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SUSPICIOUS TRANSACTION REPORTS

Reporting Financial Institutions

STRs were reported to the FIU by various financial institutions including members of the public. The majority of the STRs continue to be reported by commercial banks (2016:63 percent; 2015:77 percent) followed by the money remittance service providers (2016:29 percent; 2015:17 percent). The STRs reported by the money remittance service providers in 2016 was 166 while 86 STRs were reported by this sector in 2015. The STRs reported by the MRSPs almost doubled in 2016 compared to 2015. The increase is due to greater level of awareness that was provided by the Fiji FIU through press releases and alert notices in relation to advance fee fraud and other scams. STRs received from the members of the public more than doubled due to enhanced media awareness.

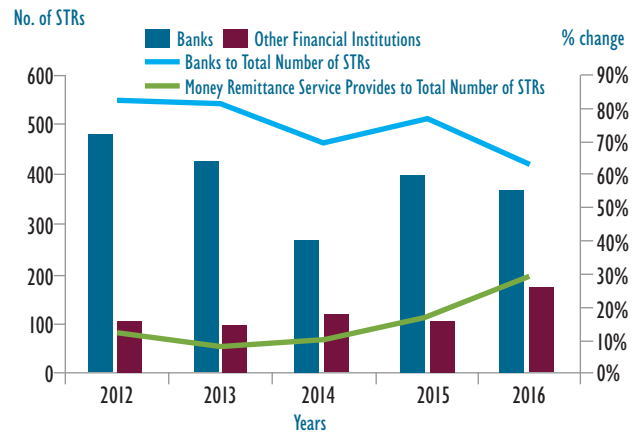
Summary of Reporting Financial Institutions

Financial Institutions and Persons Reporting	No. of STRs Received				
	2012	2013	2014	2015	2016
Commercial Banks	477	425	267	397	367
Money Remittance Service Providers	68	42	43	86	166
Finance Companies	0	5	4	2	3
Members of the Public	22	40	58	18	39
Regulatory Authorities	3	3	3	5	0
Law Firms	4	0	1	0	2
Accounting Firms	1	2	1	0	0
Insurance Companies and Superannuation	2	3	2	0	1
Securities, Unit Trusts	0	0	1	3	1
Real Estate Businesses	1	1	1	2	0
Others	1	1	2	3	0
TOTAL	579	522	383	516	579

Source: Fiji FIU

One STR was reported from the securities and unit trusts sector and two were reported by law firms in 2016.

Summary of Reporting Financial Institutions



Source: Fiji FIU

Value of Transactions Reported as Suspicious

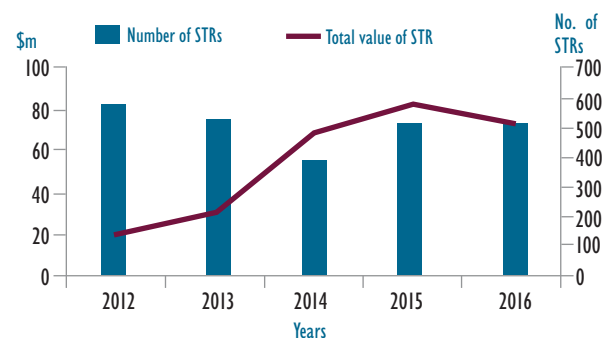
The total annual value of suspicious transactions that were reported to the FIU in 2016 decreased to \$74.7 million from \$82.7 million in 2015. The decrease is attributed to the decrease in the number of STRs reported to the FIU in 2016. The average value of a transaction reported to the FIU in 2016 as suspicious was \$128,968 compared to \$160,373 in 2015.

