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Welcome to this newsletter which aims to provide you with interesting news and useful information on money laundering and related topics.

IN THE COURTS

Two interesting Court of Appeal judgments have recently been published.

In **R v ALLPRESS AND OTHERS [2009] EWCA CRIM 8** the Court of Appeal gave new guidance on the treatment of money launderers in confiscation proceedings. Prior to this judgment it had been understood that a person who laundered money would be treated as having himself obtained a benefit equal to the sum he laundered. This was regarded as the case even if that person's involvement in the laundering was limited to acting as a courier or custodian of monies belonging to others.

The new judgment provides that a mere courier or custodian of laundered monies obtains a benefit limited to the payment he receives for acting as courier or custodian of other people's funds in the process of being laundered. However a person who transfers or converts monies in the course of laundering them will still be regarded as having obtained a benefit equal to the monies which he transfers or converts on behalf of others.

This very recent judgment follows a trend set by the House in Lords in three confiscation cases last year. The logic is that a mere custodian or courier does not obtain ownership or control (in a legal sense) of the monies in his possession. This is in contrast to the position of a person who transfers or converts monies.

In an earlier judgment, **R v MUNIR [2008] EWCA CRIM 3110**, the Court had been rather critical of the defendant's legal team and the forensic accountant they had instructed - even to the point of contemplating lodging a complaint about the accountant with the ICAEW. Unfortunately the judgment is not crystal clear as to the nature of the court's complaint - the judgment may have lost something in the course of transcription.

It appears that the Court considered the accountant had been "building castles in the air" by "weighing up numbers here and numbers there" to suggest that cash (that is, folding money) spent in a particular way had come from a particular source whereas, in the court's view, there was "no evidence at all as to where

that money was placed" because the defendant himself had decided not to give evidence and the expenditures had not been made through a bank account. The court found this behaviour "very troubling" on the part of a professional man, who is a forensic partner in a respected national firm of accountants and business advisers.

Lawyers and forensic accountants who deal in such matters will take careful note of the court's criticisms.

AL-QAEDA AND INTERNET GAMBLING SITES

A new report from Jane's Strategic Advisory Services suggests that Al-Qaeda may be laundering money through online casino sites.

Terry Prater, a specialist in counter-terrorism is quoted as saying, "Al-Qaeda wants to create a University of Jihad online, both in a spiritual and a financial sense".

MI6 INFORMANT CONVICTED

This month a Chinese dissident, who acted as an informant for MI6, was convicted of the murder of a London pensioner - apparently because he wished to steal his identity and his life savings. Wang Yam had battered 86 year old Allan Chappelow to death. The body of Mr Chappelow, described as a millionaire author and a virtual recluse, is believed to have lain undiscovered for 5 weeks after being hidden under paperwork.

Most of the evidence in the trial was heard in secret on the grounds of national security.

WOULD YOU BELIEVE IT?

Last October Jorge Reyes and Luis Calvo were caught by police surveillance cameras collecting a large sum of cash - which is unfortunate because Calvo had been receiving leaks of sensitive information and advice on avoiding just such surveillance, from a contact in the local police anti-money laundering task force.

And the source of that advice - Officer Jorge Reyes, who is one of only two police officers in Fort Lauderdale, Florida who form the local task force aimed at combating money laundering. This month he himself pleaded guilty to money laundering. He now awaits sentence.

Perhaps the town should be renamed, Fort Lauderdale!

If you require any assistance or have any queries concerning issues related to forensic accountancy, proceeds of crime or money laundering contact d.winch@AccountingEvidence.com or visit our website www.AccountingEvidence.com.

Kind regards

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