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Professional enablers of economic crime during crises

Professional bodies and law enforcement agencies are cautioning that criminals will take advantage of the Covid-19 crisis to exploit professional enablers. Such enablers are gatekeepers of the financial system, whose conduct can open closed doors for criminals to launder illicit funds. They may operate as individuals, organisations, or networks in financial or non-financial sectors. Evidence shows that professional enablers facilitated crime during the global financial crisis of 2007/2008 and the Ebola outbreak. It is too early to assess their role during the current Covid-19 pandemic, but governments and donor agencies should be alert to the dangers.

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Query

Please give an overview of the role of professional enablers of economic crime during previous economic and humanitarian crises, provide emerging evidence on enablers during the current COVID-19 crisis, and consider how to acquire evidence on this subject throughout the current crisis.

Contents

Caveats

- It is too early to assess the role of professional enablers during the current COVID-19 crisis. For instance, it will be difficult to gather evidence on enablers when COVID-19 response funds have been disbursed just recently. However, the paper notes worrying features that may influence the role of enablers as the pandemic unfolds.
- The available literature on professional enablers during crises mainly focuses on banks.

MAIN POINTS

— Proceeds from drug trafficking rescued banks from collapsing during the 2008 financial crisis. The former head of the United Nations Office on Drugs and Crime estimated that approximately US$352 billion in drug proceeds was laundered through banks.

— Evidence shows that funds disbursed in previous humanitarian crises such as the Ebola crisis were lost through corruption and laundered with the help of professional enablers.

— The COVID-19 pandemic presents features which exacerbate corrupt individuals and criminal groups to move and conceal proceeds of crime through professional enablers.

— Europol and the FATF have cautioned the potential abuse of professional enablers by criminals to launder their proceeds of crime during and after COVID-19.

Professional enablers of economic crime

Who are professional enablers?

Professional enablers refer to professional individuals and entities who are considered gatekeepers of the financial system "through which potential users of the system, including launderers, must pass in order to be successful" (FATF 2010: 44). These professionals occupy a very privileged position to identify, detect and prevent suspicious transactions. Hence, international anti-money laundering standards, such as the Financial Action Task Force (FATF), impose certain obligations which include conducting customer due diligence, identifying the real individuals behind legal entity customers, and reporting suspicious transactions to authorities (FATF 2012).

Professional enablers may operate as individuals, an organisation or a network of professionals in financial or non-financial sectors (FATF 2018: 12). This includes financial institutions such as banks and designated non-financial businesses and professions (DNFBPs) such as casinos, real estate agents, dealers in special stones and metals, lawyers, notaries, accountants, and corporate service providers (FATF 2012).

Role of professional enablers in commission of economic crime

The enablers or gatekeepers are invaluable to criminals as their wilful, complicit or negligent conduct opens closed doors into the financial system. For instance, the FATF has used the term "professional money launderers" to describe individuals, organisations and networks engaged in third-party money laundering for a fee, commission or other type of profit (FATF 2018: 6).[1] These professional launderers are usually not a party to the predicate offence but come to the picture to enable criminals to launder proceeds of the predicate offence (FATF 2018: 11). They are usually aware that it is dirty money and their main interest is to launder the illicit funds (FATF 2018: 11). Other enablers might not be part of criminal groups nor have wilful intent to launder dirty money, but they may fail to fulfil their money-laundering obligations through their unwitting or negligent conduct that allows money laundering (FATF-Egmont Group 2018: 6, 46).

The professional status of gatekeepers is vital in accessing various functions that assist criminals to move and clean dirty money (FATF 2010: 44). For instance, criminals may take advantage of the enablers' specialised knowledge and expertise to identify and exploit legal loopholes, realise opportunities for criminals, and assist criminals to clean and keep the proceeds of crime (FATF 2018: 11).

In some cases, the personal position or reputation of the enabler minimises suspicion or detection of any criminal activities by lending some credibility due to presumed ethical standards, or because their expertise permits undertaking of transactions or arrangements that avoid suspicion (FATF 2010: 44). For example, the long-standing reputation of a lawyer may allow them to open a bank account on behalf of their clients or to deposit huge amounts of

[1] According to the FATF (2018: 11), the term "professional money launderer" does not apply to unwitting or passive intermediaries who are exploited to facilitate a money-laundering scheme.

money into their trust accounts with little suspicion from the authorities.

