



# FINANCIAL INVESTIGATIONS DIVISION



## Annual Report

### 2013 - 2014

THE FINANCIAL INVESTIGATIONS DIVISION  
ANNUAL REPORT

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### **Vision**

To be an effective financial intelligence and investigation organisation that delivers quality products and services and contributes to financial and national security.

### **Mission**

To contribute to the national security of Jamaica by providing quality financial investigations which support the Government of Jamaica's strategic priorities.

### **Purpose**

To investigate and facilitate the prosecution of Financial Crimes through qualified, motivated staff utilizing innovative investigative techniques, and state of the art technology.

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## 1.0 CHIEF TECHNICAL DIRECTOR'S MESSAGE

During the fiscal year 2013-2014, the Financial Investigations Division has further asserted its position as a key player in the national effort to combat terrorist financing, money laundering and other financial crimes within our jurisdiction.

Our change management programme has proven to be a huge success in the transformation of divisional capacity building, employee engagement and the rationalization of resources supporting greater efficiency and productivity.

We are continuing on a positive path regarding our close collaboration with key law enforcement agencies evidenced by the finalisation of memoranda of understanding with a total of ten (10) local and overseas partners.

We are also extremely pleased to have been accepted as a member of the Egmont Group of Financial Intelligence Units which will serve to further strengthen our intelligence, information sharing and analytical capabilities.

There has been a marked increase in the number of investigations being pursued by the Division. This has resulted in the favourable conclusion of a number of Civil Recovery cases. Our efforts have continued to pay off culminating in the successful recovery of property valued in excess of \$111M during the 2013-14 period.

Our operational capacity received a much needed boost in 2013 as a consequence of several important legislative amendments to the Proceeds of Crime, Financial Investigations Division and Terrorism Prevention Acts.

The Division has also made, and continues to make a concerted effort, in collaboration with our local partners, to focus on significant business sectors, with potentially high risk/exposure to money laundering. Our intent is to have legislative changes made to POCA, effectively mandating individuals and business entities such as Attorneys-at-law, Accountants, Real Estate Dealers, Betting, Gaming and Casino Operators to conform to the reporting requirements regarding

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suspicious transactions. This process is expected to have a significant impact on Jamaica's financial crimes intelligence and investigative capabilities upon implementation.

Our Financial Intelligence Unit will benefit from an increased capacity to receive and analyse reports, given the recent signing of a contract for the procurement of the GoAML system. This system will facilitate online filing of the huge volume of reports received by FID on an annual basis. Both FID and our clients within the financial sector are expected to experience a significant reduction in cost and processing time subsequent to the implementation of the system.

Despite obvious challenges, we aim to fulfil our strategic objectives, looking forward to the many programmes and activities to be undertaken for the coming year and we will continue to play an important part in the progression of the GOJ's economic reform programme in our capacity as a leader in the detection, reduction and deterrent of financial crimes and the maintenance of a stable and reliable financial sector.

*Alford Stephen*

**Chief Technical Director (CTD) - Acting**

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## 2.0 THE FINANCIAL INVESTIGATIONS DIVISION (FID)

The Financial Investigations Division is a division within the Ministry of Finance and Planning. The Division has a staff complement of 68 along with 25 officers from the JCF and is organized into seven (7) units as follows:

- a. Executive Office
- b. Financial Intelligence Unit
- c. Financial Investigations Teams
- d. Legal Services Unit
- e. Asset Management Unit
- f. Information Technology Unit
- g. Planning and Administration Unit

It is important to recognise that the FID carries out its investigative work, through the activities of the Jamaica Constabulary Financial Unit, which is a unit of JCF officers that are assigned to work alongside the civilian staff of the FID inclusive of financial intelligence analysts, forensic analysts and attorneys at law.

The Division carries out functions under the Financial Investigations Divisions Act, the Proceeds of Crimes Act and the Terrorist Prevention Act.

The FID's functions under the FIDA are inter alia, to:

- a. Advise the Minister of Finance on policy relating to financial crimes;
- b. Collect request analyse and interpret information on financial crimes and reports received from entities under the FIDA or any other enactment;
- c. Disseminate information and reports to various law enforcement, prosecutory, regulatory, taxation and anti-corruption agencies
- d. Carry out its own investigations relating to financial crimes;
- e. Promote public awareness on the issue of financial crimes;
- f. Formulate management policies and an annual plan approved by the Minister;
- g. Establish a database for detecting and monitoring financial crimes;
- h. Engage in the compilation and publication of statistics on financial crimes and reports made to the Division;
- i. Manage and safeguard properties seized under FIDA or other laws relating to financial crimes;
- j. Carry out investigations and perform such activities either assigned to the Division or which the CTD considers necessary to the proper performance of its functions.



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Under the Proceeds of Crimes Act, the FID performs, inter alia, the following roles:

- a. It is the Asset Recovery Agency under section 3 of the Act and the provisions of the First Schedule to the Act are applicable.
- b. The Agency is also an Enforcing Authority under the Act for the purposes of conducting proceedings relating to criminal forfeiture under section 5 of the Act and proceedings relating to civil recovery under section 57.
- c. The Agency is also expressly authorized to conduct civil recovery proceedings in the Supreme Court.
- d. The officers of the Agency are also Authorized Officers under the investigative provisions of POCA and may apply to the courts for disclosure orders, search and seizure warrants, customer information orders and account monitoring orders.
- e. The Chief Technical Director of the Financial Investigations Division is also the Designated Authority under POCA for the purpose of receiving reports under section 94 (suspicious transaction reporting) and 101 (declarations regarding cross border movement of cash) of the POCA and regulation 3 (Threshold Transaction Reports).

Under the Terrorism Prevention Act, the FID carries out the following roles:

- a. The FID is named as a “Relevant Authority” (together with the Office of The Director of Public Prosecution (ODPP)) under the TPA. As a result the FIDA is authorized to apply to the courts for the following investigatory and final orders, namely Monitoring Orders, Examination and Production Orders, Orders for Forfeiture, Restraint Orders. Constables may also apply for search warrants under the TPA.
- b. The Chief Technical Director is Director of the Financial Investigations Division and is also the Designated Authority under the Terrorism Prevention Act for the purpose of receiving reports from financial institutions under section 14 (listed entity reports) and section 16 (suspicious transaction reporting).

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## 2.1 FINANCIAL INTELLIGENCE UNIT (FIU)

### a. STRUCTURE

The Intelligence Unit comprising the Financial Intelligence Unit (FIU) and the Financial Profile Section had ten (10) employees as at March 2014 as follows:

**TABLE 1 – STAFFING OF THE INTELLIGENCE UNIT**

Posts	Number of Persons	Posts	Number of Persons
Director - Intelligence	1	Senior Financial Analyst	1
Administrative Assistant	1	Data Analysts	2
Manager – Financial Profile	1	Intelligence Officer	1
Profile Officers	3		

With this cadre of highly experienced and trained staff the unit was able to successfully achieve its performance targets and carry out its routine operational activities.

### b. MAJOR FUNCTIONS

The main functions of the unit are:

- Receipt and processing of prescribed reports received under the Proceeds of Crime Act (POCA) and the Terrorism Prevention Act (TPA)
- The analysis and dissemination of pertinent information to law enforcement and regulatory bodies
- Monitoring the compliance of financial institutions within the framework of the legislation referred to at Item1 above
- Administering and managing the consent regime pursuant to Sections 91 and 99 of POCA
- Assisting law enforcement and regulatory agencies by conducting due diligence, fit and proper checks and the preparation of financial profiles on the requests of these agencies.
- Cooperating with international bodies including the Egmont Group of Financial Intelligence Units and Caribbean Financial Action Task Force (CFATF)
- Collation and analysis of relevant statistics
- Timely and relevant feedback to stakeholders
- Strategic analytical reports for policy makers for decision making purposes
- Identification of trends and patterns in money laundering and terrorism financing transactions and the production of typology reports.

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### **c. INCREASED COMPLIANCE - TPA**

For this fiscal year, the FIU in recognising its commitments to the international community in combatting terrorism financing transactions, increased its activities in encouraging financial institutions to comply with their reporting requirements under TPA. Appropriate correspondences were dispatched to these institutions reminding them of their obligation to report and providing them with electronic copies of the prescribed forms.

Every regulated entity is required to report to the Designated Authority (DA) once in every four (4) calendar months, or in response to a request made to it by the DA, whether or not it is in possession or control of any property owned or controlled by or on behalf of a listed entity. A listed entity is a person on a Listed Entity Order, which has been made by a judge of the Supreme Court and caused to be published by the Director of Public Prosecutions (DPP) in a national newspaper.

The FIU also advised the regulators of those institutions that failed to file reports under the TPA. The regulators in turn sent communication to their licensees advising of their non-compliance and the consequential adverse effects for continuing non-compliance. These actions are expected to lead to an increase in the compliance rate of financial institutions next year. Data on the level of reporting under TPA is illustrated in Chart 2.

It is noted however that all the Listed Entities Reports received under the TPA were nil reports indicating that no financial institution had conducted any transaction with a Listed Entity. The FIU will continue to monitor these reports to detect any change in the information being provided and to ensure that financial institutions continue to comply or otherwise, proceed to implement the relevant penalties for non-compliance.

