Annual report 2011

Financial Intelligence Unit - the Netherlands

Annual report 2011

Financial Intelligence Unit - the Netherlands

Contents

Foreword

FIU-the Netherlands achieved good results in 2011. Thanks to the suspicious transaction information provided by the FIU-the Netherlands, various investigative authorities have been able to complete investigations successfully. Wherever possible FIU-the Netherlands not 'only' provides transaction details but also presents the results of analyses and the insights they have led to. Also, the account managers responsible for the relations with the investigative authorities are available to provide the investigative authorities with advice and assistance. The account managers responsible for relations with the reporting entities and regulatiory authorities share the experiences as effectively as possible with the reporting entities. I am pleased to make reference here to the cases presented at the end of this annual report. They give a clear impression of the type of investigation for which FIU information is of great importance. I would also like to mention at this point that FIU-the Netherlands is planning to regularly place case examples such as these on its website. We have learnt that these examples often provide the best answers to questions about what FIU-the Netherlands does.

FIU-the Netherlands has continued to invest in its relationship with the reporting entities. Based in part on the FATF evaluation, it has joined the reporting entities in seeking a workable form of feedback that responds to the reporting entities' need to receive usable feedback. The joint effort in the typologies project is a case in point. This cooperation will be continued in 2012.

During 2011 FIU-the Netherlands has also grappled with IT developments in its organisation. The IT system GoAML was introduced as FIU-the Netherlands' basic system in May 2011. However, owing to the absence of the reporting and analysis tool, FIU-the Netherlands has been limited in its ability to perform analyses in the past year. As a result not all of the 2011 targets stipulated in the 2011 Year Plan were met, and this annual report has been published later than scheduled and is not as complete as it otherwise might have been. I expect this problem to be resolved in 2012.

FIU-the Netherlands has achieved good results, but there is still room for improvement. FIU-the Netherlands sets out to play a significant role in countering money laundering and the financing of terrorism. After all, it is the only place in the Netherlands (and Caribbean Netherlands) where organisations with a reporting obligation can and must report their unusual transactions. Information Technology is a crucial factor in this regard, but it is no less important to ensure that the right people are placed in the right job positions and in sufficient numbers at FIU-the Netherlands. Following on from some other European FIUs it is important for FIU-the Netherlands to be able to expand its staff numbers, which has not happened since its foundation in 2006.
In view of the experience gained since that time, I conclude that this expansion is necessary to address the critical points made in the FATF evaluation, for example. In the years to come, the FIU-the Netherlands intends to continue its development as a professional , visible and efficiently operating reporting centre with a corresponding national and international image.

I hope that you will enjoy reading the 2011 annual report of the FIU-the Netherlands and would like to once again draw your attention to the fine examples of the work of FIU-the Netherlands in the Case Examples chapter, as ultimately, it's all about getting operational results.

Hennie Verbeek-Kusters EMPM
Head of FIU-the Netherlands

O

0 Executive summary

In 2011 FIU-the Netherlands devoted a lot of energy into renewing, maintaining and strengthening its relationships with its partners throughout the spectrum in which it operates. A number of 'contact days' were organised, presentations were held and information sheets were produced for reporting entities. In 2011 attention was paid not only to providing information about what FIU-the Netherlands is and does, but also about what is expected of the reporting entities when it comes to reporting unusual transactions. The transition to the new IT system, which led to a change of the reporting procedure, was also addressed in the contacts with the reporting entities and supervisory authorities. The partnership with the investigative authorities also led in 2011 to a number of impressive results and a deepening and broadening of the collaborative effort. Some examples of this partnership are given in the Case Examples chapter.

In the financing of terrorism and proliferation area FIU-the Netherlands in 2011 continued to build on its knowledge and information position. By carrying out strategic studies, FIU-the Netherlands set out in 2011 to gain a clearer image of the money flows that can be related to geographically unstable regions and/or conflict regions, including the Horn of Africa.
FIU-the Netherlands is the designated reporting centre for proliferation financing in the Netherlands. Despite the absence of specific reports on this subject in 2011, there were a number of cases in which FIU-the Netherlands (based on its own research and investigations) provided information to the counter-proliferation unit of the General Intelligence and Security Service (AIVD). Since the end of November 2011, FIU-the Netherlands has been the national single point of contact for the Terrorist Finance Tracking Program for the Netherlands.

