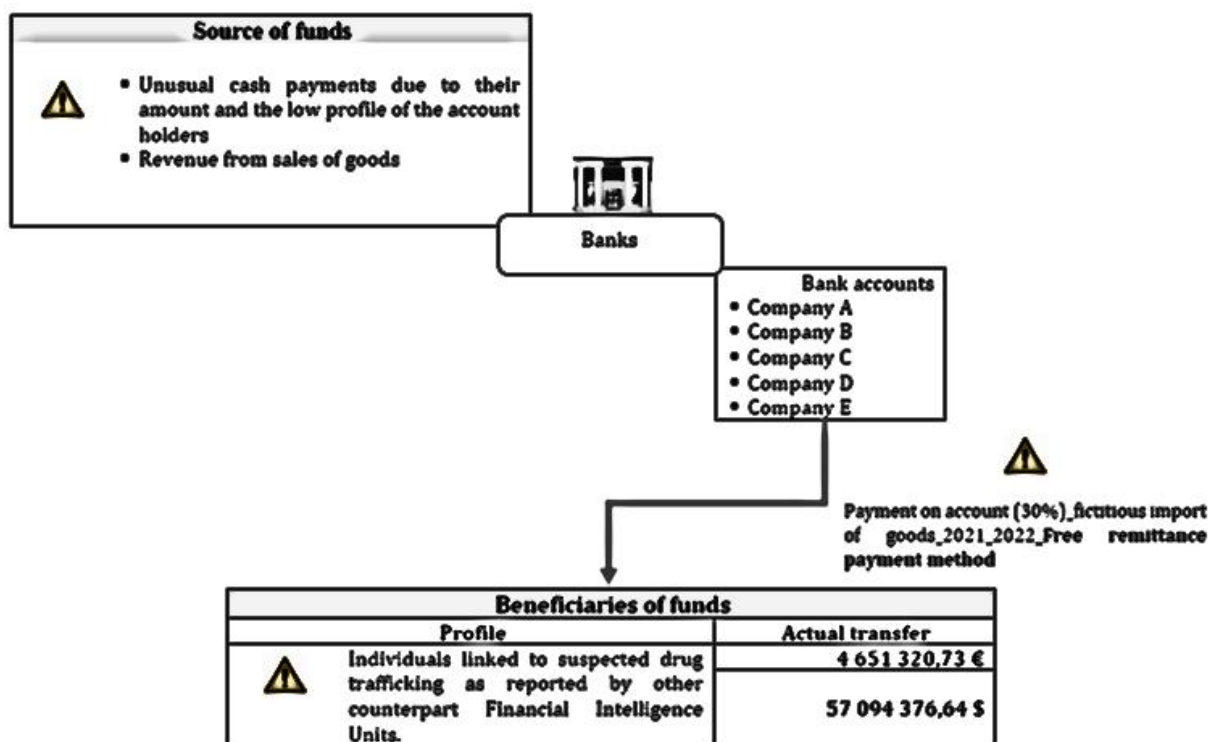


**Typology A:** Misuse of the free remittance method of payment to transfer funds of dubious nature.



Source : Analyst, 2022

### Operating Procedures:

The modus operandi of this case was cash deposits followed by transnational transfers which assertedly abused and fraudulently used the free remittance method of payment. It turns that the nature of the funds arouses serious doubts given the profile of the chains of custody of the companies and/or beneficial owners of the funds, who according to the information are involved in organised gang drug trafficking.

### Indicators/Red Flags :

Based on the results of research and analysis conducted by the Malagasy Financial Intelligence Unit, the following indications would constitute reasonable grounds for opening a money laundering investigation:

- Recurrent Suspicious Transaction Reports from different sources;

- Reports from other financial intelligence units and publicly available local information linking the suspects to suspected heroin trafficking;
- False identity documents used for the creation of legal constellations of companies and the almost simultaneous opening of bank accounts that facilitated the placement of suspicious funds in the financial circuit and that could harm the integrity of the financial system;
- Reckless risk-taking by cash remitters in terms of physical security, promoting the concealment of the origin and nature of the funds. Multiple, very large and unusual deposits due to the low profile of emerging companies and the absence of working capital and/or investment funds (loans, investors or other) to justify the revenues. They reflect the spectre of dismemberment of existing businesses;
- Cross-transfers between suspicious companies, successive multiplications of transactions to make it difficult to return to the original deposits using the stacking method;
- Profile of the company owners (interpreters, farmers, housewives and others), revealing a contradictory reality between their theoretical and practical income, but also qualifying them as straw men and/or nominees;
- Invoices of convenience or even fraudulent;
- Notifications from the competent authorities of suspect legal persons on imports without discharge and actual transfers on account (30% of the amount of the direct debit);
- Very large amount of transfers abroad amounting to approximately €3,000,000 and US\$50,000,000 in 2021 for very recent companies;
- Clear difference between the revenue reported to the tax administration and the practical revenue identified in the bank accounts.

**Profile of people implicated:** Constellations of ephemeral legal entities LLC, foreign companies with opaque chains of custody.

**Sector :** International trade

**Places of operation:** Mainly in the Indian Ocean region (Madagascar, Mauritius).

**Alleged predicate offence(s):** Breach of the Foreign Exchange Code, Customs offences (importing without declaration, importing goods without consideration), drug trafficking, tax offences, forgery of commercial documents, forgery and use of forgery.