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## **d. POCA - THRESHOLD & SUSPICIOUS TRANSACTION REPORTS AND AUTHORISED DISCLOSURES**

Under the Proceeds of Crime Act (POCA) the Designated Authority (FID) is authorised to receive the following reports:

- Threshold Transaction Reports on any cash transactions involving the prescribed amount<sup>1</sup> stipulated in POCA (Money Laundering Prevention) Regulations 2007.
- Suspicious Transactions Reports.
- Authorised and Protected Disclosures (This is a report to an authorised or nominated officer of information or other matter that causes the person making the disclosure to know or believe, or have reasonable grounds for knowing or believing that another person has engaged in money laundering).
- Declaration of Cross Border movement of funds as per Section 101, POCA.

**TABLE 2 - SUSPICIOUS AND THRESHOLD TRANSACTION REPORTS AND AUTHORISED  
DISCLOSURES RECEIVED**

<b>REPORT TYPE</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>% Change</b>
Suspicious	299,862	173,938	-42
Threshold	130,524	143,418	10
Authorised Disclosure	-	3	
<b>TOTAL</b>	<b>430,386</b>	<b>317,359</b>	

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<sup>1</sup> s3(8) POCA (Money Laundering Prevention) Regulations 2007 stipulates three prescribed thresholds based on the type of financial institution i.e. Money Transfer/Remittance Agent US\$5,000; Cambios/Bureaux de Change US \$8,000 and Other Financial Institutions US\$1,000

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**TABLE 3 - SUBMISSION OF SUSPICIOUS TRANSACTION REPORTS (STRs) BY FINANCIAL INSTITUTIONS CATEGORY**

FINANCIAL INSTITUTION TYPE	2012-2013	2013-2014	% Change
Commercial Banks	192	300	56
Cambios	20,111	37,865	88
Credit Unions	154	398	158
Building Societies	146	596	308
Merchant Banks	3	7	133
Securities Dealers	193	216	12
Remittance Services	279,044	134,534	-52
Insurance Services	19	22	16
TOTAL	299,862	173,938	

There was a forty two percent (42%) reduction in the number of suspicious transaction reports submitted in the current year when compared to the previous year. The sector that accounted for this reduction was remittances services which declined by fifty two percent (52%) where two hundred and seventy nine thousand and forty four (279,044) reports were submitted by this sector in 2012/2013. This decreased to one hundred and thirty four thousand, five hundred and thirty four (134,534) reports in 2013/2014.

The major factors behind this significant reduction were:

- The remittance companies became more proactive in dealing with the lottery scam where more effective measures were introduced in identifying and reducing fraudulent transfers. This led to temporary closures of some remittance outlets in areas where the lottery scam was deemed to be more prevalent.
- More sophisticated software and improved systems for detecting suspicious transactions led to a more targeted approach by the companies

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**TABLE 4 - SUBMISSION OF THRESHOLD TRANSACTION REPORTS (TTRs) BY FINANCIAL INSTITUTIONS CATEGORY**

<b>FINANCIAL INSTITUTION TYPE</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>% Change</b>
Commercial Banks	95,002	107,863	14
Cambios	21,381	21,016	-2
Credit Unions	109	51	-53
Building Societies	9,132	8,151	-11
Merchant Banks	1,055	1,031	-2
Securities Dealers	398	301	-24
Remittance Services	3,442	4,991	45
Insurance Services	5	14	180
Designated FI	-	-	
<b>TOTAL</b>	<b>130,524</b>	<b>143,418</b>	

**e. SUBMISSION OF AUTHORISED DISCLOSURES**

For fiscal year 2013/2014 the FID received three (3) authorised disclosures from the following sectors:

**TABLE 5 - AUTHORISED DISCLOSURES RECEIVED**

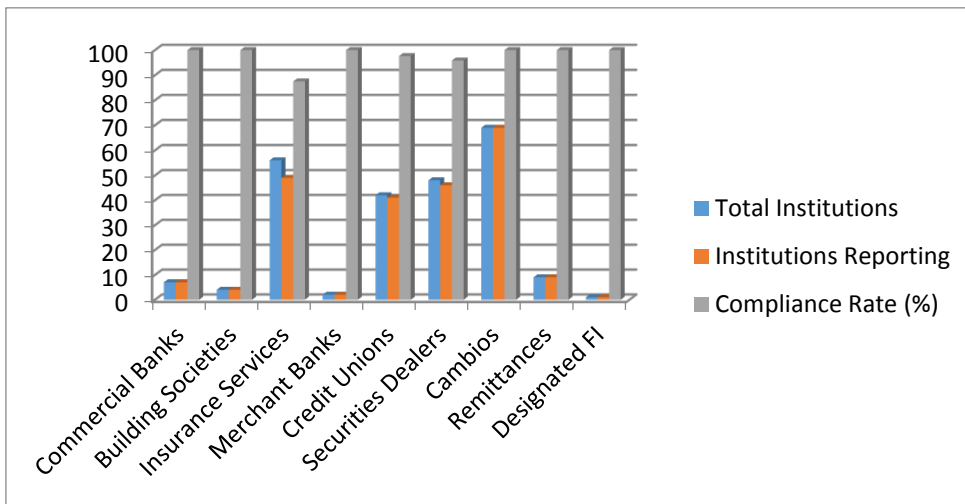
<b>Sector</b>	<b>2013-2014</b>
Attorneys-At-Law	2
Car Dealer	1
<b>TOTAL</b>	<b>3</b>

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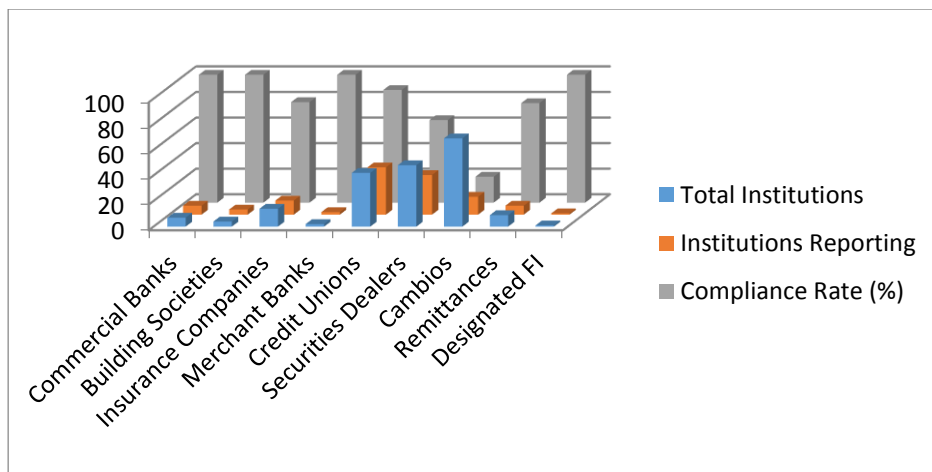
## f. COMPLIANCE RATE OF FINANCIAL INSTITUTIONS

The FID continues to monitor financial institutions' compliance in submitting Threshold Transaction Reports under POCA and Listed Entities Reports under the Terrorism Prevention Act (TPA). The level of compliance achieved by each type of institution is shown below.

**CHART 1  
REPRESENTATION OF FINANCIAL INSTITUTIONS' COMPLIANCE (POCA)**



**CHART 2  
REPRESENTATION OF FINANCIAL INSTITUTIONS' COMPLIANCE (TPA)**



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**g. REQUESTS FOR CONSENT**

Any person, who in the normal course of their business believes that a transaction involves criminal property, is required to seek consent from the Designated Authority (FID) before engaging in said transaction. The number of requests for consent received is shown below.

**TABLE 6 - NUMBER OF CONSENT REQUESTS**

CONSENT REQUESTS	2012-2013	2013-2014	% Change
<b>TOTAL</b>	<b>73</b>	<b>206</b>	<b>182</b>

The increase in the number of requests for consent was mostly due to increased awareness by financial institutions of the requirement to seek consent before conducting a prohibited transaction. This heightened responsiveness was as a result of increased training and outreach by the FID.

The increase was also as a result of the amendment to POCA in October 2013 with the insertion of Section 101A which places a restriction on cash transactions exceeding \$1 million. Financial institutions in many instances opted to seek consent to proceed with a transaction once they became cognisant that the funds being deposited were derived from a prior transaction that would have appeared to be in breach of Section 101A.

**h. DISCLOSURES GENERATED FROM STRs/TTRs TO LAW ENFORCEMENT**

Case disclosures are generated from the analysis of STRs and TTRs. These are disseminated to law enforcement agencies for investigation.

**TABLE 7 – NUMBER OF DISCLOSURES SUBMITTED TO LEA**

DISCLOSURES	2012-2013	2013-2014
New Cases	55	82
Notes to File <sup>2</sup>	27	16
<b>TOTAL</b>	<b>82</b>	<b>98</b>

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<sup>2</sup> Additional information on existing targets disseminated



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**i. CRIMINAL ACTIVITIES IDENTIFIED IN DISCLOSURES FROM STRs/TTRs**

New cases generated from STRs and TTRs are classified based on the types of criminal activities identified as shown below.

**TABLE 8 – CRIMINAL ACTIVITIES IDENTIFIED**

<b>CRIMINAL ACTIVITY</b>	<b>2012-2013</b>	<b>2013-2014</b>
Money Laundering	9	14
Corruption	1	5
Drug Trafficking	10	15
Lottery Scam	24	33
Other Fraud	8	6
Cash Transaction exceeding \$1M	0	4
Other <sup>3</sup>	3	5
<b>TOTAL</b>	<b>55</b>	<b>82</b>

**j. INTERNATIONAL TRANSPORTATION OF CASH OR BEARER NEGOTIABLE INSTRUMENTS (BNI) REPORTS**

Under Sec. 101 of POCA, a person who transports or causes the transport of currency exceeding US\$10,000 or its equivalent in any other currency into or out of Jamaica is required to make a report to the Designated Authority.

