Offshore Incorporations Limited [OIL], Offshore Company Registration Agents [OCRA], Mossack Fonseca, etc.) may offer company incorporation and management services in up to 30 different jurisdictions and are responsible for incorporating thousands of corporate vehicles each year. Divisions often exist between wholesale and retail TCSPs—the former forming companies in bulk, the latter selling or establishing individual vehicles for particular clients.

The numbers of OFC-based international business companies (IBCs) are relatively well known: the British Virgin Islands has about 40 percent of the market with around 500,000 active companies, and about 70,000 new companies are formed each year.

91. Based on a 2007 interview by the Trust and Company Service Provider project leader.

92. According to Offshore Investment Company Formation Survey 2009.

93. Even in these jurisdictions, legal arrangements are seldom regulated to such an extent—perhaps with the exception of certain codified variants. A few countries do register trusts. Liechtenstein, South Africa, and Bahrain are three such exceptions.

94. According to interviews with TCSPs in the United Kingdom; Panama; the Isle of Man; Hong Kong SAR, China; Seychelles; Samoa; and the British Virgin Islands.

Panama is second with perhaps 320,000 total active companies, then Belize, the Seychelles, the Bahamas, and the Caymans with 50,000–75,000 total active companies each.⁹⁵ It is relatively safe to assume that most of these are shell companies and that all are owned by nonresidents. The small populations of these jurisdictions and the legal prohibition on IBCs conducting business domestically indicate they are held by nonresidents, as the name international business company suggests. This point is unanimously confirmed in both public documents and interviews with CSPs and regulators in these jurisdictions. Less easy to determine are the data on those shell companies mixed into the sizable numbers of corporate vehicles formed in the onshore jurisdictions. By way of example, the U.S. Senate Permanent Subcommittee on Investigations estimates that 2 million corporations are formed *each year* in the United States,⁹⁶ with more than 18 million corporations and limited liability companies currently active.⁹⁷ A very large number of U.K. companies are also formed each year, with 362,000 formed in 2009–10.⁹⁸ Evidence from interviews with TCSPs and advertising material suggests that a not-insignificant portion of these are formed as shell companies, often by nonresidents and thus are functionally equivalent to the classic OFC-based corporate vehicles. Here, the example of the André Pascal England and Wales company (see box 3.6), set up as part of the first audit study, is illustrative.

Given the uncertainties in the universe of TCSPs and corporate vehicles, the sample of TCSPs that were chosen never could constitute a statistically representative sample. A major focus was on those jurisdictions whose TCSPs are under no specific AML-relevant obligations pertaining to verifiably identifying beneficial ownership. Consideration was given, however, to the possibility that the rules that obtain in theory may often prove ineffectual and irrelevant (for instance, because of failures of implementation or enforcement, driven by a lack of capacity or of political will) in influencing the actual behavior of individuals. So, even in cases in which TCSPs are regulated entities subject to AML requirements, failures of regulation might render them likewise ineffectual. A mix of the two groups was selected from jurisdictions around the globe, with specific providers being identified from advertisements in the specialist investment media, general media outlets, and dedicated online searches.

Once the TCSPs to be included in the study had been identified, the first step of the practical element of this exercise was to compose a short approach e-mail using accounts created for the purpose. This letter was designed to emulate the profile of a representative would-be miscreant, based on recurring elements identified in the various reports. In a manner intended to set off “red flags,” this e-mail stressed the need for confidentiality and tax minimization as part of an international consultancy project, as consulting fees often are used as plausible justification for illicit cross-border flows.

95. Offshore Investment Company Formation Surveys, 2007, 2008, 2009.

96. The U.S. figure is from Senate Committee on Homeland Security and Governmental Affairs Committee Hearing June 17, 2009, on S.569 Incorporation Transparency and Law Enforcement Assistance Act.

97. J. W. Verret, “Terrorism Finance, Business Associations and the Incorporation Transparency Act,” *Louisiana Law Review* 70, no. 3 (Spring 2010): 857–910.

98. *Companies House: Annual Report and Accounts 2009/10*, p. 58.

In two rounds of testing, 217 service providers were contacted, of which 102 returned valid replies.⁹⁹ A valid reply consisted of a service provider’s recommendation of one or more corporate structures that could achieve the goals set out in the approach letter, together with a pricing schedule. Responses commonly included a brochure specifying further services, and encouraged further contact, which was, wherever possible, carried out via e-mail.

These replies were compiled and coded in terms of the nature and domicile of the corporate vehicle offered, whether the service provider would supply such a corporate vehicle, and what, if any, documentation was required by the TCSP to verify the identity of the beneficial owner for the transaction to move forward. Analysis was then performed to understand what (and in what circumstances) variance of standards may occur: across countries, between different types of countries (for example, OFCs versus onshore jurisdictions) or in line with different regulatory regimes (for example, whether a requirement existed to license TCSPs), thus offering the potential to provide a better diagnosis of where the existing weaknesses lie and to suggest possible solutions.