In May 2011 FIU-the Netherlands switched to a new IT application, GoAML. Since this application is the basic IT system the FIU uses, this transition is having a marked impact on how FIU-the Netherlands works. In the absence of an analysis and reporting platform in GoAML, FIU-the Netherlands was seriously restricted in its analytical activities during the second half of 2011. For this reason it did not prove possible to meet all of the set targets regarding research and development in 2011, and it took longer than desirable for the annual report to be published.

Due to the predominant international nature of money laundering and the financing of terrorism, the international component of FIU-the Netherlands' work is extremely important. FIU-the Netherlands has therefore made significant efforts in this field, both operationally and in terms of policy. Operationally, the ongoing international projects were continued and information was exchanged via the channels FIU.NET and Egmont Secure Web. In the policy area, the evaluation of the Netherlands by the FATF was an important event in 2011. Although the Netherlands was rated with a satisfactory score, there were also points of criticism, some of which concerned FIU-the Netherlands. FIU-the Netherlands is taking various actions to address these points.
In 2011 FIU-the Netherlands was represented in the various international consultative structures such as the Egmont Group, FATF and the EU FIU Platform. The third *Koninkrijksseminar*, or 'Kingdom Seminar', was held in 2011, this time on Aruba, and aimed at promoting and improving the alliance between the various reporting centres in the Kingdom.

2011 marks the first full year in which FIU-the Netherlands is the reporting centre for the reporting entities in the Caribbean Netherlands (Bonaire, St. Eustatius and Saba). In 2011 efforts were made in building up and strengthening relationships with reporting entities on these islands. These reporting entities also switched to using the new IT system GoAML in 2011.

Partly in view of the creation of the National Police and the FATF evaluation, FIU-the Netherlands critically examined its own (governance) position during 2011. The key conclusion is that its independent position will have to be strengthened, for which increasing effectiveness is an important precondition. In 2012 the positioning of the FIU-the Netherlands will be looked at in further detail.

Figures

The transition to GoAML has also affected the figures that FIU-the Netherlands produces each year. There has been a break in the trend, as a result of which the figures given in this annual report cannot be compared with those of previous years. To clearly show this transition, we have decided to show the figures in this annual report for the year 2010 both based on the old system (MOTION) and on the new system (GoAML).
The absence of the analysis and reporting platform has precluded the ability to subject the figures to a reliable trend analysis. As a result of this, the explanation of the figures is given in much less depth than previous years.

Fewer reports were received in 2011 than in 2010, a fall of 15%. This reduction can be attributed primarily to the lower number of reported money transfers. This reduction in reported money transfers can be explained by three money service businesses which sent in more reports in 2010 than usual.
The number of suspicious transactions was lower in 2011 than in 2010, a reduction of 23%. This reduction can be explained in the case of non-money transfer transactions by a substantial fall in the number of matches on the Index of Criminal Investigations and Subjects (Verwijzingsindex Recherche Onderzoeken en Subjecten, VROS) . FIU-the Netherlands is looking into the possible cause of this development.

1

1 Prevention of money laundering and the financing of terrorism and related offences

Organisations designated by the Dutch Anti-Money Laundering an Counter-Terrorist Financing Act (Wwft) are obliged to report unusual transactions that are (or could be) related to money laundering and/or the financing of terrorism to FIU-the Netherlands. Close cooperation with the reporting entities is of great importance to FIU-the Netherlands. Depending on the quality of the reports, FIU-the Netherlands is able to quickly and effectively investigate the possible involvement of people in money laundering and the financing of terrorism. Regular consultations are therefore held with representatives of the reporting entities and the supervisory authorities in order to improve the quality of the reports and to inform the organisations about signs that could lead to the identification of high-risk transactions. Related to this, the FIU-the Netherlands has organised a number of contact moments and consultative activities during the last year.

1.1 Contact with reporting entities

Contact days

In 2011 FIU-the Netherlands organised contact days for the banks and the money service businesses. For this latter group the contact day has become an annual event. This contact day is organised in association with the branch organisation, the Dutch Association of Money Transaction Offices (NVGTK). FIU-the Netherlands also arranged a contact day for compliance officers at Holland Casino.