**TABLE 9 – TOTAL NUMBER OF CROSS BORDER REPORTS RECEIVED**

<b>REPORT TYPE</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>% Change</b>
<b>International Transportation of Currency (Cross Border Movement of Funds)</b>	118	230	95

<sup>3</sup> These were: Illegal trade in guns & ammunition, Breaches of Securities Act, Larceny, Operation of illegal cambio and Breaches of scrap metal regulations

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There was a substantial increase in the number of cross border reports received by the FID in 2013/2014. Contributing factors to this increase were:

- Greater enforcement and vigilance by Customs Officers who insist that travellers complete the declaration once they are found to be carrying cash exceeding US\$10,000
- Increased dialogue and consultation with Jamaica Customs Department and Passport Immigration and Citizenship Agency regarding the requirement for travellers to complete the CTR form.

## **k. DUE DILIGENCE, FIT & PROPER CHECKS AND FINANCIAL PROFILES**

The profiling section of the Intelligence Unit also assisted other investigative, regulatory and other government agencies by undertaking the following activities on their behalf:

**TABLE 10 - DUE DILIGENCE, FIT & PROPER AND FINANCIAL PROFILES**

<b>TYPE OF REPORT</b>	<b>2012-2013</b>	<b>2013-2014</b>
<b>Due Diligence</b>	6	5
<b>Fit and Proper Checks</b>	713	451
<b>Financial Profiles</b>	349	305

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## 2.2 FINANCIAL INVESTIGATIONS TEAM (FIT)

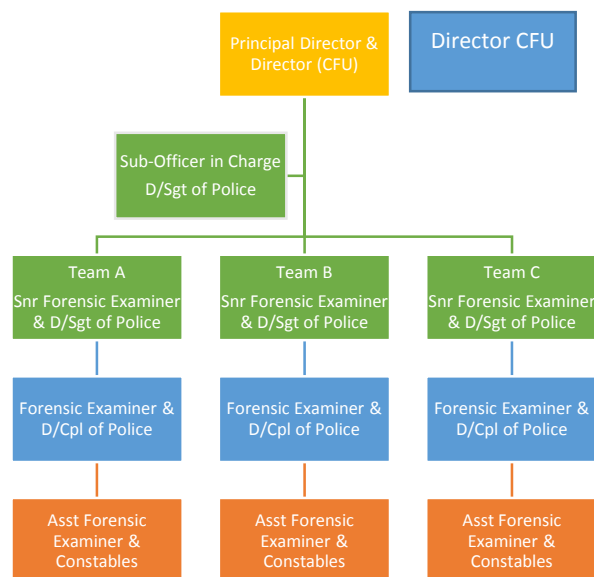
FIT is the investigatory and enforcement arm of the Financial Investigations Division. Its primary purpose is to disrupt criminal finances and benefits through the utilization of both criminal and civil investigation powers pursuant to the Proceeds of Crime Act. It also utilizes the Financial Investigations Division Act and the Terrorism Prevention Act in conducting financial crime investigations. The main types of investigations pursued by FIT are:

1. Money Laundering
2. Cash Seizure
3. Confiscation/Forfeiture; and
4. Civil Recovery of Property
5. Terrorism Financing

FIT is staffed by a cadre of highly trained, experienced and qualified financial investigators, comprising forensic accountants and police officers. The teams are jointly directed by the Principal Director of the Financial Crimes Investigation Unit (FCIU) and the Director of the Constabulary Financial Unit (CFU). The CFU comprises Jamaica Constabulary Force (JCF) Officers from OCID who are assigned under special arrangements to the FID. FIT was created as a part of the Division's change management programme whereby the Police Officers and Forensic Accountants would work in a team structure to strengthen the effectiveness of the Division's investigative efforts.

During the period under review, there were sixteen (16) forensic accountants and twenty one (21) police officers. A summary of the FIT structure is shown in Chart 3 below:

**Chart 3: Unit Structure**



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During the period under review, a total of Two Hundred and Thirty Two (232) cases were referred to FIT for investigation as detailed in Table 11 below:

<b>Table 11:</b>	
<b>New Assignments – 2013/2014</b>	
Cash Seizure	75
Financial Disclosures	78
Overseas Cooperation	9
Local Enquiries	38
Others	32
<b>Total</b>	<b>232</b>

A detailed monetary breakdown of the cash seizure cases are shown in Table 12 below:

<b>Table 12</b>	
<b>Major Currencies</b>	<b>Amount</b>
J\$	39,845,111.00
US\$	371,093.00
CN\$	11,824.00

In pursuit of its assignments, the following investigative activities were accomplished:

<b>Table 13:</b>	
<b>Investigative and Enforcement Activities</b>	
Operations	18
Arrests	23
Persons Charged for Financial Crimes	18
No. of Charges	49
Production & Inspection Orders (# Cases)	368
Account Monitoring Orders	2
Requests for Cooperation Completed (International)	9
Requests for Cooperation Completed (Local)	15
Civil Recovery Cases Completed	7
Cases Referred to TAJ	4

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A total of eighteen (18) individuals were charged with money laundering offences pursuant to the Proceeds of Crime Act. One person was convicted for the offence during the period. Also, three (3) persons were charged with cross border movement of funds: failure to declare as per section 101 of the Proceeds of Crime Act. One (1) person was convicted.

Arising from the civil recovery of property efforts of FIT, a total of six (6) properties and two (2) firearms were forfeited during the period. These assets had a combined value exceeding One Hundred and Eleven Million Dollars (\$111M).

In the 2013/2014 reporting period, the FID received a positive boost to its efforts of combating financial crime, through greater collaboration with the Major Organised Crime and Anti-Corruption Task Force (MOCA) of the Jamaica Constabulary Force. Numerous joint investigations were undertaken during the period, targeting persons involved in advance fee fraud (lotto scamming), corruption and large scale money laundering activities. In one such matter, a case initiated by the Division and investigated jointly with MOCA, resulted in the first arrest of an attorney-at-law in Jamaica for money laundering. In furtherance of the investigation, the Division successfully obtained a restraint order pursuant to POCA against several bank accounts with accumulated balances exceeding Jamaican Fifty Five Million Dollars (J\$55M) and United States Six Hundred and Forty Three Thousand (US\$643,000), as well as other real properties pending the prosecution of the matter.

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## 2.3 LEGAL SERVICES UNIT (LSU)

The Legal Services Unit (LSU) plays an integral role in the outcome of the overall responsibilities of the Financial Investigations Division. The LSU provides advice to the Chief Technical Director and staff of the Financial Investigations Division with respect to carrying out the statutory functions, responsibilities and powers vested in the Division under the various governing statutes.

The LSU continues to be staffed by qualified lawyers led by a director and provides the following:

- Legal direction and advice on the merits of cases for trial under relevant laws impacting FID, such as the Proceeds of Crime Act and Financial Investigations Division Act.
- Legal advice on evidentiary requirements and standards of proof necessary to be established by investigators to properly ground applications to the court.
- Representation of FID in the submission of cases and opinions to stakeholders, ministries and agencies engaged in the drive to remove benefit from crime.
- Representation on matters concerning financial crimes that are heard in the Resident Magistrate Court, Supreme Court and the Court of Appeal.
- Research and recommendations for required amendments to relevant legislations inclusive of regulations governing financial crimes.
- Representation of the FID in the negotiation of Memoranda of Understanding (MOU) with our stakeholders.

For the period, the engaged in the following activities:

<b>Activity List</b>	<b>Quantity</b>
Applications for Customer Information Orders	3
Applications for Restraint Orders	8
Applications for Disclosure Orders	2
Consent Orders leading to civil recovery of property	2
Cash seizure matters filed in court	10
Cash ordered forfeited to the crown	34
Cash either returned to the parties by the Agency or the court	70

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It should be noted that in cash seizure cases, the attorneys and investigators have to make an assessment of the strength of the case within certain strict timelines. In some cases, based on the additional investigations carried out, the evidence relating to the case may not meet the necessary threshold or there is cogent evidence to support the defendant's case. In such cases, the seized funds will be returned by the Division.

Pursuant to section 57 of the Proceeds of Crime Act, the FID, acting as the Assets Recovery Agency, has the authority to initiate civil proceedings for the recovery of property that has been obtained through unlawful conduct. For the period 2013/2014, the FID was successful in recovering real estate and other property which was obtained through unlawful conduct the value of which is shown in the table below:

<b>Table 15: Civil Recovery</b>		
<b>Asset Types</b>	<b>2013</b>	<b>2014</b>
Real Estate	50,000,000	54,500,000
Other Property	-	440,000

The FID established arrangements for the sharing of information with its international counterparts by way of Memorandum of Understanding (MOU) pursuant to Section 12 of the FID Act. The FID also executed MOU's with its key domestic partners to deal with areas such as information sharing, joint training opportunities and other areas of cooperation.

To date we have signed several MOU's both locally and internationally with the following countries.

