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INDUSTRY UPDATES

SEPTEMBER 2020

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ATTIC
Collaborative thinking across AML

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Reflecting the past as we look to the future. We reflect back on where we've been, as we look to the future.

Welcome everyone to the new look attic. Our logo and layout refresh has come about as we looked to bring a friendlier face to the brand. Gone are the capital letters, replaced with a more casual letter style and 'thinking' icon. We wanted to grab your attention throughout the publication with bolder use of shapes, images and colours while still delivering in-depth pieces from our contributors and supporters.

PASTPRESENTFUTURE





Alice Treguna
Editor in Chief

“Attic magazine is a global publication, it’s become incredibly popular, I think its growth was faster than we expected. Attic was something I was very passionate about. Because it’s a new industry you get a lot of things popping up because people see an option to make money.”

“Attic magazine is a global publication, it’s become incredibly popular, I think its growth was faster than we expected.”

Alice wanted to create a publication that allowed people to have a voice, and to be the voice of AML. To allow there to be a central place for people to come together and access information. And sometimes they hear unpopular opinions or to see things that are not mainstream.

“It allows us to support other organisations who may not be able to promote themselves or may not have a channel they can use to access other people”.

ticcompany

The magazine is supported by tic company, which allows attic to remain editorially independent. Attic magazine thank tic company for their continued support.

Research^{ATTIC}
Institute

Research, training, consulting, and outsourcing. At the ATTIC Research Institute these four areas are key to helping us deliver ongoing support and guidance to industries both here and abroad.

The institute looks for gaps in the AML/CFT fields to produce high quality research outputs that we can share on a diverse range of topics.

We provide real-world training to clients and beyond to help educate them and shape the AML/CFT space while our consulting and outsourcing gives clients the ability to access cost-effective entity compliance solutions within AML/CFT regulations.

Our parent company established the ATTIC Research Institute as it not only contributes to the wider team - being experts in the field, but because it also further supports our values, beliefs, passions, and responsibilities as a company.

“Conducting research is important as it helps us inform action, confirm the theory, contribute to a field of knowledge, facilitate learning, understand issues, increase awareness, verify lies and support truth, implement research impact, find gaps, gauge, and seize opportunities”.

From the Editor-in-chief

ATTIC began as a bit of a side project during the first Covid lockdown in New Zealand back in 2020. A team of three spent their evenings reaching out across their networks and pulling each edition together with the odd assistance from a bottle of wine and more than a few martinis. Nearly two years later and it is standing on its own two feet (or pages) with a dedicated team, a shiny new website, a global readership and list of regular contributors.

Individuals and businesses were impacted in all sorts of 'weird and wonderful' ways by the pandemic, some impacts were far less predictable than others. Many, including the founding team of ATTIC, found themselves needing to find increasingly creative ways to support each other through the challenges which at times felt pretty relentless. I am proud that ATTIC was a project that created a bit of 'team spirit' in bringing lots of interested parties together, in what can at times become an unnecessarily competitive landscape, to support each other in the financial crime space. Finding so many like minded supporters out there was refreshing! Lots of people reached out to support ATTIC wanting to bring the 'Voice of AML' together. They understood its intentions and the motivations behind bringing together the stories, expertise and a healthy dash of 'angry ranting' in one easily accessible place.

To be able to offer support to other businesses and individuals working in the financial crime sector has been a privilege and an added bonus that we didn't anticipate. ATTIC has shown that there is room for everyone to grow and evolve together.

As the employee/employer landscape continues to shift the challenge to keep team members engaged, developing and perhaps most importantly happy is continuing. Agility, innovation and having a laugh at ourselves along the way has allowed our team to thrive. The development of ATTIC has been more than we could have hoped for, and has allowed us to create opportunities for our team members and partners - who now expand across the South Pacific, Africa and Europe. The publication has been able to truly realise its ethos - collaboration and our ability to support others from large established organisations through to small start-up local businesses - it has been really rewarding and we are still early in our journey.

It is great to see ATTIC going from strength to strength and we couldn't do it without our supporters. Thank you to our 3,500 subscribers, to all of our readers and contributors.

Alice Tregunna
Chief Executive Officer
CAMS, Ph.D, LL.M, LL.B



KICKASS WOMEN

Each edition we feature Women making an impact within the industry.



Attic magazine celebrates Kickass Women who show up, speak up and love the world of Anti-Money Laundering.

Each month we interview and feature women who bring impact, change around compliance, and shine a light on them. They're full of relentless passion and affect change with showcasing their experience, and views on how they face challenges and their success for themselves and others.

BRANDNEW

Same Journey **New look**

When attic magazine first started the magazine was in its infancy. Over its growth it has become a hit in the compliance sector reaching over 3500 readers monthly and distributed as softcopy format, and soon to be, new website.

With the magazines growth and overall success, instead of relying on merits, it's the value of the content itself to engage the reader. Attic has and continues to bring stories and news surrounding compliance. Its not to compete with traditional publications but to reset and raise the bar, offering quality editorial content, with global news and updates that improve the industries access to content and news.

With this comes a new brand, look, advertising opportunities and more regular contributors.

attic
Collaborative Thinking Across AML

ADVERTISE WITH ATTIC

WHY

Attic magazine introduces advertising where you have a better chance of getting high-impact messages that are more memorable with soft-copy and on-line opportunities.

HOW

Attic magazine introduces advertising where you have a better chance of getting high-impact messages that will be more memorable.

Attic is a global publication that publishes quality content in softcopy or online formats. A magazine with a focus on content from around the world – Attic has many loyal readers in countries across the globe and introduced advertising through innovative channels such as video, web and email advertising opportunities along with custom content profiles available for interested companies to [learn more](#).



Regular Contributors

Adam Hunt established the strategic intelligence functions of Inland Revenue and the Financial Markets Authority. He is the founder of New Zealand's leading anti-money laundering service provider and is a member of the panel of experts of the International Monetary Fund working with developing nations. He is a member of the Board of Transparency in New Zealand.

Become a supporter...

CONTRIBUTE

We're always seeking fresh voices who tell a story and experts in the field. .

Each month attic magazine feature regular contributors and opinion pieces who share their experience, knowledge, and opinion.

ethical
payments
foundation

Is Regionism the New Racism?

Practical solutions to financial and cultural isolation.

Ethical Payments Foundation is a not-for-profit organisation dedicated to seeking practical ways to equalise opportunities and build self-sufficiency for regions with poor access to financial inclusion and freedom from exploitation.

Practicality is an important consideration in this aim. Idealism has little chance of overcoming historic barriers unless it's backed by realism and the understanding that we can't cure the world overnight.

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REINZ | REAL ESTATE
INSTITUTE OF
NEW ZEALAND

Partnerships

Attic magazine partners with an array of global associations, groups, and partners and maintain close affiliations with specialist industry organisations. These partnerships give us and our readers access that supports resources and keeps our readers up-to-date with the latest on a local and global basis.

Become a partner

attic



New Zealand wines helping combat human trafficking and slavery across the world

“Every 27 seconds, somewhere in the world, a vulnerable person is trafficked or sold into slavery.” This is the confronting statement that hits you when you land on the home page of the [27Seconds](#) website.

While many of us are appalled by the volume of human trafficking and modern-day slavery represented by this Unicef statistic, unfortunately far fewer of us put our outrage into action. This is clearly not the case for Alanna and Pete Chapman, co-founders of this bold social enterprise.

“It was during a visit to Kolkata, India, that slavery became real to us,” says Alanna. “We were visiting friends and took a shortcut through an alley. We saw a group of young girls standing to one side and asked why they appeared so different.

“We were told they had been trafficked from Nepal and sold into slavery,” she adds. “That’s when we realised we had passed modern-day slaves.”

Human trafficking a 21st-century reality

Alanna says New Zealanders are quite naïve about human trafficking. “If you talk to most New Zealanders, their idea of slavery conjures up pictures of Afro-American slaves working in the cotton fields 200 years ago.

“But, if you talk to a victim of human trafficking, like those rescued by the charity we support, you’ll very quickly realise that this still happens in the 21st century, where people and their children are owned by someone,” she says.

As an example, Alanna quotes the brick kiln workers in Bangladesh, where nearly a million people work for 12-14 hours a day, six days a week, without basic human rights and where many face injury and corporal punishment. This includes men, women, and children of all ages.



She also describes the bride markets in China, where young women are kidnapped and sold to the highest bidder. “I sometimes feel like the human heart hasn’t changed from 300 years ago to today,” she says.

It’s this passion to do something about these kinds of dire circumstances that drove Alanna and her husband Pete to start 27Seconds. “After our experience in Kolkata, we felt that we wanted our lives to contribute towards making this world more as we feel it should be,” she says.

Pete was the vineyard manager for his family vineyard, Terrace Edge, in North Canterbury, she explains. “Our experience forced him to ask if this was contributing to a better world. That’s when we conceived of the idea of 27Seconds, where we could marry our skills and connect it to a cause.”

That cause is their giving partner, [Hagar](#), an organisation that has helped more than 33,000 survivors of abuse from various parts of the world. This includes women and children in Cambodia and Vietnam, who have survived slavery, trafficking, and abuse and humanitarian assistance to people in Afghanistan who are vulnerable, displaced, and living in poverty.

100% of profits support fight against slavery

The concept of 27Seconds is quite straightforward. Many of us like wine and 27Seconds has partnered with the award-winning Terrace Edge Vineyard and Greystone master winemakers to produce a unique range of vegan-friendly wines. One hundred percent of the profits then go towards funding Hagar’s life-changing work in the fight against slavery.

Alanna acknowledges there’s so much going on in our world that we can get overtaken with compassion fatigue. “We could end up asking ‘what’s the point in caring, I’m too small to make a difference,’” she says.

“However, there’s power in a collective response,” she adds. “I’ve found the antidote to compassion fatigue is to do something – even if it’s small. Our small part adds to the sum of something bigger,” she adds.

AML has a role to play in fighting human trafficking

Recognising the role that criminals play in modern-day slavery, Alanna says “human trafficking is big business, with profits estimated to be around \$150 billion. Fighting human trafficking isn’t black and white. It needs to be combatted comprehensively – including within the finance sector,” she says.

“Anti-money laundering regimes can, and need to, play a big part in decreasing human trafficking.”

While Pete still works at Terrace Edge winery and is involved in the leadership of the business, both he and Alanna now find a greater degree of fulfilment in life through their contribution to 27Seconds and the support it gives to those combatting human trafficking and slavery.

“Our goal is simple,” they say. “Make good wine and sell lots of it, then give our profits to organisations working in this area. We can’t and won’t solve modern-day slavery but, with you, we can play a part in helping.”