In addition, FIU-the Netherlands organised a number of meetings on request in 2011, addressing not only the tasks and role of FIU-the Netherlands, but in particular the role and responsibilities of the reporting entities. These meetings prompted one of the reporting entities to involve FIU-the Netherlands in questions concerning the conduct of sectors and/or individual clients.

During all contacts with the reporting entities attention was paid to the transition to the new IT system GoAML, which has affected the reporting method used by the reporting entities. To assist the reporting entities with this transition and offer them the best possible service a Service Point was set up on 1 May 2011. Since that date reporting entities have been able to use a dedicated telephone number to obtain advice related to the reporting method and the content of the reporting form, and immediate support for technical problems. Frequent use was made of this facility in 2011. An average of 200 to 250 calls a month were processed from May onwards.

Presentations and information sheets

FIU-the Netherlands regularly gives presentations at meetings of the different branches, reporting entities and/or supervisory authorities in order to raise the profile of the FIU, to increase the quality of the reports and to inform the organisations about what is done with the information they pass on to FIU-the Netherlands. That way FIU-the Netherlands also provides the reporting entities with feedback. In addition to this, information sheets for the trust sector and the notary sector were published in 2011.

1.2 Contact with supervisory authorities

Periodic consultations are held with the supervisory authorities: the Netherlands Authority for the Financial Markets (*AFM*), the Dutch Central Bank (*DNB*), the Financial Supervision Office (*BFT*) and the Tax and Customs Administration Holland-Midden / MOT Unit (*Belastingdienst Holland-Midden/Unit MOT*). Topics such as trends and developments are addressed in the contacts with the supervisory authorities. During 2011 the supervisory authorities were also informed about the new IT application GoAML, which FIU-the Netherlands has been using since May 2011. A training course was provided so that employees of the supervisory authority are able to help the reporting entities to solve issues concerning the use of GoAML.

2

2 Countering of money laundering and the financing of terrorism and related offences

Unusual transactions that can be designated suspicious, lead to information that can be used by the investigative authorities. The account managers of FIU-the Netherlands maintain contact with the various investigative authorities in the Netherlands (and abroad), in order to ensure that the transaction information is placed as effectively as possible within the various domestic and foreign investigation services. In 2011 FIU-the Netherlands once again worked in close partnership with the police regions, the National Crime Squad, FinEC teams, the Fiscal Intelligence and Investigation Service (FIOD) and the Real Estate Intelligence Centre (VIC).

2.1 Information and cooperation with the criminal investigation

By submitting a National Public Prosecutor's Office request (LOvJ), the police regions can ask for a query on the the unusual transactions database of FIU-the Netherlands. The number of LOvJ requests for each investigation service in 2011 is shown in the table below.

Police region	2011	2010
IJsselland	52	58
Amsterdam-Amstelland	51	68
Rotterdam-Rijnmond	48	48
Utrecht	36	21
Haaglanden	31	59
Brabant-Zuid-Oost	29	6
Kennemerland	29	45
Zeeland	25	22
Hollands-Midden	23	27
Drenthe	17	29
Zuid-Holland-Zuid	15	2
Groningen	14	9
Twente	13	7
Friesland / Fryslan	12	12
Noord- en Oost-Gelderland	11	27
Flevoland	11	13
Gelderland-Midden	11	13
Midden- en West-Brabant	10	4
Limburg-Zuid	10	13
Noord-Holland-Noord	10	17
Brabant-Noord	10	6
Gelderland-Zuid	8	9
Zaanstreek-Waterland	4	5
Limburg-Noord	1	1
Gooi- en Vechtstreek	0	2
Total	**481**	**523**

Other services	2011	2010
FIOD	386	274
KMaR	80	166
Social Security Fraud Department	69	47
The Netherlands Police Agency (KLPD)	63	57
SIOD	31	21
Others	9	21
Rijksrecherche	1	4
National Crime Squad	1	10
Total	**640**	**600**

	2011	2010
Total police regions	481	523
Total other services	640	600
Total	**1.121**	**1.123**

The total number of LOvJ requests submitted by the police regions has remained stable compared to 2010. There are however differences within the regions. The regions Brabant-Zuid-Oost, Zuid-Holland-Zuid and Utrecht in particular have submitted more LOvJ requests, with fewer being submitted by the regions Haaglanden and Noord- en Oost-Gelderland. For the other services, the FIOD has submitted more requests and the KMar substantially fewer.