Total Value of Transactions Reported as Suspicious

	2012	2013	2014	2015	2016
Total Value (\$ million)	20.0	29.4	69.4	82.7	74.7
Number of STRs	579	522	383	516	579
Average Value reported (\$ per STR)	35,000	56,000	181,205	160,373	128,968

Source: Fiji FIU

Total Value of Transactions Reported as Suspicious



Source: Fiji FIU

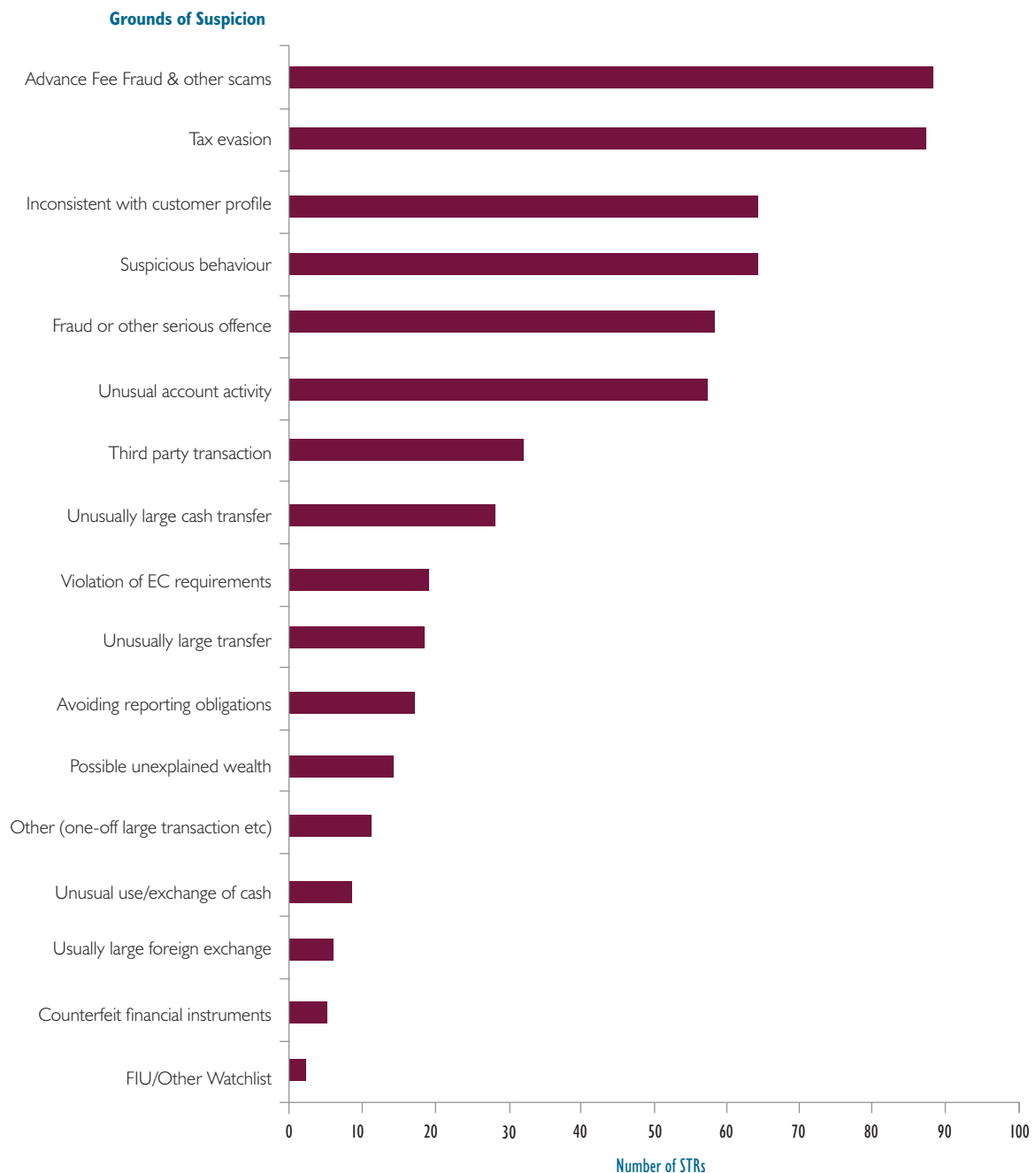
“Grounds for Suspicion” in Suspicious Transaction Reports

In 2016, majority of the STRs were reported on the grounds of advanced fee fraud and other scams. Suspected tax evasion and inconsistent customer profiles were prevalent contributing

to approximately 26 percent of the total STRs reported to the FIU in 2016.

