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Money Laundering Trends in South Africa
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INTRODUCTION
Although money laundering has been a statutory offence for close on ten years in South Africa¹, not much is known about the phenomenon of laundering in the country. In particular, little is known about the methods that South African criminals employ to launder their ill-gotten gains.

This Centre for the Study of Economic Crime (CenSEC) of RAU University undertook a limited study to identify major laundering trends in South Africa. It was the first study of its kind to be undertaken in South Africa. As a result, it posed a number of challenges. Classic empirical research in this field is difficult, if not impossible, because the activity is inherently secretive in nature. The suspicious transactions reports that have been filed with the South African Police Service since 1997² are still too few and too unrepresentative to use as a basis for such a study. As a result, it was decided to consult experts in law enforcement and in business on the knowledge and impressions gained from criminal and compliance investigations and to base the study on their perceptions and impressions. To ensure that the views reflected in this study are representative of trends in South Africa in general, the experts were invited to a workshop where their views could be aired and debated and where consensus could be reached.

The workshop took place at the RAU University on 5th December, 2001. It was hosted and facilitated by CenSEC and was supported by the National Treasury, the Money Laundering Forum of South Africa, the Compliance Institute of South Africa and Monash University (South Africa). The workshop was primarily funded by the British High Commission in South Africa. It was attended by a group of persons who represented 440 years of experience in combating financial crime in South Africa. In essence,³ the report was based on the consensus reached during that workshop. The report itself was released in March 2002 and it is available on the website of the CenSEC.⁴ This article presents the findings of the study.

THE LAW
Introduction
The term ‘money laundering’ in South African criminal law currently⁵ refers to a number of different offences that can be committed in terms of the Prevention of Organised Crime Act 121 of 1998 (POCA).⁶ The concept also overlaps with certain common law offences (for instance fraud, forgery and uttering) and statutory offences (for instance corruption). Internationally, there is a fair measure of similarity and conformity amongst the different national laws that give rise to money laundering offences. This conformity can be ascribed to the influence of international instruments that create duties regarding the criminalisation of money laundering,⁷ the 40 Recommendations of the Financial Action Task Force and the influence of the Task Force, the Commonwealth and other international role players in this field. However, the South African laundering offences are wider in ambit than similar offences that are generally encountered internationally. It is
therefore important to provide an overview of the relevant criminal provisions in South African law before the trends can be discussed.

The relevant laws
Although intentional launderers have been prosecuted successfully in terms of South African common law as accessories after the fact, South Africa supplemented its law in this regard with statutory provisions in the Drugs and Drug Trafficking Act 140 of 1992. This Act criminalised, inter alia, the laundering of the proceeds of specific drug-related offences and required the reporting of suspicious transactions involving the proceeds of drug-related offences. The Proceeds of Crime Act 76 of 1996 broadened the scope of the statutory laundering provisions to all types of offences. In 1999, the Proceeds of Crime Act as well as the laundering provisions of the Drugs and Drug Trafficking Act were repealed when POCA came into effect.

POCA:

(i) criminalises racketeering and creates offences relating to activities of criminal gangs;

(ii) criminalises money laundering in general and also creates a number of serious offences in respect of laundering and racketeering;

(iii) contains a general reporting obligation for businesses coming into possession of suspicious property; and

(iv) contains mechanisms for criminal confiscation of proceeds of crime and for civil forfeiture of proceeds and instrumentalities of offences.

POCA creates two sets of money laundering offences:

(i) offences involving proceeds of all forms of crime; and

(ii) offences involving proceeds of a pattern of racketeering.

General money laundering provisions
Important definitions
The general money laundering provisions criminalise certain acts in respect of the `proceeds of unlawful activities'. This phrase is defined in s. 1 of POCA as any property or any service, advantage, benefit or reward which was derived, received or retained in connection with or as a result of any unlawful activity
carried on by any person. In addition, the definition makes it clear that the proceeds could have been derived, directly or indirectly, in South Africa or elsewhere, at any time before or after the commencement of POCA⁰¹ and that it includes any property representing such property.

`Property' is defined broadly as money or any other movable, immovable, corporeal or incorporeal thing. It also includes any rights, privileges, claims, securities and any interest in, and all proceeds of, such property.¹² `Unlawful activity' is any conduct which constitutes a crime or which contravenes any law irrespective of whether or not such conduct occurred before or after the commencement of POCA and whether it occurred in South Africa or elsewhere.¹³

General offences
POCA creates three main general money laundering offences. First, a person who knows or ought reasonably to have known that property is or forms part of the proceeds of unlawful activities, commits an offence in terms of s. 4 if he enters into any agreement, arrangement or transaction (whether legally enforceable or not) in connection with the property; or performs any other act in connection with the property, which has the effect or is likely to have the effect:

(i) of concealing or disguising the nature, source, location, disposition or movement of the property or the ownership of the property or any interest in the property; or

(ii) of enabling or assisting any person who committed an offence to avoid prosecution or to remove or diminish any property acquired as a result of an offence.

Second, a person commits an offence in terms of s. 5 if he knows or ought reasonably to have known that another person has obtained the proceeds of unlawful activities and enters into any transaction, agreement or arrangement in terms of which:

(i) the retention or control by or on behalf of that other person of the proceeds of unlawful activity is facilitated; or

(ii) the proceeds are used to make funds available to that person, to acquire property on his behalf, or to benefit him in any other way.

Third, a person who acquires, uses or possesses property and who knows or ought reasonably to have known that it is or forms part of the proceeds of unlawful activities of another person, commits an offence under s. 6.

Negligence and intent
The offences under ss 4, 5 and 6 can only be committed by a person who knows or ought reasonably to have known that the property concerned constituted the proceeds of unlawful activities.

For purposes of the Act, a person had knowledge of a fact if he actually knew that fact, or if the court is satisfied that he believed that there was a reasonable possibility of the existence of that fact and then failed to obtain information to confirm or disprove the fact. A person acts negligently if he fails to recognise or suspect a fact which a person with the general knowledge, skill, training and experience that may reasonably be expected of a person in the position of the particular person as well as the general knowledge, skill, training and experience that he or she in fact has, would have recognised or suspected.

**Defence and penalties**

A person who is charged with negligently committing an offence under ss 2 (1)(a) or (b) or 4, 5, or 6 may raise the fact that he reported a suspicion under s. 7 of POCA as a defence.