As a final step, in-depth interviews were conducted with corporate service providers from six major company-formation jurisdictions. These interviews checked and validated the findings of the TCSP component of the study as well as the more general conclusions. A specific focus was given to whether these service providers performed due diligence checks in line with the standards of their home jurisdiction, or according to the standards of the jurisdiction in which companies were being incorporated, or whether they were dictated by separate group standards.

As with the other practitioner consultations, strict confidentiality was assured to ensure forthright participation.

3.3 Summary of Findings

The findings of the TCSP Project (first and second audits, and combined results) are summarized in tables B.4 through B.6.

TABLE B.4 Complete Results of First Audit Study				
Service Provider	Shell Company Jurisdiction	ID Required?	Bank	ID Required?
Bahamas	Anguilla	Yes		
Bahamas	Bahamas	Yes		
Bahamas	Bahamas	Yes		

(continued next page)

99. In the initial round of testing, occurring in 2008–09, 54 service providers were contacted, of whom 45 returned valid responses; in the second round (2010), 163 service providers were contacted, with 57 valid replies. Please note that a forthcoming study by Brigham Young University and Griffith University of over 3,500 company service providers confirm the findings of the present TCSP Project.

TABLE B.4		Complete Results of First Audit Study (continued)		
Service Provider	Shell Company Jurisdiction	ID Required?	Bank	ID Required?
Belize	Belize	Yes		
Bermuda	Bermuda	Yes		
British Virgin Islands (BVI)	BVI	Yes		
Cayman Islands	Cayman Islands	Yes		
Cayman Islands	Cayman Islands	Yes		
Cyprus	BVI, Panama, St. Vincent and the Grenadines	Yes		
Czech Republic	BVI, Seychelles	Yes		
Dominica	Dominica	Yes		
Gibraltar	Turks and Caicos	Yes		
Gibraltar	BVI, Delaware, Gibraltar, Panama, Wyoming, etc.	Yes		
Hong Kong SAR, China	BVI	Yes		
Hong Kong SAR, China	BVI; Hong Kong SAR, China; Seychelles, etc.	Yes		
Hong Kong SAR, China	BVI	Yes		
Labuan (Malaysia)	Labuan	Yes		
Liechtenstein	Liechtenstein	Yes		
Nauru	Nauru	Yes		
Panama	Panama	Yes		
Panama	Panama	Yes		
Panama	Belize, Nevis, Panama, Seychelles, Vanuatu, etc.	Yes		
São Tomé and Príncipe	São Tomé and Príncipe	Yes		
Seychelles	BVI, Seychelles	Yes		
Singapore	Bahamas, BVI, Delaware	Yes		
Singapore	Singapore	Yes		

(continued next page)

TABLE B.4		Complete Results of First Audit Study <i>(continued)</i>		
Service Provider	Shell Company Jurisdiction	ID Required?	Bank	ID Required?
Switzerland	BVI, Delaware, Panama	Yes		
Belize	Belize	No	Belize	Yes
Canada	BVI, Ontario, Panama, Wyoming, etc.	No	Latvia, Panama	Yes
Hong Kong SAR, China	Delaware	No	Hong Kong SAR, China	Yes
Singapore	BVI; Hong Kong SAR, China; Seychelles (Gruppo 20)	No	Cyprus	Yes
Spain	Belize	No	Belize	Yes
United Kingdom	Belize, BVI, England, Nevada, Panama, etc.	No	Isle of Man	Yes
United Kingdom	Belize	No	Hong Kong SAR, China	Yes
United Kingdom	Cyprus	No	Cyprus	Yes
United Kingdom	Belize, BVI, Delaware, England, etc.	No	Hong Kong SAR, China	Yes
United Kingdom	England (A. Pascal)	No	Latvia	No (pre-2007), Yes
Uruguay	Seychelles	No	Hong Kong SAR, China; Panama	Yes
United States	Wyoming	No	United States	Yes
United States	Nevis	No	Belize	Yes
Liechtenstein	Somalia	Yes	Somalia	Yes (unnotarized)
United Kingdom	Belize, BVI, Delaware, Nevada, Panama, etc.	No	St. Vincent and the Grenadines	Yes (unnotarized)
United Kingdom	Seychelles	No	Montenegro	Yes (unnotarized)
United States	Nevada (BCP Consolidated)	No	United States	Yes (unnotarized)
United States	Wyoming	No	United States	No (pre-2008), Yes (unnotarized)

Source: Authors' compilation.