A good example of the role of professional enablers is the Panama Papers scandal. According to leaked information, the law firm Mossack Fonseca of Panama collaborated with more than 14,000 banks, law firms, company incorporators and other intermediaries to establish legal persons and arrangements for their customers, failing in many instances to verify the identity of their clients and report suspicious transactions (International Consortium of Investigative Journalists 2017). Some of the customers, who included wealthy individuals, corporations, political leaders and organised crime groups, reportedly used these entities as conduits to manage and conceal illicit funds. The leaked data showed the involvement of more than 210,000 entities in 21 offshore jurisdictions (International Consortium of Investigative Journalists 2017). The Paradise Papers (2017), the Mauritius Leaks (2019), and the Luanda Leaks (2020) have also highlighted the role played by professional enablers, included law firms, accountancy firms, and banks.

Professional enablers can knowingly, complicity or negligently assist criminals during crises. This includes:

- setting up anonymous companies or other legal structures hiding the beneficial owners to commit fraud, pay bribes or access public contracts
- providing nominee services to companies and other legal structures
- assisting or permitting criminals to open onshore or offshore (sometimes anonymous) banks accounts to move dirty money
- assisting or permitting criminals to invest their ill-gotten gains, for example, via real estate or other luxury goods purchases
- failing to identify and report suspicious transactions, making it easy for criminals to engage in fraud, corruption and money laundering

Professional enablers during previous economic and humanitarian crises

Economic crises

The Russian financial crisis of 1998

In 1998, Russia encountered a major economic crisis that was aggravated when the government devalued the ruble, defaulted on its debt and declared a 90-day moratorium on private foreign debts (UNCTAD/UNECE 1998: 9). The crisis resulted in many economic challenges, such as an increasing inflation rate, collapse of financial markets, paralysed system of payment and a debt crisis (Elena 2000: 1).

The IMF and the World Bank advanced foreign aid and funds to Russia to alleviate the financial crisis (Sanford 2003: 453). However, there were reports alleging abuse of the funds by Russian elites. For instance, the World Bank Group Newsletter Report of 1999 alleged that there were investigations into the involvement of the Bank of New York in Russian money-laundering schemes linked with foreign aid (World Bank 1999). It reported that the former senior vice-president of the bank, Natasha Gurfinkel Kagalovsky, allegedly assisted in the establishment of offshore companies for politically connected or mob-linked Russians to siphon hundreds of millions of dollars out of the country, including IMF loans and other foreign economic aid (World Bank 1999). Another newspaper report alleged that the same day the IMF approved a US$4.8 billion loan to Russia, money moved from the Federal Reserve Bank of New York to bank accounts in Lugano, Switzerland and in Frankfurt, Germany. Subsequently, a web of transfers was made to offshore banks and companies (Kupchinsky 2002). These accounts supposedly had connections to the Russian government and there were no clarifications on how the government spent the IMF loan (Kupchinsky 2002).

The New York Bank allegedly played a key role as an enabler during the Russian crisis, exposing the complicit role of Western institutions in facilitating money laundering. It was estimated that between October 1998 and March 1999, about US$4.2 billion in more than 10,000 transactions passed through one account at the Bank of New York linked to Russian organised criminals (Bonner and O'Brien 1999). Investigators believed that about US$10 billion was laundered through the bank (Bonner and O'Brien 1999).

The deputy chairperson of Russia's Central Bank, Victor Melnikov, reportedly claimed that Russian criminals laundered about US$70 billion during the financial crisis in 1998 (Hilzenrath 1999; Hitt 2000). Most of the money is alleged to have gone through the offshore banking regimes, such as Nauru (Hilzenrath 1999). Hence, organised criminals took advantage of the crisis to launder their proceeds of crime through banks, using a myriad of offshore accounts.