Cooperation with the Expertise Centre for Human Trafficking and Human Smuggling (EMM) and the Flexible Intelligence and Expertise Team (FIET) Human Trafficking

In 2011 FIU-the Netherlands received 72 investigation proposals from the EMM, in which a total of 973 suspicious transactions were issued. This included some large case files concerning Eastern European networks that were included in the project preparations. The working method developed with the EMM is now also being used at the FIET human trafficking of the National Crime Squad.
The partnership with the EMM was further intensified at the end of 2011. All investigation proposals of the EMM are shared with FIU-the Netherlands. This makes it possible for FIU-the Netherlands to provide more and timely information to the EMM on the basis of its own investigations.

Unusual Possession projects: police region Kennemerland and police region Twente

During the past year FIU-the Netherlands has worked in association with police region Kennemerland and police region Twente in an Unusual Possession project. Up until the transition to GoAML a monthly summary of the relevant transactions was issued for these projects.
The projects yielded case files that were settled under criminal law to a limited extent, but mostly fiscally. It is difficult to say what role the suspicious transactions played in the settlement of these cases.

Social security benefits and illegal additional income project

At the end of December 2010 FIU-the Netherlands started a project in association with a regional Social Affairs and Employment Office and the police force of a large municipality aimed at countering the laundering of criminal proceeds and fraud with social benefits.
A preliminary investigation had revealed that two population groups had clearly manifested themselves in this area. An analysis targeting these two groups resulted in a list of 3,242 selected benefit claimants. A further analysis revealed 170 claimants, all of whom had conducted ten or more unusual transactions. Ultimately 31 of these people were selected for criminal investigation. It emerged that whilst receiving benefits they had conducted 1,192 transactions for a total sum of 1,909,078 Euros.
At the end of 2011 the investigations into 6 of the selected 31 people were concluded. These 6 people had conducted a total of 498 transactions for a total sum of 633,234 Euros. As well as the criminal prosecution for money laundering and fraud, the Social Affairs and Employment Department subjected the fraudulent suspects to a demand for the repayment of the 110,439 Euros in received illegal benefits. Additionally, a case file relating to 14 people was prepared so that they could be arrested during the first half of 2012.
The FIU-the Netherlands analysis also revealed a family with several members who had been involved in the past in the trafficking of illicit drugs. Six members of the family were receiving benefits, and yet had conducted 333 transactions for a total of 693,905 Euros. Arrests will be made under this case file in 2012.

2.2 Partnership with FIOD

The FIOD receives suspicious transactions from FIU-the Netherlands based on ongoing investigations and forms of crime set as priorities by the FIOD.
In 2011 38 case files covering a total of 95 suspicious transactions that specifically indicated money laundering were passed on to the 'signals and selection' (S&S) forum. This forum consists of members of the National Public Prosecutor's Office and the National Public Prosecutor's Office for Financial, Economic and Environmental Offences, the FIOD and the KLPD, and determines which criminal investigations are to be tackled by the combined teams of the National Crime Squad/FIOD and the individual money laundering teams of the National Crime Squad and the FIOD.
In 2011 29 files covering a total of 83 suspicious transactions were created for criminal investigations into fraud with child benefits, bankruptcy fraud and VAT carrousels. Some of the criminal investigations, based in part on suspicious transactions, have been concluded and have led to long custodial sentences.
The FIOD submitted 386 LOvJ requests in 2011. As well as the onward reporting of suspicious transactions based on these requests, transactions were also designated to be suspicious on the basis of matches with the Index of Criminal Investigations and Subjects (Verwijzingsindex Recherche Onderzoeken en Subjecten, VROS) and the FIU's own investigation.

Partnership with the Real Estate Intelligence Centre (VIC)

The suspicious transactions of FIU-the Netherlands form building blocks for the products of the VIC. The precise significance of the FIU information in relation to the final result cannot be measured. The FIU information however adds value by creating a more complete picture of possible real estate-related crime. In 2011 the first steps were taken by the VIC to put an (automated) process in place in order to provide the context based on real estate-related indicators needed to designate unusual transactions suspicious. This will be further developed in 2012.