Reporting financial institutions also clearly highlighted suspicious behaviour and suspected fraud as common grounds of suspicion detected and reported by financial institutions in 2016.

Grounds for Suspicion on STRs Received 2016



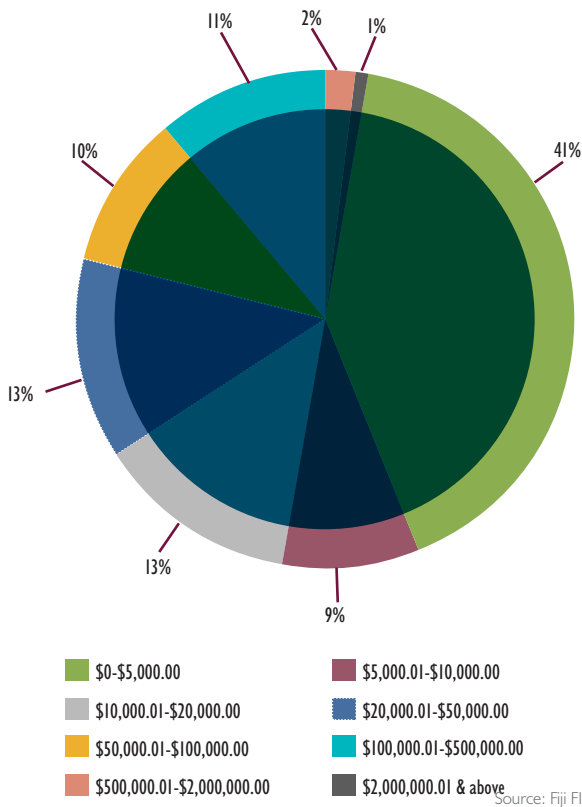
Source: Fiji FIU

Suspicious Transactions by Transaction Value

There is no monetary threshold under the FTR Act for reporting suspicious transactions. Thus, any suspicious transaction must be reported to the FIU regardless of the amount involved in the transaction, including the reporting of attempted transactions. Previous trends indicate that suspicious transactions do not always involve substantial dollar amounts.

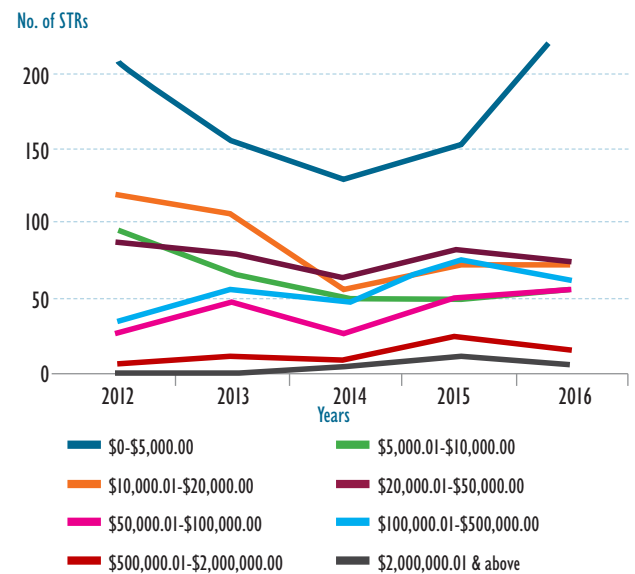
The majority (76 percent) of the STRs submitted by financial institutions in 2016 were reported on transactions valued below \$50,000, out of which 41 percent of STRs were on transactions valued below \$5,000. STRs involving large value transactions of \$0.5 million and more accounted for 4 percent of total STRs reported in 2016 compared to 7 percent in 2015.

Suspicious Transactions by Transaction Value



Transaction Value	Number of STRs	Percentage of STRs
\$0 - \$5,000.00	237	41
\$5,000.01 - \$10,000.00	55	9
\$10,000.01 - \$20,000.00	73	13
\$20,000.01 - \$50,000.00	74	13
\$50,000.01 - \$100,000.00	56	9
\$100,000.01 - \$500,000.00	63	11
\$500,000.01 - \$2,000,000.00	15	3
\$2,000,000.01 & above	6	1
TOTAL	579	100

Suspicious Transactions by Transaction Value



Suspicious Transactions by Instrument Type

'Cash' continued to be the primary financial instrument type that is reflected in the STRs reported to the FIU in 2016. Out of the 579 transactions reported as suspicious in 2016, 398 (69 percent) involved cash transactions.