To support 27Seconds the organisations they support, you can [buy their wine online](#) or find out about corporate giving,

The Art of Coming Legislation

– and what to watch out for in the meantime.

As sanctions, in response to the invasion of Ukraine, ratchet up daily against Russian oligarchs and others, it's worthwhile to remember that we have been here before. A few years ago, when Russia invaded Crimea, sanctioned individuals Arkady and Boris Rotenberg were the targets of an investigation that traced more than \$18 million in art purchases made through private dealers and auction houses via anonymous shell companies.

A U.S. Senate investigation report stated, "If wealthy Russian oligarchs can purchase millions in art for personal investment or enjoyment while under sanction, it follows that their businesses or hidden resources could also continue accessing the U.S. financial system." In other words, buying and selling art is a fantastic way to avoid sanctions and to launder money.

New Study on Money Laundering in the Art World

On February 4, 2022, the U.S. Department of Treasury published a study highlighting the art market participants and sectors that present money laundering and terrorist finance risks to the U.S. financial system (Study). This Study was requested by the Director of FinCEN, who directed the Secretary of the Treasury to create the Study. It was meant to assess, among other things, which markets should be subject to regulation, and what regulations might be applied to the trade of high-value works of art, including identification of the ultimate buyer. The Study is the next step in what has become a march toward more regulation of art sales. The call for regulation is partially in response to the Senate investigation that found the art world is considered to be the largest unregulated industry in the United States.

The Many Reasons Art is a Great Money Laundering Tool

Art is a near-perfect vehicle for money laundering. First, many works of art are small and easily transported, especially via private jet. Art is often bought in private sales and, when this happens, there aren't usually public records. Art can be bought through shell companies with opaque ownership. The Study termed art an "invisible asset" when it is not held by a financial institution. Pieces of art may disappear from view for decades, only to resurface without a clear chain of ownership because of sales through third-party art dealers.

Since the value of art is subjective, it is easier to purposely misvalue than other types of assets. Take the conviction of Edemar Cid Ferreira for bank fraud. In the search and seizure of his assets, a U.S. investigation found a piece of artwork



appraised at \$8 million that had been illegally imported into the United States with an invoice valuing it at \$100.

Enter Cryptocurrency and NFTs

A new twist on the old problem is the use of cryptocurrency and non-fungible tokens (NFT). The Study notes that NFTs can be transferred in a peer-to-peer environment without the assistance of a bank or other financial institution. It makes self-laundering easier and fails to create a public record. As the use of cryptocurrencies increases, opportunities for money-laundering increase as well, especially when combined with the world of fine art and antiques sales.

What to Watch Out For

Having a successful compliance program is crucial if your company trades in the art space. Red flags are different in the art world than they are in the typical corporate compliance realm where red flags tend to center around bribery.

The AML Standards for Art Market Operators are set forth by an independent non-profit organization called the Basel Institute on Governance. The following are warning signs that warrant further investigation. The client, customer, seller, or buyer:

- > Is evasive or reluctant to provide adequate information relating to their identity or property, or provides information which appears to be false;
- > Insists on paying in cash (perhaps with a di minimis limit) or anonymous credit or cash cards;
- > Asks detailed questions about procedures for reporting suspicious activity and/or financial matters to tax authorities;
- > Knowingly wishes to sell at an artificially low or inflated price;
- > Makes multiple low-value cash payments for a single or connected transaction;
- > Suggests unusually complicated structures for achieving a

purchase or sale;

- > Is a Politically Exposed Person (PEP) or closely connected to a PEP, e.g., government officials or persons who hold a prominent public function;
- > Is known to be (or associated with) a person subject to criminal or regulatory investigation, prosecution, or conviction; or
- > Lives, operates, or banks in a higher-risk jurisdiction such as countries where drug trafficking, terrorism, and/or corruption are prevalent or where tax and money laundering regulations are less stringent.

AML Standards for Art Market Operators also urge art dealers to report transactions to authorities when the "source of funds gives rise to grounded suspicion of money laundering and in the absence of a plausible explanation."

Pieces of art may disappear from view for decades, only to resurface without a clear chain of ownership because of sales through third-party art dealers.



Time Will Tell

Time will tell whether the U.S. implements more legislation governing the fine art market. If it does, there will certainly be pushback from those in the market, especially smaller vendors and independent agents. However, history has shown that a certain amount of regulation can be beneficial.

For instance, in the early 2010s, the Mexican government passed a law requiring more information about buyers and dictating how much cash could be spent on a single piece of art. In response, the market fell 70% in less than a year. It's important to note that according to reports, many believed that was because Mexican cartels had previously been the biggest buyers in the market.

Art will always be valuable and portable, and as such, will be attractive to money launderers. It's up to those in this space to ensure compliance not only with the law but also with common sense and the duty to be good citizens of the world. ●



Kristy Grant-Hart

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Kristy Grant-Hart is the CEO at Spark Compliance. She's the author of five books, including the best-selling *How to Be a Wildly Effective Compliance Officer*. She's the recipient of the GWICie Award for innovation in the field of compliance and ethics for the creation of the Compliance Competitor business simulation training game, as well as winning the Trust Across America Top Thought Leader in Trust award. Prior to owning Spark Compliance, she was the Chief Compliance Officer at United International Pictures, the joint venture of Paramount Pictures and Universal Pictures in 65+ countries.

Make a Difference in the Fight Against Human Crime



25+ Million People are Victims of Human Trafficking



\$63 Billion Lost in Unemployment Benefit Fraud in 2020



25+ Million Child Exploitation Images Found Each Year



5.5 Million Individuals Over 65 are Victims Every Year

The Knoble is a **growing network** of professionals that prevents criminals from profiteering through the world's financial systems from human trafficking, scams, child exploitation, and elder abuse.

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Accessible, safe, secure, and reliable way of buying and selling cryptocurrency

Why BitPrime Was Founded?

We founded BitPrime to provide New Zealanders with an accessible, safe, secure and reliable way of buying and selling cryptocurrency.

We wanted to make it easy for New Zealanders to buy and sell cryptocurrency. For most everyday people, the traditional trading exchange has a user interface that comes with a steep learning curve.

You see graphs covered in all sorts of different indicators, an ever-changing list of bids and requests, and umpteen acronyms to wrap your head around. Not to mention that you usually need to have USD to deposit before buying anything.

This type of exchange interface is perfect for professional investors who've already mastered the use of bid and ask buying and selling or those who are prepared to spend a lot of time learning how to navigate them.

Ross Carter-Brown, CEO and co-founder of BitPrime, is one such person. He began dabbling in crypto while studying at university in 2014, and Bitcoin forums, exchanges and peer to peer sites soon became his favourite haunting ground.

More and more friends, family and acquaintances approached him wanting to know how they could also obtain some bitcoin and were asking for his help in understanding what cryptocurrencies were and how they worked.

Ross was very quickly earning more trading crypto on Local Bitcoins (LBC), a peer to peer trading site, than he would if he pursued a career in his area of study - biological and soil sciences.

BitPrime, headquartered in Christchurch, was founded in 2017, initially as a blog site providing helpful information on various aspects of cryptocurrencies and driving traffic to his LBC account. More and more features were added to the website to allow for direct trading there rather than LBC, and a few staff were hired to help keep up with the increasing demand.

As most are now aware, interest in bitcoin exploded in late 2017, and BitPrime grew from a handful of staff to around 20 working tirelessly to process account applications and orders.

We wanted to provide a safe and secure environment that was as fast and efficient as possible while providing a level of professional service that was unavailable elsewhere at the time.

At the same time, BitPrime, by now a registered financial

services provider, was attempting to adhere to strict anti-money laundering practices and laws written long before the invention of crypto. Laws which were ill-equipped to define what cryptocurrencies were, let alone how to deal with them from a legal point of view!

BitPrime helped pave the way to ensure everything was above board and done correctly, with government departments approaching Ross for help and advice themselves.

We chose to focus on the New Zealand market at first because we saw a huge opportunity here.

New Zealand is a small, tech-savvy, developed country with a reputation for being a great place to do business. We have extremely low levels of corruption, robust personal property protection, and a relatively stable economy.

Our country has always been a good proving ground for new technologies - just look at Eftpos, for example. The first Eftpos transaction took place in New Zealand in 1984 at a Shell petrol station! By the end of the '80s, over one million transactions were made each year. Compare this to the UK, where it wasn't until the mid-'00s that they caught up with a bank card and pin number type payment solution.

New Zealand has a growing cryptocurrency and blockchain technology community. You only need to take one look at Blockchain NZ's growing list of organisations working with this revolutionary technology to see that we're charging ahead full steam in this regard.

Ignoring banks, universities and government departments, notable mentions include Matrex, working in the food and beverage supply chain, OnFinality, providing blockchain infrastructure, and Trackgood, working to empower sustainability in supply chains.



Of course, I would be remiss not to mention Centrality's tech venture platform, which held one of the most successful ICOs in history.

As for cryptocurrency itself, various polls reveal that anywhere from 15-21% of Kiwis currently own cryptocurrency, and if BitPrime's daily account applications are anything to go by, that number is steadily increasing daily! Compare this to the global average ownership rate of 3.9%, and New Zealand is bounding ahead in terms of mass adoption.

It's undeniable that cryptocurrency is becoming more and more popular. The market cap of cryptocurrency jumped from 15 billion to approximately 600 billion in 2017 alone and currently has a market cap of over 1 trillion, with a 24-hour trading volume of almost 100 billion!

The people involved in the start-up phase of BitPrime were a young couple determined to help friends, but more importantly, to share their vision of a better financial world (where you can pay for your milk in bitcoin and retain complete control of your assets).

Cryptocurrency is a better system than fiat currencies in almost every way that matters. The only way it is currently inferior to banking as we know it today is through its infancy and volatility, both of which will be extinguished over time.

Cryptocurrencies are digital assets that can be used as a medium of exchange, like traditional fiat currencies like dollars, but with fewer restrictions.

The term fiat is an Italian word that means this is legal tender. Fiat currency is money (usually) controlled by a central bank.

On the other hand, cryptos use encryption techniques to regulate the generation of units and verify the transfer of funds. Their decentralised nature allows them to exist outside of government control (to an extent) and free from manipulation by central banks or other entities (excluding CBDCs).

The benefits of using cryptocurrency over fiat include:

Privacy: Your personal identity remains private when making transactions on the blockchain, which makes it ideal for those who want more anonymity in their financial dealings. Note that this is pseudonymity and not complete anonymity.