The global financial crisis of 2007/2008

In 2007, the subprime mortgage crisis in the United States spread to other advanced economies, leading to a global financial crisis (Merrouche and Nier 2010: 4). Most banks faced liquidity challenges, and gaining liquid capital was vital for their survival (Barrell and Davis 2008: 9). While banks were struggling to acquire liquid capital, drug cartels held large deposits of cash from their illicit activities. Consequently, dirty money became "the only liquid investment capital" accessible to some banks on the verge of collapse during the crisis (Syal 2009).

The former head of the United Nations Office on Drugs and Crime (UNODC) pointed out that banks laundered drug money during the financial crisis and that helped them from collapsing (Syal 2009). He estimated that approximately US$352 billion in drug proceeds was integrated into the financial system through banks, hence cleaning their illegal origins (Syal 2009). Even after the crisis, financial institutions still enabled money laundering. The UNODC estimated the amount laundered through financial systems in 2009 to be around US$1.6 trillion, equivalent to 2.7% of the global GDP during that period (Pietschmann and Walker 2011: 7). About US$580 billion, or 1% of the then-global GDP, was linked to drug trafficking and other transnational organised crime (Pietschmann and Walker 2011: 7).

The former UNODC head seemed to refer to the role of other professional enablers in money-laundering schemes during the financial crisis by stating that, "They have allowed the world's criminal economy to become part of the global economy. Investment bankers, fund managers, commodity traders and realtors – together with auditors, accountants and lawyers – have assisted syndicates to launder the proceeds from crime and become legitimate partners to business" (UNODC 2008).

After the financial crisis, the European Commission noted the need for better regulation and supervision of the financial sector with the European Union (European Commission 2014). Also, the high-level group on financial supervision in the EU (the de Larosière Group), which was mandated to provide advice on European financial regulation and supervision after the financial crisis, recommended competent authorities to be equipped with strong, equivalent and deterrent sanction regimes to address financial crimes (de Larosière at al. 2009: 23).

Humanitarian crises

There is evidence of corruption during previous humanitarian crises such as the Ebola crisis, the 2004 tsunami crisis, and hurricanes Katrina and Rita (Jenkins et al. 2020: 4). According to the Economist (2017), much of the money donated after disasters is stolen. However, there is poor documentation on the role of professional enablers in facilitating economic crime during humanitarian crises.

Generally, the number of money laundering cases against professional enablers, particularly non-financial, and the number of sanctions against them for failing to comply with anti-money laundering rules is very low (Martini 2017: 32). This does not mean they are not involved. In the majority of cases of transnational or grand corruption, criminals rely on the services of professional enablers to operationalise schemes or launder the proceeds of corruption (US Permanent Subcommittee on Investigation 2010: 5). As grand corruption is common during humanitarian crises, it is very likely that professional enablers are involved in laundering the proceeds.

Ebola crisis

The Ebola outbreak in West Africa between 2014 and 2016 caused a major loss of life and socio-economic problems in the region (UN Development Group 2015). As a result, international donors, such as the World Bank, allocated emergency funds to mitigate the crisis (World Bank 2014).

There were reported cases of corruption facilitated by professional enablers. For instance, the International Federation of Red Cross and Red Crescent Societies (IFRC) reported that it lost over US$6 billion due to corruption and fraud during the crisis (IFRC 2015). Its investigations discovered that some of the money was lost through collusion between its former staff members and employees of a Sierra Leonean bank (IFRC 2015), meaning that the lost money was likely laundered through the bank. In the Democratic Republic of Congo, a former health minister was convicted of embezzling Ebola funds (Bujakera 2020). The former minister used his former advisor, whose services fit the criteria of a professional enabler, to forge receipts worth US$391,332 from a fake company to pay it for goods already paid for by international donors (Bujakera 2020).

The Syrian crisis

The Syrian crisis is an ongoing-armed conflict that stemmed from the 2011 Arab Spring, and has resulted in commission of serious crimes under international law, such as war crimes and crimes against humanity (UN Human Rights Council 2013). The situation has worsened over the years, and millions of citizens have been internally displaced, fled the country or in need of support (UNHRC 2018).

A major challenge to international funds in Syria is the de-risking of banks, with many inward funds frozen or held by banks, and some NGO bank accounts have been closed (Gordon et al. 2018). Bank de-risking during the humanitarian crisis has caused a spike in the informal and unregulated channels, such as the hawala system (Gordon et al. 2018: 17). Refugees, non-governmental organisations (NGOs) and donor-funded projects have used the hawala system to send money to Syria (Hogan 2016).

