



PROXIMAL CONSULTING

One The Parade Mews Marlborough Wiltshire SN8 1NE
Place du Bourg-de-Four 25 1204 Genève Switzerland
Tel: +44 (0) 1672 516725
Fax: +44 (0) 1672 516759
E-mail: info@proximalconsulting.com
www.proximalconsulting.com

THE MONEY LAUNDERING & BUSINESS CRIME MITIGATION FIRM
due diligence *training *asset tracing *compliance & assurance *investigations *strategic advice
*research

MONEY LAUNDERING & BUSINESS CRIME NEWSLETTER ISSUE 16 -DECEMBER 2002

This newsletter is published regularly and delivered to clients and contacts of Proximal Consulting by e-mail

CONTENTS

We thought that our December newsletter should provide you with a humorous diversion for the end of 2002. So we have collected, and added to, all the "Final Word" sections from our previous newsletters – as a one and only Christmas & Holiday Season 2002 special. We hope that those "pearls of wisdom" will make an interesting and, at times, light-hearted read.

Our next newsletter will be published early in January 2003 and will contain an expanded Due Diligence Warning List Section.

Until then we wish all of our Clients, Contacts and Readers, a peaceful and tranquil Christmas & New Year period.

THE FINAL WORD ON 2002

QUOTABLE QUOTES 1

"I have enough money not to be corrupt"

Bernie Ecclestone of Formula 1 racing and the fifth richest person in Britain

FINDERS KEEPERS?

A couple living near to Dallas Texas thought it was their lucky day when they found a bag in the middle of the highway containing \$300,000 in cash and a handgun. Being honest citizens they handed it in to the local police, but when nobody claimed it they tried to apply for it themselves under the common law of "finders keepers". There's just one problem – because the cash had traces of cocaine on it the DEA has determined that the whole amount is drugs money and have confiscated it. The couple have now hired an attorney whose main argument is that the majority of US currency has traces of cocaine on it. However, as the DEA point out, if it is drugs money and the couple win it through litigation - they might like to consider that the original owner may try to get it back...

YET ANOTHER "MYSTERIOUS PACKAGE".....

Jose Guadalupe Pedro-Cruz was picked up by police officers in Lexington, North Carolina after he collected a "suspicious" package from the post office. The officers searched his car, carried out a roadside drug test and were proud to announce the department's "largest methamphetamine bust". Mr Pedro-Cruz was jailed for two weeks after being charged with drug trafficking. The police then carried out more tests – at which stage they discovered that the "flour looking substance" found in the package, was in fact.....flour. The accompanying waxy looking blocks were Mexican candy. The police immediately released Pedro-Cruz, commenting that they had "done everything in good faith", apart from perhaps asking Pedro-Cruz exactly what was in his "suspicious" package!

THE FAT BOTTOMED GIRL

Officials at Harare airport in Zimbabwe stopped a 26 year old woman after they became suspicious about the apparent size of the lady's bottom. Her rather large bottom was, in fact, due to 14 pounds of marijuana that she had stuffed down her shorts. Even more surreal was a male traveller who was stopped at Narita Airport in Tokyo. A customs spokesman commented that suspicions were aroused because "for someone about 170 centimetres tall, he was wearing suspiciously big shoes". Inside the rather large shoes was 350 grams of heroin. The suspect declared his innocence claiming that he was kindly asked by a Thai man at Bangkok airport to wear the shoes, and that he himself had no idea what was in them!

A POTTED EMPLOYMENT HISTORY

The Wall Street Journal under the headline "Ex-Pot Smuggler Turns Over New Leaf In Search for Job" reports that Brian O'Dea, who has recently completed a 10 year jail sentence for importing 75 tons of marijuana into the United States, has advertised his skills in a classified advert. Looking for a legitimate job, Mr O'Dea listed his previous business experience as:

- "Co-owned and participated in the executive level management of 120 people world-wide in a successful pot smuggling venture with revenues in excess of \$100 million annually"
- "Expert in all levels of security....extensive computer skills...well travelled and speak English, French and Spanish"

O'Dea concludes by commenting that "references are available from friends, family and the U.S. Attorney"

ALTERNATIVELY JUST TELL THE WHOLE AWFUL TRUTH ON YOUR CV...

The following comments and claims are from real CV's submitted to potential employers. No wonder the applicants weren't successful (or at least we presume they weren't successful)!