2.3 Information for investigative authorities and the Public Prosecution Service

In 2011, FIU-the Netherlands, together with the Police Academy, organised training days for various regional forces. The purpose of these training days was to promote the use of financial information in the investigation and intelligence process. The courses were also held in 2011 at the police forces in Groningen, Friesland, Drenthe, IJsselland, Utrecht, Midden- en West-Brabant and at the Supra-regional detective force and the KLPD.
The emphasis was placed on instructing managerial staff within the investigation and enforcement services. Information was also provided for specific groups within the regional forces, the information departments in particular. The information focused creating awareness that there is much more and more valuable information enclosed in the suspicious transaction than only the amount of money involved.

The method used to exchange information with the investigative authorities has been altered by the introduction of GoAML. As a result, FIU-the Netherlands has opted to make the Suspicious Transactions directly available to the entire investigative body in the Netherlands via the police application BlueView. Despite the comprehensive information provided prior to this transition, not all of the forces succeeded in guaranteeing the availability of BlueView for crime investigation purposes in such a way that this was comparable with the (former) Suspicious Transactions Intranet. Also, due to the BlueView system, the content of the information which is made available to the investigative authorities has changed. BlueView shows less information about the transactions than was previously the case. The Service Point of FIU-the Netherlands is available for the police to obtain further information. FIU-the Netherlands has also initiated a process aimed at providing additional information via BlueView in the future.

2.4 FIET Financial

In September 2010 the KLPD was designated as one of the "pilot forces" for the national programme Financial-Economic Crime (FinEC). FIU-the Netherlands was closely involved in the development of the intelligence domain within this programme.
At the end of 2010 a Flexible Intelligence and Expertise Team (FIET) – FinEC was set up within the KLPD in the context of the national FinEC programme. The FIET-FinEC provides pre-decision documents and project proposals for the combined teams of the National Crime Squad (DNR)/FIOD, the individual DNR money laundering teams and the FIOD, the KLPD-wide settlement team and a special DNR team that targets money couriers.
In 2011, 39 case files containing 2,614 suspicious transactions were supplied. The information provided by FIU-the Netherlands was ultimately used in 17 separate criminal investigations and/or the preparations thereof.
Additionally, a special FinEC team of the KLPD carried out five investigations into suspicious transactions involving purchases of expensive cars. In three of these cases cars were seized and suspects were arrested.

3

3 Financing of terrorism and Proliferation

3.1 Financing of terrorism

In 2011 the Counter Terrorism & Proliferation Financing team of FIU-the Netherlands gave a large number of national and international presentations. Together with partners in the domain of civil safety and security the team was also involved in several national and international counter terrorism investigations and carried out analyses of ongoing and concluded investigations. This led in 2011 to the issuing of 23 'signal documents' for investigation and intelligence services and the development of a new risk profile for money flows that could possibly be related to terrorism. This risk profile has been shared with various groups of reporting entities.

By carrying out strategic studies, FIU-the Netherlands set out in 2011 to gain a clearer image of the money flows that can be related to unstable geographic and/or conflict regions, such as the border region between Afghanistan and Pakistan and the Horn of Africa (with the emphasis on Somalia). These studies resulted in the production of confidential reports. FIU-the Netherlands is looking into how the findings of these confidential reports can be translated into more public reports and recommendations for the investigative authorities, supervisory authorities and reporting entities. Extending the focal area to the Horn of Africa has also led to invitations from UNODC to take part in a number of conferences in Kenya and Djibouti.

Also, in 2011, the team actively participated in various national and international cooperation and coordination fora, such as the CT-infobox, the Egmont Group, but also the FIOD and within the KLPD. In addition to this, FIU-the Netherlands fulfils an expertise and advisory role in the financing of terrorism area in respect of the National Coordinator Terrorism and Security.

3.2 Proliferation financing

In the context of EU Regulation 1110/2008 dated 10 November 2008 FIU-the Netherlands was designated as a Reporting Centre for reports related to Proliferation financing. The regulation concerns transactions that can be linked to the trading of substances or equipment suitable or intended for the production of nuclear weapons. The regulation focuses on Iran, and in particular two Iranian state banks that are suspected of facilitating proliferation-related activities. In 2011, FIU-the Netherlands did not receive any reports under this regulation from the reporting entities.
Despite the absence of specific reports on the subject of proliferation financing in 2011, there were a number of cases in which FIU-the Netherlands provided information to the counter-proliferation unit of the General Intelligence and Security Service (AIVD) on the basis of its own investigations.