The hawala system has strong ties to money service businesses and the Islamic State of Iraq and Syria (ISIS) (Kenner 2016). In 2019, the US government reported that ISIS's financial network included seasoned money launderers in the money services business and other common money-laundering platforms, such as gold shops, to move and conceal illicit ISIS money (US Department of the Treasury 2019). As a result, it sanctioned the Al-Ard Al-Jadidah Money Exchange Company for sponsoring, or providing financial, material or technological support to ISIS (US Department of the Treasury 2019). Hence, professional enablers have been involved in money laundering and terrorist financing schemes related to the Syrian crisis.

Features of COVID-19 that may influence the role of professional enablers

Though it is too early to assess the role of professional enablers during the current COVID-19 crisis, there are features that may influence their wilful, complicit or negligent role in facilitating economic crime. For instance:

- There is an increased risk of fraud and corruption due to the availability of financial aid and government resources that need to be disbursed in a short period as aid, due to stimulus packages or lax procurement regulations without the necessary checks and procedures. Professional enablers may provide services essential to operationalise corruption schemes and to launder the proceeds.
- Due to high demand and increase in financial transactions, professional enablers are facing challenges in performing their roles as gatekeepers, coupled with limited supervision from relevant authorities. This may lead to gatekeepers opening closed doors for criminals to access the financial system.
- With the pending economic recession, professional enablers may find themselves in positions where they accept dirty money to save their businesses and remain operational, or where they facilitate business schemes, such as the golden visa scheme, with high risks of money laundering.
- Organised criminal groups have huge amounts of money at their disposal, and they will rely on services from professional enablers to launder their illicit proceeds through financial institutions and legitimate businesses.

Increase in financial aid

Many countries require financial assistance during this crisis. The IMF has already pledged US$1 trillion landing capacity for its member countries to curtail the impact of COVID-19 (Georgieva 2020). It has also agreed to provide US$100 billion for emergency financing requested by over 90 countries, and there is a record approval of lending programmes to countries such as Kyrgyz Republic, Rwanda, Madagascar and Togo (Georgieva 2020). Likewise, the World Bank and the International Finance Corporation have approved a US$14 billion package to fast track financing to companies and countries in addressing COVID-19 (World Bank 2020).

The huge influx in financial aid flows and their emergency disbursements in large amounts create opportunities for corruption to thrive and the subsequent laundering of the proceeds (FATF 2020a: 9; Martini 2020). A recent World Bank publication suggested that previous aid disbursements concurred with sharp increases in bank deposits in offshore financial centres (Andersen et al. 2020). According to the study, ruling elites capture aid and divert it to secret accounts directly or through kickbacks from the private sector (Andersen et al. 2020: 11). This trend may be replicated during the current pandemic with professional enablers involved in setting up schemes to launder embezzled COVID-19 response funds.

In countries with weak anti-corruption regimes, corrupt elites may embezzle and launder COVID-19 funds through the international financial market (Vittori 2020; FATF 2020a: 9). Corrupt individuals may use existing mechanisms and networks, such as banks and shell companies, to hide and launder the looted financial resources (Martini 2020). Professional enablers may be involved in offering advice, setting up the bank accounts and shell companies or providing nominee services for schemes intended to divert financial aid from the intended beneficiaries.

It is worth noting that the private sector has received financial stimulus as well. For example, the International Finance Corporation will finance 300 companies for a total of US$8.9 billion, and the Multilateral Investment Guarantee Agency has pledged US$6.5 billion to support private sector investors and lenders (World Bank 2020). With governments also stepping in to help businesses, the FATF has warned about the risk of criminals misusing companies to pose as legitimate businesses seeking financial assistance to conceal and launder illicit proceeds (FATF 2020a: 9, 11). Stimulus measures such as loan schemes may risk being abused by criminals to launder funds (FATF 2020: 9). This may be the case where a business that was severely affected by the pandemic repays its loans within a short period. In this case, professional enablers, such as lawyers, may facilitate the establishment of legal structures for criminals to claim financial assistance and later launder their dirty money. Accountants and auditors may also play a role in cooking financial books to allow criminals to claim financial stimulus packages and later launder their dirty money.