"Wholly responsible for two failed financial institutions"

"Instrumental in ruining entire operation for a Midwest chainstore"

"The company made me a scapegoat; just like my previous three employers"

"My goal is to be a meteorologist. But since I possess no training in meteorology, I suppose I should try stock brokerage"

QUOTABLE QUOTES 2

"A boom without crooks is like a dog without fleas: It doesn't happen"

Michael Lewis

DRIVEN TO CRIME

Motorists driving through Poland no longer have to pull over for the police at night – as many highway robbers have been posing as uniformed police officers complete with a red light on the roof of their cars. This new rule does beg the question of what genuine police officers have to do if they legitimately want to stop a car.

QUESTIONS THAT NEED ANSWERING

"Rufus is a pimp for three girls. If the price is \$65 per trick, how many tricks per day must each girl turn to support Rufus's \$800 a day crack habit?"

Question in a Canadian maths exam quoted in "Scotland on Sunday"

HE WAS A VERY IMPORTANT PERSON

The return to the news (at least in spirit) of Robert Maxwell also allows us to recall some of his more eccentric behaviour. He very rarely went to restaurants for fear of being poisoned, but when he did make rare visits, his personal butler and chef accompanied him. In his office he drank coffee from a massive mug bearing the legend "I am a very important person"; He once spent most of a day shouting at a secretary, only to be amazed when she burst into tears. "Who did this to you? I'll sack them!" he exclaimed.

QUOTABLE QUOTES 3

"They are careful when they buy a refrigerator, reading all the consumer reports. But they'll put \$10,000 on some zany stock they hear about on the bus on the way to work and lose it before sunset"

Peter Lynch, vice-chairman of Fidelity's advisory and research arm

A JEWEL IN THE CROWN (well...stomach, actually)

Police in Perth, Scotland responded to a reported house break-in and found a man with a broken hip outside the burgled house. A subsequent x-ray of the man's hip also showed some of the contents of his stomach – thousands of pounds worth of jewellery. Detectives concluded that the thief must have swallowed the stolen jewels when he heard the police coming. Then he slipped and fell out of the second storey window of the house when trying to escape.

SHOCK! HORROR! JESUS CHRIST UNEXPECTEDLY FAILS TO MATERIALISE AS PROMISED

On January 30 2002, Associated Press reported that two women in Salt Lake City have been awarded a total of \$290,000 because promises made by a fundamental church that they would see Jesus Christ in the flesh (strangely) did not materialise. The True & Living Church of Jesus Christ of the Saints of the Last Days was ordered to make the payments because of "fraud, breach of contract and intentional infliction of emotional distress".

Kaziah Hancock, one of the women, gave the church 67 acres of her farm and shares in water rights. Jim Harmston, the founder of the church, promised in return, payments on other property, membership in heaven's elite and the chance to meet Christ on earth. When the verdict was announced Harmston's wife commented that she was disappointed with it as " God's people have always been persecuted and right now is no different".

QUOTABLE QUOTES 4

"Trust and reputation can vanish overnight. A factory cannot"

Alan Greenspan commenting on Enron, highlighting the fragility of companies that lack tangible assets

JUST WHO ARE THE REAL CROOKS?

A thought (some may say heresy) offered by George Trefgarne in the UK "Daily Telegraph": after Enron, Worldcom et al wouldn't it be better if the Mafia ran corporate life? They may be criminals, but at least they stick to their standards: following strict codes of honour, family and loyalty. This seems a refreshing change from some of the current operators in the "legitimate" business world.

SNOWED UNDER

Police in the Italian Dolomites have set up a special unit to combat the theft of snow. Last year thieves removed snow from high in the mountains, piled it on to lorries and drove it to deprived ski resorts where it fetched about £600 per load. The Italian Police comment that they are in the middle of their investigations and have not made any arrests yet. Perhaps they are simply snowed under with information!

LIKELY EXCUSES (NO. 3459)

Rats saved a Swedish woman from a tax fraud conviction after apparently eating the evidence. The court said it could not prove the case against the woman after she claimed that the rats had eaten her records that had been stored in an attic after her restaurant went bankrupt.

DISAPPEARING MONEY

Mohammed Abubakar was freed in the United Kingdom because the Crown did not offer any evidence to jail him. He had been accused of defrauding an American millionairess out of almost \$950,000. It was alleged that he had convinced her (at a discounted price, no doubt) that pieces of black paper could be turned back to \$100 bills with a special chemical (he must have been reading those letters from Nigeria). The victim was left with blistered skin, a sink full of fast dissolving notes and a bottle of the secret chemical that exploded in her fridge.