A person who is convicted of a money laundering offence under ss 4, 5 or 6 is liable to a maximum fine of R100m (US$9m) or to imprisonment for a period not exceeding 30 years.

**Money laundering and racketeering**

The racketeering provisions of POCA are contained in chapter 2 of the Act. This chapter creates inter alia a number of offences in connection with the receipt, use or investment of proceeds of a `pattern of racketeering activity'.

The Act does not define `racketeering' but does provide a definition of a `pattern of racketeering activity'. This phrase refers to the planned, ongoing, continuous or repeated participation or involvement in any offence referred to in Schedule 1 of POCA. Schedule 1 contains a list of offences such as murder, rape, corruption, fraud, perjury, theft and robbery, as well as any offence punishable with imprisonment of more than one year without the option of a fine. In terms of the definition, a pattern is established when at least two of these listed offences were committed, if:

(i) the latter occurred within ten years of the commission of the prior offence (excluding any period of imprisonment); and

(ii) at least one of the offences was committed after the commencement of the Act.

The laundering offences in terms of chapter 2 are committed when the proceeds of a pattern of racketeering activity are invested in or on behalf of an `enterprise'. `Enterprise' is defined as including any individual, partnership, corporation, association or other juristic person or legal entity and any union or group of individuals associated in fact, although not a juristic person or legal entity.
Laundering offences linked to racketeering
The following acts in connection with property constitute offences if the person knows or ought reasonably to have known\(^2\) that the property is derived, directly or indirectly, from a pattern of racketeering activity. These offences are committed irrespective of whether or not the acts occur in South Africa or elsewhere.

First, an offence is committed in terms of s. 2(1)(a) if such property is received or retained and any part of it is used or invested, directly or indirectly, to acquire any interest in an enterprise, to establish or operate an enterprise or to fund any activities of an enterprise.

Second, an offence is committed in terms of s. 2(1) (b) if a person receives or retains any such property, directly or indirectly, on behalf of an enterprise.

Third, an offence is committed under s. 2(1) (c) if a person uses or invests any such property, directly or indirectly, on behalf of any enterprise, to acquire an interest in an enterprise, to establish or operate an enterprise or to fund the activities of an enterprise.

The offences in s. 2(1) (c) are very similar to the offences in terms of s. 2(1) (a). However, s. 2(1) (c) does not explicitly require that the offender received or retained any tainted property before an offence can be committed.\(^2\) Any person who conspires or attempts to commit any of the s. 2(1) offences commits an offence in terms of s. 2(1) (g). A person convicted of a racketeering offence in terms of s. 2(1) is liable to a fine not exceeding R1,000m (US$90m) or to imprisonment for a maximum term of life imprisonment.

Reporting of suspicious transactions
General reporting obligations in respect of suspicious transactions are created by s. 7 of POCA. This section will be repealed by FICA and replaced with a new and broader provision relating to suspicious and unusual transactions. However, as the relevant provisions of FICA have not yet taken effect, the following discussion focuses on the current obligations under s. 7.

General reporting obligations
A person who carries on a business, is in charge of a business undertaking, manages a business undertaking, or is employed by a business undertaking, and who has reason to suspect:

(i) that any property which comes into his possession or the possession of the business undertaking is or forms part of the proceeds of unlawful activities; or

(ii) that a transaction to which he or the business undertaking is a party will facilitate the transfer of the proceeds of unlawful activities, must report this suspicion as well as all information concerning the grounds for the suspicion to the Commander of the Commercial Crime Investigations Subcomponent of the South African Police Service within a reasonable time.\(^2\)
A person who is party to a transaction in respect of which he forms a suspicion and which, in his opinion, should be reported under s. 7, may continue with that transaction but must ensure that all records relating to such transaction are kept and that all reasonable steps are taken to discharge the reporting obligation.23

Secrecy and confidentiality
In general, no obligation as to secrecy or any other restriction on the disclosure of information in respect of the affairs or business of another, whether imposed by any law, the common law or any agreement, affects this duty to report or to permit access to any register, record or other document.24 The reporter is explicitly exonerated from liability for any breach of secrecy that occurs as a result of the disclosure of information in compliance with this reporting obligation.25

Section 7 recognises only one exemption from the general reporting obligation, namely the attorney-client privilege in a criminal defence context. Section 7(5) (a) stipulates that the reporting duty may not be construed so as to infringe upon the common law right to professional privilege between an attorney and his client in respect of information communicated to the attorney to enable him to provide advice, defend or render other legal assistance to the client in connection with an offence under any law:

(i) of which the client is charged;

(ii) for which he has been arrested or summoned to appear in court; or

(iii) in respect of which an investigation is being conducted against him with a view to instituting criminal proceedings.26

Penalty
Failure to comply with the reporting obligation constitutes an offence for which a person is liable to a fine or to imprisonment for a period not exceeding 15 years. A person who lodged a report may raise that fact as a defence if he or she is charged with negligently committing a money laundering offence under ss 2(1) (a) or (b) or 4, 5 or 6.27

Tipping-off
Once a report has been made under s. 7, care should be taken that information prejudicial to an investigation does not leak. A person who knows or ought reasonably to have known that information has been disclosed in terms of s. 7, or that an investigation is being or may be conducted as a result of such a disclosure, commits an offence under s. 75(1) if he directly or indirectly alerts
another person, or brings information to the attention of another person, which will or is likely to prejudice such an investigation. The penalty for this offence is a fine or imprisonment for a period not exceeding 15 years.

Reporting statistics
According to the reporting statistics released by the Commercial Branch of the South African Police Service 2585 reports were filed since June 1997 until February 2002 (see Annex A). A number of these reports have resulted in convictions and/or asset forfeiture. The successes that flowed from suspicious transaction reports were not formally recorded, but the Commercial Branch Head Once has information regarding the value and positive impact of these reports. A Proceeds of Crime Investigation Desk was established at the Commercial Branch Head Office on 1st January, 2002. The Desk will receive, evaluate, analyse and distribute the suspicious transactions reports and other relevant information that is sent to the Commercial Branch. The Desk is set to increase the effective processing and investigation of laundering reports, information and intelligence by the South African Police Service. The Desk will also assist in keeping statistics on the use of information derived from suspicious transaction reports.

The Financial Intelligence Centre Act
(FICA)
Apart from reporting obligations, POCA does not impose the detailed compliance obligations that are generally associated with a money laundering control system. These obligations are created by FICA which:

(i) provides for the establishment and operation of the Financial Intelligence Centre (FIC) and a Money Laundering Advisory Council (MLAC);

(ii) creates money laundering control obligations for specific persons and institutions; and

(iii) regulates access to specific information.

