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## LETTER FROM THE DIRECTOR

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It is my privilege to inform readers of the successful completion of the 117th International Senior Seminar on the “Current Situation and Countermeasures against Money Laundering”, held from 15 January to 16 February 2001. In this Seminar, we welcomed 6 Japanese and 17 overseas participants: 10 from Asia, 2 from Oceania, 1 from Latin America, 1 from the Middle East and 3 from Africa. They included police, public prosecutors, judges and other high-ranking public officials. As this newsletter demonstrates, the Seminar was extremely productive. It consisted of Individual Presentations, Group Workshop sessions, visits to relevant criminal justice agencies, and presentations by visiting experts and *ad hoc* lecturers.

During the five-week period, the participants diligently and comprehensively examined measures to strengthen and improve international cooperation in the fight against transnational organized crime. This was accomplished primarily through comparative analysis of the current situation and problems of preventing money laundering in the international arena. Our in-depth discussions enabled us to put forth effective and practical solutions to emerging problems in the changing international society.

Transnational organized crime, including drug trafficking, trafficking in women and children, the illicit manufacturing of and trafficking in firearms, and the illegal trafficking and transportation of migrants, is a serious global problem, particularly for the Asia-Pacific region. Money laundering – the conversion or transfer of property to conceal its illicit nature or origin – has been the primary means of motivating, funding and developing such crime. As such, money laundering undermines the integrity of legitimate national economies, global financial systems and fundamental social values; promoting the growth of organized crime and facilitating its expansion.

In recognition of the gravity of this situation, the United Nations has given special attention to the issue of money laundering in curbing the growth of transnational organized crime. In the year 2000, the Convention against Transnational Organized Crime was drafted on the common understanding that predicate offenses for money laundering need to be expanded to cover all serious offenses, and that more effective countermeasures against organized crime need to be introduced at the domestic and international level. The Convention has since been adopted by the UN General Assembly (November, 2000) and signed by more than 120 member states (December, 2000, Italy).

In consideration of this, UNAFEI (as a United Nations regional institute) decided to undertake a series of international training courses and seminars under the general subject of “transnational organized crime”. This seminar was the first to be conducted specifically on the issue of money laundering. During the Seminar we explored possible solutions to our common problems in this regard through frank discussions in the related sessions. Thus I have no doubt that the outcome produced in this seminar will enable all of us to face the challenges of organized crime generally, and money laundering specifically, more resolutely.

I would like to offer my sincere congratulations to all the participants for their successful completion of the Seminar, made possible by their strenuous efforts. My heartfelt gratitude goes to the visiting experts and *ad hoc* lecturers who contributed a great deal to the Seminar's success. Furthermore, I appreciate the indispensable assistance and cooperation extended to UNAFEI by various agencies and institutions, which helped diversify the programme.

A warm tribute must be paid to the Japan International Cooperation Agency (JICA) for its immeasurable support throughout the Seminar. At the same time, I must express great appreciation to the Asia Crime Prevention Foundation (ACPF) and its branch organizations for their substantial contributions. Lastly, I owe my gratitude to all the individuals whose unselfish efforts behind the scenes contributed significantly to the successful realization of this Seminar.

Upon returning to their home countries, I genuinely believe that, like their predecessors, the strong determination and dedication of the participants will enable them to work towards the improvement of their respective nation's criminal justice systems, and to the benefit of the international society as a whole.

Finally, I would like to reiterate my best regards to the participants of the 117th International Senior Seminar. I hope that the experience they gained during the Seminar proves valuable in their daily work, and that the bonds fostered among the participants, visiting experts, lecturers and UNAFEI staff will continue to grow for years to come.

February 2001

*Mikinao Kitada*  
Director, UNAFEI

**THE 117TH INTERNATIONAL SEMINAR**  
**“CURRENT SITUATION AND COUNTERMEASURES AGAINST**  
**MONEY LAUNDERING”**

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**Seminar Rationale**

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Money laundering is the conversion or transfer of property, knowing that such property is derived from criminal activity, for the purpose of concealing the illicit nature and origin of the property from government authorities. Typically, this is done by moving it from one country to another (physically or electronically) and obscuring its origin through complicated financial transactions.

Money laundering is a growing threat to the security of the international society and the stability of sovereign states. It undermines the integrity of legitimate national economies, global financial systems, the rule of law and fundamental social values. According to the Financial Action Task Force on Money Laundering (FATF), it is estimated that the amounts of money laundered annually worldwide from the illicit drug trade alone range between US\$300 billion and US\$500 billion (1998). The inclusion of laundered illicit funds from economic and other non-drug crime could potentially more than double these figures.

Money laundering, which is perpetrated under the influence of transnational criminal organizations, has caused terrible problems in the various countries of the world, including Asia and the Pacific region. It is predicted to become more sophisticated and difficult to detect due to the increasing use of professionals, such as lawyers, accountants and financial advisers.

There are many cases of money laundering worldwide. An infamous example of money laundering from drug sales was “The Pizza Connection”, where 38 people were charged in New York City with heroin trafficking and money laundering. The case revealed how organized crime networks were involved in this activity, in collusion with major banks in the United States and Switzerland. A linkage between the poppy fields of South-east Asia and pizza parlours across America was also disclosed<sup>1</sup>.

Similarly, in July 1991, in a case revealing the complexity of investigating money laundering, more than US\$12 billion in assets was seized from the Bank of Credit and Commerce International (BCCI) after regulators discovered evidence of widespread fraud. The bank actively sought to provide financial services to underworld profiteers in drug trafficking, terrorism, dictatorships, intelligence agencies and arms trading, by promoting itself as a safe haven. BCCI was able to commit or facilitate a variety of crimes through the skilful use of “shell” corporations, off-shore financial centers (the safe havens of illicit funds), bank secrecy and the complex corporate structure of the bank<sup>2</sup>.

In recognition of the gravity of international money laundering, initiatives were taken in the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances

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<sup>1</sup> Richard Parlour ~~International Guide to Money Laundering Law and Practice~~, Butterworth & Co Ltd, 1995, P2

<sup>2</sup> United Nations Office for Drug Control and Crime Prevention ~~United Nations Global Programme against Money Laundering~~, December 1998, DPI/2010-98-28445E

(adopted at Vienna, 19 December 1988) to provide anti-money laundering provisions (Paragraph 1, Subparagraph (b) of Article 3). In accordance with the Convention, many countries legislated domestic laws to ratify the Convention (at present 108 countries including Japan). However, as the Convention was adopted in relation to drug offences, the provisions relating to money laundering cover a limited area.

Concurrently, the G-7 Summit in Paris, (1989) established FATF to examine measures to combat money laundering. In April 1990, FATF issued a report containing a programme of forty recommendations in this area. The recommendations are designed to provide a comprehensive blueprint for action against money laundering covering; the criminal justice system and law enforcement; the financial system and its regulation; and international co-operation. In accordance with the recommendations, each country has to, for example, establish Financial Intelligence Units (FIU) to collect suspicious transactions and must disclose anonymous accounts or accounts held in fictitious names. Although the recommendations are not a binding international convention, each of the FATF members has made a firm political commitment to combat money laundering. In 1996, the recommendations were modified to take into account recent money laundering trends and potential future threats.