3.3 Terrorist Finance Tracking Program (TFTP)

The TFTP is an agreement between the European Union and the United States of America (US) under which the US, under strict conditions, can be given access to European information about international SWIFT money transfers. FIU-the Netherlands has been the 'national single point of contact for the TFTP' since the end of November 2011.

4

4 Research and development

FIU-the Netherlands has access to a large amount of information related to possible cases of money laundering and financing of terrorism. As well as the case-based investigations, FIU-the Netherlands also plans to use this information for more strategic investigations and to gain and provide insight into relevant developments.
In the absence of a reporting and analysis tool in GoAML, FIU-the Netherlands was significantly limited in it's performance during the second half of 2011. For this reason FIU-the Netherlands was not able to meet all of the research and development targets in 2011. Despite this limitation, FIU-the Netherlands has made extra efforts to produce a number of more strategic studies and reports for both sides of the spectrum.

4.1 Analysis for reporting entities, supervisory authorities and investigative authorities

The Foundation for Tackling Vehicle Crime

The Foundation for Tackling Vehicle Crime (St. AVC) is an alliance between several partners including the Ministry of Security and Justice, the Public Prosecution Service, the Council of Chief Constables, the Road Transport Directorate, the Dutch Association of Insurances and the Dutch Mobility Industry Association (BOVAG). The "Mala Fide Trade" consultations were launched in October 2011. In response to signals from the Foundation's partners, it was decided to start with "scrap yards and related trade". FIU-the Netherlands is taking part in this project in order to gain insights into typologies and the *modus operandi* in this sector.

Indicators working group

A meeting of the Indicators working group was held in September 2011. The principal aim of the Indicators working group is to keep the indicators up-to-date and effective so that they continue to serve their purpose: the detection of unusual transactions. The participants are representatives of organisations with a reporting obligation and their sector organisations, supervisory authorities, the Public Prosecution Service and representatives of the Ministries of Finance and of Security and Justice, and of course FIU-the Netherlands.
Further to the working group meeting, FIU-the Netherlands submitted three proposals for modifying the indicators for dealers in high valuables and 'other dealers'. These points will be further developed by the participants during 2012 and could possibly lead to a modification of the list of indicators.

Analysis of reports by supervisory authorities

If, following a supervisor's visit, a supervisory authority doubts whether transactions have actually (and with the correct information) been reported, it can verify this with enquiries at FIU-the Netherlands. This is mostly done by the Tax and Customs Administration Holland-Midden / MOT Unit (BHM).
In 2011 fourteen requests were received from this supervisory authority with regard to reporting entities in the Netherlands, and another six concerning reporting entities in the Caribbean Netherlands. An aggregated overview of the relevant reporting entities is also generated four times a year for this supervisory authority so that the reporting entity visits can be prioritised by BHM.
During the past year this form of partnership has also been substantiated with two other supervisory authorities, namely the Dutch Central Bank (DNB) and the Financial Supervision office (AFM). The objective was to create standard reports for the supervisory authorities, but due to the introduction of the new IT system GoAML, this did not prove possible. This objective will be taken on in 2012.

Strategic analysis for the investigative and supervisory authorities

A total of 43 analytical products were made by the strategic analysts in 2011. Most of them (67%) were made on the request of external applicants. The rest were carried out on FIU's own initiative. The external requests consisted of six regional transaction overviews, two liaison reports and 21 other requests. A further 14 internal analyses were carried out with the aim of generating signals for FIU's own investigations and supporting policy development within the unit.

4.2 Typologies: Mercurius Project

The use of correct typologies and indicators in the money laundering area is an indispensable aspect of an effective approach to money laundering. This is why FIU-the Netherlands implemented the Mercurius project in 2011, aimed at the development of typologies. FIU-the Netherlands acknowledges its role in the shaping of typologies and indicators, which forms part of its core business.
A dedicated project team at FIU-the Netherlands worked on this from January to December 2011 with the aim of properly structuring the development of typologies and indicators and producing new indicators for the themes prepaid cards and loan back constructions.
A start was made with testing indicators in cooperation with two reporting entities – a bank and a money transaction office – to establish whether the indictors can be used by the reporting entities and whether they yield the desired quality and quantity of unusual transactions. Agreements were also made with the investigation agencies regarding the receipt of feedback on the transactions supplied. The aim here was to establish a feedback loop to increase the learning capacity. The project yielded sufficient experience for effective implementation and further use of the process.