In terms of Notice 6 of 2002, the following provisions of FICA came into operation on 1st February, 2002:

(i) s. 1 (definitions);

(ii) chapter 1: ss 2±16 (FIC);

(iii) chapter 2: ss 17±20 (MLAC); and

(iv) chapter 5: ss 72±82 (miscellaneous), except s. 79 (amendment of laws).
The effect of the proclamation is that the FIC and the MLAC were both established on 1st February, 2002. In addition, the Minister has been empowered to make regulations to provide guidance on all matters that must be prescribed by regulation in terms of FICA. Further provisions of FICA, including the money laundering control obligations, will come into effect when the regulations are made. Until the relevant provisions come into effect, POCA remains the only statute creating specific money laundering offences. As this report focuses on the laundering offences that can be committed under South African law at the date of this report, no further discussion of FICA is required.31

The law and money laundering trends
As set out in the discussion above, the South African money laundering offences have a broad scope: first, the relevant offences can be committed either intentionally or negligently; secondly, the offences are not confined to the proceeds of drug-related or serious offences, but can be committed in respect of the proceeds of any type of offence, whether committed in South Africa or elsewhere and whether committed before or after the commencement of POCA; thirdly, although the majority of offences can only be committed by third parties who facilitate the laundering of the proceeds of another, the main laundering offences can be committed by the criminal who committed the underlying offence – every act that the criminal commits in an attempt to hide, change or spend the proceeds can therefore constitute a laundering offence; fourth, no minimum value is required to be involved in a laundering transaction before an offence can be committed.

One consequence of the broad definition of laundering in POCA is that virtually every act that a criminal or a third party commits in respect of the proceeds of crime can constitute a laundering offence. A study of laundering trends from a South African perspective is therefore not confined to those acts that are committed with the intention to launder the funds but extends, in principle, to every act that is committed in respect of the proceeds of unlawful activities. However, such acts will only constitute laundering offences, if it can be proved that they were committed intentionally or by a person who negligently failed to appreciate the true nature of the property concerned.

MONEY LAUNDERING TRENDS IN SOUTH AFRICA
During the workshop, participants listed examples of money laundering schemes that they generally encounter. These examples were grouped and were then analysed in smaller group discussions. The following five broad themes emerged from these discussions:

(i) purchase of goods and properties;

(ii) abuse of businesses and business entities;

(iii) cash and currency;

(iv) abuse of financial institutions; and
Purchase of goods and properties
South African criminals appear to enjoy the wealth that they derive from crime. Instead of hiding the wealth, it is often displayed. Money is spent on expensive clothes, personal effects, vehicles, property and furniture. In coastal areas boats, jet skis and yachts are also purchased by some criminals and in rural areas livestock and farm implements are bought. These purchases are not necessarily made with the intention to launder money. In the majority of cases criminals merely want to enjoy the proceeds of their crimes and improve their lifestyles. However, in view of the broad definition of laundering in South African law, these transactions would still constitute laundering offences as defined in POCA.

Criminals purchase the above-mentioned goods from ordinary vendors (for instance, general retailers, private citizens who are selling second-hand goods, auctioneers etc). The fact that sizeable cash transactions are often concluded in South Africa facilitates cash purchases by criminals. As sizeable amounts of dirty money are used to buy vehicles and real estate, special attention was given to these transactions during the workshop.

Vehicles
Many vehicle dealers are not yet aware of their duty under POCA to report suspicious transactions. As a result, it is still fairly easy for criminals to purchase vehicles for cash without a fear of triggering a suspicious transaction report. These vehicles will often be luxury vehicles, but cases have also been encountered where smaller vehicles and commercial vehicles were purchased by criminals.

Some of these vehicles are registered in the names of the criminals, but sophisticated criminals who are concerned about the risks of confiscation and forfeiture of their assets often register the vehicle in the name of a front company, a family member or a close friend.

Real estate
Criminals often spend money on real estate. Although these criminals would often buy residential properties in up-market suburbs, cases have been identified where ordinary residential property, commercial property and farms were bought. In some cases the criminals deliberately bought run-down properties because it gave them the opportunity to spend sizeable amounts of cash to restore the property. Instances were also detected where the criminal assembled a portfolio of properties that were let to tenants who would often pay the rental in cash. This real estate rental business then served as a front that enabled the criminal to launder proceeds from other offences.

Estate agents are not yet fully compliant with their obligations under POCA. As a result, appropriate questions are not generally asked when a client proposes to settle the purchase price in cash.
As in the case of vehicles, the properties are sometimes registered in the name of the criminal but more often in the names of corporate entities or trusts controlled by the criminal or in the names of family members of third parties.

Real estate transactions are also abused in another way to launder money: proceeds of crime are paid into a trust account of an attorney or an estate agent by a new client who instructs the attorney or agent to assist him in acquiring a property. A few days later the client cancels the instructions and requests the repayment of the money. The money will often be repaid by means of a cheque drawn by the attorney or the estate agent. In these cases the criminal uses the ruse of a transaction to launder a sizeable amount of money through the trust account of the attorney or estate agent.

Financing of purchases
Although vehicles are often bought for cash and real estate transactions are sometimes settled in cash, cases have also been encountered where the criminal obtained financing for the transaction from a financial institution. The proceeds of crime are then used to settle the hire purchase obligations or to pay off the bond in a short period. In certain cases, the payments continue after all the obligations to the financial institution were met. As a result a surplus amount builds up in the particular account. Such amounts can escape detection by law enforcement authorities.

Location of property
It seems as if criminals prefer to buy real estate in South Africa rather than to invest in properties abroad. According to the experts, the vast majority of movable property which is bought (for instance, vehicles, boats, aircraft and yachts) also remains within South African territory. This trend could perhaps be ascribed to the weak exchange rate and to the fact that criminals wish to enjoy their wealth and therefore want their purchases to be close by. However, it is also possible that substantial international purchases and investments have escaped detection by law enforcement officials. Such transactions would deliberately be masked or disguised where they are made in contravention of the South African exchange control regulations.