Similarly, the United Nations Ministerial Conference on Organized Transnational Crime, (Naples, Italy 1994.) adopted an international document entitled the “Naples Political Declaration and Global Action Plan against Organized Transnational Crime”, which was subsequently endorsed by the United Nations General Assembly. Furthermore, an Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime was created to draft a comprehensive international convention to counter transnational organized crime. During the discussions of the Committee, it has been generally understood that predicate offences for money laundering should not be limited to drug-related crimes and that more effective countermeasures against money laundering must be introduced to combat transnational organized crime. Against the background of such international concern, in February 1997 the Asia/Pacific Group on Money Laundering (APG) was established to examine measures to combat money laundering within the Asia-Pacific region, as well as at the international level.

Taking this into consideration, UNAFEI, as a regional institute (affiliated with the United Nations) for the prevention of crime and the treatment of offenders, decided to undertake a series of international training courses and seminars for the coming years under the general subject of “transnational organized crime”. This seminar on money laundering is part of UNAFEI’s continuing commitment to this internationally important theme.

Giving due consideration to the above rationale, this seminar will explore the ways and means of strengthening and improving methods and techniques in the fight against money laundering. By gathering best practice examples from the participants, analyzing the factors for success, we will be able to develop more effective countermeasures against money laundering at each stage of the criminal justice process. Sharing practical information and experience on how other countries tackle our common issues will facilitate our efforts against money laundering.

In the discussions of this seminar, focus will be placed on the following elements:

1. Current situation of:
  - (a) Money laundering cases (number, scale, etc)
  - (b) Major transnational organized criminal groups and their activities

2. Current situation of:
  - (a) Criminalization of money laundering
  - (b) Scope and extension of predicate offences for money laundering
  - (c) Function and activities of Financial Intelligence Units (FIU)
  - (d) Cooperation by banks and non-bank financial institutions
  - (e) Asset confiscation
  - (f) Other anti-money laundering systems/strategies
3. Discussion of specific money laundering cases to identify problems and solutions at the stage of investigation, prosecution and trial.
4. Introduction of successful cases involving the cooperation of financial institutions in providing information on suspicious financial transactions. Discussion on the involvement of off-shore financial centers, and on practices of information sharing between FIU and law enforcement agencies.
5. Effective investigation methods for money laundering. Practices and problems relating to the following methods:
  - (a) Controlled delivery
  - (b) Electronic surveillance (wire-tapping, communications interception, etc)
  - (c) Undercover operations
6. Issues relating to conventional investigative techniques such as interrogation of suspects, interviews with witnesses, search and seizure, shadowing, observations, etc. Strategies to facilitate money laundering investigation, such as immunity from prosecution.

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## Seminar Summary

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### **Lectures**

In total, 8 lectures were presented by visiting experts and course counselors, and 2 by *ad hoc* lecturers. Six distinguished criminal justice practitioners from abroad served as UNAFEI visiting experts or course counselors. They lectured on issues relating to the main theme, and contributed significantly to the Seminar by encouraging discussions after their own lectures, participating in the discussions of other programmes, and conversing with the participants on informal occasions. Additionally, *ad hoc* lectures were delivered by distinguished senior officials of the Government of Japan. The lecturers and lecture topics are listed on page 7.

### **Individual Presentations**

During the first two weeks, each Japanese and overseas participant delivered a one-hour Individual Presentation respectively, which introduced the actual situation, problems and future prospects of his/her country. These papers were compiled into a book entitled "COUNTRY REPORTS FOR THE INTERNATIONAL SEMINAR IN CRIME PREVENTION" and distributed to all the participants. The titles of these Individual Presentation papers are listed on pages 8 and 9.

### **Group Workshop Sessions**

Group Workshop Sessions further examined the subtopics of the main theme. In order to conduct each session effectively, the UNAFEI faculty selected individuals to serve as 'group members' for the sub-topics, based on their response to a questionnaire previously distributed. Selected participants served as chairpersons, co-chairpersons, rapporteurs or co-rapporteurs, and faculty members served as advisers. Each group's primary responsibility was to explore and develop their designated topics in the Group Workshop Sessions. The participants and UNAFEI faculty seriously studied the topics and exchanged their views based on information obtained through personal experience, the Individual Presentations, lectures and so forth. After the Group Workshop Sessions, reports were drafted based on the discussions in the conference hall. These reports were subsequently presented in the Report-Back Session, where they were endorsed as the reports of the Seminar. Summaries of the Group Workshop reports are provided on pages 10 through 19.

### **Visits and Special Events**

Visits to various agencies and institutions in Japan helped the participants obtain a more practical understanding of the Japanese criminal justice system. In addition to the Seminar's academic agenda, many activities were arranged to provide a greater understanding of Japanese society and culture, with the assistance of various organizations and individuals, including the Asia Crime Prevention Foundation (ACPF). For more detailed descriptions, please refer to pages 19 through 22.

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## Lecture Topics

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***Visiting Experts' Lectures***

- 1) Mr. Daniel P. Murphy (Canada)
  - Canada's Anti-Money Laundering Regime
  - The Impact of the Digital Age on Money Laundering Investigations
- 2) Mr. Peter Wilkitzki (Germany)
  - Current Situation of and Countermeasures against Money Laundering: A German and European Perspective
- 3) Dr. Gil Galvao (Portugal)
  - Countering Money Laundering: the FATF, the European Union and the Portuguese Experience – Past and Current Developments
- 4) Ms. Susan L. Smith (United States of America)
  - The Fight against Money Laundering: The U.S. Perspective

***Course Counselors Lectures***

- 1) Mr. Jung-Sug Chae (Hong Kong)
  - Current Situation of and Countermeasures against Money Laundering : Focusing on the Experience and Legal Policies of the Republic of Korea
- 2) Mr. Sin Kam-wah (Hong Kong)
  - Current Situation of and Countermeasures against Money Laundering: Hong Kong

***Ad Hoc Lectures***

- 1) Mr. Yuuki Furuta  
*Director General of the Criminal Affairs Bureau, Ministry of Justice*
  - Current Issues of Criminal Justice Administration in Japan: Special Emphasis on the Current Situation of and Countermeasures against Money Laundering
- 2) Mr. Hideaki Suzuki  
*Director, Japan Financial Intelligence Office*
  - The Role of the Japan Financial Intelligence Office



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**Individual Presentation Topics**

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***Overseas Participants***

- 1) Ms. Nadira Tabassum (Bangladesh)
  - Current Situation of and Countermeasures against Money Laundering
- 2) Mr. Phoung Sophy (Cambodia)
  - Country Report
- 3) Mr. Paymond Porter Aguilar (Costa Rica)
  - The Crime of Legitimation of Originating Capital of Drug Trafficking in the Costa Rican Legislation
- 4) Mr. Kevueli Tunidau (Fiji)
  - Fiji Country Paper
- 5) Mr. Sudhir Kumar Awasthi (India)
  - Current Situation of and Countermeasures against Money Laundering
- 6) Mr. Soeparno Adi Soeryo (Indonesia)
  - The Elimination of the Criminal Act of Money Laundering in Indonesia
- 7) Mr. Richard Otieno Okore (Kenya)
  - Current Situation of and Countermeasures against Money Laundering
- 8) Mr. Md. Ahmad Zaidi Bin Ibrihim (Malaysia)
  - An Overview of the Money Laundering Situation in Malaysia
- 9) Mr. Kedar Prasad Poudyal (Nepal)
  - Money Laundering Offence and Efforts to Combat it in the Nepalese Context
- 10) Mr. Bader Taltb Al-Shaqst (Oman)
  - Current Situation of and Countermeasures against Money Laundering
- 11) Mr. Ahmad Nasim (Pakistan)
  - Money Laundering with Special Reference to Pakistan
- 12) Mr. Camillus Jacob Sambua (Papua New Guinea)
  - Money Laundering in Papua New Guinea
- 13) Mr. Meinrado P. Paredes (Philippines)
  - Current Situation and the Countermeasures against Money Laundering
- 14) Ms. Ronel Van Wyk (South Africa)
  - Current Situation of and Countermeasures against Money Laundering in South Africa