Transparency: the nature of their underlying technology is such that transactions recorded on the blockchain are verifiable by anyone. This helps eliminate corruption, minimise fraud and promote openness.

Security: Cryptocurrencies are protected by cryptography, making them hard to hack into or physically steal from users' wallets. Most hacks or thefts you've heard of are attributed to security flaws in hosted wallets on exchanges, with very few exceptions.

Speed: It takes less time than going through banks for transactions to occur on the blockchain; this means users can make payments faster without waiting days until their money reaches its destination. In fact, most transactions are complete

in a matter of seconds to minutes, depending on the underlying blockchain network.

Value: The value of the fiat currency depends on the associated government's policies and the country's economy. Cryptocurrencies such as Bitcoin, Litecoin, Dash and Ethereum etc., are not affected by inflation or economic crises in the same way as fiat. Essentially, they derive their value from their use.

Fees: The peer to peer nature of cryptocurrencies ensures that fees are very low or even completely eliminated in cryptocurrency transactions, as opposed to fiat currencies, where costs can be quite high, especially when transferring funds across borders.

In addition, cryptocurrency allows the world's unbanked population (over 1.7 billion people) access to a financial system that requires nothing more than an internet connection and smartphone - something that many people already have in developing nations. This will help them escape from extreme poverty and open up new opportunities.

Our ultimate goal is to make cryptocurrencies available to anybody that wants them, regardless of their investment background or technical knowledge.

Anyone (passing AML checks, of course) can use BitPrime; no technical knowledge is required - if you've ever used a form of online shopping before, you can use our website!

We are a trusted source for cryptocurrency in New Zealand and service over 31,000 customers.

We focus on providing crypto-education and technical support to everyone, free of charge. We teach people how to install and set up wallets and securely manage their own crypto funds - just as Satoshi Nakamoto, inventor of Bitcoin, intended it.

One feature helping us achieve our mass adoption goal is our fiat on and off-ramp. We enable customers to buy cryptocurrency using New Zealand dollars from their bank account and receive New Zealand dollars back into their bank account when selling.

And, when you buy or sell with BitPrime, you're dealing directly with us, peer to peer - there is no middleman. When you buy from us, you're purchasing directly from our own crypto reserves, and when you sell to us, it really is us buying your coins!

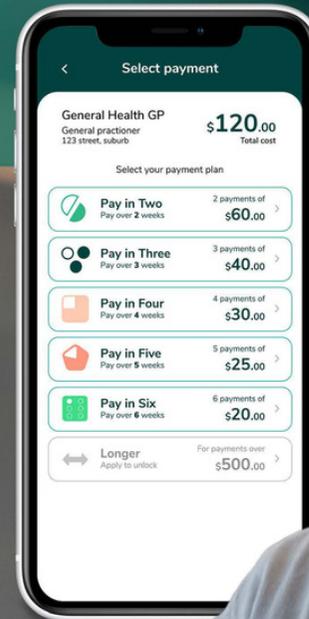
Primarily, we operate using NZD transactions to and from New Zealand bank accounts.

However, we also offer services via our partners to enable the purchasing of crypto via a credit card in almost any fiat currency and direct, crypto-to-crypto swapping. This way, we're a one-stop-shop for all your crypto needs.

Today, anyone can use BitPrime to buy and sell cryptocurrencies easily.

Cryptocurrency is the future of money. The world is rapidly evolving, and it's becoming increasingly likely that we'll be living in a world where cryptocurrency is the norm. It's already being used as a viable means of payment, and most people are already choosing to use it over fiat currency.

Visit www.bitprime.co.nz today to apply for an account. ●



Reshaping the healthcare journey

Recap:

BitPrime is a peer to peer trading platform.

BitPrime allows customers to buy and sell crypto using NZD.

BitPrime is headquartered in Christchurch.

We provide a boutique-like service providing free technical support to all.

We have a plethora of educational articles covering everything from how blockchain tech works, how to set up wallets, how to troubleshoot wallet issues and more.

Sanctions, world economy and Russia

If Russia can weather the financial storm in the short term, there will likely be devastating long-term implications for its economy. To protect the ruble, the Kremlin imposed a series of rules on foreign investors to stop capital fleeing the country.

How Russian sanctions impact the world economy

Many of the world's leading economies have imposed comprehensive sanctions on Russia following the invasion of Ukraine in February. The sanctions, designed to disconnect Russia's economy from the rest of the world, restrict Russia's access to capital in a variety of ways.

Some of the sanctions included are a ban on new investment in Russia, banning interaction with Russian banks, and a freeze on the assets of Russian elites, as well as the Russian government's foreign reserves.

Despite these sanctions, Russia is still a leading exporter of many commodities worldwide. Essential exports they supply include grain, natural gas, oil, and precious metals used in the tech industry. Uncertainty has caused the prices of these resources to increase in wake of the sanctions, as the West fears potential counter sanctions, restricting the supply of these key commodities.

Potential energy crisis

The price increase in commodities creates a tangible threat for the many countries that are reliant on Russia to provide essential resources. The most notable threat to the global economy resulting from this conflict is the reliance on Russian energy supplies.

Russia accounts for around 40% of the European Union's gas imports, as well as 25% of their oil imports. The potential of disruptions to the supply of natural gas has seen its price skyrocket by 65% from the beginning of the conflict to late April. However, these price changes have largely been driven by uncertainty.

Until recently, Russia had not imposed many counter sanctions. However, to stabilise their currency, Russian companies are now demanding all payments for natural gas to be fulfilled in rubles. Refusal to do so will be considered as the buyer's failure to meet obligations and their gas supply will be cut off.

Poland is among the first countries to be affected by this decree. Poland's gas supply was halted on 27 April, after their refusal to make payments in rubles. Despite this, experts are still uncertain about whether larger economies – such as Germany – will be treated the same.

Fortunately, high storage levels, combined with a decreasing demand as the country heads into summer, will allow Poland to manage without supply from Russia. However, with Russia proving they will act on their threats, countries are looking to speed up the switch to renewable energy.

Germany is the country most reliant on Russian gas and it has accelerated its plans to fulfil 100% of its electricity needs using renewable energy by 2035 in response to the potential energy crisis. Although this will not prevent the short to medium term risks, this package will create massive future implications for Europe's future energy security.

Shift in grain supplies

The potential supply shortages don't stop at energy. Both Ukraine and Russia are among the largest exporters of grains, accounting for about 30% of the world's wheat exports. The price of wheat reached over \$1,100 per bushel in April because of the conflict, an increase of over 40% since the beginning of February.

The conflict has, however, opened new avenues for trade between countries, with Spain relaxing rules around pesticides and allowing an increase in trade from Argentina and Brazil. India, which has historically refrained from exporting wheat, has taken the opportunity to help alleviate the global supply shortage. As the second-largest producer of wheat in the world, India has the potential to increase wheat exports by 50%.

Technology production fears

The chipmaking industry has seen a continuing rise in demand for semiconductor chips. Almost all modern machinery relies on semiconductor technology to function, and they have become a critical technology as a result. Chipmakers have been racing to keep up with the demand for their products.

US-based chipmakers receive an estimated 90% of their neon supplies from Ukraine, and 35% of their palladium supplies come from Russia. With Ukraine's biggest neon producers halting production completely because of the conflict, supply shortages are a major concern.

However, the Semiconductor Industry Association's President, John Neuffer, has dismissed fears of supply disruption risks related to the Russia-Ukraine conflict. Experts agree with his stance, as the industry had undertaken "major precautionary moves" following initial disruptions caused by the annexation of Crimea back in 2014.

In an extreme case of supply shortage, alternative sources to Neon have been identified, such as chlorine and fluorine.

The outlook for Russia

Russia no longer has access to much of the capital it planned to use to fund itself during the invasion of Ukraine. The country's revenue will have to be entirely supported by its natural gas and oil exports, which creates major inflationary concerns for the country. As an indicator, the Russian Central Bank raised the key interest rate from 9.5% to 17% as of the 11th of April to combat this inflationary risk.

If Russia can weather the financial storm in the short term, there will likely be devastating long-term implications for its economy. To protect the ruble, the Kremlin imposed a series of rules on foreign investors to stop capital fleeing the country.

These rules include the seizure of foreign companies' assets should they decide to exit Russia, banning divestment and dividends to foreign investors, and a suspension of normal compulsory licensing and leasing rules, resulting in foreign companies not receiving compensation for their tangible or intangible assets.

Although these measures will retain capital within Russia in the short term, investor sentiment will be heavily reduced in the

future. The uncertainty about whether companies and investors will be able to retain control of their assets is likely to deter any future investment by foreign entities.

This will likely reduce Russia's GDP for future generations, and a major shift will have to occur before investors feel secure enough to invest again within Russia. ●

Virtual Assets in the Ukraine

The actions of Russia have been condemned globally. As the conflict continues, we see Western nations implementing sanctions and tighter regulations upon Russia; freezing assets and exchanges with the goal of crippling the Russian economy.

By the beginning of March, the number of Russian assets frozen totalled \$1 trillion. Although we might not see it on the News, cryptocurrencies are playing a critical role in the financing of terrorism, most obviously used to purchase drugs, weapons, or data to target others, but behind the scenes, crypto enables almost untraceable financing of terrorism.

In the past, Russia has been a hot-spot for cybercrime and hacking. Through cryptocurrency exchange platforms, Russia could target Ukrainian entities and undertake ransomware attacks. These attacks are low-risk, high-reward for cyber criminals, and could potentially be utilised by Russia during this conflict (ACAMS, 2022, 2). Chief Executive of the Association for Digital Asset Markets, Michelle Bond, says, "We are entering a time where diligence to the utmost degree will be necessary and continued public-private information sharing will be key."

Although crypto is often linked to the dark net, terror and money laundering, it is also being used in aiding Ukraine's defense. Fundraising efforts have generated crypto donations of Bitcoin, Ethereum, of USDT amounting to \$42 million. This has been converted into real currency to buy drones, bulletproof vests, and gasoline for the Ukrainian Military.

Despite a request from Ukraine's deputy prime minister to freeze all Russians crypto assets, the response has been negative. Crypto platforms believe this would not be productive, and freezing an entire country's digital assets 'does not necessarily punish those who are actually responsible'.

Response

Evidently there is a need for strong legal frameworks, designed to minimise all possibility of crypto-financed terrorism and integration of illegally obtained funds into the financial system. Key crypto players have already adopted a policy to ensure transaction monitoring, KYC, or sanctions screening. Supervision and regulation are crucial in reducing the risk of cryptocurrency abuse throughout this conflict. The uptake of the Financial Action Task Force (FATF) guidance of the detection and deterrence of cryptocurrency money laundering risks has been widespread, and outside nations continue to work alongside Ukraine to push Russia out of the international financial network (ACAMS, 2022, 3).