TABLE B.5		Complete Results of Second Audit Study (noncompliant responses in italics)	
CSP Jurisdiction	Vehicle Jurisdiction	Photo ID Required?	
Malaysia	BVI	Yes	
<i>United Kingdom</i>	<i>Seychelles, BVI, England</i>	<i>No</i>	
Jersey	Jersey	Yes	
United States	non-U.S. Trust	Yes	
United Kingdom	U.K. Trust	Yes	
Singapore	Singapore	Yes	
Costa Rica	Seychelles, Belize	Yes	
United Kingdom	Seychelles, BVI, Belize	Yes	
<i>United States</i>	<i>Nevis, Belize, Bahamas</i>	<i>No</i>	
<i>Hong Kong SAR, China</i>	<i>Nevis</i>	<i>No</i>	
Thailand	Thailand	No*	
Dominica	Dominica	Yes	
Panama	Panama	Yes	
Mauritius	Mauritius	Yes	
New Zealand	NZ Trust	Yes	
Dominica	Dominica	Yes	
Cyprus	Seychelles, Cyprus	Yes	
United Kingdom	Seychelles	Yes	
Barbados	Barbados	Yes	
Belize	Belize	Yes	
United Kingdom	BVI	Yes	
<i>Dominica</i>	<i>Dominica</i>	<i>No</i>	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
<i>United States</i>	<i>Wyoming</i>	<i>No</i>	
United States	Delaware	Yes	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
Philippines	Philippines	Yes	
Seychelles	Seychelles	Yes	
New Zealand	Vanuatu	Yes	
Panama	Panama	Yes	
Neth. Antilles	Neth. Antilles	Yes	

(continued next page)

TABLE B.5		Complete Results of Second Audit Study (noncompliant responses in italics) <i>(continued)</i>	
CSP Jurisdiction	Vehicle Jurisdiction	Photo ID Required?	
Mauritius	Mauritius	Yes	
Mauritius	Mauritius	Yes	
New Zealand	New Zealand	Yes	
<i>New Zealand</i>	<i>New Zealand</i>	<i>No</i>	
United States	Nevada	Yes	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>New Mexico</i>	<i>No</i>	
<i>United States</i>	<i>California</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
<i>United States</i>	<i>Nevada</i>	<i>No</i>	
Singapore	Singapore	Yes	
Singapore	Singapore	Yes	
Seychelles	Seychelles	Yes	
Seychelles	Seychelles	Yes	
Hong Kong SAR, China	Hong Kong SAR, China	Yes	
<i>United States</i>	<i>Delaware</i>	<i>No</i>	

Source: Authors' compilation.
Note: * The Thai service provider did not require an ID, but did require a personal visit.

TABLE B.6		Combined Results		
	Valid responses	Compliant	Noncompliant	
1. Sampled OECD countries	47	12	35	
<i>(a) United States</i>	27	3	24	
<i>(b) Other OECD</i>	20	9	11	
2. Other countries	55	49	6	
<i>(a) Tax havens^a</i>	36	34	2	
<i>(b) Non-tax havens</i>	19	15	4	
3. Total-Worldwide	102	61	41	

Sources: Authors' compilation with some data from J. C. Sharman, "Shopping for Anonymous Shell Companies: An Audit Study of Financial Anonymity and Crime," *Journal of Economic Perspectives* 24 (Fall 2010): 127–140.
Note: OECD = Organisation for Economic Co-operation and Development.
a. Those jurisdictions identified as tax havens by the OECD in 2000.

Project 4. The Registry Project

4.1 Background

The Registry Project aims to provide further clarity regarding the central company registry system and its role in providing information on certain corporate entities. Based on the wording of FATF Recommendations 33 and 34, the following elements served as the existing framework for this project: timely access to adequate, accurate, and beneficial ownership information. These elements should be taken to signify the following:

- The adequacy of information refers to the existence and initial recording of sufficient information to identify the beneficial owner.
- The accuracy of information refers to the appropriate checks conducted to verify the accuracy of the information being recorded.
- The timeliness of information refers to the updating of information when changes in ownership occur, and powers to take action if information is not provided.
- The timely access to information refers to the ability and ease with which competent authorities are able to obtain or access the information in a timely way.

In addition to beneficial ownership information, these elements were extended to include the legislative requirements and availability of supplemental categories of information maintained in a registry that could be useful to an investigation. These categories were as follows: (a) legal status and existence, (b) legal ownership, (c) management, (d) other forms of control, and (e) other characteristics.

4.2 Methodology

To select a set of jurisdictions on which to focus our assessment, the team contacted more than 30 experienced investigators and compliance officers from financial institutions who had proved to be particularly insightful. The team requested from each the names of 5 to 10 jurisdictions for which they would like to have company registry information available, thus ensuring that the project resulted in a tool that was useful to practitioners and that responded to a real need. The top 40 jurisdictions mentioned most frequently by the practitioners constitute the jurisdictions of the sample set. The final list of jurisdictions (unintentionally) encompassed a natural mix of developed and developing, FATF and non-FATF members, and civil and common law countries.¹⁰⁰

The exact legal forms that were chosen for analysis were jurisdictional variations of the legal persons and arrangements most commonly documented in the Grand Corruption

100. The top 40 were Anguilla, Antigua, Australia, Bahamas, Belize, Bermuda, the British Virgin Islands, the Cook Islands, the Cayman Islands, Cyprus, Czech Republic, Delaware (United States), Dubai (United Arab Emirates), Florida (United States), Gibraltar, Guernsey, Hong Kong SAR (China), the Isle of Man, Jersey, Latvia, Liechtenstein, Luxembourg, Mauritius, the Netherlands Antilles, Nevada (United States), Nevis, Ontario (Canada), Panama, the Seychelles, Singapore, South Africa, St. Kitts, St. Lucia, St. Vincent and the Grenadines, Switzerland, the Turks and Caicos Islands, Ukraine, the United Kingdom, Uruguay, and Wyoming (United States).