**Table 16: International MOU's**

<b>Countries</b>	<b>Date</b>
Bermuda	Nov 2013
British Virgin Islands	Nov 2013
St. Kitts & Nevis	Nov 2013
St. Lucia	Nov 2013
St. Maarten	Nov 2013
Turks & Caicos	Nov 2013

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**Table 17: Local MOU's**

Organizations	Date
Jamaica Constabulary Force	Nov 2013
Office of Director of Public Prosecutions	Nov 2013
Tax Administration of Jamaica	July 2013
Jamaica Customs Agency	July 2013



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### 2.4 ASSET MANAGEMENT UNIT (AMU)

The Asset Management Unit (AMU) carries out the asset management functions of the Assets Recovery Agency (ARA) as set out under the Proceeds of Crime Act (POCA). The asset types currently under management include cash, personal property, real estate, motor vehicles, monies held in bank accounts and other financial instruments.

The AMU is also responsible for the preparation of the FID's annual Financial Statements.

The function of management of the various asset types covers the following action:

- 1. Receipt:** Officers observe strict guidelines with respect to assets that are taken into the custody of the AMU and ensure that full and proper examinations are conducted. This includes verifying and recording the status of the assets at the time of receipt.
- 2. Security:** The methods of securing assets will vary according to the asset type and involves regularly scheduled site visits by both officers of the AMU and JCF, installation of electronic monitoring systems, deposit of liquid assets to the accounts of the Assets Recovery Agency as required by law, use of offsite vault facilities, and where the assets are left in the hands of the registered owner, arrangements are made to have assets presented for inspection at set intervals.
- 3. Disposal:** Where assets are forfeited, the AMU seeks to use the most efficient and cost effective means of disposing of the asset so as to maximise the returns gained. Where the assets are to be returned to their owners, the AMU observes strict guidelines as to who the assets are returned to and under what circumstances.

Each activity is aimed at ensuring that the particular assets are not subject to unusual/extraordinary diminution in their value thereby obtaining their optimal values at the time of their disposal. In order to achieve this objective the four officers assigned to the AMU have to work closely with their colleagues at the FID as well as with agencies external to the FID such as the Jamaica Constabulary Force (JCF), Jamaica Customs Agency, the National Land Agency, our bankers, independent security firms and the Bank of Jamaica.

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**CASH SEIZURES**

The table below detail cash seizure activities for the reporting periods.

**Table 18**

DESCRIPTION	CURRENCY	2012-13	2013-14	REMARKS
<b>Cash Seizure Cases Investigated by both JCF/FID and Jamaica Customs Agency.</b>	-	168	124	
<b>Value of Cash Seized</b>	JA (\$)	57,579,932	14,389,411	Pursuant to Cash Seizure Investigations. POCA Provisions (s)75
	US (\$)	1,550,196	28,679,327	
	CAD (\$)	58,050	77,219	
	GBP (£)	14,865	4,901	
	EURO (€)	357,470	57,090	
	SWISS FRANC	5,200	Nil	
<b>Value of Cash Forfeited</b>	JA (\$)	2,211,624	3,915,752	Pursuant to Cash Seizure Investigations. POCA Provisions (s)79
	US (\$)	99,527	503,031	
	CAD (\$)	Nil	8,665	
	GBP (£)	20	Nil	
	EURO (€)	313,500	Nil	

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The value of assets under the AMU's management as at March 31, 2014 is reflected below.

**Table 19**

TYPE OF ASSET	PERIOD							
	2012-13				2013-14			
	Restrained		Forfeited		Restrained		Forfeited	
	#	(J\$'000)	#	(J\$'000)	#	(J\$'000)	#	(J\$'000)
REAL PROPERTY	105	864,943	12	116,040	97	678,160	23	258,140
OTHER PROPERTY	2	440	-	Nil	-	Nil	2	440
MOTOR VEHICLES	74	157,199	-	Nil	94	177,379	-	Nil
BANK ACCOUNTS & FINANCIAL INSTRUMENTS *	122	302,699	-	Nil	184	440,644	-	Nil
<b>TOTAL</b>		<b>1,325,281</b>		<b>116,040</b>		<b>1,296,183</b>		<b>258,580</b>

**\* BREAKDOWN OF BANK ACCOUNTS AND FINANCIAL INSTRUMENTS**

**Table 20**

PERIOD	JAD	USD	CAD	GBP
<b>As at March 31, 2013</b>	71,749,734	354,020	2,021,779	516
<b>As at March 31, 2014</b>	108,566,034	1,218,331	1,992,294	8,145

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### 2.5 INFORMATION TECHNOLOGY UNIT (ITU)

The Information Technology Unit of the FID was able to offer meaningful support to the division during the period 2013-14 notwithstanding limitations in regards to human resources. True to our goal of supporting the operational and strategic objectives of the division, the ITU led in the implementation of several ICT initiatives.

One significant achievement during the period was the signing of a contract for the procurement of a New Online Filing Solution (goAML) sourced from United Nations Office of Drug and Crime (UNODC). GoAML is a solution utilized by Financial Intelligence Units (FIUs) worldwide to marshal an attack against money laundering and terrorist financing which threaten the stability of financial systems and countries. This acquisition will allow the FID greater efficiency in the management and analysis of reports received from the financial sector under the Proceeds of Crimes Act and the Terrorism Prevention Act. This solution was funded with the support of our international partners at an approximate cost of US\$350,000.

In January 2014, the goAML software was delivered and installed within the FID and training provided for its configuration. The process of configuring the application continued into the new financial year. Additionally, the specification for the secure environment to host the goAML solution was concretised to facilitate funding support. This process continued into the new financial year.

The unit's work of supporting the FIU continued with the following activities:

- Uploading over 136,000 Financial Reports
- Upgrading XML reporting forms for POCA Reports.
- Developing new Cross Border Application
- Designing new TPA Form
- Designing new POCA (Section 100) Form

During the Change Management Programme, the ITU facilitated the implementation of the following:

- The design and commissioning of the FID website
- The creation of the new FID Logo
- Design and Publication of two (2) issues of the FID Newsletter
- Implementation of a new audio visual system
- Facilitate the merger of Units (FCIU & CFU) into FIT

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- Design, Develop and Implement a Statistics Information System
- Implementation of a new statistical reporting template

The application development arm of the Unit was kept extremely busy and the following was achieved:

- Designed and developed Cash Seizure application
- Designed and developed a Court Order application
- Designed, developed and implemented a Statistics Information System
- Initiated the redesign of the Case Management System
- Development of new forms
- Facilitated access to the Lexis Nexis case-law portal

In response to the rapid growth of cybercrime and the invasion of organizations data, the FID embarked on a programme upgrade infrastructure and competencies with the aim of protecting our network and information communication infrastructure. The unit is also in the process of designing new policies regarding information security, disaster recovery and business continuity.

The ITU continued its work in the area of digital forensics and was able to provide support in 16 cases being pursued by the Division. This support involved forensic recovery, analysis and reporting of information found on digital equipment seized by law enforcement officers. The unit is also required from to give evidence in court proceeding relating to these matters. The ITU also participated in the delivery of Cybercrimes Investigations training in collaboration with Caribbean Regional Drug Law Enforcement Centre (REDTRAC).

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## 2.6 PLANNING AND ADMINISTRATIVE SERVICES UNIT (PASU)

### Change Management Programme

For the period under review the Division continued with its change management programme which was initiated in the previous financial year with the completion of phase 1. The 2<sup>nd</sup> phase of the change management programme “Building institutional and individual capacity” was designed to share the data collected from the previous phase and to gain alignment and buy-in from the staff on the way forward. As such, a number of activities were rolled out in pursuit of realising this transformation:

1. **Capacity Building** - A series of professional and technical development programmes were designed and delivered to target three (3) levels within the organisation - namely, management, supervisors and junior staff. The purpose of the capacity training was to focus on specific gaps identified, such as leadership development, customer service and management issues.
2. **Merger** - The decision was taken to create an operational merger between two existing units - the Constabulary Financial Unit and the Financial Crimes Investigations Unit. This new unit is now called the Financial Investigations Team and will create greater synergy and efficiency.
3. **Employee Engagement** – A variety of teambuilding activities were organised to engage the staff to increase involvement and encourage interest:
  - The staff participated in two (2) competitions, the first to create a name for the newly merged unit and the second to design a Logo for the FID. This was conducted over a two (2) week period using the Survey Monkey Tool. The winners were awarded prizes for most creative name and design.

### FID's Inaugural Conference

In November 2013 the FID hosted its inaugural conference under the theme “**Taking the Profit out of Crime: A Collaborative Approach**”. The purpose of the conference was to aid the various stakeholders both private and public to better understand the roles and functions of the Financial Investigations Division in the fight against money laundering and terrorism financing. A total of seventy-nine external and internal persons attended the conference. Presentations were made by several key partners including British High Commission, BOJ, JCF and the University of the West Indies. The conference was a resounding success and the feedback from participants is that they have a greater understanding and appreciation of the FID work.

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### **FID's Introductory Booklet**

The FID' Introductory Booklet was designed, created and disseminated during this period. The booklet was created to provide stakeholders, both internally and externally with a greater understanding of the purpose, role and function of the FID. It also gives insight into the structure, vision and mission of the Division.

### **Human Resource Management**

The Division continued to achieve most of its targets and deliverables despite the shortage of human resource capital. Within the period, the division operated with approximately 70% of its staff complement.

### **Talent, Learning and Development**

As part of the FID ongoing efforts to enhance the staff competencies and keep them abreast of new technology and developments in the fight against financial crimes, the Division continued its robust training and development programme. The training identified were geared at enhancing the delivery of quality service and the achievement of the strategic objectives of the Ministry of Finance and Planning, in alignment with Vision 2030 and the National Development Plan; ***“To strengthen the institutional framework and capacity to effectively regulate financial institutions and combat financial crimes”***.