Roughly 12% of Russians, and 13% of Ukrainians, own crypto assets. Since the conflict erupted, both nations rushed to purchase crypto currency, pushing the price of Bitcoin up 18%. This is a result of the currency collapse and the plummeting value of the Ruble and the Hryvnia.

Russia's invasion of Ukraine has shone light on the positives and negatives of crypto currency. On one hand, it has united the world in its fundraising efforts. On the other, it is host to a network of crime and terror. The need for stronger regulation is more prominent than ever. ●

Happy, healthy, and wealthy if you give to others

You are more likely to be happy, healthy, and wealthy if you give to others. So says Daniel Howell, founder and CEO of GravityLab, a New Zealand-based organisation that helps companies by building systems that empower staff, drive performance, and embed change.

Why doing good is better for business and profit

You are more likely to be happy, healthy, and wealthy if you give to others. So says Daniel Howell, founder and CEO of GravityLab, a New Zealand-based organisation that helps companies by building systems that empower staff, drive performance, and embed change.

As leader of GravityLab and a board member, advisor, managing director, and principal consultant with various leading organisations in NZ and around the world, Daniel is well equipped to speak from his experience applying this philosophy. His perspective is that you can do more good if you're in a position to make more money.

"When you give, you don't lose, you have invested and are paid back in multiple ways," he explains. "Some people go further with this concept, saying that the more you give the more you receive."

A cynic might question the pragmatism of this approach, but Daniel has demonstrated that it's not only an ideal to strive for, it's also one that works in practice. His company, GravityLab, describes itself as a social enterprise that sets out to maximise the good in the world.

It's a win, win, win, win situation. They pay their team higher than market rates, they offer discounts to clients, deliver incredibly high-quality work and can earn profit of which a large portion they donate to key causes.

To further help realise this, his company gives staff members the ability to support charities financially and with their skills,

and it also prioritises and discounts the non-profit work they do for local non-government organisations (NGOs).

Daniel chose to back up his beliefs and set up the legal structures to give away more than just a percentage of profits. In 2021, he gave away 99% of the company to CharityLab, an investment trust that donates funds to help stop child sexual trafficking. "We think child sexual trafficking is evil, is stoppable and we do our best to fight it," says Daniel.

Frontline experience with human trafficking and conflict

This passion and commitment comes partly from his first-hand experience working as a consultant to CCF Pader – an organisation that supports young girls abducted in northern Uganda and used as soldiers and sex slaves to the commanders. CCF counsels and educates the victims – many of whom escaped capture and brought their children with them to freedom.

Daniel also spent time in Sudan as the Finance and Acting Country Director for International Aid Services (IAS) – a relief and development organisation that helps those affected by conflict or disaster. Before this, he helped work with an anti-trafficking organisation in Wellington, New Zealand.

Daniel's approach to business is becoming increasingly common as companies worldwide prioritise social good ahead of profits as a more positive outcome. He proposes there is one key to business and personal success: offer real value. ●



Daniel Howell

founder and CEO of GravityLab
Email | daniel@gravitylab.nz

5 ways to offer value

Here are some suggestions Daniel offers on how to offer real value through your business life.

1.

Solve a real problem

When you're selling a product or service, you need to add value in the process and solve an actual problem, a problem that your customer is experiencing. It's pretty simple, if you help your customers find the value they need to succeed, you will do just fine. In the short term, you will make some money and in the longer term, they will buy more from you, and more often.

2.

People are the company

A company literally comprises a group of people – each working together towards a common goal. So, it is essential to have the best people and set them up for success.

Finding and keeping the best people is a major challenge for every business. So when you're trying to find and keep the best staff you must offer value.

"You don't need to pay them exorbitant salaries if you offer them what they consider valuable," explains Daniel. "To achieve this, it's important to understand each staff member and what makes them unique. This means thinking beyond just money and career growth, but towards what are deeply motivating factors for them."

"One loyal staff member with a conscience will outperform four that don't have these character traits," he adds.

3.

Giving value to your brand

When you're selling a product or service, you need to add value in the process and solve an actual problem, a problem that your customer is experiencing. It's pretty simple, if you help your customers find the value they need to succeed, you will do just fine. In the short term, you will make some money and in the longer term, they will buy more from you, and more often.

4.

Don't chase money

As many philosophers and business leaders have said over time, the pursuit of purely personal gain is an empty and tough road. If you focus instead on providing value in what you do, you will get value returned to you.

"Focus instead on long-term value and success by, for example, working out what margins you need to look after your business and staff instead of squeezing the last dollar out of every transaction," Daniel suggests.

While this may seem counterintuitive in modern business, Daniel explains he's not opposed to company success or profit generation per se. Instead, he proposes using profits to foster and give as much value as you can which might seem trying in the short term, but wait and see how much more success you get in the medium-longer term.

5.

Start small, start soon

He suggests considering what activities provide the best return on investment and what are the easy actions to take this week. This means identifying things that are relatively quick to do and which provide a tangible impact.

"You can also start small. If you're a business owner, for example, donate \$1,000 to a charity of your team's choosing, or buy a top performer a coffee machine. It might seem small, but you'll benefit from a positive return from even the smallest investment," he says.

Daniel Howell

"When you give, you don't lose, you have invested and are paid back in multiple ways," he explains. "Some people go further with this concept, saying that the more you give the more you receive."

Fighting Human Trafficking with Basic Tech - 300% matched!!

Provide laptops that will stop human trafficking and child exploitation in Thailand.



All donations will be matched 3:1 by GravityLab Limited up to \$10,000 - So if you donate \$100 GravityLab will donate \$300 more.

GravityLab chooses to support the Ronnasit foundation. They are leaders in fighting human trafficking in Southeast Asia. They have been responsible for taking down the top offending brothels with sex slaves and underage children. They are leading the charge in prosecuting corrupt officers who are the lynchpin in allowing these horrors to take place.

GravityLab currently covers the main expenses and salaries for 7 investigation agents. But they have another simple request.

- They are sharing one laptop between 7 rescue agents.
- This one laptop was the cheapest they could buy and it's so slow there is a 5 second delay between typing and words showing on the screen
- As they get so many leads they could have agents in 3-4 different locations at one time - all thinking they can share the same laptop (that doesn't work) so it slows their progress

- They really don't want to use internet cafes while surveilling gang bosses and human traffickers. As you can imagine there are a number of professional and personal security implications.

I encourage you to sponsor a whole laptop. Each laptop is \$1,230 each (on special).

Excess funds raised will be used very wisely in stopping human trafficking in the region and taking down the corruption that allows it to thrive.

GravityLab's involvement (page creator)

We are their principal funder and provide financial and operational oversight.

Use of funds

Buying 3 new laptops for the team.

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In 2012 the **Financial Action Task Force** formally adopted something that had been gestating in the noughties: **the risk-based approach.**

Adam Hunt established the strategic intelligence functions of Inland Revenue and the Financial Markets Authority. He is the founder of New Zealand's leading anti-money laundering service provider and is a member of the panel of experts of the International Monetary Fund working with developing nations. He is a member of the Board of Transparency in New Zealand.

In 2012 the Financial Action Task Force formally adopted something that had been gestating in the noughties: the risk-based approach. This reflected a growing recognition in the regulatory community that black letter, prescribed mechanisms were largely failing to address the issues of money laundering and other societal harms, simultaneously creating barriers to entry that stifled competition.

Bureaucracies love black letter standards. It delivers a double whammy of competitive advantage. Rules based systems need a standard setter, and that means there is a target to influence and capture. Highly standardised processes give the opportunity for economies of scale – they can be automated, and that suits a larger organisations that build competitive advantage through systemising processes and deploying them via commodity staff. And best of all, it gives those who govern the organisation a way to bring legal resources to bear, stalling and wearing down regulators and delivering a layer of deniability.

All of this increases the barrier to entry, in contrast to a model where smaller organisations can assess the risk presented and tailor their response: 'right-sizing' the processes and exploiting their scale to reduce risk in other ways, generally by knowing their customer better than the dinosaurs, and being able to move fast to take advantage of techniques and information.

But people want certainty, and the penalties in the AML/ CFT Act are designed to generate a bit of fear, uncertainty, and doubt (FUD), so a great deal of pressure emerged to set some standards. In the red corner was a set of regulators who wanted to leave as much flexibility in the system as possible to promote innovation and allow low risk customers to be let alone. In the blue corner were some regulators fond of rules-based

approaches, plus a bunch of large institutions. Blue won out and we ended up with the Identity Verification Code of Practice being released as a regulated safe harbour rather than mere guidance.

Risk decisions are what makes money in the business world. If you can make a decision with better information or forecast outcome it allows lower prices, larger margins, better customer service, innovation to serve new markets... it is at the heart of the capitalist model. So it's not unreasonable to expect that a firm be capable of making good decisions. Unfortunately risk management as a practice all too often becomes either ignored or over-systemised to the point where the actual decision making part is lost.

Risk decisions need to be made by people who understand the subject matter. This means empowering people close to the front line. And by empowering, I mean ensuring that they can't be bullied by a revenue-generating staff member. If you get this wrong, 1) senior people will drown in trivia and 2) decision making will grind to a halt, costing market share and reputation.

Accountability paths are crucial to support quality decisions, supported by training and tools. This means that the Compliance Officer needs to be able to say no. I know of reporting entities taking legal advice about whether a Director can instruct a CO to onboard a customer against their will – the mere fact of the advice indicates a poor culture. Incidentally, the remedy seems simple to me – the director becomes deemed to be the compliance officer with all the jail time and personal fines that could entail. I'm sure we'll see a regulator seek the precedent at some stage (so make sure you keep an audit trail... I've seen AML people bcc'ing a special, personal email address in some cases, which can be defended where there is a risk that

Risk decisions need to be made by people who understand the subject matter. This means empowering people close to the front line. And by empowering, I mean ensuring that they can't be bullied by a revenue-generating staff member.

proper records will not be kept.)

Reflection and review are a critical part of decision processes: regulators want to see that firms are paying attention, considering how best to tackle the edge (difficult) cases and then updating their procedures, materials and training. This means records, and those need to include approvals (hint: 'the machine told me to' is not much of a defence) and evidence of thinking going beyond the bare minimums.

I would love to see more organisations opting out of the IDVCOP.

The current safe harbour is based on thinking from the 1970's – in fact, the very type of approach that led to the realisation that the rules-based thinking was failing (a particularly weird part being the nonsensical address verification requirements).