Emergency procurement

Countries around the world have embarked on huge public spending and emergency procurement, particularly for medical resources and health services to address the pandemic. As such, most countries have relaxed existing national procurement procedures and policies to allow the public purchasing of much-needed medical and personal protective equipment (PPE) within a short period of time and without much bureaucracy (Transparency International 2020).

The lack of transparency and oversight in emergency procurement have created plenty of opportunities for bribery, kickbacks and bad contracting (Vittori 2020). There are high risks of the increased misuse and misappropriation of public funds and consequent money laundering (FATF 2020a: 11). Professional enablers may play a role in this regard. For instance, senior government officials may instruct lawyers or company service providers to create companies with secret beneficial owners. These companies will be awarded government contracts for COVID-related products or services. The head of the Dutch financial intelligence unit recently warned that there may be an increased number of new companies formed to defraud the government or to launder and mix dirty money (Couvée 2020).

Proceeds of procurement corruption may also be transferred to shell companies, with the expertise and facilitation of lawyers or service providers in setting up the structures or offering nominee services. For instance, in Mexico, COVID-19 response funds are reportedly under threat from embezzlement involving anonymous shell companies (Jácome 2020). In Brazil, the federal police recently raided the residence of a governor whose wife's law firm reportedly received proceeds of corruption related to COVID-19 procurement (Brito and Gaier 2020).

Corruption and money laundering risks may be aggravated by the relaxation or postponement of legal provisions regulating beneficial ownership. For instance, the Bahamas government suspended the period of transition in the Register of Beneficial Ownership Act of 2018 during the public emergency and for another 60 days afterwards (Emergency Powers COVID 19 Special Provisions Order 2020). Criminals can take advantage of such suspensions to embezzle procurement funds or commit fraud and launder the proceeds through corporate vehicles with secret beneficial owners, created by lawyers or corporate service providers.

AML/CFT challenges during COVID-19

Customer due diligence and reporting of suspicious transactions

Professional enablers are gatekeepers with anti-money laundering/combatting the financing of terrorism (AML/CFT) obligations such as conducting customer due diligence (CDD) and reporting suspicious transactions to relevant authorities (FATF 2012). The increased risk of fraud, money laundering, bribery and corruption associated with the COVID-19 pandemic has enhanced money-laundering risks for the enablers, particularly banks (Wass 2020a). Most financial gatekeepers are currently focused on many challenges related to COVID-19, and there is a real danger of potential negligence to their AML/CFT obligations, thereby allowing criminals to launder their illicit money (FATF 2020a: 9; Wass 2020a).

The lockdown and social distancing measures imposed in many countries have negatively affected the ability of professional enablers to carry out their AML/CFT obligations. For instance, the UK's Legal Sector Affinity Group (LGSA) has noted the problem faced by lawyers in carrying out CDD and identity verification without face-to-face meetings (LGSA 2020). Similarly, the Association of International Accountants (AIA) has pointed out the challenge of conducting CDD and verification in remote transactions (AIA 2020). These temporary anti-money laundering challenges create opportunities for criminals to bypass CDD and identity verification measures to conceal and launder their dirty money through the professional enablers (FATF 2020a: 11).

FATF has recommended the use of technology such as Fintech, Regtech and Suptech to the fullest extent possible, and to carry out simplified due diligence for low-risk customers during the crisis (FATF 2020b). However, some professionals in middle and low-income countries may lack the resources and expertise to make effective technological switches. In addition, the risks associated with the technology remain unknown in many countries, and there might not be any mitigation strategies in place (Martini 2020). Hence, "a sudden shift in approach could entail additional risks and end up facilitating money laundering" (Martini 2020).

Some FATF members have extended the submission of suspicious transactions and threshold-based reports by entities, except in high-risk areas such as terrorist financing (FATF 2020a: 12). This means that there may be delays in investigation and apprehension of money launderers by relevant authorities. Furthermore, jurisdictions with paper-based reporting systems or with inadequate database software are likely to encounter delays in receiving and processing reports (FATF 2020a: 12). These extended suspensions and delays in reporting obligations give many opportunities for professional enablers engaged in money laundering to carry on their activities undetected by supervisors during the ongoing pandemic. However, this does not mean that they will not be detected and punished after the pandemic.