Database Project to include companies, partnerships, trusts, and nonprofit organizations. On average, nine legal forms were analyzed per jurisdiction.

The legislative assessment was structured as a database, which was composed of four Excel-based documents divided by adequacy, accuracy, timeliness, and timely access. Extensive Internet research was conducted to assemble the current company and trust legislation per jurisdiction, extracting and documenting in the database applicable provisions relevant to each of the four elements. Following the completion of the database, the legislative findings were sent for review by the respective jurisdiction to verify the accuracy of the assessment of their requirements and registration practices. The team then organized the extracted information into individual country reports based on the findings. The textual documents were uniformly drafted and formatted with legal citations.

In addition to preparing the legislative reports, the team drafted a brief questionnaire to capture anecdotal insights into the good practices of registries and any challenges they may face on a day-to-day basis. The questionnaire was formulated around the particular elements guiding the study, namely, timeliness and timely access to information. Meanwhile, during the drafting process, the team had been conducting extensive outreach to each jurisdiction to determine the appropriate person at the registry with whom to work on the study. Once initial contact had been established with the registrar, a packet of documents was sent to each jurisdiction containing an instruction sheet, the individual legislative report for their review and amendment as necessary, and the questionnaire. In most cases, follow-up was needed. In some cases, this was unsuccessful. In total, 22 reports and questionnaires were returned. In some instances, additional follow-up was arranged to clarify their responses.

Once the modified report and completed questionnaires were returned, the team amended its findings in the assessment database in accordance with the jurisdiction's corrections. The information was sorted to derive quantitative findings regarding each element of the study—focusing on figures that may demonstrate the significance of a specific requirement, availability of certain information contained in the registry, or the prevalence of a particular feature. Lastly, the team compiled the tested questionnaires as qualitative findings regarding challenges and good practices for consideration. A combination of numerical and anecdotal findings was used to support the drafting of this report and the subsequent recommendations.

Project 5. The Investigator Project

5.1 Background

The term “investigators” used throughout this report encompasses a broad and diverse group of experts we consulted in the course of our study. It includes investigators in the traditional sense: those currently working or formerly having worked in law

enforcement agencies or other government investigative bodies, such as national anti-corruption commissions and financial intelligence units. It also includes prosecutors, in recognition of the fact that in some jurisdictions prosecutors lead investigations or share responsibility for doing so with investigators. Forensic accountants and certified fraud examiners also were consulted, because they play critical roles in financial crimes investigations. Finally, civil practitioners in the field of international fraud and financial crimes were consulted, including those with experience in successfully recovering stolen assets on behalf of their client governments or other victims.

Many of the investigators in our study had experience in investigating grand corruption cases involving the misuse of transnational corporate vehicle structures. Other investigators did not have direct experience in grand corruption cases, but we believed that their experience and expertise in investigating transnational corporate vehicle misuse in the context of other financial crimes, such as narcotics trafficking, tax evasion, and fraud, were highly relevant to our inquiry—which, at its core, is about understanding how to unravel the corporate vehicle structures to reveal their beneficial owners.

In addition to diversity in professional backgrounds and skills, we sought to achieve regional diversity among the experts we consulted both in terms of the jurisdictions where the investigators were located and the jurisdictions in which they had experience conducting investigations.

5.2 Methodology

Information from investigators was gathered chiefly by means of a confidential questionnaire. (See Figure B.2) An initial draft questionnaire was sent to various experienced investigators for their feedback. Based on their input, the questionnaire was finalized and sent by e-mail to nearly 200 prospective respondents in 51 jurisdictions from March to June, 2010. In total, 42 responses were received from 25 jurisdictions. The questionnaire sought to obtain insights of investigators on the obstacles they face, as well as the tools and sources of information they find most useful in identifying the beneficial owners of corporate vehicles involved in grand corruption and other financial crimes. It also asked investigators for their “wish lists” and the good practices they employ to unravel the beneficial ownership of involved corporate vehicles.

Although individual investigators completed the questionnaires, a number of investigators had sought and incorporated the insights of colleagues in their respective agencies. Some respondents indicated that they had received specialized training in investigating corporate vehicle misuse, whereas others responded that their training had been “on the job.” Most of the respondents possessed between one and two decades of experience, with a few respondents having had three decades of experience or more in the field, thus providing the benefit of a historical perspective on this issue.