Over the period 115 man-days of training was received by the staff in the five (5) units. This translated to 1.3 man days of training per employee. A number of training opportunities were also provided by our international counterparts as they continue to aid the Division in its objectives.

### **Facility Management**

The FID is located at 1 Shalimar Avenue and occupies two office buildings at that location as well as out-buildings used for the storage of seized assets.

As part of the change management programme, areas were renovated and decorated for a more aesthetically pleasing working environment. The staff involvement was critical to the selection, design, colours and beautification of the building. The renovation and decoration included:

- Newly decorated canteen
- Newly decorated conference room, including new audio-visual equipment
- Mini-library space created for all staff to borrow and use reference books
- Vision, Mission and Values posters were created and placed in strategic positions

Building 2 also benefitted under the programme and the design and project plan was developed to provide a well-organized space where the collaborative efforts of the Forensic Examiners and

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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the Law Enforcement Team could merge for greater productivity and success. During the period the remodelling of the office space was initiated but was not fully completed.

## **Outreach Programme**

To increase the level of compliance by reporting entities and provide a greater awareness to key stakeholders of FID's fight against financial crimes, a number of training and sensitization sessions were held and approximately 673 participants, totally 368.5 hours benefitted.



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### 3.0 REGULATORY FRAMEWORK

For the period there were significant changes to the legislative framework, namely amendments in October 2013 to the Proceeds of Crimes Act and the Proceeds of Crimes (Money Laundering) Regulations. The amendments include:

- a. The introduction of a new section 101A which prohibited the conducting of large cash transactions (i.e. exceeding \$1,000,000.00) except in certain specified instances and with certain specific parties.
- b. Expansion of the powers of Competent Authorities. Competent Authorities are the day to day supervisors of various regulated business, but who, by virtue of their designation as Competent Authorities, have also assumed responsibilities for supervising for anti-money laundering compliance. These powers include the power to inspect books and records, share information with law enforcement, issue directions for compliance and issue registration requirements to ascertain those organizations within a profession or industry that should be subject to anti-money laundering obligations.
- c. Requiring financial institutions to risk-rate their customers and transactions so as to establish the appropriate measures that should be applied in cases of higher risk. The law also established greater clarity on those categories of individuals that should be considered as high risk and outlined the measures that should adopted in such cases.
- d. Requiring regulated business to assess the potential money laundering risks that arise in new distribution channels and products that are proposed to be offered to their clients.
- e. Providing greater guidance to regulated businesses on the time frames for updating customer information on the businesses records. This was moved from 5 years to 7 years, unless the regulated businesses apprehends circumstances which make it advisable for this exercise to be carried out on a more frequent basis.
- f. Clarify the suspicious transaction reporting requirements to ensure that this obligation is framed in accordance with the requisite international standard in this area.
- g. Allowing the Financial Investigations Division to sell assets that have been restrained, where the nature of the assets is that they will deteriorate over time. The Division will have to apply to a court for an order authorizing this sale and the funds generated will be placed in an escrow account until the legal proceedings are brought to an end. If the matters ends in favour of the defendant, then the sums together with all interest thereon, will be paid to the defendant.

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**4.0 TABLE OF ACRONYMS**

<b>ACRONYMS</b>	<b>DETAIL</b>
FID	Financial Investigations Division
FIDA	Financial Investigations Division Act
POCA	Proceeds of Crime Act
goAML	Go Anti Money Laundering
GOJ	Government of Jamaica
JCF	Jamaica Constabulary Force
CTD	Chief Technical Director
ODPP	Office of the Director of Public Prosecution
DPP	Director of Public Prosecution
TPA	Terrorism Prevention Act
FIU	Financial Intelligence Unit
AMU	Asset Management Unit
LSU	Legal Services Unit
PASU	Planning and Administrative Services Unit
ITU	Information Technology Unit
FIT	Financial Intelligence Team
FCIU	Financial Crimes Investigations Unit
CFU	Constabulary Forensic Unit
CFATF	Caribbean Financial Action Task Force
DA	Designated Authority
LEA	Law Enforcement Agency
STR	Suspicious Transaction Report
TTR	Threshold Transaction Report
BNI	Bearer Negotiable Instruments
CTR	Cash Transaction Report
OCID	Organized Crimes Investigations Division
MOCA	Major Organized Crime and Anti-Corruption Task Force
ARA	Asset Recovery Agency
UNODC	United Nations Office of Drug and Crime
REDTRAC	Caribbean Regional Drug and Law Enforcement Training Centre
BOJ	Bank of Jamaica

## 5.0 GLOSSARY OF TERMS

### **Authorised Disclosures**

An Authorized Disclosure under Section 100(4) is a report to an authorized or nominated officer of information or other matter that causes the person making the report to know or believe, or to have reasonable grounds for knowing or believing that property is criminal property.

The disclosure (report) should be made before doing the prohibited act, for which the consent of the DA is required.

A disclosure may however be made after doing the prohibited act where the person has a reasonable excuse for not making the disclosure before doing the act and has voluntarily made the report as soon as is reasonably practicable for him to make it.

### **Declarations Regarding Cross Border Movement of Cash**

Under POCA section 101, persons who transport or cause the transportation of cash in or out of Jamaica exceeding USD10, 000 or its equivalent in any other currency are required to make a report to the Designated Authority relating to the fact and amount being transported, particulars of the carrier, the source of the funds and the purpose for which the funds are being transported. The report should be submitted using the prescribed form before the transportation takes place.

### **Designated Authority**

Under POCA section 91, the term “Designated Authority” is defined as the Chief Technical Director of the Financial Investigations Division of the Ministry responsible for finance, or such other person as may be designated by the Minister by order.

### **Due Diligence Report**

The Division prepares, at the request of other government agencies, detailed background checks on persons/entities that are doing specified business with these agencies.

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### **Listed Entity Report**

These reports are made pursuant to section 15 of The Terrorism Prevention Act, whereby financial institutions and certain foreign companies carrying out financial business in Jamaica must make a report at least once every four (4) months, whether they are in possession or control of property owned or controlled by or on behalf of an entity that has been listed pursuant to section 14 of that Act.

### **Protected Disclosures**

Under section 100 of POCA, a disclosure is considered a protected disclosure if firstly, the information came to the person's attention in the course of his business or profession or employment, secondly, the information causes the person making the disclosure to know or believe or to have reasonable grounds for knowing or believing that another person has engaged in money laundering, and thirdly the disclosure is made to an authorised officer (being certain defined types of law enforcement officers) or to the nominated officer (being the officer within the organization) responsible for making suspicious transaction reports on behalf of the organization to the Designated Authority.

### **Suspicious Transaction Report (STR)**

This report is filed by the entities within the regulated sector where the person knows or believes or has reasonable grounds for knowing or believing that another person has engaged in a transaction that could constitute or be related to money laundering. Regulated entities have the responsibility to report these suspicious transactions to the Designated Authority within fifteen (15) days of matter coming to their attention.

### **Threshold Transaction Report (TTR)**

These are reports required to be filed by financial institutions pursuant to regulation 3 of the Proceeds of Crimes (Money Laundering) Regulations, when these financial institutions carry out transactions in cash above the prescribed thresholds. For money transfer and remittance agents

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or agencies, the prescribed amount is USD5,000 or more or its equivalent in other currencies, for bureaux de change (cambios) the prescribed amount is USD8,000 or more or its equivalent in other currencies and for all other financial institutions named under the Proceeds of Crimes Act, the prescribed amount is USD15,000 or more or its equivalent in other currencies. Currently, financial institutions, are required to file these reports quarterly. In cases where there are no cash transactions for the prescribed amongst, then the financial institutions are required to submit a 'NIL' report for the relevant period.

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# **6.0 AUDITED FINANCIAL STATEMENT**

## **2013 - 2014**

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**FINANCIAL INVESTIGATION DIVISION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

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Financial Investigation Division  
Financial Statements  
March 31, 2014

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# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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AUDITOR GENERAL'S DEPARTMENT  
P.O. BOX 455  
KINGSTON 10  
JAMAICA  
Email: [audgen@auditorgeneral.gov.jm](mailto:audgen@auditorgeneral.gov.jm)

## **INDEPENDENT AUDITOR'S REPORT**

**To the Chief Technical Director  
Financial Investigations Division**

### **Report on the Financial Statements**

I have audited the accompanying Financial Statements of the Financial Investigations Division, set out on pages 1 to 13, which comprise the Statement of Financial Position as at March 31, 2014, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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## **Opinion**

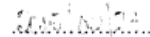
In my opinion the Financial Statements give a true and fair view of the financial position of the Financial Investigations Division as at March 31, 2014, and of its financial performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

## **Report on Additional Requirements of the Financial Investigations Division Act**

I have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Financial Statements are in agreement therewith and give the information required in the manner so required.