- 15) Mr. Dappula Prasantha Joseph De Livera (Sri Lanka)
  - Current Situation of and Countermeasures against Money Laundering in Sri Lanka
- 16) Mr. Saidi Ally Mwema (Tanzania)
  - Current Situation of and Countermeasures against Money Laundering: Tanzania's Experience
- 17) Mr. Pol. Col. Pisan Mookjang (Thailand)
  - Current Situation of and Countermeasures against Money Laundering in Thailand

### *Japanese Participants*

- 18) Mr. Ryoichi Chihara (Japan)
  - The Profiles and Treatment of Drug Addicted Inmates in the Correctional Institutions of Japan
- 19) Mr. Takashi Itoyama (Japan)
  - The Forfeiture of Illegal Profits in the Prosecution of Money Laundering Cases
- 20) Mr. Haruo Maruyama (Japan)
  - Community-based Treatment of Offenders in Japan
- 21) Mr. Wataru Nemoto (Japan)
  - The Current Situation and Problems of Judicial Practice Regarding the Control of Illicit Proceeds in Japan
- 22) Mr. Mitsuru Nishikori (Japan)
  - The International Activity of Japan's Coast Guard (JCG)
- 23) Mr. Tatsuo Ueda (Japan)
  - The Suspicious Transaction Reporting System and Its Effective Use

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### Group Workshop Sessions

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The following section summarizes the Group Workshop Session reports. The full text of the reports will be included in UNAFEI Resource Material Series No. 58

#### **Topic 1      METHODS FOR OBTAINING INTELLIGENCE FOR THE INVESTIGATION OF MONEY LAUNDERING**

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<b>Chairperson</b>	Mr. Sudhir Kumar Awasthi	(India)
<b>Co-Chairperson</b>	Mr. Dappula Prasantha Joseph De Livera	(Sri Lanka)
<b>Rapporteur</b>	Mr. Kevueli Tunidau	(Fiji)
<b>Co-Rapporteur</b>	Mr. Tatsuo Ueda	(Japan)
<b>Members</b>	Mr. Phoung Sophy	(Cambodia)
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	Mr. Ryoichi Chihara	(Japan)
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	Prof. Yuichiro Tachi	(UNAFEI)
	Prof. Shinya Watanabe	(UNAFEI)
<b>Course Counsellor</b>	Prof. Mikiko Kakihara	(UNAFEI)
	Mr. Sin Kam-wah	(Hong Kong)

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#### *Report Summary*

### **I.      INTRODUCTION**

The group sought to identify the relevant intelligence methods regarding money laundering, with specific emphasis on intelligence gathering at the stage where the proceeds of crime enter the financial system - the choke point or nerve center in this process. In this context, the STR system and the Financial Intelligence Unit are considered to be focal elements which are internationally recognized for gathering intelligence. Therefore they have been given the highest consideration by the group.

### **II.     FINANCIAL INTELLIGENCE UNITS & THE STR SYSTEM**

The objective of an STR system is to facilitate the detection of the illicit proceed of crime as it enters the financial system via financial institutions, i.e. at the placement stage of money laundering. This is where money laundering is most vulnerable. Financial Intelligence Units are functioning in some countries (as envisaged in their statutes) to combat money laundering. However, various problems have been experienced in their functioning, and consideration should be given to the viability of making it a potent weapon against crime.

Money laundering has become a global phenomenon with the help of modern technology, and it needs a global effort to combat it. A number of countries do not have legislation to criminalize money laundering. All such countries need to introduce legislation in this connection to make this effort successful. International pressure also needs to be brought on such countries to take immediate steps in this direction. Some countries have legislation to fight money laundering but have not created the necessary infrastructure to deal with the problem, e.g. certain countries have not created an FIU.

Such countries need to expeditiously create FIUs suitable to their situation, in order to fight money laundering effectively. There are certain countries which have the required legislation and FIU, but their STRs are limited only to banks and financial institutions. Each country should consider the broadening of the scope of the STR system according to its situation and requirements.

Another problem is the receipt of STRs from banks and financial institutions without other relevant information about the transactions. Without proper analysis, this information does not serve a useful purpose in identifying and detecting whether a transaction relates to money laundering. FIUs need to have wide access to databases for enforcement agencies like the police, public prosecutors, anti-drug enforcement agencies, anti-corruption agencies, customs and income tax authorities, in order to meaningfully analyze the STRs.

Proper education and training of bank and financial institution personnel is necessary in properly identifying suspicious transactions. Certain countries have issued detailed guidelines to banks and financial institutions as to which transactions are to be suspected. There is also the necessity to monitor banks and other financial institutions to ensure that they comply with instructions and guidelines regarding the submission of STRs. In certain countries, a bank official has been designated as a compliance officer who monitors whether the guidelines are enforced. This experience has been found to be useful and should be considered for adoption by other countries.

Further, sanctions for non-disclosure of STRs and non-compliance with the guidelines in submitting STRs by banks and other financial institutions need to be made in the relevant statutes. It is noted that some countries do not have criminal sanctions for non-compliance. These countries should consider appropriate sanctions for non-compliance in their legislation. STRs need to be broad based in order to be effective as an intelligence method in the fight against money laundering. It has been found that in countries where legal provisions for mandatory reporting to FIUs exist, money launderers have turned to alternative avenues of money laundering due to the tightening of controls in the financial sector. Legal provisions ought to be made requiring lawyers, accountants, tax advisors, real-estate agents, dealers of high value goods and casinos etc to file STRs.

## **II. OTHER INVESTIGATIVE METHODS**

Apart from STRs, there are other methods of intelligence for the investigation of money laundering incidents. These include private informers, electronic/cyber surveillance, undercover operations, and information derived from interrogations in other criminal investigations. The use of private informers could serve as a useful source of intelligence in money laundering investigations. Where possible, it is prudent to maintain the anonymity of these informers. Disclosure of the identity of the informer and the nature of the information may jeopardise the credibility of the criminal justice system, in that most informants are criminals or persons who have been subject to the long arm of the law.

Interception of private communication is a commonly used method of intelligence gathering. The use of electronic devices and computers features as a common tool in these operations. The use of persons in surveillance could also be described as another means in this regard. The wire-tap, as it is commonly known, may not be recognized as a legitimate source of intelligence in certain jurisdictions. However, it is believed to be widely used as a source of intelligence gathering in investigations.