Supervision and inspections

Most FATF members have postponed AML/CFT onsite inspections or substituted them with desk-based inspections, such as the use of video conferencing (FATF 2020a: 12). Occasional onsite inspections are carried out for high-risk sectors or entities in some cases. Some supervisory authorities are also providing risk-based flexibility on the filing of annual reports (FATF 2020a: 12). Such relaxation and delays in supervision and inspection mean that the illicit conduct of professional enablers may go undetected during the pandemic.

Economic recession

The COVID-19 pandemic is a health crisis that has turned into an economic crisis. Most countries have suffered economic loss due to the pandemic, and there are fears of global financial instability (Adrian and Natalucci 2020). According to the IMF's World Economic Outlook, the world economy will contract sharply more than during the 2008 global economic crisis (IMF 2020). The economic recession is likely to be the worst since the Great Depression (Gopinath 2020).

The European Banking Authority warned that, considering past crises, illicit finance would likely continue to flow regardless of economic problems (European Banking Authority 2020: 2). Further, it warned financial institutions to keep a close eye on steady financial flows from businesses in sectors heavily affected by the crisis, such as cash-intensive businesses in the retail sector, international trade businesses and from any type of shell companies without real economic activity (European Banking Authority 2020: 2). Other gatekeepers, such as accountants, risk handling large financial transactions from struggling businesses, and they were warned to be vigilant in dealing with clients who may be attempting to launder the proceeds of crime (Couvée 2020). Criminals may also inject illicit funds into the financial system through restructuring existing loans and lines of credit (FATF 2020a: 9).

The profit motive is strong in business when experiencing or emerging from a financial crisis. In such situations, the enablers may put more effort into business continuity issues than monitoring and reporting suspicious transactions (FATF 2020a: 9). Hence, criminals may take advantage of the crisis to target struggling gatekeepers and use them to launder dirty money.

The Legal Sector Affinity Group and the Association of International Accountants have warned that an economic recession makes lawyers and accountants more susceptible to financial problems or other pressures, which create risk and potential loopholes for criminals to exploit (LGSA 2020; AIA 2020). For instance, criminals may require lawyers or accountants to carry out unclear transactions, hire the professional to work on new areas without knowledge of AML/CFT risks, attempt to gain access to the lawyer's client list, or resisting and/or pressuring the professional to bypass customer due diligence (LGSA 2020; AIA 2020).

Some countries have enhanced economic or investment schemes to mitigate the economic crisis. For instance, the government of Cyprus announced that it is considering expediting examination of pending citizenship-by-investment applications to keep businesses afloat and pump liquid capital into the economy during the pandemic (SchengenVisaInfo 2020). Such citizenship-by-investment or residence-by-investment schemes, known as golden visa schemes, may offer access to safe havens for criminals and their illicit proceeds (Transparency International and Global Witness 2018: 18). Very often, professional enablers including lawyers, investor visa firms, accountants and banks (where investments are deposited) facilitate these investments. Hence, the continued or enhanced use of golden visa applications during and after the pandemic may exacerbate the role of professional enablers in facilitating economic crime.

Organised criminal activities

While the pandemic might have reduced some organised criminal activities, it has provided new opportunities for criminality (Global Initiative against Transnational Organised Crime 2020: 1). For example, criminals have adopted COVID-19-related offences, such as cybercrime, fraud, counterfeiting of goods and organised property crime (Europol 2020a; FATF 2020a: 17). Some organised criminal groups in Latin America and Italy have attempted to clean their images by offering loans and food packages to local communities (Holman 2020; Amante 2020).

As with previous economic crises, organised criminal groups will likely be in possession of large deposits of illicit money at their disposal (Shaffer 2020). For instance, dirty money has reportedly piled up as the pandemic has crippled international money laundering due to lockdown restrictions and the shutdown of non-essential businesses used by criminals (Ormseth 2020).