**Auditor General**



**Date**

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

**FINANCIAL INVESTIGATIONS DIVISION  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2014**

	Note	2014 \$	2013 (Restated) \$	2013 \$
<b>Non-current assets</b>				
Property, plant and equipment	5	31,642,059	34,772,255	34,772,255
		<u>31,642,059</u>	<u>34,772,255</u>	<u>34,772,255</u>
<b>Current assets</b>				
Financial crime assets	6	2,353,292,529	2,218,147,964	2,218,147,964
Forfeited property	7	306,835,743	116,340,000	116,340,000
Cash and cash equivalents		3,366,758	3,252,765	3,252,765
Advances and prepayments	8	9,836,455	11,716,473	11,716,473
		<u>2,673,331,485</u>	<u>2,349,457,202</u>	<u>2,349,457,202</u>
<b>Current liabilities</b>				
Financial crime liabilities	6	2,353,292,529	2,218,147,964	2,218,147,964
Employee benefits	9	55,159,264	43,516,974	43,516,974
Miscellaneous revenue payable		48,255,743	-	-
Payables and accruals	10	3,089,383	-	-
		<u>2,459,796,919</u>	<u>2,261,664,938</u>	<u>2,261,664,938</u>
Net current assets		213,534,566	87,792,264	87,792,264
<b>Total assets</b>		<u>245,176,625</u>	<u>122,564,519</u>	<u>122,564,519</u>
<b>Equity</b>				
Contributed Capital		38,896,097	38,896,097	38,896,097
Forfeited Asset Reserve		258,580,000	116,340,000	-
Accumulated surplus/(deficit)		(52,299,472)	(32,671,578)	83,668,422
		<u>245,176,625</u>	<u>122,564,519</u>	<u>122,564,519</u>

Approved for issue on behalf of the Financial Investigations Division on 17<sup>th</sup> February 2015 and signed on its behalf by:



.....  
**Chief Technical Director**



.....  
**Director**

The accompanying notes on pages 5-12 form an integral part of these financial statements

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**FINANCIAL INVESTIGATIONS DIVISION  
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED MARCH 31, 2014**

	Note	2014 \$	2013 (Restated) \$	2013 \$
<b>INCOME</b>				
GOJ financing from Consolidated Fund	11	305,270,523	271,995,655	271,995,655
Grant		17,632,517	10,904,886	10,904,886
Processing fees	12	1,449,000	1,875,000	1,875,000
Proceeds from forfeited assets		108,345,100	13,931,650	65,556,650
Interest income		113,993	52,765	52,765
<b>Total Income</b>		<b>432,811,133</b>	<b>298,759,956</b>	<b>350,384,956</b>
<b>EXPENDITURE</b>				
Staff costs	13	235,620,091	212,252,478	212,252,478
Goods and services		41,254,609	29,078,226	29,078,226
Premises related services		59,479,242	23,559,315	23,559,315
Depreciation		6,145,985	6,502,141	6,502,141
Other expenses		145,000	1,120,335	1,120,335
<b>Total operating expenses</b>		<b>342,644,927</b>	<b>272,512,495</b>	<b>272,512,495</b>
Operating surplus/(deficit)		90,166,206	26,247,461	77,872,461
Transferred to miscellaneous revenue		(109,794,100)	(13,931,650)	(13,931,650)
<b>Net (deficit)/surplus</b>		<b>(19,627,894)</b>	<b>12,315,811</b>	<b>63,940,811</b>

The accompanying notes on pages 5-12 form an integral part of these financial statements



# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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**FINANCIAL INVESTIGATIONS DIVISION  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2014**

	Contributed capital	Accumulated surplus/(deficit)	Forfeited Asset Reserve	Total
Note	\$	\$	\$	\$
Balance as at March 31, 2012	38,896,097	19,727,611	-	58,623,708
Additions	-	-	-	-
Net surplus for the year	-	63,940,811	-	63,940,811
Balance as at March 31, 2013	38,896,097	83,668,422	-	122,564,519
Transferred to Forfeited Asset Reseve	14	(116,340,000)	116,340,000	-
Balance as at March 31, 2013 (restated)	<b>38,896,097</b>	<b>(32,671,578)</b>	<b>116,340,000</b>	<b>122,564,519</b>
Additions	-	-	142,240,000	142,240,000
Net Surplus (Deficit) for the year	-	(19,627,894)	-	(19,627,894)
Balance as at March 31, 2014	<b>38,896,097</b>	<b>(52,299,472)</b>	<b>258,580,000</b>	<b>245,176,625</b>

The accompanying notes on pages 5- 12 form an integral part of the these financial statements

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**FINANCIAL INVESTIGATIONS DIVISION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2014**

	2014	2013
	\$	\$
<b>Cash flows from operating activities</b>		
Surplus/(deficit) for the year	(19,627,894)	63,940,811
	<u>(19,627,894)</u>	<u>63,940,811</u>
<b>Adjustments:</b>		
Depreciation	6,145,985	6,502,141
Increase/(decrease) provision for employees benefit	11,642,290	1,766,485
(Increase)/decrease in receivables	1,880,018	(11,253,792)
Increase/(decrease) in forfeited property	(48,255,743)	(50,300,000)
Increase/(decrease) in payables	51,345,126	(1,031,995)
<b>Net cash outflow from operating activities</b>	<u>3,129,782</u>	<u>9,623,650</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,015,789)	(6,370,885)
Proceeds from sale of fixed assets		
<b>Net cash used in investing activities</b>	<u>(3,015,789)</u>	<u>(6,370,885)</u>
<b>Cash flows from financing activities</b>		
GOJ financing from Consolidated Fund	-	-
<b>Net cash flows from financing activities</b>	<u>-</u>	<u>-</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	113,993	3,252,765
Cash and cash equivalents at beginning of year	3,252,765	-
<b>Cash and cash equivalents at end of year</b>	<u>3,366,758</u>	<u>3,252,765</u>

The accompanying notes on pages 5-12 form an integral part of the these financial statements

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### FINANCIAL INVESTIGATIONS DIVISION

#### Notes to the Financial Statements

Year ended March 31, 2014

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#### 1. Identification

The Financial Investigations Division (FID) was created as a Department of Government by the Financial Investigations Division Act, 2010, under the Ministry of Finance and Public Service with effect from March 31, 2010. The object of this Act is to establish a department of Government with sufficient independence and authority to effectively deal with the multidimensional and complex problem of financial crime and confer upon it the responsibility to:

- investigate all categories of financial crime;
- collect information and maintain intelligence databases on financial crimes;
- maintain an arm's length relationship with law enforcement agencies and other authorities of Jamaica and of foreign States, and with regional and international associations or organizations, with which it is required to share information;
- exercise its functions with due regard for the rights of citizens

The FID is regulated by the dictates of government policy and is mandated to achieve strict performance objectives as a Department of Government.

Additionally, the FID is charged with carrying out the functions of the Assets Recovery Agency (ARA). The ARA was established with the passing of the Proceeds of Crime Act of 2007 and is aimed at managing and maintaining assets seized from parties believed to be in possession of criminal property. Although the Proceeds of Crime Act states that the ARA means the FID, the ARA is a separate call on the budget of the Government of Jamaica, as such the data presented in these statements represent a consolidation of the activities of both organisations.

#### 2. Statement of compliance

- i. These financial statements have been prepared in accordance with Generally Accepted Accounting Principles which is based on International Public Sector Accounting Standards (IPSAS). IPSAS's are developed by the International Public Sector Accounting Standards Board (IPSASB). The IPSAS Board is an independent board of the International Federation of Accountants. IPSASs are based on the International Financial Reporting Standards (IFRSs).
- ii. IPSAS deal with public sector reporting issues that are not addressed by IFRSs. The preparation of the financial statements to conform to IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

# THE FINANCIAL INVESTIGATIONS DIVISION

## ANNUAL REPORT

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### FINANCIAL INVESTIGATIONS DIVISION

#### Notes to the Financial Statements

Year ended March 31, 2014

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#### 3. Significant accounting policies

i. Basis of preparation

The financial statements have been prepared under the historical cost convention and are presented in Jamaica dollars (\$), which is the reporting currency of the Division.

ii. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hands.

iii. Receivables

Trade receivables are carried at original invoice amounts less provision made for impairment losses. A provision for impairment is established when there is evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

iv. Accounts payable and accrued charges

Accounts payables are carried at cost for the supply of goods and services and accruals is based on a fair estimate of liability at the end of the financial year. The amounts are payable within one year.

v. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment reviews.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Division and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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## FINANCIAL INVESTIGATIONS DIVISION

### Notes to the Financial Statements

Year ended March 31, 2014

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#### 3. Significant accounting policies (cont'd)

v. Property, plant and equipment (cont'd)

Depreciation on assets is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates or periods over which depreciation is charged are as follows:

Furniture fixtures and fittings	10%
Computers	33 1/3%
Office equipment	10%
Motor vehicles	20%

vi. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

vii. Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Division's financial instruments at March 31, 2014 were receivables and payables.

viii. Revenue Recognition

GOJ Subvention and processing fees are recognized when received.

Forfeited Assets are recognized as income when there is an agreed bill of sale between the parties to the transaction and titles have been transferred.

ix. Financial Crime Assets

Financial Crime Assets relate to assets which have come under the custody of the Assets Recovery Agency as a result of the application of the Proceeds of Crime Act, Jamaica Constabulary Force Act and Jamaica Customs Act. These assets are comprised of real property, motor vehicles, bank accounts, cash and other financial instruments.

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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## FINANCIAL INVESTIGATIONS DIVISION

### Notes to the Financial Statements

Year ended March 31, 2014

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#### 4. Financial Risk Management

The Division's activities expose it to a variety of financial risks: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Division's overall risk management policies are established to identify and analyse risk exposure and to set appropriate risk limits and controls and to monitor risk. The risk management framework is based on guidelines set by management and seeks to minimize potential adverse effects on the Division's financial performance.