There is an understandable fear that reporting entities will fail to consider the risks properly (including trying to rely on the sales pitch from a vendor), while the board of the reporting entity will be concerned that they lose the protection of the safe harbour. Both problems arise from poor execution – there is nothing fundamentally wrong with the approach.

A good example is that any reasonably competent cybersecurity expert could demolish the security policies of many government agencies. The same is true of identity verification – there is a reason that many firms survive perfectly well commercially without requiring certified copies of government documents despite transactions involving significant risk.

The message is that there is scope for gaining competitive advantage while reducing risk. And hiding behind 'because everyone does it' will not drive strategic gains. But this rests on smart, thoughtful people who are not drowned out by the noise of the revenue generation egos. ●

Is Regionism the New Racism?



We've all come to recognise racism for the pernicious evil that it clearly is. The work isn't yet finished, but at least we're moving towards a day when, I sincerely hope, we can stop even thinking about it because the word no longer has meaning. But while we're progressing towards that goal, I ask that we consider another attitude change: let's recognise and eradicate regionism.

You may not recognise the term, possibly because I think I might have invented it while watching Barack Obama exploring the world's great national parks. Listening to this remarkable man is a pleasure to be sampled at every opportunity, and I was moved and delighted by his account of mountain gorillas in Rwanda. They live on the far side of a low stone wall. Farmers are allowed to plant right up to the wall, but beyond that is primate territory.

The farmers respect the boundary, the gorillas... not so much. They make regular forays onto the farmland to steal the crops. The farmers are fine with this, because the government reimburses them for their losses. The colony has doubled in size thanks to minimal intrusion and a plentiful food supply.

Lovely story, but it brought me face-to-face with one of my prejudices; one of which I'm not proud. I was amazed that an African government could be so enlightened, and realised that I believed systemic corruption to be the norm on the continent. I'm working on it, promise, but here's the point: how many of us harbour similar, unrecognised prejudices? Rwanda has changed, Botswana has changed, yet their ability to trade freely with the developed world has, if anything deteriorated.

Anti-terrorism-funding is a major focus of financial compliance. We rightly fear terrorist acts and readily appreciate the billions

...it brought me face-to-face with one of my prejudices; one of which I'm not proud. I was amazed that an African government could be so enlightened, and realised that I believed systemic corruption to be the norm on the continent.

spent on fighting it. But are we fighting the wrong enemy? Should we instead be investing in – and learning from - those who are demonstrating the greatest success in fighting it? I recommend Jessica Trisko Darden's book *Aiding and Abetting*, to those interested in the correlation between US aid and rising instances of terrorism and corruption*. Put simply, pouring financial aid into a country that's underserved by world banking can mean that it's difficult for that country to spend the money on the improvements needed to make change. The aid itself creates an environment for mis-spending. Poverty awakens the basic human need for personal survival; introduce a

concentrated input of wealth into this system and corruption is a virtually inevitable consequence.

This brings me back to the jingling bells of another of my hobby-horses: derisking and similar forms of financial isolation are significant contributors to systemic corruption. Darden's book introduces another aspect: that human aid may be equally relevant. The lesson I took from Barack Obama's nature documentary was that we must also confront our own prejudices, not just on a personal level, but across the enterprises in which we operate. Botswana's significant success in reducing corruption and increasing stability hasn't been rewarded with a substantial improvement in financial inclusion. Moody's downgraded the country's sovereign credit rating from A2 to A3, despite a stable outlook.

Botswana has been governed by the Botswana Democratic Party since 1966, when the country gained its independence from Britain. I wonder whether inclusion has been hindered by suspicion of the level of democracy actually extant in the country. I live in a so-called democracy in which we regularly choose a different self-serving politician to systematically disassemble everything built by the previous administration. Who are we to judge another country's approach to government? Is our dogma blinding us to the effectiveness of Botswana's system in building one of the most stable countries on the continent?

It's nothing new to say that financial withdrawal from supposed high-risk regions is a baby and bathwater solution. Banks and



major NBIs must know that they're missing out on billions of dollars of opportunity, yet they continue to toe their ineffective line. I believe it's past time to acknowledge our own prejudices and become more open to new avenues of thinking. ●

*** I'm not intending to single out the US in this reference; Ms Darden's observations may well be – in fact probably are – representative of poorly thought-through aid policies in many other countries.**

Burkina Faso investigates mine flood as rescue efforts continue

> May 2022

Prime Minister Albert Ouedraogo says the managers of the Canada-based mining company have been banned from leaving the country as eight workers remain trapped underground.



Burkina Faso's government has launched a judicial investigation into a flood at a zinc mine as efforts to rescue eight trapped workers enter a third week.

Heavy rainfall caused flash floods at the Perkoa mine on April 16, leaving eight workers – six from Burkina Faso, a Zambian and a Tanzanian – missing underground.

Canada-based Trevali Mining Corp has suspended operations at the mine, located 100km (60 miles) from the capital Ouagadougou, as search and rescue efforts are ongoing.

Burkina Faso Prime Minister Albert Ouedraogo said that managers of the mine have been banned from leaving the country while investigations are under way into the cause of the accident.

"Precautionary measures have been taken to prevent the persons in charge of the mine from leaving the country and instructions have been given firmly to the Minister of Security for this," a statement from the PM's office said on Monday.

During a visit to the site at the weekend, Ouedraogo blamed "irresponsibility" by those in charge at the mine. He alleged that several days before the accident "dynamite was used on the open-air [part of the] mine, which weakened the [underground] gallery and enabled the flooding".

The families of six miners have filed cases against persons unknown for attempted manslaughter, endangering life and failing to assist a person in danger.

The mining company, Trevali, said it had received no official communication but was aware of the prime minister's comments.

"Senior management of Trevali remains at the Perkoa Mine and are overseeing the active dewatering and mine rehabilitation work," said Jason Mercier, the company's director of investor relations.

"Trevali continues to work at maximum capacity, 24 hours a day, to locate the missing workers," he added.

In a previous statement, the company said that while most workers underground were able to safely evacuate, the eight missing workers were working below Level 520, which is 520m (1,706 feet) from the surface, at the time of the flooding.

The company said it is also investigating the cause of the accident. ●

SOURCE: AL JAZEERA AND NEWS AGENCIES

Central African Republic adopts bitcoin as legal tender

> By [Rédaction Africanews with AFP](#)

The Central African Republic has adopted bitcoin as its official currency alongside the CFA franc. The country has also legalised the use of cryptocurrencies, the presidency announced on Wednesday.

The National Assembly voted "unanimously" and considered the law "governing cryptocurrency in the Central African Republic" and President Faustin Archange Touadéra promulgated it. The Minister of State and Director of Cabinet of the Presidency, Obed Namsio said in a statement.

On 7 September 2021, El Salvador became the first country in the world to adopt bitcoin as a legal tender and the International Monetary Fund (IMF) immediately denounced the decision as dangerous for "financial stability, financial integrity and consumer protection".

"This move puts the Central African Republic on the map of the most courageous and visionary countries in the world," said the presidency of the Central African Republic.

Russian paramilitaries

Already present since 2018, Russian paramilitaries have come to reinforce the Central African soldiers to repel the rebel offensive. However, the UN, international NGOs and France, the former colonial power, regularly denounce "crimes" committed by "mercenaries" of the Russian private security company Wagner, as well as by the rebellion.

"The context, with systemic corruption and a Russian partner under international sanctions, gives rise to suspicion," said Thierry Vircoulon, a specialist in Central Africa at the French Institute of International Relations (IFRI). "The search for ways to circumvent international financial sanctions by Russia invites caution," he continued.

"The law was passed by acclamation," according to the presidency, but some members of the opposition "are going to

attack the law before the constitutional court," Martin Ziguélé, a former prime minister and now an opposition MP, told AFP on Wednesday.

Volatility

"This law is a way to get out of the CFA franc by a means that empties the common currency of its substance (...), it is not a priority for the country, this approach asks: who benefits from the crime?"

"The purpose of this law is to govern all transactions related to cryptocurrencies in the Central African Republic, without restriction (...) carried out by natural or legal persons, public or private," prescribes the text, which refers in particular to "online trading activities", "all electronic transactions" or even "tax contributions". The law also states that "exchanges in cryptocurrencies are not subject to tax".

The volatility of bitcoin can be dizzying. By 2021, prices had soared more than 150% to an all-time high of \$68,991, before collapsing by more than 30%. Even if the market has calmed down in 2022, the variations remain very strong: -17% in February, +8% in March and +10% in April. Bitcoin was trading on Wednesday at over \$39,000.

Legal tender

For the time being, only El Salvador and the Central African Republic have adopted bitcoin as a legal tender, but other countries are considering doing so, with some having initiated legislative processes in this direction, according to the specialist site [Coinmarketcap.com](#).

In Ukraine, the government has accepted donations in cryptocurrencies, raising more than \$100 million in the early days of the conflict to fuel its war effort. ●