In addition, two regional roundtable discussion meetings were organized in Washington, D.C. (April 2010) and in Miami, Florida (May 2010) with law enforcement investigators. These meetings included investigators from Brazil, the British Virgin

Islands, Canada, Colombia, Costa Rica, Guatemala, Jamaica, the Netherlands, Panama, the United Kingdom, the United States, and Uruguay. A third meeting was held in Mauritius (March 2010) with civil practitioner members, on the margins of a meeting of the International Chamber of Commerce's (ICC) FraudNet, a private network of top law firms from around the world working in the area of financial crimes.¹⁰¹ These civil practitioners were drawn from both civil and common law jurisdictions (the Bahamas, Brazil, Canada, France, Germany, Israel, Liechtenstein, Luxembourg, Mauritius, Nigeria, Switzerland, the United Kingdom, the United States, and Ukraine) and possessed direct experience in working on grand corruption cases involving corporate vehicle misuse, having been retained by affected governments or other victims. During January to June 2010, the study researchers also undertook in-person meetings and teleconferences with investigators and other experts to test early findings from the completed questionnaires and the roundtable discussion meetings. In total, more than 77 investigators and experts from 33 jurisdictions were consulted.

101. FraudNet is a private organization of the Paris-based International Chamber of Commerce's Commercial Crime Services. Membership in the group is by invitation and is limited to only those law firms that represent victims of fraud or other financial crimes. Additional information about ICC FraudNet may be accessed at <http://www.icc-ccs.org/index.php?option=com.content&view=article&id=1&Itemid=11>.

Confidentiality Pledge: *Please be assured that your participation and your responses will be kept strictly confidential.*

PRELIMINARY MATTERS

Please fill in the following:

Name: _____

Title: _____

Organization: _____

Address: _____

Telephone: _____

E-Mail: _____

Number of years worked as an investigator or prosecutor: _____

Please describe your experiences and training on investigating corporate vehicles involved in grand corruption (or other financial crimes) cases:

Glossary for the Questionnaire:	
Grand Corruption	A broad range of offenses, including bribery, embezzlement, trading in influence, misappropriation of state funds, illicit enrichment, and abuse of office committed by high-level public officials or senior officers of state-owned entities.
Corporate Vehicles	A broad concept that refers to all forms of legal entities and legal arrangements (<i>examples:</i> corporations, trusts, partnerships, foundations, etc.)
Beneficial Owner	The natural person who ultimately owns or controls the Corporate Vehicle or benefits from its assets, and/or the person on whose

(continued)

FIGURE B.2 (continued)

	behalf a transaction is being conducted. It also encompasses those persons who exercise ultimate effective control over a legal person or arrangement.
Designated Non-Financial Businesses and Professions	Includes real estate agents and lawyers, notaries, other independent legal professionals and accountants.
Trust and Company Service Providers	Any person or business that provides any of the following services to third parties: acting as a formation agent of legal persons; acting as (or arranging for another person to act as) a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons; providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership, or any other legal person or arrangements; acting as (or arranging for another person to act as) a trustee of an express trust; acting as (or arranging for another person to act as) a nominee shareholder for another person.

INSTRUCTIONS: PLEASE ANSWER THE QUESTIONNAIRE BASED ON YOUR EXPERIENCES OF THE PAST 10 YEARS IN INVESTIGATING GRAND CORRUPTION CASES INVOLVING THE MISUSE OF CORPORATE VEHICLES.

SECTION I. IDENTIFYING THE BENEFICIAL OWNERS OF CORPORATE VEHICLES

1. How often have you encountered obstacles in identifying the beneficial owners of involved corporate vehicles? Please check the box that best applies:

Infrequently	Sometimes	Frequently	Almost Always/ Always

2. Which three types of corporate vehicles have been the **most challenging** for you in terms of identifying their beneficial owners? Please describe:

	Jurisdiction (of CV Incorporation or Establishment)	CV Type (Exact legal form, if known)	Obstacle(s) Encountered
	<i>(example: Delaware)</i>	LLC	<i>No director and shareholder information filed with corporate registry</i>
1.			
2.			
3.			

(continued)

FIGURE B.2 (continued)

SECTION II: OBSTACLES TO IDENTIFYING THE BENEFICIAL OWNERS OF CORPORATE VEHICLES

3. Please review the following characteristics that may be used for obscuring the beneficial ownership of corporate vehicles, and please specify:
- How frequently you have encountered such a characteristic,
 - To what degree it constituted an obstacle,
 - Whether you were able to overcome the obstacle, and
 - How you were able or unable to overcome the obstacle.