##### a. Market risk

The Division takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates.

##### i. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Division's exposure to Currency risk is low based on its policy to hold Financial Crimes cash in the currency in which it was seized.

##### ii. Interest rate risk

Interest rate risk is the risk that the interest earned on interest bearing bank account balances will fluctuate due to changes in market interest rate. The Division's interest rate risk arises from deposits as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Financial Crime Assets	<u>1,060,553,556</u>	<u>900,383,865</u>

THE FINANCIAL INVESTIGATIONS DIVISION  
ANNUAL REPORT

**FINANCIAL INVESTIGATIONS DIVISION**

**Notes to the Financial Statements**

**Year ended March 31, 2014**

**4. Financial Risk Management (cont'd)**

b. Liquidity risk

Liquidity risk is the risk that the Division will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The risk is managed by maintaining sufficient cash and cash equivalents balances, and support from the Consolidated Fund.

Financial Liabilities	<u>Carrying amount</u>	<u>Contract amount</u>	<u>Due within 3 months</u>	<u>Due within 1 year</u>
	\$	\$	\$	\$
Payables and accruals	3,089,383	3,089,383	3,089,383	-
Miscellaneous Revenue payables	48,255,743	48,255,743	48,255,743	-
Employee benefits	<u>55,159,264</u>	<u>55,159,264</u>	<u>-</u>	<u>55,159,264</u>
<b>At March 31, 2014</b>	<u>106,504,390</u>	<u>106,504,390</u>	<u>51,345,126</u>	<u>55,159,126</u>

Financial Liabilities	<u>Carrying amount</u>	<u>Contract amount</u>	<u>Due within 3 months</u>	<u>Due within 1 year</u>
	\$	\$	\$	\$
Payables and accruals	-	-	-	-
Employee benefits	<u>43,516,974</u>	<u>43,516,974</u>	<u>-</u>	<u>43,516,974</u>
<b>At March 31, 2013</b>	<u>43,516,974</u>	<u>43,516,974</u>	<u>-</u>	<u>43,516,974</u>

c. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Division has the following cash resources that will be exposed to credit risk:

	<u>2014</u>	<u>2013</u>
	\$	\$
Advance and prepayments	<u>9,836,455</u>	<u>11,716,473</u>

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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## FINANCIAL INVESTIGATIONS DIVISION

### Notes to the Financial Statements

Year ended March 31, 2014

#### 5. Property, plant and equipment

	Office equipment (\$)	Computers (\$)	Furniture, fixtures and fittings (\$)	Motor vehicles (\$)	Total (\$)
<b>Cost</b>					
April 1, 2013	28,695,747	7,804,809	11,058,008	6,725,038	54,283,602
Additions	2,370,577	550,932	94,280	-	3,015,789
Disposals	(-)	(-)	(-)	(-)	(-)
March 31, 2014	<u>31,066,324</u>	<u>8,355,741</u>	<u>11,152,288</u>	<u>6,725,038</u>	<u>57,299,391</u>
<b>Accumulated depreciation</b>					
April 1, 2013	8,317,587	5,563,216	3,569,006	2,061,538	19,511,347
Charges for the period	2,980,197	1,077,767	1,205,021	883,000	6,145,985
Disposal	(-)	(-)	(-)	(-)	(-)
March 31, 2014	<u>11,297,784</u>	<u>6,640,983</u>	<u>4,774,027</u>	<u>2,944,538</u>	<u>25,657,332</u>
<b>Net book value:</b>					
March 31, 2014	<u>19,768,540</u>	<u>1,714,758</u>	<u>6,378,261</u>	<u>3,780,500</u>	<u>31,642,059</u>
<b>Net book value:</b>					
March 31, 2013	<u>20,378,159</u>	<u>2,241,594</u>	<u>7,489,002</u>	<u>4,663,500</u>	<u>34,772,255</u>

#### 6. Financial crime assets

	<u>2014</u>	<u>2013</u>
	\$	\$
Balance as at April 1	2,218,147,964	1,619,804,671
Additions	407,408,440	980,416,022
Forfeiture	(250,585,099)	(65,310,819)
Returned	(101,495,693)	(342,378,865)
Interest earned	79,816,917	25,616,955
<b>Balance as at March 31</b>	<u>2,353,292,529</u>	<u>2,218,147,964</u>

- a) The amount is comprised of seized cash and restrained bank accounts, restrained motor vehicles and restrained properties held by the Agency awaiting the decision of the Court. This amount is credited to current liabilities pending the ruling of the Court. Based on the ruling the outcome is either returned to defendant, or forfeited to the Consolidated Fund in the case of cash or the Assets Recovery Agency in the case of restrained motor vehicles and properties.



# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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**FINANCIAL INVESTIGATIONS DIVISION**

**Notes to the Financial Statements**

**Year ended March 31, 2014**

**7. Forfeited property**

	<u>2014</u>	<u>2013</u>
	\$	\$
Agency Recovery Agency (ARA)	258,580,000	116,340,000
Transferred to Miscellaneous Revenue	48,255,743	-
	<u>306,835,743</u>	<u>116,340,000</u>

**8. Advances and prepayments**

	<u>2014</u>	<u>2013</u>
	\$	\$
European Union	8,990,420	972,721
Department of International Development	730,290	9,932,165
Advance and prepayments	125,745	811,587
	<u>9,836,455</u>	<u>11,716,473</u>

**9. Employee benefits**

	<u>2014</u>	<u>2013</u>
	\$	\$
Provision for vacation leave	44,583,308	43,516,974
Salary arrears	2,396,716	-
Provision for gratuity	8,179,240	-
	<u>55,159,264</u>	<u>43,516,974</u>

**10. Payables and accruals**

	<u>2014</u>	<u>2013</u>
	\$	\$
Accruals	<u>3,089,383</u>	<u>-</u>

**11. Subvention**

	<u>2014</u>	<u>2013</u>
	\$	\$
Financial Investigation Division	290,893,402	269,629,759
Assets Recovery Agency	14,377,120	2,365,896
	<u>305,270,522</u>	<u>271,995,655</u>

THE FINANCIAL INVESTIGATIONS DIVISION  
ANNUAL REPORT

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**FINANCIAL INVESTIGATIONS DIVISION**

**Notes to the Financial Statements**

**Year ended March 31, 2014**

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**12. Processing fees**

	<u>2014</u>	<u>2013</u>
	\$	\$
Due diligence fees	<u>1,449,000</u>	<u>1,875,000</u>

**13. Staff costs**

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries and wages	174,699,957	165,812,786
Travelling allowance and subsistence	49,277,844	44,673,207
Employee benefits	<u>11,642,290</u>	<u>1,766,485</u>
	<u>235,620,091</u>	<u>212,252,478</u>

**14. Basis for Reclassification**

The recognition basis for Proceeds from Forfeited Assets was changed from the receipt of a Court Order to the presence of an agreed Bill of Sale and transferred Title, due to the fact that it has taken a longer time than anticipated to dispose of forfeited properties which were recognized in financial year 2012/2013.

**FINANCIAL INVESTIGATIONS DIVISION**  
**Detailed income and expenses**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	Note	2014 \$	2014 \$	2014 \$	2013 \$
<b>INCOME</b>					
GOJ financing from Consolidated Fund	10	290,893,402	14,377,121	305,270,523	271,995,655
Grant		17,632,517	-	17,632,517	10,904,886
Processing fees	11	1,449,000	-	1,449,000	1,875,000
Proceeds from forfeiture properties		-	108,345,099	108,345,099	65,556,650
Interest income		-	113,993	113,993	52,765
<b>Total Income</b>		<b>309,974,919</b>	<b>122,836,213</b>	<b>432,811,132</b>	<b>350,384,956</b>
<b>EXPENDITURE</b>					
Staff costs	12	227,454,916	8,165,175	235,620,091	212,252,478
Goods and services		35,156,008	6,098,601	41,254,609	29,078,226
Premises related services		59,479,242	-	59,479,242	23,559,315
Depreciation		6,145,985	-	6,145,985	6,502,141
Other expenses		-	145,000	145,000	1,120,335
<b>Total operating expenses</b>		<b>328,236,151</b>	<b>14,408,776</b>	<b>342,644,927</b>	<b>272,512,495</b>
Operating surplus/(deficit)		(18,261,232)	108,427,437	90,166,205	77,872,461
Transferred to miscellaneous revenue		(1,449,000)	(108,345,100)	(109,794,100)	(13,931,650)
<b>Net (deficit)/surplus</b>		<b>(19,710,232)</b>	<b>82,337</b>	<b>(19,627,895)</b>	<b>63,940,811</b>

# THE FINANCIAL INVESTIGATIONS DIVISION ANNUAL REPORT

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## 6.1 Notes to the Financial Statements

Year ended March 31, 2014

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### 1. Identification

The Financial Investigations Division (FID) was created as a Department of Government by the Financial Investigations Division Act, 2010, under the Ministry of Finance and Public Service with effect from March 31, 2010. The object of this Act is to establish a department of Government with sufficient independence and authority to effectively deal with the multidimensional and complex problem of financial crime and confer upon it the responsibility to:

- investigate all categories of financial crime;
- collect information and maintain intelligence databases on financial crimes;
- maintain an arm's length relationship with law enforcement agencies and other authorities of Jamaica and of foreign States, and with regional and international associations or organizations, with which it is required to share information;
- exercise its functions with due regard for the rights of citizens

The FID is regulated by the dictates of government policy and is mandated to achieve strict performance objectives as a Department of Government.