Abuse of businesses and business entities
Criminals often use business activities and business enterprises to launder money. Such business activities are conducted in the formal and informal sectors of the South African economy. These business enterprises can be unincorporated (for instance sole proprietorships, business trusts and partnerships) or incorporated (for instance close corporations and companies). Shell corporations are sometimes used to open and operate bank accounts. These entities will not actually be trading and their main purposes would be to provide the criminal with a corporate cloak under which he could hide his identity and launder money. These entities could be registered personally or through an agent, such as an auditor or attorney, or be bought off the shelf. Shelf companies are advertised for as little as R650 and shelf corporations for only R450. The shareholders, directors or members of these shell corporations are often family
members of other third parties who will act according to the instructions of the ultimate controller of the corporation.

Front businesses often feature in laundering schemes. Unlike shell corporations, these businesses are trading actively. The proceeds of crime are used to fund the business activities of the enterprise and/ or are simply co-mingled with the legitimate proceeds of the business itself and deposited into the bank account of the business as the proceeds of the business. If the criminal launders cash, the front business will normally be cash-based to facilitate the process. Examples of such businesses that have been encountered in South Africa include bars, restaurants, shebeens, cash loans businesses and cellphone shops. Businesses that import and export goods into and from South Africa are also often abused in laundering schemes. Their business activities can be used to shield over- and under-invoicing schemes, thereby allowing a criminal to move criminal funds across the borders of South Africa. Many South African criminals mastered the art of such schemes during the periods of strict exchange controls in the 1970s and 1980s. These skills are still employed to evade the current exchange controls but, in addition, are also employed in the commission of import/export frauds and in laundering schemes.

The trust appears to be particularly vulnerable to abuse in laundering schemes. Although the South African trust affords participants the benefit of privacy and limited liability, it is not closely regulated and the public record system in respect of trusts is also deficient. As a result, trusts often feature in laundering schemes and schemes to hide assets that may be subject to confiscation or forfeiture procedures. Apart from South African trusts, schemes involving offshore trusts have also been encountered by investigators.

Cash and currency
Criminals who commit offences that generate cash proceeds, for instance cash heists or drug trafficking, are often able to transfer or spend substantial amounts without using the formal financial system.

Evidence has been found that substantial amounts are transferred physically to and from destinations in South Africa, whether by the criminals themselves or by third parties who act as couriers. Cash can be transferred physically in many ways, but during the workshop specific examples were cited where cash was strapped to bodies of passengers in motor vehicles and aircraft or hidden in their luggage. Similar methods are used to convey cash across the borders of South Africa. While it is legitimate to convey cash physically within South African borders, substantial cash amounts can only be transferred across South Africa's borders legally if the exchange control requirements have been met.

Criminals launder illicit cash in many ways. As outlined earlier, luxury goods, vehicles and real estate may be bought. Trust accounts of professionals such as attorneys and estate agents are sometimes used to place the cash amounts in the financial system. Automatic teller machines and automatic vending machines selling cellphone products have also been used to place cash
amounts. Laundering of cash also takes place in legal as well as illegal gambling institutions. In these cases, criminals or their assistants would often buy gambling chips or credits in cash. After a short period of gambling, the gambler would return and exchange the cash or credits for a cheque issued by the gaming institution. Slot machines in casinos have also proved vulnerable for abuse by launderers who used them successfully to launder bank notes that were stained by dye during cash heists. There is also evidence of laundering of cash at racecourses in South Africa. In some instances, the launderer would buy a winning ticket from a punter for a cash amount which would constitute a premium on the actual winnings for the seller.

Some criminals also convert their South African cash into foreign currency. Such a conversion could be made to facilitate a payment that must be effected abroad, for instance to pay a foreign syndicate for a drug consignment, or to facilitate the investment of the proceeds abroad. Organised crime syndicates consisting of mainly foreign nationals often convert the currency to make it easier to spend their South African proceeds in their home countries. These syndicates often operate in American dollars and they also serve as a source of dollars on the black market for South African criminals who wish to convert their South African currency into dollars. Some syndicates also purchase international currency from tourists who are visiting South Africa. It appears as if some syndicates comprised of foreign nationals may be organising tour groups from their home countries to visit South Africa in order to obtain foreign currency.

Abuse of financial institutions
South Africa has a well-developed financial system. Products on offer vary from internet banking facilities and offshore unit trust investments to small savings accounts for a target audience comprised of people who are under-banked. Exchange controls have deterred the large-scale abuse of the financial system by international launderers. However, South African criminals are abusing the system in many different ways to launder and invest their ill-gotten gains.

A sizeable amount of dirty money is still deposited into bank accounts. Criminals sometimes deposit money into their own bank accounts, but more sophisticated criminals will often open accounts with false identification documentation or will open these in the names of front companies or trusts. There is also a trend towards using legitimate bank accounts of family members or third parties. An arrangement would be made with a family member who will allow the criminal to deposit and withdraw money from his or her account. In subsequent investigations, the family member will invariably plead ignorance of the true nature of the funds that were deposited. The first two convictions that were handed down for statutory money laundering in South Africa were based on such arrangements.

There is also evidence that more sophisticated criminals are using credit and debit card facilities to launder money and especially to move proceeds of crime across the borders of South Africa. Automatic teller machines are also used to deposit and withdraw money. Automatic teller machines that offer the facility to generate bank cheques have featured in particular laundering schemes.
Bearer documents such as Negotiable Certificates of Deposit have also been employed in sophisticated schemes. Cases were also cited where insurance products were used to launder money. Single premium policies are bought with the proceeds of crime or the proceeds are used to pay monthly premiums. In some cases the launderer would make an overpayment and then ask for a repayment of the excess amount. When the company repays the excess amount the launderer represents the money as a payment in terms of an insurance product. In other cases the launderer would buy and surrender policies. There is a substantial market in second-hand policies in South Africa and this market is also vulnerable to abuse by launderers.

The informal sector of the economy
The informal sector in South Africa represents an important part of the economy of the country. According to Statistics South Africa's October Household Survey (2000), the 'informal sector consists of those businesses which are unregistered, generally small in nature, and are seldom run from business premises, using instead homes, street pavements or other informal arrangements'. For purposes of this report the emphasis is placed on those participants in the informal sector of the economy that use legal means to reach legal ends, but which operate:

- in a largely unregulated environment (for instance hawkers), or
- in a regulated environment where they do not comply with the formal laws and regulations that apply to the operation of such a business enterprise (for instance a licensed taxi operating company that does not keep formal financial records because the operator lacks the necessary skills, knowledge or interest to keep such records).