Characteristics of Corporate Vehicles	Frequency of Obstacle	Degree of Obstacle	Able to be Overcome?	Please specify how you were able or unable to overcome the obstacle(s)
	NA = not encountered/not applicable; 1 = least; 5 = most		(Yes/No)	
Bearer Shares				
Nominee Shareholders				
Nominee Directors				
Corporate Directors				
Shares Held by Trust				
Power of Attorney				
Use of Intermediaries to Establish, Own or Manage				
Use of Multiple Jurisdictions (e.g., Corporate Ownership, Management or Control/Registration in Jurisdiction Different from the Jurisdiction of Incorporation)				

4. **OTHER OBSTACLES:** Please tell us about the most vexing and recurrent obstacles you have encountered that are not listed in Q3, the reason(s) why they were an obstacle, and explain how you were able or unable to overcome them:

	Obstacle	Please explain why it was an obstacle	Please specify how you were able or unable to overcome the obstacle(s)
	<i>(e.g., claim of legal privilege)</i>	<i>Located and interviewed the TCSP that established the CV but the TCSP had sold the CV to a law firm, which invoked a claim of legal privilege in withholding the beneficial owner's name.</i>	
1.			
2.			
3.			

(continued)

FIGURE B.2 (continued)

5. **TRUSTS AND FOUNDATIONS:** Please tell us about the obstacles you have encountered that were particular to identifying the natural persons who were related to the involved trusts and foundations, including their beneficial owners. Please explain why they were obstacles, and specify how you were able or unable to overcome them:

Obstacle(s) particular to:	Please explain why it was an obstacle	Please specify how you were able or unable to overcome the obstacle(s)
Trusts:		
1.		
2.		
Foundations:		
1.		
2.		

SECTION III: TOOLS AND SOURCES FOR IDENTIFYING BENEFICIAL OWNERSHIP

6. Based on your investigations on identifying the beneficial owners of corporate vehicles, please rate each of the following Tools and Sources of Information on how **useful** you found them and the **timeliness** of your access to them:

Tools and Sources	Useful	Timely Access
	(NA = not used/not available; 1 = least useful/timely; 5 = most useful/timely)	
Corporate Registries		
Public Registries (not including corporate registries) <i>(e.g., land registries, licensing, etc.)</i>		
Personal Inspection and/or Observation <i>(e.g., site visit to address given for a corporate vehicle on its incorporation form)</i>		
Law Enforcement Databases		
Information Sharing among domestic law enforcement agencies, including financial intelligence units and tax authorities		
Law Enforcement Compulsory Powers <i>(e.g., seizure of business records and interview of Trust and Company Service Providers)</i>		
Undercover Informants		
Wire Taps/Surveillance		
Regional and International Law Enforcement Organizations <i>(e.g., Egmont, Interpol)</i>		

(continued)

FIGURE B.2 (continued)

Foreign Law Enforcement Agencies—via informal channels		
Foreign Law Enforcement Agencies—via legal channels (e.g., Mutual Legal Assistance Treaty, Memorandum of Understanding, Letters Rogatory)		

7. **BEST TOOLS AND SOURCES:** Please tell us about the tools and sources (for example, specifying the particular public registry or compulsory power) that you consider the most useful and provide the timeliest access in identifying the beneficial owners of corporate vehicles, and specify the reason(s):

	Tools and/or Sources	Reason
1.		
2.		
3.		

8. Based on your experience, how can the following be better sources of information that are *more useful and provide you with timelier access* to assist in identifying the beneficial owners of corporate vehicles?

Source of Information	Please specify how the source can be made more useful and provide you with timelier access
Corporate Registries	
Trust and Company Service Providers	
Designated Non-Financial Businesses and Professions	

MUTUAL LEGAL ASSISTANCE TREATY

9. What legal or practical obstacles, if any, have you encountered in seeking and/or obtaining assistance from foreign law enforcement agencies through the Mutual Legal Assistance Treaty (MLAT)?
10. What types of international assistance resulted in your obtaining the most useful information in identifying the beneficial owners of the involved corporate vehicles?

SECTION IV: BANK ACCOUNTS OF INVOLVED CORPORATE VEHICLES

11. Please tell us of three jurisdictions that have been the **most challenging** for you in locating the bank accounts of involved corporate vehicles and in identifying
- (continued)*

FIGURE B.2 (continued)

the accounts’ beneficial owners. Please list the jurisdiction, describe the obstacles you encountered, and explain how you were able or unable to overcome them:

	Jurisdiction	Obstacles	Please specify how you were able or unable to overcome the obstacle(s)
	<i>(e.g., Panama)</i>	<i>The Bank where the account was established did not have information on its ultimate beneficial owner because the Bank was not legally required to collect it as part of its customer due diligence.</i>	<i>Was able to obtain information about the signatory to the bank account who turned out to be the BO</i>
1.			
2.			
3.			

12. What obstacles, if any, did you encounter when the bank accounts were established in a jurisdiction different from the jurisdiction where the corporate vehicle was incorporated or established? How were you able or unable to overcome these obstacles?
13. Please tell us which jurisdictions’ banks held the most useful and provided the timeliest access to the information on the involved bank accounts’ beneficial owners, and explain:
14. Based on your experience, what can be done to make banks become better sources of useful and timelier information regarding the beneficial ownership of bank accounts?