It should also be stated that the courts have long upheld the validity of undercover operations as a means of intelligence gathering in investigations. The conduct of personnel in these operations must not violate fundamental fairness and should not impeach the fundamental rights of individuals.

The use of interrogation in criminal investigation would, in certain instances, serve to alert the investigator about other crimes. Interviews with persons as part of the criminal investigation could contribute to intelligence gathering with regard to other criminal activity.

Relevant jurisdictions should be mindful of the global threat that money laundering is posing to the international community and afford necessary consideration not only to enact necessary legislation but also create a proper infrastructure to make these laws a reality. Countries also should be mindful of deficiencies in their legal systems and take appropriate necessary measures to remedy the situation.

**Topic 2**                                **COMPONENTS AND LEGAL FRAMEWORK FOR  
COMBATING MONEY LAUNDERING: CURRENT SITUATION,  
PROBLEM AND SOLUTIONS FOR AN ASSET CONFISCATION SYSTEM**

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<b>Chairperson</b>	Mr. Meinrado P. Paredes	(Philippines)
<b>Co-Chairperson</b>	Mr. Wateru Nemoto	(Japan)
<b>Rapporteur</b>	Mr. Kedar Prasad Poudyal	(Nepal)
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<b>Visiting Expert</b>	Ms. Susan L. Smith	(USA)

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*Report Summary*

**I. INTRODUCTION**

This group identified problems relating to the tracing, freezing and confiscation of illegal proceeds, and suggests that strong legislative and administrative measures be enacted to create an effective confiscation system. On the following issues concerning confiscation, the current situation in the participating countries were examined:

- (i) Identification of common problems;
- (ii) Identification of possible solutions.

**II. INTERNATIONAL STANDARDS**

The 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna Convention), the Forty Recommendations of the Financial Action Task Force and the 2000 United Nations Convention Against Transnational Organized Crime are the primary international instruments.

**III. CURRENT SITUATION AND PROBLEMS**

Most of the participating countries have no anti-money laundering laws, and the existing legal provisions about confiscation are insufficient. The general problems relating to the confiscation of proceeds are considered as:

- (i) Lack of Awareness
- (ii) Lack of a Strong Political Will

Specifically, these problems arise in regard to:

- (i) Narrow Scope of Application of Confiscation Laws: Because of the narrow scope of the countries' confiscation laws, successful confiscation actions are limited
- (ii) Standard of Proof: Sometimes, even though a defendant cannot show the legal source of their assets, the confiscation will fail because the government is required to present a higher standard of proof.
- (iii) Implementation Problems
  - (a) Strong bank secrecy laws
  - (b) Lack of reporting obligation of financial institutions as regards suspicious transactions
  - (c) Lack of Financial Intelligence Units
  - (d) Lack of procedural laws
  - (e) Lack of proper provisions for international co-operation

#### **IV. SOLUTIONS TO IDENTIFIED PROBLEMS**

- (i) Increase Awareness Concerning Money Laundering
- (ii) Need for a Comprehensive Proceeds of Crime Law:
  - (a) All serious crimes to be included
  - (b) Provisional measures

The types of property to be confiscated:

- (a) All movable, immovable, tangible, intangible, claim rights, and securities;
- (b) All property that is proved to be crime proceeds or traceable thereto, even if it is registered in another's name (so long as the owner is not an innocent owner or a *bona fide* purchaser for value);
- (c) All instrumentalities including real estate, vehicles and machinery which have been used, or are intended to be used, in the commission of a crime;
- (d) Any proceeds which have been mixed with other legal property, to the extent of the value of the illegal property;
- (e) Interest and profit generated from the proceeds

*In rem* confiscation measures is suggested if the legal system of a particular country so permits. Equally, if a country's domestic legal system so allows, a defendant should be required to prove the lawful origin of the alleged proceeds of (serious) crime or other property liable for confiscation.

##### **A. Enhancements for Effective Implementation**

- (i) Bank secrecy laws must be amended to allow law enforcement agencies to obtain information concerning the location of the proceeds of crime.
- (ii) Financial institutions must be required to report suspicious transactions.
- (iii) A Financial Intelligence Unit should be established to analyze suspicious transaction reports and assist in financial investigations.

##### **B. Disposition of Confiscated Property**

It was concluded that each country should determine the proper use of such property

according to their respective laws.

### **C. International Co-operation**

For confiscation laws to work effectively, countries must apply and enforce their domestic confiscation measures consistently, and must pursue the confiscation of illegal assets found abroad. The means to effect a request for assistance in the freezing, seizure and confiscation of illegal proceeds and asset sharing should be determined through multilateral or bilateral agreements amongst countries.

### **V. CONCLUSION**

Effective asset confiscation is a critical tool for modern law enforcement. Through asset forfeiture, governments can take both the profit out of crime and disrupt criminal activity by forfeiting the property that makes the crimes possible. Only through such international cooperation, can nations hope to win the fight against transnational organized crime.



**Topic 3            CURRENT SITUATION OF, PROBLEMS IN AND SOLUTIONS  
FOR THE USE OF SPECIAL INVESTIGATIVE TOOLS  
IN COMBATING MONEY LAUNDERING**

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<b>Chairperson</b>	Mr. Ahmad Nasim	(Pakistan)
<b>Co-Chairperson</b>	Mr. Takashi Itoyama	(Japan)
<b>Rapporteur</b>	Ms. Ronel Van Wyk	(South Africa)
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	Prof. Hiroshi Tsutomi	(UNAFEI)
<b>Visiting Expert</b>	Mr. Peter H. Wilkitzki	(Germany)

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*Report Summary*

**I. INTRODUCTION**

Our group examined three special investigation techniques, namely; controlled delivery, electronic surveillance (wiretapping etc); and undercover operations, as effective weapons in combating money laundering.

**II. UNDERCOVER OPERATIONS**

An undercover operation is a method of investigation where substantial information and evidence on money laundering activities are gathered over a period of time, involving the use of lawful measures by law enforcement and by using undercover agents to obtain such information and evidence. Undercover operations conducted in a proper manner are very expensive and in some instances, can be a controversial investigative method. Furthermore, it is a dangerous investigative technique which may involve innocent members of the public. Proper measures should therefore be put into place in respect of the sensitivity of the information, the involvement of the public, the security of the agent(s) and the informant, and the evidence gathered during the operation.

The most common problem that countries have to deal with is the question of whether an undercover operation is justifiable and whether it has been executed within the boundaries of the law. It is important that an undercover operation be approved and monitored. The approval must require written documentation, stating supporting facts and circumstances.

Another issue which is the subject of legal debate is the question of the role of the undercover agent. Instead of preventing crime, there is some possibility that a police agent may further or facilitate the commitment of a crime. In money laundering cases, the agent has to participate. The involvement of the agent is not an issue of committing the offence, but of intent. The agent does not help the money laundering offence, but rather assists in preventing further crimes. A line should be drawn between the legal participation of an undercover agent in illegal activities and the legal inducement of a crime during the operation. The courts of each country should deal with this matter in terms of their own legal framework.

The approach of the courts when presenting evidence obtained during undercover operations is very important. Courts must recognize the importance of not disclosing certain information on the persons involved and the techniques used. The disclosure of this information can

lead to the endangerment of the lives of law enforcement officers, persons who allow their properties to be used, and will reveal the methods used during undercover operations, thus making it difficult to use those methods in the future.