QUOTABLE QUOTES 5

"The world wants to be deceived" – Sebastian Brant

PULL UP TO THE BUMPER

From a vast collection of bumper stickers claimed to have been spotted in the USA, these are our favourites...

- Make lots of money, enjoy the work, operate within the law: Choose 2
- Eat right. Exercise. Die anyway
- Quidquid latine dictum sit, altum videtur (Anything said in Latin sounds profound)
- I want to die in my sleep like my grandfather, not screaming and yelling like the passengers in his car
- It is as BAD as you think, and they ARE out to get you
- Puritanism: the haunting fear that someone, somewhere may be happy
- Si hoc adfixum in obice leger potes, et liberaliter educatus et nimis propinquus ades (if you can read this bumper sticker, you are both very well educated and far too close)

VARIATIONS ON A 419 THEME

These would be funny – unless you are one of the many people that have been taken in by the now infamous Nigerian 419 letters. Here is our edited collection of our recent favourites...(complete with spelling and grammatical mistakes)

Dear Sir,

It is with a heart full of hope that I write you, my name is Mustapha Abacha, the son of the late Nigerian President (Gen. Ibrahim Sani Abacha). During my father's reign as a president most of his activities, especially his financial involvement and transactions, I'm always involved because of my educational qualification as an economist....Since it appears that it was the only money left for the running of the family. With the help of a good family friend I smuggled the boxes which contains US\$60M dollars out and deposited it with a security company...What we need from you is to move the money from the Security Company and transfer it through a bank to your own country, as you know that we cannot present the money ourselves to a bank here in Africa as we are under surveillance. I have agreed with my family members to give to you 25% of the total amount and also you will be a signatory to any of our investment abroad.

Dear Friend,

My name is Paul Omoaka, a member of the Presidential Task Force on Oil Spillage Clean-up. Early last year there was a major oil spillage in the Niger Delta Region of Nigeria which rendered over 70% of the communities homeless.

A contract was awarded to a foreign firm to rehabilitate the communitities, because of the huge monetary profit I envisaged, we decided to over-invoice the contract sum..... Now the contract has been completed and the original contractor has long been paid, but the contract balance of THIRTY EIGHT MILLION UNITED STATES DOLLARS(US\$38 MILLION),which resulted from the over invoiced contract sum has been left in a suspense account.....The BENEFIT For providing the account where we shall remit this money, you will be entitled to 25% of the entire funds, 70% will be for me and my

partners, while 5% has been set aside to cover any expenses....If I receive your response on time, this whole transaction could be accomplished within the shortest possible time based on your interest and determination, since the money is already on transit.

From the US Comptroller of Currency (well that's what the letterhead says)

"This avenue has been created by President George W Bush to offset all outstanding foreign payments On-Hold. In order to rehabilitate our past dignity to the International Community...We are delighted to inform you that we are in receipt of your payment from the Federal Reserve Bank of New York with an instruction to credit your account. Unfortunately the credit advice instruction requires you to pay 1% US\$ 415,000.00 for International Conversion Distribution Charge. Your account will be credited upon receipt of the International Conversion Distribution Charge...The Comptroller of Currency do not entertain any telephone conversation with customers or receive any correspondence via mail for further enquires, please bear with us, this has been our procedures when we are dealing with huge amounts usually above US\$ 10,000,000.00. Failure to pay your IDC to us within 48 hours, your payment scheduled for this quarter will be automatically cancelled. The Comptroller of currency remain communicated (?) to our financial principals. We hope you will benefit from our team of experts"

Dear sir,

compliment of the day, I am BUNDI KYARI, The son of late General Kubwa Kyari of the Democratic Republic of Congo. My father was a General in the Congolese Army. In his position (My father) with the office of the presidency during the regime of Laurent Kabila, he was assigned on a secret mission to source and acquire arms internationally in order to strengthen the Go. Meanwhile, he was still negotiating for the purchase of the arms, he received on the 16th January 2001 news of the assassination of Laurent Kabila which force him to call off the assignment and deposited the sum of US\$12.5M.....I got your contact from the commercial section of the congolese embassy in Belgium. Meanwhile, I sincerely ask for your assistance to get this money through your account, Your share for assisting us will be 25% of the total sum.....

QUOTABLE QUOTES 6

"I'm not so much concerned about the return on my principal as I am about the return of my principal"

Will Rogers, Actor and part time philosopher

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