SECTION V: “WISH LIST” AND GOOD PRACTICES FOR IDENTIFYING THE BENEFICIAL OWNERS OF CORPORATE VEHICLES

15. **“WISH LIST” OF TOOLS AND SOURCES OF INFORMATION:** Based on your experience, please tell us your wish list of tools and sources of information to assist you in identifying the beneficial owners of corporate vehicles, drawing from the following categories or others:
 - a. Tools
 - b. Sources of information
 - c. Modifications to domestic or international legal/regulatory framework or standards

(continued)

FIGURE B.2 (continued)

- d. Training
- e. Methods of information sharing (domestic, regional and international)

	"Wish List" Item	Reason(s)
1.		
2.		
3.		

16. **GOOD PRACTICES:** Please tell us about the good practices that you have used (or seen used by other investigators) in identifying the beneficial owners of involved corporate vehicles in grand corruption (or other financial crimes) cases:

	Good Practice	Explanation
1.		
2.		
3.		

CLOSING MATTERS

17. Would you be interested in participating in any follow-up efforts related to this questionnaire, including helping to review its preliminary findings or being interviewed by the study's researchers?

Yes
 No
 Please contact me at _____ to discuss.

18. Would you be willing to share with us the names of other experienced investigators of grand corruption (or financial crimes) cases involving corporate vehicle misuse, in order that we may invite them to participate in this questionnaire?

Yes, their names and contact information are: _____
 No
 Please contact me at _____ to discuss.

Thank you for your participation. Please return the questionnaire via e-mail.

5.3 Summary of Findings

The findings of the Investigator Project are summarized below. The responses cover four main areas of interest: (1) obstacles frequently encountered; (2) sources of information; (3) tools and good practices; and (4) recommendations.

5.3.1 Obstacles Frequently Encountered

Investigators frequently encountered obstacles identifying the beneficial owners of involved corporate vehicles.

- ***Jurisdictions of corporate vehicles cited as most challenging***
These jurisdictions encompassed both “tax haven” and non-tax haven jurisdictions, the challenge arising from the fact that the involved corporate vehicle had been formed outside of the investigator’s jurisdiction. An exception to this was in the responses by U.S. investigators, who listed those corporate entities formed in U.S. states for which the beneficial ownership information is not collected at the time of incorporation. The lack of availability of beneficial ownership information in a given jurisdiction was a common underlying challenge for investigators. Investigators also cited as challenging a jurisdiction’s stringent bank secrecy or other anonymity laws that impeded, or prevented altogether, their access to beneficial ownership information that may be held by banks, corporate service providers, or other third parties.
- ***Types of corporate vehicles cited as most challenging***
Coupled with a legal and regulatory environment that provides for opacity in beneficial ownership information, investigators pointed out certain types of corporate vehicles as particularly challenging. They included corporate entities such as IBCs, which are not required to have a physical presence in the jurisdiction of their formation, and Limited Liability Corporations whose simple structures allow for formation with as few as one member. Investigators also pointed to the private nature of trusts that make it particularly challenging to ascertain their existence and to locate the trust deed or document to establish the identities of their settlors, beneficiaries, or trustees.
- ***Obstacles in identifying beneficial ownership of corporate vehicles***
A chief obstacle cited by investigators was the lack of availability of beneficial ownership information in the first place because it is not required to be collected and maintained by the corporate registry or a corporate service provider, or because it was required but not collected because of negligence or willful blindness by, for example, the bank or service provider. At other times, the challenge is being able to access persons with direct knowledge or third parties who may hold beneficial ownership information.
- ***Characteristics used for obscuring beneficial ownership***
Where bearer shares are still permitted, investigators found them to be one of the most challenging obstacles to overcome. The use of nominee shareholders and

nominee directors were obstacles that investigators could overcome as they involve natural persons. The use of corporate directors, while more challenging as it involves another layer of corporate vehicle, was not necessarily an insurmountable obstacle for investigators. If the corporate director was located in a jurisdiction that was different than the original involved corporate vehicle, then the ability to overcome this obstacle depended on the availability of and access to the beneficial ownership information in that jurisdiction, including being able to have the assistance of the law enforcement counterparts in the foreign jurisdiction. Use of intermediaries to form corporate vehicles can range from informal strawmen, such as family members or close associates, to formal nominees, including professional intermediaries who may be innocent agents in the scheme. Intermediaries sometimes possess beneficial ownership information and disclose it to investigators. But investigators also pointed out that an intermediary can be a low-level associate who can only provide nonuseful information such as a mobile number or e-mail address that has been changed. Even if these persons have an incentive to cooperate with the investigation, they can provide little assistance in reaching the beneficial owner.