### **III. ELECTRONIC SURVEILLANCE**

Electronic surveillance can be defined simply as the interception of oral or electronic communication through wire, telephone, computer etc, in order to listen to and record information by using technical means. Electronic surveillance can effectively be used in cases such as money laundering, drug trafficking and extortion. The major problem in the use of this technique is the need to strike a balance between the investigation of the criminal activity and the constitutional rights of the individual.

Because of its extraordinary invasiveness, the use of electronic surveillance should be limited to only those times when it is necessary. The necessary requirements can be shown if investigators can satisfy the court that traditional investigation techniques have been tried and failed, and can explain how each traditional technique (i.e. interrogation, physical surveillance, search warrants etc) would be futile or dangerous in the particular investigation.

### **IV. CONTROLLED DELIVERY**

In terms of the United Nations Convention Against Transnational Organized Crime, 'controlled delivery' means the technique of allowing an illicit or suspect consignment to pass out of, through or into the territory of one or more states, with the knowledge and under the supervision of their competent authorities, with a view to the investigation of an offence and the identification of persons involved in the commission of the offence. This is done for the purpose of furthering the investigation of an offence and the possible identification of persons involved in the commission of the offence.

In many countries, the controlled delivery technique is used as a method for conducting criminal investigations, but without specific legal authorization being provided for in the domestic law.

In those countries, controlled delivery operations are conducted in accordance with departmental guidelines in the relevant law enforcement agency, i.e. the police, prosecutors, customs etc.

As money laundering and other predicate offences such as drug trafficking, firearms smuggling, corruption, fraud, extortion etc. are extremely difficult to detect, investigation requires not only a high level of skill, professionalism, team-work and cooperation, but also special investigative techniques. Given the resources expended for such investigations, it is important that those controlling the operation ensure that information is not leaked, as premature publicity will render a controlled delivery operation useless. Equally, in the public interest, whenever possible, removal of illegal goods such as drugs, firearms etc should be made and a harmless substance substituted.

### **V. CONCLUSION**

It is our considered view that special investigative techniques such as controlled delivery, electronic surveillance and undercover operation should be included in domestic laws, with a view to strengthening the enforcement of money laundering laws and to intensify law enforcement efforts in detecting money launderers and prosecuting them. This action will, however, not eradicate traditional investigation techniques but will supplement detection efforts.

Money laundering techniques will progress as technology advances. We should make joint efforts worldwide to establish anti-money laundering laws and systems. We must also combat money laundering through training and the exchange of information among countries. Additionally, each country should continue to work closely with its international partners in bilateral and multilateral assistance agreements to promote further actions to effectively address money laundering and other criminal activities, and to win the fight against money laundering.

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**Observation Visits**

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<i><b>Date</b></i>	<i><b>Agency/Institution</b></i>	<i><b>Main Persons Concerned</b></i>
Jan 24	Tokyo District Public Prosecutors Office	<ul style="list-style-type: none"> <li>• Mr. Gan Matsui Deputy Director General Affairs Department</li> </ul>
Jan 24	Ministry of Justice	<ul style="list-style-type: none"> <li>• Mr. Masahiko Koumura Minister of Justice</li> <li>• Mr. Kazuaki Morimoto Private Secretary to the Minister of Justice</li> </ul>
Feb 1	Supreme Court	<ul style="list-style-type: none"> <li>• Judge Tsugio Kameyama Supreme Court Justice</li> <li>• Judge Yukihiro Imasaki Director, Second Criminal Affairs Bureau</li> <li>• Mr. Junichi Shirakura Liaison Officer Secretariat Division General Secretariat</li> </ul>
Feb 6	Fuchu Prison	<ul style="list-style-type: none"> <li>• Mr. Kanichiro Ishiwatari Assistant Director General Affairs Division</li> </ul>

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**Group Study Tours**

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<b><u>Date</u></b>	<b><u>Group</u></b>	<b><u>Agency/Institution</u></b>	<b><u>Main Persons Concerned</u></b>
Jan 28~30	Okinawa	<ul style="list-style-type: none"><li>• Naha District Public Prosecutors Office</li> <li>• Okinawa Prefectural Police Headquarters</li></ul>	<ul style="list-style-type: none"><li>• Mr. Seisui Kamigaki Chief Prosecutor</li> <li>• Mr. Tatsuya Inagawa Deputy Chief Prosecutor</li> <li>• Mr. Hiroyuki Ota Chief Police Officer</li></ul>
Feb 12~14	Hiroshima- Kansai	<ul style="list-style-type: none"><li>• 6th Regional Coast Guard Headquarters</li></ul>	<ul style="list-style-type: none"><li>• Mr. Osamu Shiroichi Deputy Director Guard &amp; Rescue Division</li></ul>

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**Special Events**

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January 15

*Welcome Party*

January 17, 25 & February 5,7

*Japanese Conversation Classes*

The overseas participants attended Japanese conversation classes provided by JICA. They learned practical Japanese expressions. The Sensei (teacher) was Ms. Yukiko Shiina. *Iroiro Arigato Gozaimashita.*

January 24

*Courtesy Visit to the Minister of Justice*

Minister of Justice, Mr. Masahiko Koumura greeted the participants during their visit to the Ministry of Justice.

*Reception by Vice-Minister of Justice*

After visiting the Ministry of Justice, a reception was held by Vice-Minister of Justice, Mr. Kunihiro Matsuo at the Lawyers Club, Tokyo.

January 28~30

*Okinawa Trip*

In addition to official visits to the Naha District Public Prosecutors Office and Okinawa Prefectural Police Headquarters, the participants enjoyed sightseeing, including visits to 'Ryukyu no Yakata' (textiles museum), Okinawa Glass Village, the Mabuni Hill and Himeyuri monuments, Shuri-jo Castle, and the Naha Traditional Arts and Crafts Centre.

February 1

*Courtesy Visit to Supreme Court Justice*

During their visit to the Supreme Court, the Honorable Justice Kameyama received the participants in his private chambers.

*ACPF Nangoku-kai Party*

Asia Crime Prevention Foundation (ACPF) Nangoku-kai Branch, affiliated with ACPF Headquarters, hosted a dinner party in the Ruby Ballroom of the Hotel Pacific Meridien Tokyo, Shinagawa, in honor of the participants.

February 2

*Public Lecture Programme*

The Public Lecture Programme is conducted annually to increase social awareness of criminal justice issues through comparative international study. The Programme, sponsored by the Asia Crime Prevention Foundation (ACPF), the Japan Criminal Policy Society (JCPS) and UNAFEI, was held in the Grand Hall of the Ministry of Justice and was attended by distinguished guest, UNAFEI alumni and the participants of the 117<sup>th</sup> International Seminar.

This year, Mr. Peter H. Wilkitzki (Director-General, Criminal Affairs Bureau, Federal Ministry of Justice, Germany) and Ms. Susan L. Smith (Senior Trial Attorney and International Money Laundering Counsel, Asset Forfeiture and Money laundering Section, Criminal Division, US Department of Justice, the United States of America) were invited as speakers to the Programme. They delivered lectures respectively entitled “Criminal Law Sanctions in Germany: Facts and Trends” and “Money Laundering: Trends and Techniques”.