4.3 Knowledge documents

FIU-the Netherlands contributed to several knowledge documents in 2011. A member of staff co-authored the national crime assessment for money laundering 2008-2011. This analysis will serve as the basis for the money laundering section of the National Threat Assessment 2012. Contributions were also made to the knowledge document 'zwarte kunst' ('black art'), on money laundering in the arts and antiques sector and the report 'waakzaam koperslag' (on suspects of stealing copper from the railways), both of the KLPD.

5

5 International Cooperation

Due to the generally cross-border nature of money laundering and financing of terrorism, international cooperation is of great importance to FIU-the Netherlands. In 2011 FIU-the Netherlands worked together with and exchanged information with FIUs worldwide on an operational level. The successful cooperation projects with the Swedish and English FIUs were continued in 2011. A lot of valuable information was exchanged with these FIUs and in 2012, it will be decided whether this form of cooperation could be extended to FIU Denmark. FIU-the Netherlands is also seeking new, innovative ways of shaping international cooperation.
FIU-the Netherlands also invested in international cooperation in area of policy development in 2011, e.g. by taking part in the various international committees. This is set out in more detail in the paragraphs below.

5.1 International cooperation project

FIU-the Netherlands commissioned a study into ways of making international cooperation more effective, using new, innovative methods. An important conclusion of this study was that although there are many relationships between FIUs, there are few innovative cooperation methods outside of the established fora (such as the Egmont Group, FIU.NET and the EU FIU platform).
The most striking and successful form of cooperation currently appears to be an existing one between the Dutch and the English FIU, via a liaison officer functioning as a human 'information hub'.

The most important recommendation of the advisory report is to create a 'pilot project' in the form of a trilateral cooperation format between Denmark, the Netherlands and Sweden, as these three countries have a shared interest (transaction information concerning the three countries). Ways of giving shape to this pilot project will be looked into in 2012.

5.2 International collaborative efforts: Egmont, FATF, FIU.Net, EU FIU platform

Financial Action Task Force (FATF)

An important milestone for the Netherlands in relation to the FATF in 2011 was passed when the FATF published the evaluation report on the Netherlands on 25 February. A wide-ranging evaluation report was published by the IMF team seven months after the on-site visit (28 June - 13 July 2010).
The report acknowledged the leading position of the FIU – the Netherlands as reporting centre.
There were however also some notes of criticism concerning the position of FIU-the Netherlands.
Due to its strong trading position and the related finance centre, the Netherlands has for years been designated as a potential risk area for financial crime, including money laundering. The role and position of FIU-the Netherlands is of great importance in that regard.
The most important points of criticism concerning FIU-the Netherlands made by the FATF were the following:

- effectiveness issues have been identified and should be improved;
- this can be achieved by making better use of the analyses;
- and by improving the independent position of the FIU-the Netherlands through a clear governance structure and completion of the legal framework.

FIU-the Netherlands has formed a working group to effectively address the FATF criticism and corresponding recommendations. To improve the governance of FIU-the Netherlands, a proposal has been made to improve the positioning of FIU-the Netherlands (see section 7.2). A reporting and analysis tool will be rolled out in the course of 2012 with a view to improving effectiveness. This tool will incorporate the "red flags" that can be derived from the current typologies. Once this tool becomes operational, FIU-the Netherlands will once again be in a position to carry out strategic analyses to identify trends.

FIU-the Netherlands is represented in the Dutch delegation of the FATF that meets three times a year. Four working groups operate within the FATF. FIU-the Netherlands is actively taking part in the typologies working group.

Egmont Group

In 2011 the Egmont Group had 127 members (FIUs). In 2011 FIU-the Netherlands participated in the working group meeting of the Egmont Group on Aruba in March and in the plenary meeting in Yerevan (Armenia) in July. FIU-the Netherlands actively participates in the Egmont Group and has representatives in three working groups.
The head of FIU-the Netherlands is also a member of the Egmont committee as well as chair of the IT working group. Operational information is shared with the Egmont Group countries via the Egmont Secure Web, which is administered by the American FIU, FINCEN.