Additionally, the FID is charged with carrying out the functions of the Assets Recovery Agency (ARA). The ARA was established with the passing of the Proceeds of Crime Act of 2007 and is aimed at managing and maintaining assets seized from parties believed to be in possession of criminal property. Although the Proceeds of Crime Act states that the ARA means the FID, the ARA is a separate call on the budget of the Government of Jamaica, as such the data presented in these statements represent a consolidation of the activities of both organisations.

### 2. Statement of compliance

- i. These financial statements have been prepared in accordance with Generally Accepted Accounting Principles which is based on International Public Sector Accounting Standards (IPSAS). IPSAS's are developed by the International Public Sector Accounting Standards Board (IPSASB). The IPSAS Board is an independent board of the International Federation of Accountants. IPSASs are based on the International Financial Reporting Standards (IFRSs).
- ii. IPSAS deal with public sector reporting issues that are not addressed by IFRSs. The preparation of the financial statements to conform to IPSAS requires management to

# THE FINANCIAL INVESTIGATIONS DIVISION

## ANNUAL REPORT

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make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

### **3. Significant accounting policies**

i. **Basis of preparation**

The financial statements have been prepared under the historical cost convention and are presented in Jamaica dollars (\$), which is the reporting currency of the Division.

ii. **Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hands.

iii. **Receivables**

Trade receivables are carried at original invoice amounts less provision made for impairment losses. A provision for impairment is established when there is evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

iv. **Accounts payable and accrued charges**

Accounts payables are carried at cost for the supply of goods and services and accruals is based on a fair estimate of liability at the end of the financial year. The amounts are payable within one year.

v. **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment reviews.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Division and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

THE FINANCIAL INVESTIGATIONS DIVISION  
ANNUAL REPORT

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**3. Significant accounting policies (cont'd)**

v. Property, plant and equipment (cont'd)

Depreciation on assets is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates or periods over which depreciation is charged are as follows:

Furniture fixtures and fittings	10%
Computers	33 1/3%
Office equipment	10%
Motor vehicles	20%

vi. Provisions

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

vii. Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Division's financial instruments at March 31, 2014 were receivables and payables.

viii. Revenue Recognition

GOJ Subvention and processing fees are recognized when received.

Forfeited Assets are recognized as income when there is an agreed bill of sale between the parties to the transaction and titles have been transferred.

ix. Financial Crime Assets

Financial Crime Assets relate to assets which have come under the custody of the Assets Recovery Agency as a result of the application of the Proceeds of Crime Act, Jamaica Constabulary Force Act and Jamaica Customs Act. These assets are comprised of real property, motor vehicles, bank accounts, cash and other financial instruments.

THE FINANCIAL INVESTIGATIONS DIVISION  
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**4. Financial Risk Management**

The Division's activities expose it to a variety of financial risks: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Division's overall risk management policies are established to identify and analyse risk exposure and to set appropriate risk limits and controls and to monitor risk. The risk management framework is based on guidelines set by management and seeks to minimize potential adverse effects on the Division's financial performance.

a. Market risk

The Division takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates.

i. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Division's exposure to Currency risk is low based on its policy to hold Financial Crimes cash in the currency in which it was seized.

ii. Interest rate risk

Interest rate risk is the risk that the interest earned on interest bearing bank account balances will fluctuate due to changes in market interest rate. The Division's interest rate risk arises from deposits as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$
Financial Crime Assets	1,060,553,556	900,383,865

THE FINANCIAL INVESTIGATIONS DIVISION  
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**4. Financial Risk Management (cont'd)**

b. Liquidity risk

Liquidity risk is the risk that the Division will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The risk is managed by maintaining sufficient cash and cash equivalents balances, and support from the Consolidated Fund.

Financial Liabilities	<u>Carrying amount</u>	<u>Contract amount</u>	<u>Due within 3 months</u>	<u>Due within 1 year</u>
	\$	\$	\$	\$
Payables and accruals	3,089,383	3,089,383	3,089,383	-
Miscellaneous Revenue payables	48,255,743	48,255,743	48,255,743	-
Employee benefits	55,159,264	55,159,264	-	55,159,264
<b>At March 31, 2014</b>	<u>106,504,390</u>	<u>106,504,390</u>	<u>51,345,126</u>	<u>55,159,126</u>

Financial Liabilities	<u>Carrying amount</u>	<u>Contract amount</u>	<u>Due within 3 months</u>	<u>Due within 1 year</u>
	\$	\$	\$	\$
Payables and accruals	-	-	-	-
Employee benefits	43,516,974	43,516,974	-	43,516,974
<b>At March 31, 2013</b>	<u>43,516,974</u>	<u>43,516,974</u>	<u>-</u>	<u>43,516,974</u>

c. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Division has the following cash resources that will be exposed to credit risk:

	<u>2014</u>	<u>2013</u>
	\$	\$
Advance and prepayments	<u>9,836,455</u>	<u>11,716,473</u>



THE FINANCIAL INVESTIGATIONS DIVISION  
ANNUAL REPORT

**5. Property, plant and equipment**

	Office equipment	Computers	Furniture, fixtures and fittings	Motor vehicles	Total
	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Cost</b>					
April 1, 2013	28,695,747	7,804,809	11,058,008	6,725,038	54,283,602
Additions	2,370,577	550,932	94,280	-	3,015,789
Disposals	(-)	(-)	(-)	(-)	(-)
March 31, 2014	31,066,324	8,355,742	11,152,288	6,725,038	57,299,391
<b>Accumulated depreciation</b>					
April 1, 2013	8,317,587	5,563,216	3,569,006	2,061,538	19,511,347
Charges for the period	2,980,197	1,077,767	1,205,021	883,000	6,145,985
Disposal	(-)	(-)	(-)	(-)	(-)
March 31, 2014	11,297,784	6,640,983	4,774,027	2,944,538	25,657,332
<b>Net book value:</b>					
<b>March 31, 2014</b>	<b>19,768,540</b>	<b>1,714,759</b>	<b>6,378,261</b>	<b>3,780,500</b>	<b>31,642,059</b>
<b>Net book value:</b>					
<b>March 31, 2013</b>	<b>20,378,159</b>	<b>2,241,594</b>	<b>7,489,002</b>	<b>4,663,500</b>	<b>34,772,255</b>

**5. Financial crime assets**

	<u>2014</u>	<u>2013</u>
	\$	\$
<b>Balance as at April 1</b>	2,218,147,964	1,619,804,671
Additions	407,408,440	980,416,022
Forfeiture	(250,585,099)	(65,310,819)

THE FINANCIAL INVESTIGATIONS DIVISION  
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Returned	(101,495,693)	(342,378,865)
Interest earned	79,816,917	25,616,955
<b>Balance as at March 31</b>	<b><u>2,353,292,529</u></b>	<b><u>2,218,147,964</u></b>

- a) The amount is comprised of seized cash and restrained bank accounts, restrained motor vehicles and restrained properties held by the Agency awaiting the decision of the Court. This amount is credited to current liabilities pending the ruling of the Court. Based on the ruling the outcome is either returned to defendant, or forfeited to the Consolidated Fund in the case of cash or the Assets Recovery Agency in the case of restrained motor vehicles and properties.

**6. Forfeited property**

	<u>2014</u>	<u>2013</u>
	\$	\$
Agency Recovery Agency (ARA)	258,580,000	116,340,000
Transferred to Miscellaneous Revenue	48,255,743	-
	<u>306,835,743</u>	<u>116,340,000</u>

**7. Advances and prepayments**

	<u>2014</u>	<u>2013</u>
	\$	\$
European Union	8,990,420	972,721
Department of International Development	730,290	9,932,165
Advance and prepayments	125,745	811,587
	<u>9,836,455</u>	<u>11,716,473</u>

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ANNUAL REPORT

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**8. Employee benefits**

	<u>2014</u>	<u>2013</u>
	\$	\$
Provision for vacation leave	44,583,308	43,516,974
Salary arrears	2,396,716	-
Provision for gratuity	8,179,240	
	<u>55,159,264</u>	<u>43,516,974</u>

**9. Payables and accruals**

	<u>2014</u>	<u>2013</u>
	\$	\$
Accruals	<u>3,089,383</u>	<u>-</u>

**10. Subvention**

	<u>2014</u>	<u>2013</u>
	\$	\$
Financial Investigation Division	290,893,402	269,629,759
Assets Recovery Agency	14,377,120	2,365,896
	<u>305,270,522</u>	<u>271,995,655</u>

**11. Processing fees**

	<u>2014</u>	<u>2013</u>
	\$	\$
Due diligence fees	<u>1,449,000</u>	<u>1,875,000</u>

THE FINANCIAL INVESTIGATIONS DIVISION  
ANNUAL REPORT

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**12. Staff costs**

	<u>2014</u>	<u>2013</u>
	\$	\$
Salaries and wages	174,699,957	165,812,786
Travelling allowance and subsistence	49,277,844	44,673,207
Employee benefits	11,642,290	1,766,485
	<u>235,620,091</u>	<u>212,252,478</u>

**13. Basis for Reclassification**

The recognition basis for Proceeds from Forfeited Assets was changed from the receipt of a Court Order to the presence of an agreed Bill of Sale and transferred Title, due to the fact that it has taken a longer time than anticipated to dispose of forfeited properties which were recognized in financial year 2012/2013.

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**NOTES**