Many, if not the majority of these businesses in the informal sector, can be described as survivalist and micro-enterprises. However, there are sizeable businesses that are often conducted informally, either because of a lack of formal business skills or a desire to remain outside the tax net. Although these businesses operate informally, they do at times operate with the formal sector of the economy. An informal business may, for instance, have a formal contract with a supplier or a financial institution. Apart from the micro-lending industry, formal businesses are often reluctant to extend credit to informal businesses because of the high risk involved. The very nature of the informal sector makes it difficult to identify the client, verify its financial status and levy execution in case of default. Most of the informal sector business is therefore conducted on a cash basis or similar non-credit basis.

The prevalence of informal business enterprises in South Africa, coupled with the general absence of formal financial and other business records, allows for the abuse of such enterprises by launderers. They serve as convenient front businesses because it is difficult to dispute the business's alleged turnover in relation to its actual turnover. In fact, it is often impractical for formal sector
businesses to attempt to verify business information furnished to them by informal sector businesses.

Sizeable amounts of cash are also deposited into community-based rotating credit schemes that operate general savings schemes (eg stokvels), or dedicated savings schemes (eg burial societies). In the majority of these cases all the members will be known to one another. Every member will regularly deposit an agreed sum of money into a fund which is given, in whole or in part, to each member in rotation. Although the majority of schemes cannot be penetrated by a launderer, a launderer could operate a sham stokvel as a front to launder money.

Underground banking systems in the form of hawala/hundi systems are operating in South Africa within specific ethnic communities. These systems have apparently been used for many years to evade exchange control restrictions and expensive foreign exchange transaction fees.

There are a number of other organisations, which operate on the outer fringes of the regulatory systems, that are also vulnerable to abuse as front businesses by launderers. These include NGOs, charitable institutions and churches.

The abuse of the informal sector by launderers is a cause for concern. The laundering laws primarily regulate the formal sector of the economy. The extent of laundering in the informal economy cannot be estimated with any degree of certainty, but it is probably substantial. Arguments that laundered proceeds in the informal economy will be detected at the stage when such funds enter the formal sector of the economy do not sufficiently discount the nature of the informal sector of the economy. Proceeds can be placed, layered and integrated in the informal sector without entering the formal sector of the economy. If a launderer requires the proceeds to enter the formal sector, he can ensure that it does so at a stage when it has been laundered sufficiently and cannot be linked to unlawful activity anymore.

General

Many laundering schemes are too complicated to be planned and executed by the criminals themselves. There is clear evidence that knowledgeable persons do assist criminals to launder money. These persons often have legal, banking or tax expertise or general business acumen. For example, in the first case in which a conviction was handed down for statutory money laundering, S v Dustigar, an attorney and a police officer played key roles in planning and operating different laundering schemes.

CASE STUDIES AND EXAMPLES

Facilitators

In S v Dustigar (Case no. CC6/2000, Durban and Coast Local Division, unreported) 19 persons were convicted for their involvement in the biggest armed robbery in South Africa's history. Nine of the accused were convicted as accessories after the fact on the strength of their involvement in the laundering of the proceeds and a tenth accused (Neethie
Naidoo) was convicted on a count of statutory laundering under the Proceeds of Crime Act 76 of 1996. Many of the accused were family members or third parties who allowed the abuse of their bank accounts to launder the money. In some cases they also allowed new accounts to be opened and fixed deposits to be made in their names to launder the money.

Accused no. 9 (Nugalen Gopal Pillay) was a practising attorney. A robber who turned state witness testified that the accused approached him at the court. After confirming confidentially that the witness participated in the robbery, the accused said that he `must (then) have a lot of money'. Some time later he approached the witness and offered him an investment opportunity in a nightclub. The attorney then brokered the deal between the sellers and the witness. He drafted a sales agreement in which the name of the purchaser was left blank. He handed R500,000 in cash to the sellers at his office as a deposit in terms of the agreement. He drafted another sham agreement in the name of another purchaser and also manipulated his trust account records to hide the identity of the purchaser and the actual amounts that were paid. Accused no. 9 was sentenced to five years' imprisonment. The sentence can be converted into community service after at least one-sixth of the sentence has been served.

Accused no. 13 (Balasoorain Naidoo) was a police captain who had served for 18 years in the South African Police Service. The judge described him as a highly intelligent person with business acumen. He created the laundering scheme that involved seven of the other accused:

`Of all the accused who have been convicted as accessories, accused No. 13's role was undoubtedly by far the most serious. He took upon himself the task of organising the so-called money laundering. He did so spontaneously and apparently with considerable vigour. He did so, furthermore, in enormous proportions. His ingenuity was limitless. In doing what he did he over-reached and manipulated not only police colleagues but also the women in his life who were under his influence, being accused Nos 15, 16 and 19.'

Accused No. 13 was sentenced to 15 years' imprisonment.

Spending patterns
The following two cases afford examples of ostentatious spending by criminals. They do not represent criminal spending patterns in general, although the Asset Forfeiture Unit has encountered a number of similar cases. These cases do, however, highlight the types of goods that are often bought with ill-gotten gains.

In Motsepe v Commissioner of Inland Revenue 1997 2 SA 898 (CC) the CIR brought a sequestration order against the estate of Motsepe on the strength of a liquidated claim of R6.3m arising from tax assessments against him. Motsepe had been charged with drug offences, but escaped from custody and, when the judgment in the tax matter was handed down, he was still a fugitive from justice. In the papers before the court his estate was valued at R4.1m. His assets included 16 motor vehicles (eight Mercedes Benzes, four Toyotas, three
Volkswagens and a 944 Turbo Porsche). He also held 16 personal bank accounts and over a period of two years amounts totalling R613,000 were deposited into these accounts.

In S v Caswell (Case no. 27/87/98, Regional Court, Cape Town) the accused was convicted of theft of R8.9m from her employer and sentenced to ten years in prison. Evidence was led that, in a two-year period, she bought, amongst other things, two houses, two businesses, 13 luxury vehicles, five caravans, a motorbike, a ski-boat and a trailer.60

Abuse of bank accounts of third parties
In S v Van Zyl (Case no. 27/180/98, Regional Court, Cape Town) Van Zyl pleaded guilty to a charge of negligent laundering under s. 28 of the Proceeds of Crime Act 76 of 1996. He was the brother-in-law of Caswell who was convicted of theft of R8.9m from her employer (see above). He allowed her to make 79 transfers of money totalling R7.6m from the account of her employer into his personal bank account. These moneys were channelled, on instructions by his sister-in-law, to her by means of cheques made out either to her or to people nominated by her. Some withdrawals were also made at ATMs. According to the accused, he was led to believe that the money was the result of successful business ventures of, and investments by, his sister-in-law. He acknowledged that his beliefs were unreasonable. He was sentenced to a fine of R10,000 and to imprisonment for ten years, suspended for five years.61

Front businesses and registration of property in the names of other parties
In Director of Public Prosecutions: Cape of Good Hope v Bathgate 2000 (1) SACR 105 (C) the Director sought a restraint order against the respondent who stood accused of drug dealing.