The types of financial instruments involved in STRs include:

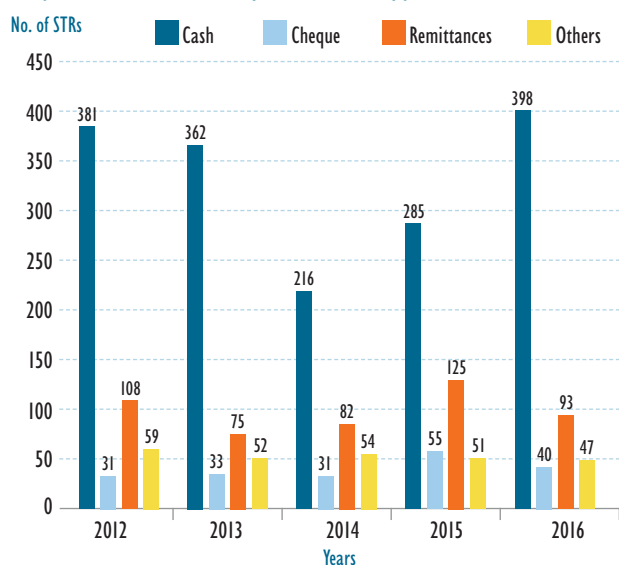
1. Cash (local and foreign currency);
2. Cheque (bank cheques/drafts, personal and company cheques);
3. Remittances; and
4. Other instruments (account-to-account transfers, credit cards and travellers cheques).

There has been an increase in the number of STRs reported in 2016 on cash and a decline in the number of STRs reported on cheque and remittance transactions.

Suspicious Transactions by Instrument Type

Year	Cash	Cheque	Remittances	Others	TOTAL
2012	381	31	108	59	579
2013	362	33	75	52	522
2014	216	31	82	54	383
2015	285	55	125	51	516
2016	398	40	93	48	579

Suspicious Transactions by Instrument Type



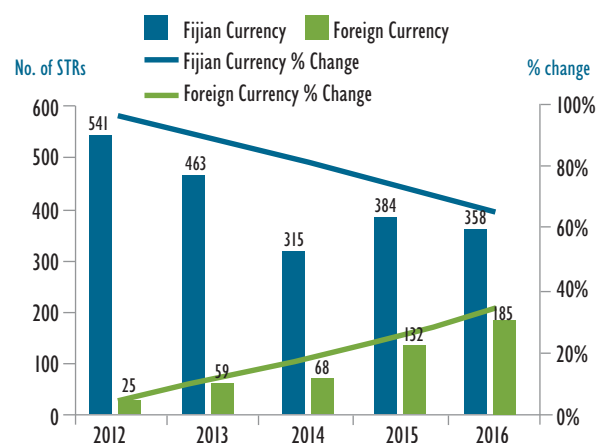
Source: Fiji FIU

Suspicious Transactions by Currency Type

The majority (65 percent) of the STRs reported in 2016 involved Fijian currency.

The suspicious transactions that involved foreign currency increased to 34 percent of total STRs in 2016 compared to 26 percent in 2015.

The increase in use of foreign currency reported in STRs reflects the increased usage of foreign currency cash as reported in the 2016 STRs.

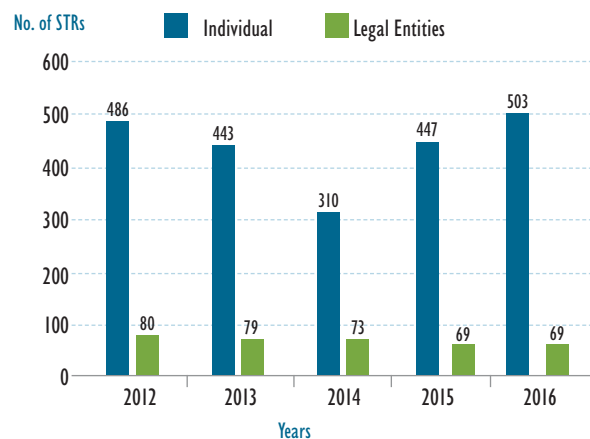


Source: Fiji FIU

Suspicious Transaction Reports by Customer Type

There were 503 (87 percent) STRs reported on transactions conducted by individuals/personal customers and 69 (12 percent) by corporate and business entities in 2015. There were 7 (1 percent) STRs reported on counterfeit instruments and ATM skimming devices.