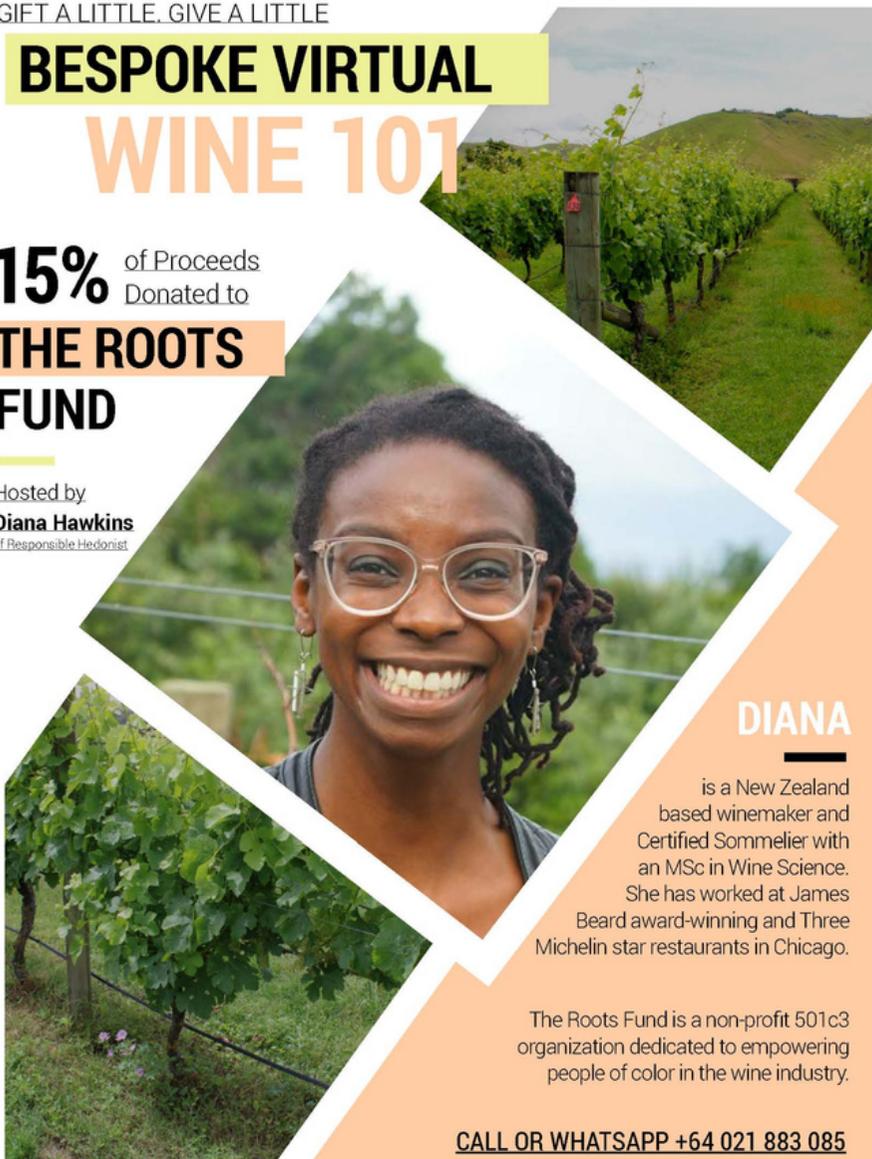
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DIANA

is a New Zealand based winemaker and Certified Sommelier with an MSc in Wine Science. She has worked at James Beard award-winning and Three Michelin star restaurants in Chicago.

The Roots Fund is a non-profit 501c3 organization dedicated to empowering people of color in the wine industry.

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Kinahan drug cartel enforcer owned a website that named and shamed criminal "rats"

Leak reveals sanctioned money launderer John Morrissey set up offshore companies and sought to open Panamanian bank accounts tied to the site.

May, 2022 By Fergus Shiel, Maggie Michael and Colm Keena

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A senior member of the Kinahan drug cartel established a subscription website to name and shame criminal "rats" with the help of the controversial Panamanian law firm Mossack Fonseca, leaked files show.

A come-on to potential subscribers, "Do you want to find the rats in your neighborhood?!!" appeared on the short-lived United Kingdom-focused website, The [RatBook.com](#), before it went live in 2009. "See if there are serious criminals, rogue traders, pervy priests etc around you. This is the site for you!!"

A co-founder of the site, incorporation records show, was John Francis "Johnny" Morrissey, now 62-years-old, an Irish citizen accused of some of the crimes his website promised to expose. The documents show that the site was tied to offshore companies in the British Virgin Islands and Panama, where Morrissey also attempted to open a bank account to process website subscription payments.

In a sanctioning notice April 11, the U.S. Treasury Department described Morrissey as an "enforcer" for the Kinahan cartel, the most powerful organized crime gang in Ireland. "Irish courts have concluded that the [cartel] is a murderous organization involved in the international trafficking of drugs and firearms," the notice said.

Morrissey, who lives in Spain, "facilitates international drug shipments for the organization from South America" and is "involved in money laundering," the U.S. notice said.

Through his wife, Morrissey also controls Nero Drinks Co. Ltd., a vodka maker based in Glasgow, Scotland, and he has been a brand ambassador for the company, his most public venture. Morrissey has handed over significant parts of the company to Daniel Kinahan, a leader of the cartel, "to compensate for loads of drugs seized by law enforcement," the U.S. said in its notice. Daniel Kinahan has previously denied being linked to organized crime.

At the core of the Kinahan cartel's operations, according to an investigation funded by the European Union, are dozens of front companies that help move heroin, cocaine and other drugs and that launder the proceeds from their sale.

The U.S. sanctions, which targeted seven members of the cartel, including Morrissey, have put new pressure on the cartel and the countries that host affiliated businesses and gang members. Last week, the International Consortium of Investigative Journalists and the Irish Times [revealed the existence of several](#)

[companies tied to the ruthless Irish drug gang](#) in the [Middle East's top secrecy haven](#), Dubai in the United Arab Emirates. Authorities there say they are investigating.



> U.S. and Irish officials announce sanctions against the Kinahan Organized Crime Group in Dublin on April 12, 2022. Image: Sam Boal/Irish Times

According to media reports, Morrissey is a longtime mobster who has been implicated in killings and other crimes. He moved to Spain two decades ago after police raided his home in Ireland. Authorities reportedly had discovered a plot by Morrissey to kill an official with the Irish Criminal Assets Bureau, a law enforcement agency that had served him with a tax demand of more than \$100,000.

The timing of Morrissey's interest in offshore companies and bank accounts, and the creation of a website, coincided with a turning point in a European anti-drug-trafficking campaign.

In 2008, police in Spain, the U.K., Ireland and Belgium teamed up to investigate the Kinahan cartel, following a major bust and the confiscation of 1.5 tonnes of cannabis in a house in County Kildare, Ireland. The joint investigation was known as Operation Shovel.

Later that year, Morrissey set up a company, Northcoast Development Holdings SA, in the British Virgin Islands, a renowned corporate secrecy and tax haven. The transaction came with a special request: "Please DO NOT register the identity of the shareholders or directors at the BVI Registry," leaked records from the ICIJ-led Panama Papers investigation show. ●

[Read in full](#)

ICIJ publishes final batch of Pandora Papers data on more than 9000 offshore companies, trusts, and foundations

Offshore Leaks Database spans five different leaks and now includes information on offshore companies, foundations and trusts from seven offshore service providers from ICIJ's latest investigation on the use of tax havens.

> May, 2022 By [Emilia Diaz-Struck](#), [Delphine Reuter](#), [Agustin Armendariz](#), [Jelena Cosic](#), [Karrie Kehoe](#), [Miguel Fianzor Gutiérrez](#), [Margot Williams](#) and [Nicole Sadek](#)

As the Czech Republic's national elections approached in October, Andrej Babis seemed on track to win another term as the country's prime minister. Polls showed his centrist party, ANO, leading all opponents.

Then on Oct. 3, one week before the first vote, the Pandora Papers investigation revealed that Babis — a populist who has thundered against the corruption of political and economic elites — [used shell companies in tax havens to buy a chateau](#) on the French Riviera. He did not disclose the chateau or companies, as required by Czech law. One [media poll](#) suggested 8% of his party's supporters switched their votes as a result of the disclosures by the International Consortium of Investigative Journalists and its media partners.

When the votes were tallied, [Babis and his party finished second](#), allowing a coalition of other parties to form a new government.

The fall of the Czech billionaire leader is just one of the headline-making results of the Pandora Papers investigation, the largest journalism partnership in history, which drew on the largest leak ever of confidential offshore financial documents.

In the weeks since the release of hundreds of investigative stories by more than 600 journalists from ICIJ and 150 media partners, new developments have come fast and furious.

Country leaders and other politicians scrambled to hold on to their jobs.

Governments around the globe promised [tougher laws](#), [convened public hearings and launched investigations](#) — at least 19 probes and inquiries by the European Parliament, Europol and authorities in 15 countries.

Media outlets, anti-corruption experts and protesters clamored for aggressive efforts to end the system of offshore secrecy that allows the rich and powerful to hide money, make secret deals and evade taxes.

The New York Times headlined the media partners' investigations as ["A Money Bomb With Political Ripples."](#) The digital news outlet Middle East Eye called it a ["financial earthquake."](#)

"The Pandora Papers are

a wake-up call to all who care about the future of democracy," U.S. Sen. Ben Cardin, a Maryland Democrat, said four days after the first stories in the investigation rolled out. "Thirty years after the end of the Cold War, it is time for democracies to band together and demand an end to the unprecedented corruption that has come to be the defining feature of the global order. We must purge the dirty money from our systems and deny kleptocrats safe haven."

Blood and dollars

In some countries, the Pandora Papers prompted denials and pushback from high-level officials, business people and shadowy operatives.

"My name, first and foremost, is not there," Kenyan President, Uhuru Kenyatta, [said at the United Nations](#) in New York days after the Pandora Papers investigation revealed that his name appeared on a secretive trust document from Panama.

In November, a [report](#) by the Mozilla Foundation flagged a well-coordinated online disinformation that sought to discredit

[findings that Kenyatta and his family owned an offshore empire](#).

Suspicious Twitter and Facebook accounts, including those mimicking accounts of celebrities, posted hashtags such as #phonyleaks in an effort to muddy the issue, according to the report, which was titled "How to Manipulate Twitter and Influence People: Propaganda and the Pandora Papers in Kenya."

In Jordan, the country's intelligence service censored Pandora Papers journalists' [reporting on King Abdullah II's expansive and secretive property empire](#).

In some countries, the Pandora Papers' disclosures sparked protests in the streets — and passionate media commentaries — about the failure of governments to fight corruption and dam the flow of dirty money.

In Brazil, protestors threw red paint-spattered fake U.S. currency and real chicken feet at the office of [Economy Minister Paulo Guedes](#) after revelations he created a shell company in the British Virgin Islands. Brazil's lower legislative chamber later summoned Guedes to explain his offshore activity.

In Cyprus, [hundreds of protesters gathered](#) to demand that President Nicos Anastasiades resign after a Pandora Papers investigation showed that a law firm he'd founded had served as an offshore conduit for mega-wealthy Russians. "Enough is enough," an opposition party leader told the rally. "For years, clouds have been gathering, until today's storm broke out."

In the U.S., Joshua Rudolph, an anti-corruption expert at the nonprofit Alliance for Securing Democracy, said American authorities should respond to the Pandora Papers "with [sweeping and forceful policy reforms](#). . . . The latest jarring revelations expose how the U.S. financial system plays a central role in hiding the dubious wealth of corrupt officials. It suggests that the policy response, too, must be made in America."

Like previous ICIJ reporting partnerships that zeroed in on offshore money, ICIJ's latest investigation has reverberated in dozens of countries. One difference this time around is that the Pandora Papers investigation has sparked some of its biggest developments in the U.S. — a nation that has long criticized other countries for enabling money laundering and tax evasion even as the U.S. itself serves as a major hub for offshore money.