Europol has cautioned AML regulators and professionals to expect attempts by organised criminal groups to exploit the economic turndown to launder their dirty money (Europol 2020b: 7). Familiar targets of cash-intensive businesses, such as restaurants, casinos, nail bars and others, may become easy for criminals to mix their illegal gains with legitimate revenue (Europol 2020b: 11). Professional enablers in the real estate and construction sectors are likely to become more appealing for money launderers for investment and laundering purposes (Europol 2020b: 12). In addition, criminals may invest in artwork due to the absence of fixed prices (Europol 2020b: 12).

It is predicted that beyond the pandemic, criminals will intensify their use of shell companies and offshore companies to place cash deposits that will later be layered to other jurisdictions or integrated to purchase real estate (Europol 2020b:12). INTERPOL has already exposed a sophisticated international scheme that was able to transfer proceeds of COVID-related fraud in quick succession to three different jurisdictions (INTERPOL 2020). Hence, criminals will look to exploit offshore companies and international banks to move and launder their proceeds of crime. It is important to point out that other professionals, such as lawyers, company incorporators and other intermediaries, may facilitate the establishment of these offshore companies and bank accounts, and the eventual laundering of illicit funds.

Resources to monitor professional enablers the during COVID-19 pandemic

Financial intelligence units (FIUs)

It might be useful to check countries' FIU reports and advice. Several FIUs publish the number of suspicious transaction reports (STR) per sector.

In addition, the Egmont Group of Financial Intelligence Units recently launched a COVID-19 emerging risks course: https://egmontgroup.org/en/content/new-elearning-course-covid-19-emerging-risks-ecofel

Financial Action Task Force (FATF)

The FATF provides the latest information on money-laundering risks: https://www.fatf-gafi.org/home/.

It has already released a paper on COVID-related ML/TF risks and policy responses: http://www.fatf-gafi.org/media/fatf/documents/COVID-19-AML-CFT.pdf

Media and non-governmental organisations

OCCPR have dedicated a webpage with reports of COVID-related corruption and crime: https://www.occrp.org/en/coronavirus/

COVID crime watch by the Global Initiative against Transnational Organised Crime is useful: https://globalinitiative.net/initiatives/covid-crime-watch/

Transparency International's Voices for Transparency: https://voices.transparency.org/

Latest news, publications or reports from Global Financial Integrity: https://gfintegrity.org/

Latest news, publications or reports from the Tax Justice Network: https://www.taxjustice.net/

Law enforcement organisations

INTERPOL has a dedicated webpage with reports on COVID-related crime: https://www.interpol.int/en/How-we-work/COVID-19

Europol updates on crime during the COVID-19 pandemic: https://www.europol.europa.eu/staying-safe-during-covid-19-what-you-need-to-know

Offshore activities

It will be interesting to check any increase or decrease in company formations during and after the COVID-19 pandemic in key offshore centres such as:

- Panama: https://www.registro-publico.gob.pa/estadisticas/estadistica20/sa.php and https://www.registro-publico.gob.pa/estadisticas/estadistica20/funp ri.php (these include Panamanian corporations and private foundations)

- Cayman Islands: https://www.ciregistry.ky/companies-register/company-statistics/
- British Virgin Islands (statistical bulletins): https://www.bvifsc.vg/library/publications

Professional associations

Some professional associations may also have related details on economic crime during COVID-19, for instance:

International Bar Association for lawyers: https://www.ibanet.org/

The Association of International Accountants: https://aiaworldwide.com/

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PARTNER AGENCIES

DFAT (Australia), GIZ/BMZ (Germany), Global Affairs Canada, Ministry for Foreign Affairs of Finland, Danida (Denmark), Sida (Sweden), SDC (Switzerland), Norad (Norway), UK Aid/DFID.

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The U4 anti-corruption helpdesk is a free research service exclusively for staff from U4 partner agencies. This service is a collaboration between U4 and Transparency International (TI) in Berlin, Germany. Researchers at TI run the helpdesk.

The U4 Anti-Corruption Resource Centre shares research and evidence to help international development actors get sustainable results. The centre is part of Chr. Michelsen Institute (CMI) in Bergen, Norway – a research institute on global development and human rights.

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