February 2 *UNAFEI Alumni Reception*

A reception was held to introduce the participants to UNAFEI Alumni residing in Japan, hosted by the UNAFEI Alumni Association at the Lawyers Club, Tokyo.

February 9 *International Friendship Gathering*

JICA Hachioji International Training Center (HITC) hosted an international friendship gathering for the participants at the Keio Plaza Hotel Hachioji. Guests included high-ranking government officials (including members of the Diet), Hachioji City Mayor and leaders of organizations involved in implementing JICA training courses.

February 12~14 *Hiroshima-Kansai Study Tour*

*Hiroshima:* On their first day, the participants visited Peace Memorial Museum and Peace Memorial Park in Hiroshima. The next day, the participants were escorted by two Coast Guard vessels to Miyajima Island, located in the Seto Inland Sea near Hiroshima.

*Kyoto:* On their third day, the participants went on a guided bus tour to Nijo Castle, Kinkakuji Temple and the Kyoto Imperial Palace.

February 15 *Farewell Party*

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### **Reference Materials Distributed**

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#### **Combating Transnational Organized Crime (Including Money Laundering): Efforts by the United Nations etc.**

- (1.) Milan Plan of Action (Milan, Italy, 6 September 1985, Seventh United Nations Congress on the Prevention of Crime and the Treatment of Offenders)
- (2.) United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (Vienna, 20 December 1988, United Nations Economic and Social Council) (Vienna Convention 1988), (E/CONF.82/15)
- (3.) Commentary on the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (United Nations Publication)
- (4.) Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (Council of Europe, 8 June 1990)
- (5.) Council Directive 91/308/EEC of 10 June 1991 on Prevention of the Use of the Financial System for the Purpose of Money Laundering
- (6.) Naples Political Declaration and Global Action Plan against Organized Crime (Naples, Italy, 23 November 1994, World Ministerial Conference on Organized Transnational Crime)
- (7.) Political Declaration and Action Plan against Money Laundering (New York, 10 June 1998, The Twentieth Special Session of the United Nations General Assembly)
- (8.) UN General Assembly Special Session on the World Drug Problem 8-10 June 1998 Feature
- (9.) G8 Communiqué OKINAWA 2000 (Okinawa, 23 July 2000)
- (10.) United Nations General Assembly Resolution 49/159 of 23 December 1994, entitled "Naples Political Declaration and Global against Organized Transnational Crime"
- (11.) United Nations General Assembly Resolution 51/60 of 12 December 1996, entitled "United Nations Declaration on Crime and Public Security"
- (12.) United Nations General Assembly Resolution 53/111 of 20 January 1999, entitled "Transnational Organized Crime"
- (13.) Vienna Declaration on Crime and Justice: Meeting the Challenge of Twenty-first Century (A/CONF.187/4/Rev.3)

#### **FATF Activities**

- (1.) About FATF, Membership, News and Events
- (2.) The Forty Recommendations (Financial Action Task Force on Money Laundering, FATF), 1990 (revised in 1996)
- (3.) Interpretative Notes to The Forty Recommendations
- (4.) FATF Annual Report 1998-1999 (FATF, 2 July 2000)
- (5.) FATF Annual Report 1999-2000 (FATF, 22 June 2000)
- (6.) Review to Identify Non-Cooperative Countries or Territories: Increasing the Worldwide Effectiveness of Anti-Money Laundering Measures (FATF, 22 June 2000)
- (7.) Draft Preliminary Annual Report 1999-2000 (Asia/Pacific Group on Money Laundering)
- (8.) The Caribbean Financial Action Task Force (Pierre Lapaque, 14 November 2000)

#### **United Nations Convention against Transnational Organized Crime**

- (1.) Draft United Nations Convention against Transnational Organized Crime (A/AC.254/36) (A/AC.254/L.230/Add.1)
- (2.) Background Paper on "Draft United Nations Convention against Transnational



- Organized Crime” (Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders)
- (3.) Reports of the Ad Hoc Committee on the Elaboration of a Convention against Transnational Organized Crime, the work of the first to eleventh sessions (A/55/383)
  - (4.) Addendum Interpretative Notes for the Official Records (Travaux Préparatoires) of the Negotiation of the United Nations Convention against Transnational Organized Crime and the Protocols thereto (A/55/383/Add.1)
  - (5.) Summary of the United Nations Convention against Transnational Organized Crime and the Protocols thereto (UNODCCP)
  - (6.) After Palermo: An Overview of what the Convention and Protocols Hope to Accomplish (UNODCCP)
  - (7.) Reports of the Ad Hoc Committee on the Elaboration of the draft United Nations Convention against Transnational Organized Crime (A/AC.254/9, 11, 14, 17, 19, 23, 25 and 28)
  - (8.) United Nations Economic and Social Council Resolution 1999/20 of 28 July 1999, entitled “Draft United Nations Convention against Transnational Organized Crime”
  - (9.) Progress report of the Ad Hoc Committee on the Elaboration of the draft United Nations Convention against Transnational Organized Crime (A/AC.254/30-E/CN.15/2000/4)

#### **Current Situation of and Countermeasures against Money Laundering**

- (1.) 1998-EU Organised Crime Situation Report (17 January 2000)
- (2.) BCCI Page, The BCCI Affair (A Report to the Committee on Foreign Relations United States Senate by Senator John Kerry and Senator Hank Brown, December 1992)
- (3.) United Nations Global Programme against Money Laundering (UN Office for Drug Control and Crime Prevention, Global Programme against Money Laundering)
- (4.) Attacking the Profits of Crime; Drugs, Money and Laundering (UN Office for Drug Control and Crime Prevention, Global Programme against Money Laundering)
- (5.) Model Legislation on Laundering Confiscation and International Cooperation in Relation to the Proceeds of Crime (UN Office for Drug Control and Crime Prevention, Global Programme against Money Laundering)
- (6.) Money Laundering: the Importance of International Countermeasures (Michel Camdessus, Managing Director of the International Money Fund)
- (7.) The National Money Laundering Strategy for 1999 (USA Government, September 1999)
- (8.) The National Money Laundering Strategy for 2000 (USA Government, March 2000)
- (9.) Money Laundering and Financial Crimes (International Narcotics Control Strategy Report, 1999 Released by the Bureau for International Narcotics and Law Enforcement Affairs, U.S. Department of State Washington, DC, March 2000)
- (10.) Country Report (International Narcotics Control Strategy Report, 1999 Released by the Bureau for International Narcotics and Law Enforcement Affairs, U.S. Department of State Washington, DC, March 2000)
- (11.) FinCEN Overview & Mission (U.S. Department of the Treasury, Financial Crimes Enforcement Network)
- (12.) 2000-2005 Strategic Plan (U.S. Department of the Treasury, Financial Crimes Enforcement Network)
- (13.) Money Laundering in the 21st Century: Risks and countermeasures (Australian Institute of Criminology)
- (14.) Regulating Money Laundering – The Death of Bank Secrecy in the UK (The British Journal of Criminology, Vol. 31, Spring 1991)