On Oct. 6, in response to Pandora Papers reporting by the Washington Post and ICIJ, a bipartisan group of [U.S. lawmakers introduced legislation](#) that would, for the first time, require trust

companies, lawyers, art dealers and others to investigate foreign clients trying to move money through the American financial system.

At a [congressional hearing](#) devoted to the Pandora Papers in early December, lawmakers called out South Dakota and other U.S. states for copying the methods of the Cayman Islands and other traditional offshore financial havens. A story jointly reported by [ICIJ and The Washington Post exposed South Dakota's thriving and highly secretive offshore industry](#), including details of nearly 30 trusts that held assets linked to people or companies accused of fraud, bribery or human rights abuses. A Russian oligarch and an aide to a brutal former Latin American dictator also set up trusts and secretive companies in Wyoming, ICIJ and The Washington Post revealed.

Trouble for politicians

Other public officials were forced to defend their own financial dealings, or the offshore maneuvers of people close to them.

In Chile, [lawmakers impeached President Sebastián Piñera](#) in response to revelations that part of a \$152 million sale of his children's interest in a mining company was conditioned on the Chilean government not imposing certain environmental restrictions — the government led by Piñera at the time. Piñera denied any conflict of interest. Chile's Senate voted 24-18 in favor of removing him from office, but the vote [fell short](#) of the required threshold.

In Ecuador, [President Guillermo Lasso also survived an impeachment effort](#) in response to revelations that he transferred assets to South Dakota months after the Latin American country passed a law banning officials from owning offshore companies. Lawmakers instead referred Lasso to the country's prosecutor, tax office and other agencies to see if he broke any laws.

In Honduras, voters rejected Nasry Asfura — the ruling party candidate who had been favored to win the country's November presidential election — after the Pandora Papers investigation exposed his interests in secretive companies in Panama. ●

[Read in full](#)

KICKASS

WOMAN

FEATURING

Anna Rayboka | BitPrime

Jody Renwick | Ray White

Maria Ressa | Meet the Investigators podcast



Kickass Woman: Anna Rybakova

1. What has your journey looked like working the AML and cryptocurrency industries?

It has been one of the most interesting times in my career. A lot of learning, reading, thinking about the best ways to implement change and strengthen systems. It is a super-fast paced environment. For example, you could wake up in the morning and find there was a hack of a crypto exchange or a darknet market shut down. You have to react to every event that is happening in this space because it can affect your customers. Cryptocurrency is borderless and customers from NZ can easily trade with any entity overseas. But it has also been a lot of fun! The number of highly intelligent people I have met while working in crypto AML is overwhelming. I am very grateful for being here and doing what I am doing.

2. And what part of what you've learned has helped or led to your current role?

Firstly, the courage to change my life has led me to this role. I learned that it is never too late to change your life for the better and try a new career. Secondly, I love to learn, research, ask questions, and understand processes – skills I acquired as an auditor at a Big 4 accounting firm. Last, but not the least, is the importance of communication and building networks. This is important in any career but especially in crypto AML where the industry is only getting on their feet and a lot of things must be done for the first time.

3. Is this something you've consciously worked towards, or saw as an opportunity to gain more experience in the AML sector and your AML journey – related to crypto?

Not at all. I found out what AML and CFT is when I read the job description! I knew a bit about cryptocurrency but no more than a layperson. I was fascinated when I started, as it was all new and exciting. I still love it – the higher the risks, the more interesting it is to find ways to mitigate them.

4. Has there been a collection of experiences you wished to have that were measurable? How are these reflective of your own personal values?

I wish more emphasis was made on the suspicious reporting and identification of suspicious activities and transactions. Though they are easily measurable, I do not see great stats provided for the cryptocurrency industry by the FIU (NZ Police Financial Intelligence Unit). It is a cornerstone of the regime, and it is a very good indicator of where the risks are and how effective the AML programmes and procedures are. By 'suspicious activity' I mean frauds, scams, stolen identity or bank accounts, third party trading, mules, structuring and so on. I wish these crimes attracted more attention from the Police and other reporting entities. The impact has to be measured and quantified. Once it has been, the numbers will be staggering.

I have a strong belief that everything you do in life has to have a purpose and a meaning. That is why I enjoy my work at the AML industry – to fight crime and protect people from it. This cannot be done without reporting cases to the Police.

5. What are some of the biggest challenges, in your opinion, businesses and people face with AML? And does this differ from industry to industry?

Risk assessment is a very hard part of this work. For example, determining what the risks are that my business faces here in New Zealand and serving this particular customer via this particular method? It is challenging to estimate the extent and the impact of the risk that is still hypothetical, and it is also dangerous to get it wrong. In some ways it is easier for mature industries like banking, but there are always new products and new typologies you have to work on. So, really, we are all in the same boat.

Another challenge is the exposure to foreign countries' risks. I find it challenging for the industry to risk score customers who are either citizens or residents of grey countries or countries on the sanctions lists. A blank de-risking is not an option, as most people have no connections to the enhanced risk or sanctioned

entities or services. It is our job to apply our procedures to manage that risk, not to avoid it by terminating the relationship – which is of course the easier thing to do.

Do you think there is a lack of understanding or confusion with AML?

The general public does not understand AML requirements, especially the requirement to provide their source of funds or verify all trust beneficiaries, which is just one of many examples. They want to open an account and they agree to provide some of their data, such as ID and DOB. But when you start questioning them to understand the nature and purpose of the relationship, it feels like a breach of privacy to them.

And what can those in the industry do better, in your opinion?

I think the way to deal with these situations is to create a good system of risk scores for your customers. The business knows their customers well, they know who can be risky and who doesn't present a threat at all. Don't ask unnecessary questions of customers that don't appear to be risky. Concentrate on those instead who are suspicious. The key is to know your customer and train your staff on the ground. I think industry is doing the best we can. Communication with the regulators and guidance would be beneficial for both sides.

What is the biggest positive change you've seen?

The biggest positive change I have seen is an increased conversation about cryptocurrency industry risks and the opportunities.

The parliamentary enquiry into the nature of cryptocurrency, DIA (Department of Internal Affairs) AML cryptocurrency guidance, and the invitation to participate in the MOJ (Ministry of Justice) AML/CFT Act review that is happening now are all great signs that NZ started to realise the importance of the industry. There is still a long way to go though.

We have long advocated for the establishment of a permanent interdisciplinary cryptocurrency working group, comprising representatives from regulators, law enforcement, legal experts, academia, and the industry would be highly desirable. It could also help form the best regulatory path towards a smooth co-existence of traditional finance with the decentralised ecosystem.

During your career have there been standout people who've motivated and mentored you? How did they, if at all, impact where you are now?

The NZ AML industry is rich with talented people, and I am grateful to personally know some of them. Some great representatives from the industry include Ross Carter-Brown from BitPrime and Janine Grainger from Easy Crypto. It is not easy to navigate the cryptocurrency changes and run successful businesses. Other include fantastic AML lawyers, Gary Hughes, Fiona Hall, and Lloyd Kavanagh. Bryan Ventura is running Blockchain NZ and doing an amazing job educating the public on the impact of the blockchain.

What are your top tips/ suggestions for those looking to further their journey in the crypto industry?

Get involved into the conversation. Submit your thoughts to the government when they ask for public opinion – I am sure there will be more opportunities. Attend cryptocurrency meetups and industry events and learn about cryptocurrency field. Also, ideally develop your programming skill and try to understand the technical side of the blockchain. The future of crypto is in the hands of software developers and blockchain analysts. ●



Now let's get a little personal:

1. Favourite eating place? I like eating places in old mansions, like the Falls or Homestead in Monte Cecilia. I also love a German restaurant, Mittendrin on Rosebank Road in Avondale.

2. Chill time – what works for you? And hey, let's be honest here – no judgment . . . I enjoy reading – I can get lost for hours reading a book and drinking a cup of a hot tea. I also enjoy making whipped soap. I recently started watching Star Trek: TNG with my partner – Captain Picard is my newly acquired role model...

3. What are clear traits that make you great at what you do? Strong moral compass, decision making skills and multitasking.

4. What's the last thing you geeked out about? Weirdly enough, I collected my first 500 pieces jigsaw puzzle during this Easter

break. I am very keen to get to my next 1,500-piece puzzle!

5. Family time: best spots? Dog-friendly spots where we can take our Golden Retriever. The most recent one was Meola Reef dog park, and we are keen to try Kakamatua dog walk in Titirangi, which is highly recommended by our friends.

6. Recommended, preferred drink? Earl Grey tea (hot) – something me and Picard have in common!

7. Favourite meal to make? That's assuming you can cook . . . again, no judgment! I like cooking. I usually pick two new random recipes from Healthy Food Guide magazine and make them within the next two weeks. The last one I picked was lentil, pumpkin, and spinach rice. My specialty are soups, I like to make them and eat them.



Anna Rybakova is Compliance Manager at BitPrime, a New Zealand owned and operated full-service cryptocurrency retailer. She has previously worked as a financial accountant with leading NZ organisations, including EY and Auckland Airport. She holds a master's degree in professional accounting and is a qualified chartered accountant.

Her accounting background is invaluable for her current role as Compliance Manager, as her experience includes auditing, which helps her understand financial processes, how to address system failures, and implement controls. She is also very familiar with financial documents like trust deeds, which helps her understand the source of wealth and beneficial ownership.

Anna maintains New Zealand is under-resourced in the fight against digital crime. She believes we need to have industry experts and funds allocated to – for example – specific blockchain analytics projects. She also believes NZ's policing needs to be more effective in following up on reported AML red flags. ●

ANNA RYBAKOVA
COMPLIANCE MANAGER AT BITPRIME



Kickass Woman: Jody Renwick

1. What has your journey looked like working in AML?

It has been an exciting learning process that has led me to a new opportunity. I was fortunate to be part of the compliance team for Tauranga law firm Cooney Lees Morgan, where I helped develop their risk assessment and compliance programme. There was a lot to learn; I would describe it like putting a jigsaw puzzle together. Being part of the process from the beginning let me create company policies and procedures around customer due diligence (CDD) and its implementation. I gained a thorough understanding of New Zealand's AML/CFT Act and what it meant for Phase 2 entities.

2. What part of what you've learned has helped or led to your current role?

I'm able to identify areas that can be improved to increase efficiency around the onboarding of clients and implement training so others can easily identify ML/FT risks. CDD is not 'one size fits all' and helping people understand this often helps them gain a better understanding of their requirements.

3. Is this something you consciously worked towards, or saw as an opportunity to gain more experience in the AML sector and your AML journey?

It was definitely an opportunity for me. At the beginning of the process, I had no idea how much development it could lead to in other areas, or how important the workflow process to incorporate AML requirements would be. This is now what drives me; identifying areas of change to make AML compliance an easy process in the workplace.