The state estimated the value of the respondent's assets at R1.2m. The respondent was unemployed at the time of his arrest. The respondent alleged that he usually operated a flea-market stall, but, due to a lack of stock, he had been unable to trade for several months. His only income, according to the respondent, was R4,500 per month in the form of rentals from properties. He also alleged that he acquired R200,000 as gambling income.

The respondent formed a close corporation, Bathgate Investments CC, in 1995. He was the only member of the corporation. It had no bank account or income generating business but it did own two properties. The respondent owned a further two properties. In terms of a written agreement between the respondent and one Williams, one of the properties, as well as a vehicle, was registered in the name of Williams on condition that ownership would revert to the respondent upon notice.
Van Zyl J commented as follows in his judgment (para. 21):

`The respondent's close corporation, Bathgate Investments CC, is clearly a front for his criminal activities. There is no suggestion that it has any business activity of its own and likewise there is no indication of its having generated any income with which it acquired the real estate registered in its name. In the same way the respondent has made use of Gayle Williams for purposes of concealing certain of his assets, such as the Milnerton property and the vehicle purportedly registered in her name.'

CONCLUSION
This limited study provides a summary of expert opinions on the major money laundering trends in South Africa in 2001±02. The results of the study could serve as one of the basic benchmarks against which the efficacy as well as the impact of the money laundering control framework can be evaluated at a future date. There is evidence that POCA has already had a noticeable impact on laundering methods in practice. The more sophisticated criminals have started to adapt their laundering strategies to protect their assets from confiscation and forfeiture under POCA. Financial institutions with more vigorous anti-laundering policies have also recorded instances where potential clients were lost to institutions with less vigorous policies.

The effect of laundering legislation on laundering practices in the country is set to increase substantially once FICA is fully implemented, the FIC is operational and the regulated institutions are compliant. However, the extent of the impact will depend on factors such as:

- the general level of awareness of the public of the law in this regard;

- the level of compliance by business institutions and their employees with the laundering laws;

- the effectiveness of the FIC;

- regulatory action against institutions that fail to comply with their obligations; and

- the prosecution and conviction of those who flaunt the law.

There are positive indications that the South African money laundering control system will have an impact on current trends: important steps have already been taken by the South African government to ensure that the FIC can operate effectively and both government and the financial industry have committed themselves to combating money laundering.

The study also provides an indication of major areas that require further attention. For instance, business enterprises such as companies, close corporations and trusts are being abused for laundering purposes. Attention will
have to be given to measures that will safeguard these entities from abuse. Research should be undertaken to determine features that facilitate the abuse of such entities with a view to possible reform of the relevant legislation and regulatory structures. Attention should also be given to the possibility of regulating those service providers who assist in the incorporation of business entities and who sell shelf entities. Studies are furthermore required that will assist in determining the extent of money laundering in the economy. Considerable attention needs to be given to measurement issues in both the formal and informal sector. Such studies would not only assist in determining sensitive control measures that may be employed to counter laundering, but will also provide valuable insight into the general effects of laundering on macro-economic performance (ie growth, investment and job creation).

During the workshop the hope was expressed that, in addition to more detailed studies of specific problematic areas, further studies on money laundering typologies and trends in South Africa will be undertaken in future. Such studies are required to develop a thorough understanding of money laundering methodologies in South Africa. However, it is also important to develop an understanding of money laundering methodology in the region and it is hoped that similar regional studies will be undertaken in the near future.
ANNEX A

The following information was released by the South African Police Service:

A comparison of the figures regarding the reports received for the period January 1998 to December 1998 with the same period for the year 1999 reveals an increase of 81.67 per cent.

A comparison of the figures regarding the reports received for the period January 1999 to December 1999 to the same period for the year 2000 reveals an increase of 96.54 per cent.

A comparison of the figures regarding the reports received for the period January 2000 to December 2000 to the same period for the year 2001 reveals an increase of 47.21 per cent.

108 reports were filed in January 2002 and 113 in February 2002.
REFERENCES

(1) See the discussion in the section 'The relevant laws' below.

(2) See Annexure A for the reporting statistics.

(3) Apart from the oral contributions made during the workshop, CenSEC also received written contributions from some experts who were unable to attend the workshop. A draft of the report was also circulated to a core group of participants in the workshop, including Ursula M'Crystal, Murray Michell, Stephen Saunders, Jeanne de Koker, Jacques Marnewicke, Gideon Serfontein, John Symington and Ronel van Wyk, to ensure that the views expressed during the workshop were correctly reflected in the report. Their comments were invaluable.

(4) www.general.rau.ac.za/law/English/CenSec_2.htm

(5) The concept will broaden once the new criminal provisions of the Financial Intelligence Centre Act 38 of 2001 (FICA) come into effect. FICA creates an additional offence, namely conducting transactions to avoid being reported.

(6) FICA defines 'money laundering' as an activity which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds and includes any activity which constitutes an offence in terms of s. 64 of that Act (conducting transactions to avoid reporting duties under the Act) or under s. 4 (money laundering), s. 5 (assisting another to benefit from the proceeds of crime) or s. 6 (acquisition, possession or use of proceeds of unlawful activities) of POCA.


(8) See the discussion in the section 'Facilitators' below.

(9) See in general De Koker (2001) KPMG Money Laundering Control Service, Butterworths. This reporting provision in POCA will be repealed when the relevant provisions of FICA come into effect. See para. 2.6 in this respect. The duty to report suspicious and unusual transactions will then be regulated by s. 29 of FICA.

(10) Ibid


(12) Section 1 of POCA.

(13) Ibid.

(14) Section 1(2) of POCA. Therefore, if a person had a strong suspicion that the property might be tainted and, nevertheless, proceeded with the transaction without making reasonable inquiries, the court may find that he acted with full knowledge of the true nature of the property.