- ***Layering of corporate vehicles and use of multiple jurisdictions***
Similar to the use of corporate directors, layering and multiple jurisdictions were cited as among the most challenging obstacles to overcome. Time and resources needed to peel away the layers of concealment are two main factors. In addition, when corporate vehicles span multiple jurisdictions, investigators must rely on the assistance and cooperation of their foreign counterparts, which may not always be available on a timely basis, if at all. This lack of cooperation may be due to a lack of legal basis for cooperation or practical barriers such as shortages in the staff power needed to carry out the requested assistance.
- ***Lack of harmonization of international standards***
Lack of harmonization of international standards regarding covered entities under domestic AML regimes was a gap that criminals would be able to take advantage of simply by moving to jurisdictions that afforded lax customer due diligence (CDD) and recordkeeping requirements, or by working with professionals that were not covered. The use of attorney-client privilege and lack of reporting requirements on monies transferred through attorney-client trust accounts were frequently cited as roadblocks or even insurmountable walls in an investigation.

5.3.2 Sources of Information

Investigators have access to, and utilize, a wide range of sources of information, including publicly available information, law enforcement databases, information held by Financial Intelligence Units, and information derived from individuals with knowledge of the corporate vehicles in question. To the extent possible, investigators also access information held by covered entities, such as TCSPs and financial intermediaries, as well as banks and other financial institutions.

- ***Banks as sources of information***

The jurisdictions with the most useful information tended to be those jurisdictions with significant Know-Your-Customer requirements that were strictly enforced; jurisdictions where obstacles were most frequently encountered included those with stringent bank secrecy laws or lack of recordkeeping.

- ***Company registries as sources of information***

Company registries are often the starting point for investigations, although it is important to recognize the inherent limitations of the fact that virtually all company registry information is unverified information. Online access would enable investigators to access information in a quicker and more direct manner, as would the availability of more information—such as the names of directors and shareholders, and the ability to search by the names of directors or shareholders rather than just the name of the corporate entity. A longer period of retention of records would also be helpful. In addition, some investigators remarked that beneficial ownership information, along with a copy of government-issued ID, while not deterring abuse, might help to prevent mass, bulk incorporations.

5.3.3 Tools and Good Practices

The most useful tools for investigators were their compulsory powers, such as subpoena powers, search and seizure and production orders, as well as “gag” or “nontipping off” orders to prevent information about the investigation being leaked. For civil practitioners, common law tools, such as *Norwich Pharmacal* and *Bankers Trust* disclosure orders, as well as *Anton Piller* search orders and insolvency proceedings against a corporate vehicle (which may enable the victim to step into the role of receiver/liquidator/trustee), were powerful aids.

- ***Mutual Legal Assistance (MLA)***

MLA was cited as the most useful—indeed, critical—tool in investigations of transnational corporate vehicle misuse schemes. In some instances, relevant information can be obtained through informal channels with foreign law enforcement counterparts, but if the information is to be used as evidence at trial, it must have been obtained through the MLA process. The lengthy delays or complete unresponsiveness of the requested jurisdiction were cited as obstacles, and investigators pointed to the need for an increased capacity of both the requesting and the requested states to enhance the effectiveness of the MLA process.

- ***Good Practices***

Many good practices were suggested by investigators, ranging from investigatory tips to ideas for systemic undertakings, such as the following: (1) the creation of interagency task forces, which would bring different perspectives and skills to the investigation; (2) greater cooperation among investigators from different jurisdictions, including greater informal contact and assistance to the extent permitted by domestic law and the embedding of formal liaisons within foreign law enforcement counterpart agencies; and (3) greater coordination of

multijurisdictional investigations, including joint investigations in which jurisdictions work together at the outset to divvy up responsibilities and work out information-sharing arrangements.

5.3.4 Recommendations

Finally, a number of recommendations were made by the investigators, including:

- Overcoming the adherence by some banks, corporate service providers and others to a rigid definition of the concept of beneficial owner, and combating their insistence that CDD obligations have been met when owners of a certain minimum threshold percentage ownership have been identified, without a real attempt to understand the corporate vehicle and its ownership or control.
- Encouraging greater information-sharing among domestic law enforcement and regulatory agencies, including eliminating legal and practical barriers to information-sharing.
- Setting up funds within investigative agencies to cover travel expenses of investigators because, as one investigator put it, transnational corporate vehicle misuse investigations are akin to putting together a jigsaw puzzle, with investigators in different jurisdictions each holding the pertinent pieces of the puzzle. Face-to-face meetings enable the exchange of information necessary to piece together the whole puzzle.
- Harmonizing international standards, and in particular, eliminating the current gap of certain professionals being subject to CDD and recordkeeping obligations in one country but not in another.
- Extending greater international assistance, including considering taking noncoercive measures even when the criterion of dual criminality is not fulfilled. Or in cases in which MLA assistance is not available, being flexible about finding another basis to provide requested assistance.
- Building the investigatory capacity—in both knowledge and manpower—that is needed to take on the increasingly complex corporate vehicle misuse investigations.