4. What are some of the biggest challenges, in your opinion, businesses and people face with AML?

Getting people to understand there might be several answers to the same question. There are so many variables around customer due diligence, risk, and the subsequent requirements. It is often hard for those collecting the information to understand

why what was needed for one entity may differ to the next.

5. Do you think there is a lack of understanding or confusion with AML?

Fortunately for those in compliance management, there's not as much as there first was. It is evident from the guidance and updates from the supervisors that they are listening to the concerns of each sector. The governing bodies within each sector – for example, REINZ and NZLS – are continually developing training opportunities and putting submissions forward to make it easier to understand for those that fall under the Act.

And what can those in the industry do better, in your opinion?

Streamlining the requirements of responsibility for onboarding clients in transactions that require CDD. The hard part is that we have to remember that each organisation has its own risk assessment and compliance programme, so there is often confusion if someone else is asking for more information and others less, depending on what policies they've adopted.

What are or is the biggest positive change you've seen?

The biometric element for Electronic Identity Verification (EIV) is great. This has improved the onboarding process for many organisations. It is evident that key changes from industry submissions to our supervisors show that they are listening, and we will see more positive changes in the future.

6. During your career have there been standout people who've motivated and mentored you and how did they, if at all, impact where you are now?

Yes, Debra Dorrington, former partner of AlexanderDorrington. She inspired me to follow a career in the legal industry and was the biggest mentor to me over the years. With her guidance I was able to identify my interests and skills, which have got me where

I am today. I am without a doubt not the only person who she has inspired, both professionally and personally.

7. What are your top tips/ suggestions for those looking to further their journey in this sector?

The AML/CFT industry is still relatively new, especially for Phase 2 entities. There are many opportunities to develop integral parts of it. If you like change and your strength is identifying better workplace practices for compliance, this is definitely a role to consider. Keep up to date with key changes, get involved with submissions, and attend regular meetings with other organisations to share ideas that can help others.

8. What advice would you give to someone wanting to improve their AML compliance?

Approach AML/CFT services in New Zealand for help. Also, ask anyone who has written a risk assessment and compliance programme – they can give you guidance over and above what a supervisor can. And don't believe you can template everything; you can up to a certain point, but there are so many variables that you need to adjust according to your organisation's unique compliance programme.

Now let's get a little personal:

1. Favourite eating place? Nowhere in particular, so long as the food is fresh, and I am with good company.

2. Chill time – what works for you? And hey, let's be honest here – no judgment . . . Camping, with a good book, or a walk on the beach.

3. What are clear traits that make you great at what you do? I'm organised (probably bordering on the OCD side) and love a challenge. I'm very process driven, I like putting it all together to make it simple and that is why I enjoy what I do.

4. What's the last thing you geeked out about? Minimalista by Shira Gill. I love books and this one was introduced to me by a friend. It is perfect timing as I relocate from Mount Maunganui to Auckland.

5. Family time: best spots? Maraehako Camping Ground at Whanarua Bay or in QLD, Australia with friends and family.

6. Recommended, preferred drink? Champagne and Margaritas.

7. Favourite meal to make? That's assuming you can cook . . . again, no judgment! My nana's traditional vegetable soup. If I'm having a lazy night in, then it has to be Rice, Rice, Baby.



Jody Renwick is Compliance Manager for Ray White Takanini and Karaka, in Auckland. She began her career in the legal industry in 2002 and, over a period of six years, gained experience in almost every area of a law firm, before becoming Practice Manager in 2008.

Her primary responsibilities include managing the AML/CFT compliance for the business, including applying company procedures and conducting training. She's also responsible for preparing audits, annual reporting, and reviewing all contractual documents for compliance. She also supervises staff in all areas of compliance, and reviews and updates all company policies, handbooks, induction/training and supervision plans.

Jody loves identifying risks and eliminating or managing them. Where possible, she enjoys creating and implementing time saving workflows, so compliance doesn't feel like a burdensome task. She likes making things easy for people, so they can focus on what they are there to do. ●

JODY RENWICK

COMPLIANCE MANAGER
RAY WHITE TAKANINI AND KARAKA

RayWhite.

On the front line of the ‘battle for facts,’ with Maria Ressa

IN THIS MONTH’S MEET THE INVESTIGATORS PODCAST, NOBEL PEACE PRIZE-WINNING REPORTER AND PRESS FREEDOM ADVOCATE MARIA RESSA SPEAKS ABOUT HER CAREER, ABOUT JOURNALISM AND DEMOCRACY, AND ABOUT HAVING COURAGE IN THE FACE OF CONSTANT INTIMIDATION.

> By Salla Alecci



ICIJ Meet the Investigators: Maria Ressa

The [International Consortium of Investigative Journalists](#) collaborates with hundreds of members across the world. Each of these journalists is among the best in his or her country and many have won national and global awards. Our monthly series, [Meet the Investigators](#), highlights the work of these tireless journalists.

Ahead of Press Freedom Day we spoke with [Maria Ressa](#), the Filipino journalist who received the Nobel Peace Prize in 2021 alongside Russian journalist Dmitry Muratov.

Ressa is a co-founder and CEO of Rappler, an online news site in the Philippines, and a former CNN correspondent. In recent years, Ressa and Rappler have become the targets of numerous legal actions and threats from the Philippines' President Rodrigo Duterte and his administration. She has maintained her innocence and continues to fight back.

Maria's new book "How to Stand Up to a Dictator: The Fight for Our Future" is scheduled to be published in the fall of 2022.

This interview was recorded prior to the federal election in the Philippines, which was won by [Ferdinand Marcos Jr.](#)

ICIJ's [award-winning](#) Meet the Investigators series is emailed exclusively to ICIJ's Insiders each month before being published on [ICIJ.org](#), and is one of a number of ways we like to thank our community of supporters who are so integral to our independent journalism. You can join our [Insiders community](#) by [making a donation to ICIJ](#). Thanks to all our [ICIJ Members](#) who have shared their stories with us, and to all our supporters for helping ICIJ continue its work.

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Together with Aotearoa New Zealand and our global network, we're working to build a culture where transparency, integrity and good governance are core values – for individuals, for businesses and for Governments.

[Learn more](#)

CORRUPTION AND MONEY LAUNDERING ACROSS THE PACIFIC

> May, 2022

Research published by Transparency International New Zealand investigates corruption and money laundering within Pacific Island Countries (PICs). It highlights the linkage between the two concluding that preventive and investigative systems are insufficient and not operating effectively.

View the report: [Corruption and Money Laundering in the Pacific: Intertwined Challenges and Interlinked Responses.](#)

The research, undertaken by Professor John Hopkins and Chat le Nguyen from Canterbury University analyses the primary AML (Anti Money Laundering) measure relevant and applicable to anti-corruption. It examines the capacity and practice of implementing these standards in the Pacific, with detailed analysts of and case studies from seven selected Pacific Island Countries (PICs).

The report leaves no doubt that Pacific Island Countries do not pay sufficient attention to the link between corruption and money laundering and lack specific policies and resources to employ AML measures as anti-corruption tools” says Julie Haggie, CEO of Transparency International New Zealand.

The report finds that most PICs have a sound AML legal framework for combating corruption and confiscating its proceeds. However corruption and money-laundering remain an issue because:

- > of the countries’ limited willingness and/or ability to combat corruption through available AML tools
- > the countries studied do not pay sufficient attention to the link between corruption and money laundering.
- > they lack specific policies to employ AML measures as anti-corruption tools
- > they are not equipped with sufficient resources and expertise to address corruption-related money laundering

[Read the full report](#)

INTEGRITY FIJI ANTI-CORRUPTION ADVOCACY UPDATE

> May, 2022 By Joseph Veramu | Executive Director
Civic Leaders for Clean Transactions Integrity Fiji

One of the challenges for NGOs in the anti-corruption space like Integrity Fiji is the lack of research on money laundering and general corruption to inform the strategies it utilises to curb or alleviate it.

“We come up with ambitious strategies but without the latest baseline research we are not able to pinpoint the root causes of corruption and the ways of dealing effectively with it. That is why we at Integrity Fiji are so happy with the research by Dr Chat Nguyen and Professor John Hopkins on [Corruption and Money Laundering in the Pacific.](#)”

Reports coming out of TINZ have greatly helped Integrity Fiji in developing effective anti-corruption strategies. We have included this research in proposals to the United States Embassy in Suva, and the United Nations Development Program (UNDP), and we are using it in preparation to present to the International Foundation of Electoral Systems (IEFS).

STRONG 2021 FOR INTEGRITY FIJI

In 2021 we launched a highly successful Massive Open Online Course (MOOC) on Anti-Corruption with the Fiji National University.

TINZ representative Claire Johnstone helped set up Integrity Fiji’s highly successful relationship with the Ministry of Economy’s Fiji Procurement Office.

For the November 2021 Global Corruption Barometer (GCB) release in Fiji three youth leaders - Lati Shalom, Grace Konrote and Sam Walosio - made the GCB presentation nationally. We are proud of their effort.

The GCB release brought on a tsunami of publicity. It was very widely covered in the Fijian Parliament, FBC TV and Fiji One TV. The Fiji Times ran five front page stories on it. The media training we had received from TINZ’s Debbie Gee when she visited us in Fiji was very useful when we were bombarded with requests for interviews.

[Read in full](#)

JULIE READ, ANTI-CORRUPTION ADVOCATE

> May, 2022 By Dame Suzanne Snively, DNZM TINZ Lifetime Member

Julie Read has quietly left the Serious Fraud Office (SFO) after her full term of nine years at the helm.

She was well equipped for the role based on her previous experience with the Australian Securities and Investments Commission (ASIC). This included work as Special Counsel, Litigation, responsible for the conduct of major litigation for ASIC. Prior to that she was Senior Executive, Major Fraud and International.

Julie brought huge expertise and experience to identify and prosecute serious fraud. She made major progress in leading the Government to address the wider concept of corruption.

In an incoming ministerial briefing she pointed out that

“The SFO’s work helps guard New Zealand’s international reputation as a society where public institutions are trusted and widely respected for transparency and integrity. Our performance safeguards the country’s financial system and institutions against criminal activities capable of destroying that trust.”

She performed admirably in preserving trust in New Zealand’s public institutions and through this New Zealand’s reputation as a trusted place to do business.

Julie and TINZ

Julie was a strong supporter of Transparency International New Zealand through her participation, presentations and other contributions to the Public Sector Leadership Integrity Forums.

[Read in full.](#)