- (15.) Electronic Money Laundering: An Environmental Scan (Department of Justice Canada Solicitor General Canada, October 1998)
- (16.) Cyberlaundering: Anonymous Digital Cash and Money Laundering (R. Mark Bortner, 1996)
- (17.) Money Laundering and International Efforts to Fight It (David Scott, May 1995)
- (18.) International Guide to Money Laundering Law and Practice (Richard Parlour)
- (19.) Money Laundering: A Guide for Criminal Investigators (John Madinger & Sydney A. Zalopany, 1999)
- (20.) Money Laundering: A New International Law Enforcement Model (GUY Stessens, 2000)
- (21.) Dirty Money: The Evolution of Money Laundering Countermeasures (William C. Gilmore Council of Europe Publishing, May 1999)

### **Investigative Tools**

- (1.) Undercover Investigations and the Entrapment Defense, by Thomas V. Kukura (FBI Special Agent, FBI Law Enforcement Bulletin, April 1993)
- (2.) The Use of Modern Technology and Criminal Procedures for Investigations and Legal Protection Issues: Collection, Analysis, and Sharing Information on Organized Crime, by Slawamir Redo (Senior Crime Prevention and Criminal Justice Expert, CICIP) in Senior Crime Prevention and Criminal Justice Expert, CICIP, UNODCCP Central Asian Seminar on TOC, Tashkent, March 2000
- (3.) New Measures of Investigation as Countermeasures against Organized Crime, by Edwin Kube (Professor, University of Giessen, Germany) in International Workshop on Crime in the Post-modern Society and its Countermeasures, Bali, December 1997
- (4.) New Measures of Investigation as Countermeasures against Organized Crime, by Koesparmono Isran (Bali, December 1997)
- (5.) Entrapment and Wiretapping as a Means of Investigation, by Dagmar Kube (Bali, December 1997)
- (6.) Combating Organized Crime: the Legislative and Regulatory Framework, by William P. Schaefer (Assistant US Attorney) in the Senior Criminal Justice Executive Program Session II, International Law Enforcement Academy, Thailand, 30 November 1999
- (7.) Legal Framework and Investigative Tools for Combating Organized Crime: the Italian Experience, by Giuliano Turone (Prosecuting Trial Attorney) in Thailand, 30 November 1999
- (8.) Conducting Successful Interrogations, by David Vessel (FBI Law Enforcement Bulletin, October 1998)
- (9.) Avoiding the Informant Trap, by James E. Hight (FBI Law Enforcement Bulletin, November 1998)
- (10.) Managing Undercover Stress, by Stephen R. Band and Donald C. Sheehan (FBI Law Enforcement Bulletin, November 1998)
- (11.) The Financial Crimes Task Force of Southwestern Pennsylvania, By Kenneth W. Newman and John A. Wisniewski (FBI Law Enforcement Bulletin, February 2000)
- (12.) Electronic Surveillance, by Thomas D. Colbridge (FBI Law Enforcement Bulletin, February 2000)
- (13.) Working with Informants, by James E. Hight (FBI Law Enforcement Bulletin, May 2000)
- (14.) The Qualified Privilege to Protect Sensitive Investigative Techniques from Disclosure, by Jayme S. Walker (FBI Law Enforcement Bulletin, May 2000)
- (15.) The Technique of Controlled Delivery as a Weapon in Dealing with Illicit Traffic in Narcotic Drugs and Psychotropic Substances, by P. D. Cutting (Bulletin on Narcotics)

**Publications about the Japanese Criminal Justice System**

- (1.) Summary of the White Paper on Crime 1999
- (2.) White Paper on Police 1999
- (3.) Criminal Justice in Japan: legislation and various publications
- (4.) Pamphlets, leaflets, etc from various criminal justice institutions

**UNAFEI Publications**

- (1.) Criminal Justice Profiles of Asia
- (2.) UNAFEI Pamphlet
- (3.) 117th International Seminar lectures and presentation papers

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Mr. Haruo Maruyama	Chief of General Affairs Division, Tokyo Probation Office, Tokyo, Japan
Mr. Wateru Nemoto	Judge, Tokyo District Court, Tokyo, Japan
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Mr. Tatsuo Ueda	Narcotics Control Officer, Narcotics Control Department, Kanto-Shinetsu Regional Bureau of Health and Welfare, Tokyo, Japan

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**NEPAL-UNAFEI JOINT SEMINAR**

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The Nepal-UNAFEI Joint Seminar was held in Kathmandu under the theme of “Effective Countermeasures to Combat Organized Crime in Criminal Justice Processes” from 19 to 22 December 2000. The Government of the Kingdom of Nepal, through the Ministry of Home Affairs, and UNAFEI organized the Joint Seminar.

The Joint Seminar was attended by high-ranking Nepalese government officials, representing all sectors of the criminal justice system. The UNAFEI delegation comprised of the Director, Deputy Director, three professors, Linguistic Adviser and an officer of the National Police Agency of Japan.

The Joint Seminar consisted of the below-mentioned sessions, subdivided into presentations by UNAFEI and Nepalese representatives, and panel discussions.

Session 1	An Overview of Organized Crime
Session 2	Effective Investigation of Organized Crime
Session 3	Effective Prosecution of Organized Crime
Session 4	Effective Trial of Organized Crime
Session 5	Effective Treatment of Organized Crime Offenders
Session 6	Drafting the of Recommendations and Presentation of the Seminar Report

The Joint Seminar concluded with the oral presentation and adoption of the resulting recommendations for the betterment of the Nepalese criminal justice system, as formulated by the Working Group, representing each session.

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## INFORMATION ABOUT PROGRAMMES & ACTIVITES

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### *Upcoming Programmes*

#### **1. The 118<sup>th</sup> International Training Course**

The 118<sup>th</sup> International Training Course, entitled “Best Practices in the Institutional and Community-based Treatment of Juvenile Offenders”, is scheduled to be held from 21 May to 13 July 2001. The 118<sup>th</sup> International Training Course will examine current trends and issues in Corrections, including the improvement of the treatment of juvenile offenders.

#### **Rationale**

In the field of juvenile justice, the United Nations has played a key role in establishing standard practices, by preparing international instruments such as the Convention on the Rights of the Child (especially, articles 37, 39 and 40), the United Nations Standard Minimum Rules for the Administration of Juvenile Justice (the Beijing Rules), the United Nations Guidelines for the Prevention of Juvenile Delinquency (the Riyadh Guidelines), and the United Nations Rules for the Protection of Juveniles Deprived of Their Liberty.

A number of Member States have undertaken special efforts to administer juvenile justice systems in line with these instruments. In the process of these efforts for juvenile justice reform, the need for technical assistance has become evident, and led to various activities (e.g., monitoring activity by the Committee on the Rights of the Child; establishment of a co-ordination panel on technical assistance and assistance in juvenile justice; and the publication of the *United Nations Juvenile Justice Guide to International Standards and Best Practice*) as reported by UN Centre for International Crime Prevention (E/CN.15/2000/5). In May 2001, UNAFEI joins these activities by conducting an international training course focusing upon the treatment of juvenile offenders.

In the wake of the new millennium, organizations in charge of the treatment of juveniles in conflict with the law are facing many challenges. In some countries, the treatment system is overwhelmed by the sheer volume of offenders supplied by the police, prosecution and the judiciary. In some countries, the pressure from society to redefine the most appropriate measures to deal with juvenile offenders has intensified, resulting in many legal and administrative changes. Equally, in some countries the introduction of new technologies, such as information technology is craved, but barred by the tremendous amount of human and monetary resources incurred. In other countries, the cost of offender treatment is under pressure to be reduced so that offenders and the rest of society get a reasonable share of the national wealth.