The number of STRs reported in 2016 on legal entities such as companies remained at 69 (2015, 69 STRs). It was also noted that some of the transactions reported on individuals were indirectly linked to legal entities such as companies and sole proprietorships.



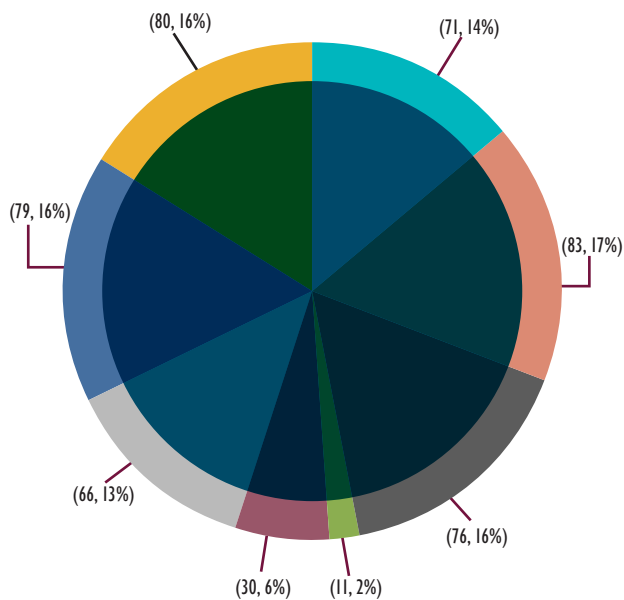
Source: Fiji FIU

Suspicious Transaction Reports by Customer Age

47 percent of STRs on individuals were reported on customers over the age of 40 years. Age unstated increased from 11 in 2015 to 76 in 2016 because of the increase in reports on advanced fee fraud.

Year	2yrs - 18yrs	19yrs - 25yrs	26yrs - 32yrs	33yrs - 39yrs	40yrs - 46yrs	47yrs - 54yrs	55yrs and over	Not Stated	TOTAL
2012	16	31	59	63	68	72	47	140	496
2013	12	34	53	72	66	59	61	86	443
2014	5	15	45	37	41	42	45	80	310
2015	13	24	58	75	68	78	84	11	411
2016	11	30	66	79	80	71	83	76	496

Source: Fiji FIU



Source: Fiji FIU

Age of Convicted Money Launderers

Analysis of money laundering and proceeds of crime conviction cases showed the following in relation to the age bracket of the persons involved.

Name of Individual	Year STR was Reported	Age at the time of the offence
Manoj Khara	2004	31 years old
Timothy Aaron O'Keefe	2005	25 years old
Monika Arora	2007	28 years old
Salendra Sen Sinha	2008	30 years old
Anand Kumar Prasad	2008	28 years old
Deo Narayan Singh	2008	40 years old
Atisma Kirti Singh	2008	23 years old
Johnny Albert Stephen	2009	39 years old
Doreen Singh	2009	31 years old
Kapil Kushant Samy	2010	24 years old
Nirmala Devi	2011	46 years old
Natasha Nilma Singh	2012	20 years old
Vikash Mehta	2013	29 years old
Tuimoala Raogo	2013	41 years old
Fazeel Razid Ali	2015	27 years old
Nitesh Kumar	2016	23 years old