(15) Section 1(3) of POCA.

(16) See the discussion in the section 'Reporting of suspicious transactions' below.

National Director of Public Prosecutions v Carolus [2000] 1 All SA 302 (A) 307 per Farlam AJA: "The second chapter, as the heading indicates, deals with offences relating to racketeering activities. Its provisions appear to be modelled on, or at least strongly influenced by, a statute passed by the United States Congress in 1970, viz the Racketeer Influenced and Corrupt Organisations Act (RICO).

Section 1 of POCA.

See the discussion of these forms of knowledge in the section 'Negligence and Intent' above.

In addition to the three racketeering-based money laundering offences, POCA also criminalises inter alia the acquisition or maintenance of an interest in or control of any enterprise through a pattern of racketeering activity and the conducting of the affairs of an enterprise through a pattern of racketeering activity. See s. 2(1) of POCA.

Section 7 of POCA (as amended); Prevention of Organised Crime Regulations, 1999, issued in terms of Government Notice R 416 of 1st April, 1999 (as amended). See in general De Koker, ref. 9 above. A transaction to which such a person or the business undertaking is a party, must be reported even if it is discontinued, if it may have brought the proceeds of unlawful activities into the possession of the person or business undertaking or may have facilitated the transfer of the proceeds of unlawful activities, had the transaction been concluded. The Commander of the Commercial Crime Investigations Subcomponent may, in writing, require the reporter to provide him with particulars or further particulars of any matter concerning the suspicion and the grounds on which it rests as well as copies of all available documentation concerning such particulars. If the person has the necessary information or documentation, he must comply with the request within a reasonable time (ss 7(3) and 7(4) of POCA).

Section 7(6) of POCA.

Section 7(5)(a) of POCA.

Section 7(5)(b) of POCA.

This exemption is clearly limited to a criminal defence context. Information gleaned while undertaking ordinary civil work (for instance, while forming companies and trusts or doing estate planning for a client) does not fall within the ambit of the exemption.

See the offences discussed above.

Van Wyk, Comments on the Draft Report, 15th March, 2002: "The mandate of the Desk is to receive, evaluate and analyse and distribute (where necessary) the suspicious transactions reports which are at present sent to the Commercial Branch, Head Office of the South African Police Service. The Desk will in future also serve as a nodal point for the reports, which will be forwarded by the Financial Intelligence Centre. Information that we are receiving at present is also fed into a database, called the POCA database, which was developed specifically for the Proceeds of Crime Investigation desk. At present three investigators are attached to the Desk. We will, however, increase this number to at least five by the end of March 2002."

'Accountable institutions', will have wide-ranging control obligations, including client identification, record-keeping and training of employees. Accountable institutions are inter alia attorneys, estate agents, banks, long-term insurers, foreign exchange dealers, investments advisers and money remitters. They also have to report electronic transfers to and from South Africa. 'Reporting institutions' are required to report transactions involving cash in excess of a prescribed amount. FICA currently lists persons dealing in motor vehicles as well as persons dealing in Kruger rands as reporting institutions. In
addition, FICA provides that all travellers should report any conveyance of cash in excess of a prescribed amount across the borders of the country and that persons involved in business should report unusual or suspicious transactions.


(31) For an overview of FICA see De Koker, ref. 9 above, Second Service, Issue 2002.

(32) See s. 4 of POCA.

(33) For example, see the cases mentioned in `Spending patterns' below. Many cases have also been detected where persons involved in crime engaged in gambling. In some cases the gambling activity is a front to allow them to launder money. In other cases, the gambler has become addicted to gambling and has started to commit serious offences in order to feed the gambling habit.


(36) See the section `General money laundering laws' above.

(37) See the judgment discussed in the section `Front businesses and registration of property in the names of other parties' below.

(38) The Estate Agents Board has embarked on an awareness campaign which is aimed at increasing the level of awareness of estate agents regarding money laundering.

(39) See for instance, the case discussed in the section `Front businesses and registration of property in the names of other parties' below.

(40) Such a deposit is sometimes made to process a stolen cheque. See for instance, Government of the Republic of South Africa v Van Hulsteyns Attorneys [1999] 2 All SA 29 T) and Van Hulsteyns Attorneys v Government of South Africa Caseno. 506/1999 (SCA) where the trust account of an attorney was abused for this purpose.


(43) During a ten-week period in 2001, flights that left Cape Town for other South African destinations were monitored. During this period, nearly R10m was transported by passengers in sizeable cash amounts ranging from R50,000 to R5m. Cf. van Vuren, J. (2001) Financial Investigations. Mr Jansen van Vuren also provided the following information relating to the weight of R1m in cash in different denominations as determined by the South African Reserve Bank: R10 $ 85 kg; R20 $ 45 kg; R50 $ 19 kg; R100 $ 10 kg and R200 $ 5.25 kg. Jansen van Vuren, Letter to CenSEC re Physical Transportation of Cash, 6th March, 2002.

(44) See ref. 42 above.

(45) Casinos have been changing their practices in this respect. They will now often refuse to issue a cheque when the chips were bought for cash and will simply repay the gambler in cash. Although this method stymies the attempt by a criminal to place the dirty money and exchange the cash for a negotiable instrument, it still helps the criminal to rid himself
of the particular bank notes. This is of particular benefit to a criminal where the particular bank notes may have been marked in some way or other.

(46) Claasen `Industry Salient Points' in KPMG Banking Survey - Africa 2001, pp. 20±21 provides the following interesting perspectives on the South African banking industry:

Total banking assets grew by 5.7 per cent to R790bn in the third quarter of 2000. . . The banking sector remains dominated by the Big Six banks whose combined assets account for approximately86percentofthemarket...Deposits increased to R577.6bn . . . Foreign funding has grown from R37.8bn a year before to R54bn as at September 2000. However, this shows that South African banks do not have large foreign currency exposures (9 per cent of total advances).'

(47) Hartdegen, `Industry Overview Ð South Africa' in KPMG Banking Survey - Africa 2001, 26: `The large banks all rolled out e-commerce initiatives. These ranged from Nedcor's `convergence strategy' and commercialisation of its technology and operations divisions, to FirstRand's innovative E-Bucks initiative, Stanbic launching bluebean and trade standard, BOE's I can online joint venture with M-Web, and ABSA offering free internet access.'

(48) See ref. 42 above; the cases discussed in the first three sections of 'Case Studies and Examples' below.