In response to these situations, “the Vienna Declaration on Crime and Justice: Meeting the Challenges of the Twenty-first Century” (A/CONF.187/4/Rev.3), adopted by the Tenth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Vienna, 10-17 April 2000, stresses the importance of undertaking measures to prevent juveniles from becoming delinquent (para. 24) by developing comprehensive crime prevention strategies addressing the root causes and risk factors related to crime (para. 25).

Recognizing the emphasis put by international instruments on the reintegration of juveniles in conflict with the law, with minimum use of the formal juvenile justice system, is compatible with the



recent trend towards community and restorative justice (refer to para. 27 and 28 of the Vienna Declaration), UNAFEI aims, through this training course, to come up with strategies to overcome recurrent and newly raised challenges in this area. The challenges are mainly divided into two: the management of offenders and the management of organizations. The participants of this course are requested to discuss solutions to the many issues relating to these two areas.

Efficient treatment and management of juveniles at risk of offending or re-offending needs first attention. To increase the efficiency of crime reduction through offender control requires thorough integration of prevention and treatment, in institutional and community-based treatment. Newly emerging ideas such as 'risk management', 'community justice', 'restorative justice' and 'multi-systemic approach', give impetus to the integration of the various treatment systems of the agencies dealing with juvenile offenders. These ideas suppose that the risk of (re)offending can be identified early in life and can be minimized through successive interventions utilizing the combination of various social resources. Interventions taking advantage of the effectively interwoven safety nets of society, linked agencies, and empowered communities, backed by professional case management, are suggested as effective. Participants will look at examples based on an integrative approach and its actual implementation.

Furthermore, the importance of the provision of individualized treatment, backed up by the case file system, cannot be over-emphasized. With the introduction of individual case file/record systems linked with a sophisticated database utilizing information technology, administrators will also be able to study the trends in the ever-changing characteristics of juveniles and their crimes. However, the documentation of offender information on computer networks necessarily entails an unusual amount of technical and legal/administrative considerations. Participants are expected to exchange their views concerning the introduction, development and utilization of offender data management systems in each country.

Efficient management of organizations dealing with juvenile offenders is also an area requiring attention. Firstly, the cost of providing offender treatment services has become a heated issue in many countries, and has prompted the quest for cost-effective corrections using such measures as diversion, privatization of services, and income-generating activities. In addition, although the training of staff has been a perennial concern of correctional service providers, many countries in the Asian and Pacific area have had difficulty in equipping their offender treatment officers with the attitudes and skills necessary for working with juvenile offenders. As well, the integrity of officers sometimes called into question in the conduct of their business. Participants will discuss concrete measures to improve the cost-effectiveness of treatment, while designing best practices for training of their officers in charge of the rehabilitation of juvenile offenders.

Second, since juvenile criminal justice has changed dramatically in recent years, managing public relations is becoming more and more difficult for correctional administrators, and gaining public confidence is becoming crucial to the sound provision of correctional services. Participants will discuss how to talk to society and how to adapt to the changing expectations in this rapidly developing society.

Giving due consideration to the above rationale, this International Training Course will clarify the challenges facing the organizations in charge of treating juvenile offenders, and explore the best practices to overcome these challenges. By learning from the successes and failures of ever-implemented solutions (not only in the Asia-Pacific region but also in other parts of the world), we will arrive at the best practices applicable and feasible in each participating country. Among the major topics to be discussed are the following items:

- (1) Best practice in the institutional treatment of juvenile offenders:
  1. Development of a model treatment program, being provided separately from adult offenders.
  2. Designing a case management system to provide individualized treatment.
  3. Establishing a case file/record system and linking it to an offender database and statistical compilation system.
  
- (2) Best practice in the management of organizations providing institutional treatment to juvenile offenders:
  1. Strategic utilization of limited financial resources and maximizing cost-effectiveness.
  2. Staff training: designing training systems and curricula to enhance skills and integrity.
  3. Managing public relations and obtaining public trust in correctional services.
  
- (3) Best practice in the community-based treatment of juvenile offenders:
  1. Development of a model treatment program.
  2. Designing a case management system to provide individualized treatment.
  3. Establishing a case file/record system and linking it to an offender database and statistical compilation system.
  
- (4) Best practice in the management of organizations providing community-based treatment to juvenile offenders:
  1. Strategic utilization of limited financial resources and maximizing cost-effectiveness.
  2. Staff training: designing training systems and curricula to enhance skills and integrity.
  3. Managing public relations and obtaining public trust in correctional services.

## **2. The 119<sup>th</sup> International Training Course**

The 119<sup>th</sup> International Training Course, tentatively entitled the ‘Current Situation of and Countermeasures against Transnational Organized Crime’, is scheduled to be held from 10 September to 2 November 2001. The 119<sup>th</sup> International Training Course will examine the current trends and issues in transnational organized crime, particularly in light of the United Nations Convention against Transnational Organised Crime. This course will assess the current manifestations of organized crime and consider the development and expansion of investigative techniques and legal frameworks and practices, in addition to the strengthening of international cooperation, to combat this type of crime.

### **3. Sixth Special Seminar for Senior Criminal Justice Officials of the People’s Republic of China**

The Sixth Special Seminar for Senior Officials of Criminal Justice in the People’s Republic of China, ‘International Cooperation in Criminal Matters’, is scheduled to be held at UNAFEI from 26 February to 16 March 2001. Ten senior criminal justice officials and UNAFEI faculty will discuss contemporary problems faced by China and Japan in relation to the above theme.

### *Overseas Trips by Staff*

Mr. Mikinao Kitada (Director), Mr. Keiichi Aizawa (Deputy Director), Mr. Yuichiro Tachi (Professor) Mr. Hiroshi Iitsuka (Professor), Mr. Hiroshi Tsutomi (Professor), and Ms. Rebecca Findlay-Debeck (Linguistic Adviser) represented UNAFEI at the Nepal-UNAFEI Joint Seminar on “Effective Countermeasures to Combat Organized Crime in Criminal Justice Processes”, in Kathmandu, Nepal, from 19 December to 22 December 2000.

Mr. Keiichi Aizawa (Deputy Director) and Mr. Chikara Satou (Professor) represented UNAFEI at the “9<sup>th</sup> Regional Training Course on Effective Countermeasures against Drug Offences and the Advancement of Criminal Justice Administration” convened by the Office of the Narcotics Control Board (ONCB), Thailand. Mr. Keiichi Aizawa and Mr. Chikara Satou presented expert lectures on the role of the confiscation of illicit proceeds and anti-money laundering systems in combating drug trafficking. The Training Course was held in Thailand from 14 January to 27 January 2001.

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Mr. Akihiro Nosaka	Chief of Information & Library Service Division, Professor
Mr. Shinya Watanabe	Chief of Research Division, Professor
Mr. Yuichiro Tachi	Professor, 117th Course Programming Officer
Mr. Chikara Satou	Professor
Mr. Hiroshi Tsutomi	Professor
Ms. Mikiko Kakihara	Professor
Ms. Rebecca Findlay-Debeck	Linguistic Adviser

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