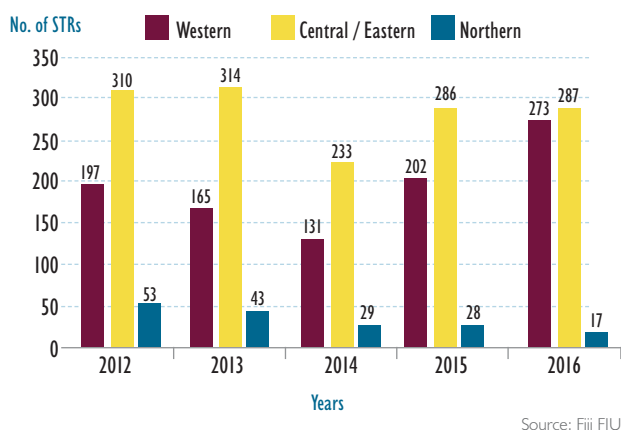
Name of Individual	Year of FIU assistance	Age at the time of the offence
Deepak Rajneel Kapoor	2008	25 years old
Robin Surya Subha Shyam	2010	38 years old

Name of Individual	Year of Conviction	Age at the time of the offence
Faiyaz Khan	2013 ¹	38 years old
Savita Singh	2015	32 years old
Chris Ronil Singh	2015	38 years old
Mukeshwar Narayan Singh	2016	21 years old
Sakiusa Vakarewa	2016	31 years old
Josefa Saqanavere	2016	41 years old
Savenaca Batibawa	2016	47 years old
FIU Katarine Gounden	2016	31 years old

Source: Fiji FIU

Suspicious Transaction Reports by Geographical Location of Reporting Institutions

The FIU receives STRs from various commercial centres in Fiji. Majority of the STRs continue to be received from financial institutions based in the Central/Eastern Division due to concentration of economic and commercial activities in this division. The number of STRs received from the Western division has been increasing. In 2016, STRs from the Western Division increased to 273 from 202 STRs received in 2015.



CASE STUDY: Local Company falls victim to a Payment Intercept Scam

The FIU received a STR from a local based entity. The company personnel lodged a complaint that it had fallen victim to a "payment intercept" scam.

The company had received a fraudulent email purporting to be from its legitimate supplier based in Shanghai, China. The local company was instructed to redirect a payment of around US\$54,000.00 to a company with a bank account in Hong Kong.

The managing director of the local entity reportedly referred the matter to the Hong Kong Police.

The FIU issued a report to the Hong Kong FIU for further investigations on the alleged beneficiary of the funds

Possible Offence:

- Electronic Fraud
- Business Email Compromise

Indicators:

- Payment intercept via electronic communication

Reasons for Suspicious Reporting

A financial institution's decision to report a transaction as suspicious to the FIU is based on a number of factors, such as, the:

- customer's usual occupation or business activity;
- customer's transaction history;
- income level and source of income of the customer;
- the complexity, frequency and size of transactions;
- customer's general background and profile (such as age, citizenship, etc).

These factors individually may seem insignificant but when considered together may raise questions on appropriateness and normality of customer's transaction(s). The above-mentioned indicators can also be based on known money laundering typologies. Financial institutions are required under the FTR Act to know their customers in order to identify transactions that may be unusual, suspicious or questionable for an individual customer or a type or category of customer.

CASE STUDY: 27 Year old DVD Shop owner not declaring business income to tax authority

The FIU received a STR on a 27 year old, Person Y who was receiving significant deposits into his personal bank account.

Upon conducting further checks, the FIU established that Person Y is reportedly the managing director of a DVD shop.

Person Y had maintained about 5 personal bank accounts at different banks and was transferring funds between the bank accounts.

The FIU also established that there were no bank accounts under the company's name.

A report was disseminated to the tax authority for possible tax offences

Possible Offence:

- Tax Evasion

Indicators:

- Using personal bank account to conduct business like transactions
- Maintaining several bank accounts and conducting significant transactions
- Transferring funds between his personal bank accounts
- No bank account established for the business for which Person Y is a managing director together with a business associate.