(49) Marnewicke, Comments on Draft Report, 12th March, 2002: The insurance industry frequently experiences instances of fraudulent surrenders of investments and fraudulent loans against investments or policies. Investigations of these crimes has shown that the perpetrators often make use of the bank accounts of third parties to launder the proceeds of their crimes . . . Our experience has, however, shown a number of variations on this practice. Dormant bank accounts, bank accounts of family members and even bank accounts of third parties that were still operational are used. In one particular instance the fraudster used homeless people to open their bank accounts in order to facilitate the laundering of their crimes.'

(50) The cases, S v Dustigar (Case no. CC6/2000 (Durban and Coast Local Division, unreported) and S v Caswell (Case no. 27/87/98 (Regional Court, Cape Town, unreported), are discussed below in 'Case Studies and Examples'.

(51) This discussion of the informal sector of the economy benefited greatly from data and views that were contributed by Stephen Saunders of the School of Business and Economics of Monash University (South Africa).

(52) It is estimated that the informal sector made a 6.9 per cent contribution to the GDP of South Africa (7.2 per cent of the non-agricultural GDP) in 1995. See Charmes, `Informal Sector, Poverty and Gender: A Review of Empirical Evidence', background paper for the World Development Report 2001, World Bank (1999), p. 44. With high rates of population growth, urbanisation and shrinking formal employment, the informal sector tends to absorb most of the labour force. Formal sector employment has decreased from 5.1m in 1997 to 4.8m in 1999, while informal sector employment has increased from 1.1m in 1997 to 1.9m in 1999 !Statistics South Africa October Household Survey (2000) P0317). The process of industrial restructuring, as South Africa moved into the global economy, resulted in a greater decentralisation of production leading to a decrease in formal sector employment. Out of a necessary survival strategy (because of the limited number of social safety nets such as unemployment benefits and pensions), the informal sector seemed largely to absorb these participants. Officially, the informal sector as a percentage of total employment has increased from 12.3 per cent in 1997 to 18.4 per cent in 1999. It is estimated that formal sector employment for 2001 will be 6.4m, while informal sector employment will be 2.6m representing 22.5 percent of the total employment for 2001. See Statistics South Africa, Labour Force Survey (2001) P0210. The coverage of official informal sector surveys is very limited and numbers and amounts are probably underestimated.
(53) Business enterprises that employ illicit means to reach illicit ends (for instance fraudulent pyramid investments schemes and brothels) and enterprises employing illicit means to reach legal ends (for instance, unlicensed taxi operators) can also be classified as participants in the informal sector. The proceeds of businesses in the first category would constitute proceeds of crime. Acts in respect of such proceeds are therefore already addressed in this report. Businesses in the second category would either overlap with those in the first category (where the illicit means are of such a serious nature that the business and its proceeds are tainted) or with the businesses as out lined in the discussion above (for instance, where the illicit means are merely of a strict administrative or regulatory nature).

(54) For an example of the way in which sizeable businesses are sometimes conducted in rural areas, see National Director of Public Prosecutions v Mcasa 2000 (1) SACR 263 IT). In this matter a restraint order was granted against the assets of the respondents. They were charged with kidnapping a daughter of a person who then paid them R1.8m as ransom. Mcasa responded that he is a successful businessman. He has owned inter alia a hotel in the Transkei for three years. The monthly turnover of the hotel is R300,000±400,000 per month. This was generated mainly by liquor sales which are done on a cash basis. As a result of his business activities R300,000± R600,000 passed through his hands per month. In para. 32 of the judgment, a core part of his affidavit was summarised as follows: 'In the Transkei, business transactions are usually of a cash nature, even for large amounts of money. He has often kept large reserves of cash especially when he intended to conclude new transactions; even in his taxi business this was the norm. He has not always kept accurate record of those dealings. He is the sole controlling party of his business. It is of no great concern to him where the moneys are D they are accessible to him. He never expected that he would, on pain of confiscation of his assets, have to account for every single cent of his money and how he earned and spent it over the past two or three years.'

(55) Concern has been expressed before about the lack of research about laundering and the informal sector. See De Koker (1998) ‘Preface’ in De Koker and Henning, Money Laundering Control in South Africa, Tran CBL, Vol. 20: ‘It is submitted that multi-disciplinary research in respect of all aspects of money laundering is urgently required in South Africa to assist the development of effective money laundering laws. Research is, for instance, required about the phenomenon of money laundering. Little is known about the extent of the problem and about the main methods employed by money launderers. The information that is available is mainly anecdotal. It seems as if the informal business sector is often abused for money laundering. If substantial laundering occurs in the informal sector, research will be required on the most effective methods of regulation of that sector. Research on the possible impact of general money laundering legislation on the South African economy is also required. There is probably a substantial pool of criminal funds in the formal South African economy. Money laundering legislation may induce money launderers to divert criminal profits from the regulated formal business sector to the less-regulated informal business sector. Such a diversion of funds will impact negatively on the formal business sector and on the collection of taxes by the State. It may also lead to an increase in organised crime activity in the informal sector and expose the already vulnerable businesses in that sector to increased levels of crime.'


(58) Ibid. p. 516: ‘My research has revealed that contributions in a stokvel with 20±25 members, and which has a pooling of funds once a week, may be as high as R500 per member per week. This means that the pool in such a stokvel amounts to R10,000 a week. It would appear that although the pools of most stokvels are not as big as R10,000,
there are a number of stokvels, especially in metropolitan areas, where the pool equals or even exceeds an amount of R10,000.'

(59) The case is discussed in 'Case Studies and Examples' below.


(61) Ibid

(62) The Centre for the Study of Economic Crime gratefully acknowledges the financial support that it received for this project from the British High Commission in South Africa. Further financial contributions by the Compliance Institute of South Africa and KPMG enabled the Centre to invite additional representatives from Durban and Cape Town to the workshop. The general support provided by the National Treasury, the Money Laundering Forum of South Africa, the Compliance Institute of South Africa and Monash University (South Africa) is also acknowledged with appreciation. Personnel of CenSEC and Monash University (South Africa), including Jeanne de Koker and Elze Lamprecht, rendered valuable technical assistance in the preparation of the report. Apart from their input at the workshop Ursula M'Crystal, Murray Michell, Gideon Serfontein, Jacques Marnewicke, Stephen Saunders and Ronel van Wyk also made invaluable contributions by commenting on the first draft of the report.

(63) See ref. 28 above