Examples of Reasons for Reporting Transactions as Suspicious

1.	Individual has been identified as a sanctioned individual as per Dow Jones;
2.	Individual is a machinist and received 2 large (telegraphic transfers) from China into an inactive account;
3.	Requesting to open a business account for a foreign registered company. The company is registered in Seychelles and is expecting a large amount of Euros from a Swiss holding company. Directors are Americans;
4.	Customer deposited old design hundred dollar bills amounting to \$10,000.00. Her Husband was also identified conducting similar deposit into his bank account;
5.	Director of a company is sending funds to Burma with narration stated as medical funds;
6.	Illegal undeclared foreign investments made under the corporate veil of a local company;
7.	EFTPOS machine to facilitate large transactions for donations through EFTPOS without card being present;
8.	Large (telegraphic transfers) from high risk country into bank account of a school. The Chairman of the school is a PEP;
9.	Transfer of funds from solicitors trust account to operating account;
10.	Customer buying travel fund frequently. Usually used Fiji passport to buy travel fund but now using NZ passport;
11.	Night club proceeds being deposited in to personal account;
12.	Withdrew funds to invest in voluntary membership savings. Business proprietor so possibly engaging in tax evasion;
13.	Unable to determine customer financial capacity due to lack of further information. Mentioned by the teller that the customer is known to have been selling drugs from his shop;
14.	Customer brought in \$55,500.00 in cash wrapped in newspaper. She lives in the US and said she brought in USD and did money exchange to FJD;
15.	Reports received that a group of ATM skimmers moving around Pacific Countries through Fiji;
16.	Customer sends money to Ukraine as a gift to a beneficiary whom they have unestablished relationship;
17.	Email sent by customer, 17 year old to travel agent to purchase airline tickets. Sent a copy of internet banking receipt showing payment details which was altered;
18.	Customer not disclosing where he got the money from and gets angry when teller asks and says "it is none of your concern";
19.	Complaints from member of the public on real estate sector being used for money laundering;
20.	Insurance agent receiving tax refunds from tax authority which amounts to a substantial amount.

Source: Fiji FIU

The above are extracts from STRs reported to the FIU in 2016.

Other STR Analysis

Members of Public

Voluntary suspicious information can be provided to the FIU pursuant to section 25 of the FTR Act.

In 2016, there was an increase in the number of voluntary information that was reported by members of the public compared to 2015.

The FIU received an STR from a member of the public that cybercriminals/scammers have created several fake Facebook profiles of "Barry Whiteside", Governor of the RBF.

The Governor does not have any Facebook profile under his name. Few Cases have been brought to the attention of the FIU and the RBF that these false personations were used to provide fake RBF approvals for victims to remit funds to secure proceeds of fake lotteries, investments and loans.

Scam Emails:

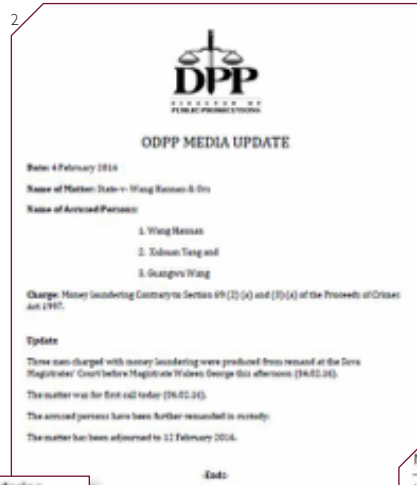
A number of incidents of scam emails have also surfaced claiming to be from Governor Whiteside with fake messages and documents

Bogus Loans and Grants:

The letterhead and logo of the RBF was used by criminals on documents purporting to offer loans and grants to victims who began to correspond with the criminals using fake social media profiles and emails.

The FIU conducted background and credibility checks on the fake facebook profile of the Governor. The FIU linked up with the relevant law enforcement officials. The FIU also issued a case dissemination report to the Fiji Police Force in August 2016. The FIU issued a joint press release with the RBF. The FIU disseminated the press release widely to more than 6,000 GOVNET users, 80 AML compliance officers and their networks as well as to our partner law enforcement teams and their networks.

Media Buzz on Money Laundering Charges 2016



Source:
Article 1: Fiji Village Online (<http://fijivillage.com/>)
Article 2: Office of the Director of Public Prosecutions Media Update
Article 3: The Fiji Sun Online (<http://fijisun.com/fj/2016/10/26/woman-faces-56272-post-fiji-money-laundering-charges/>)
Article 4: The Fiji Sun Online (<http://fijisun.com/fj/2016/04/15/health-issues-taken-into-account/>)