FIU.NET

FIU.NET is a decentralised computer network between the European FIUs. FIU.NET was set up with the aid of the European Commission in order to facilitate the exchange of data between the European FIUs. Virtually all EU Member States are now connected to this system.
To turn the FIU.NET project into a permanent structure it has been decided to place FIU.NET within Europol. 1 January 2014 has been decided on as the deadline; there is currently a transition phase. FIU-the Netherlands actively paticipates in the FIU.NET Bureau. FIU-the Netherlands is not only a member of the Board of Partners that steers the further development of FIU.NET, but also supplies capacity on a secondment basis for the execution of the tasks of the FIU.NET Bureau.

The technology used in FIU.NET for the European FIUs can also be used for the FIUs in the Kingdom of the Netherlands (including the Caribbean Netherlands). The first step in this direction was taken during the Kingdom Seminar. During this seminar an initial fully automated and encrypted subject match was carried out. The results were discussed during the seminar and agreement was reached on follow-up activities.

International exchange of operational intelligence

FIU-the Netherlands makes use of the FIU.NET and the Egmont Secure Web (ESW) to exchange operational information concerning subjects related to unusual transactions. The tables below show the top 5 countries with which information was exchanged in 2011 for each medium. This relates to the case files concerning incoming and outgoing requests.

Table: Top 5 countries for incoming and outgoing requests via FIU.NET [1]

FIU.net

	Incoming		Outgoing
Belgium	191	Belgium	17
Slovakia	41	Germany	5
Luxembourg	24	Spain	5
France	15	Italy	2
United Kingdom	13	Romania	1

Table: Top 5 countries for incoming and outgoing requests via ESW

ESW

	Incoming		Outgoing
Belgium	176	Sweden	20
Luxembourg	66	Belgium	14
Slovakia	55	Germany	10
Spain	15	United Kingdom	10
France	10	Turkey	7

1/ The count of the number of incoming and outgoing requests via FIU.NET is different in 2011 from the 2010 count. This difference can be explained by the fact that the 2011 count is based on the number of searches and/or searched subjects rather than counting each piece of information exchanged (subject, address, notice, etc.).

EU FIU platform
FIU-the Netherlands takes part in the EU FIU Platform, the informal consultative body formed by FIUs in the European Union. The platform meets periodically in Brussels, and one of its principal aims is to improve the exchange of information between EU FIUs. Best practices are presented and experiences shared, and current developments and threat assessments are discussed. The EU FIU Platform will be advising the European Commission on the fourth anti-money laundering directive in 2012. This directive is due to be completed in 2012.

Analytical Work File Suspicious Transactions (AWF Sustrans)
In 2011 Europol and FIU-the Netherlands concluded the first decade of cooperation in the area of countering money laundering and the financing of terrorism. The Analytical Work File Suspicious Transactions (AWF Sustrans) arose from this collaborative effort. It now has 24 participating Member States. FIU-the Netherlands passes on its suspicious transactions to Europol. If a subject occurs in two or more countries, Europol will officially request FIU-the Netherlands for further details. In 2011, 24 Europol requests were settled in the context of AWF Sustrans. The information provided, is analysed to detect forms of international criminal cooperation. Criminal cooperation structures are further investigated with the Member States in question.
The number of requests was considerably lower in 2011 than in 2010, but this mainly has to do with the altered method. Europol is no longer obliged to ask FIU-the Netherlands for permission to use its suspicious transaction information for each hit. As a result, Europol now makes a request to FIU-the Netherlands mainly for more in-depth or additional investigation, which has resulted in a lower number of requests being made.

Concluded Memorandums of Understanding (MOUs)
Upon the request of the FIUs that are members of the Egmont Group, FIU-the Netherlands concludes MOUs to facilitate the exchange of information. Although this is not the case for FIU-the Netherlands, foreign FIUs often have a legal obligation to conclude an MOU to allow for the exchange of information and intelligence. In 2011 MOUs were concluded with the FIUs of the following countries: Indonesia (PPATK), Saudi-Arabia (SAFIU) and Singapore (STRO).

Negotiations are also being conducted and preparations made to sign an MOU with JAFIC, the Japanese reporting centre and MASAK, Turkeys' reporting centre. The FIU of Tunisia has also requested a MOU. Tunisia will, if the plenary Egmont Group so decides in July 2012, become a member of the Egmont Group.

In addition to the cooperation via the Egmont Group and the EU FIU platform, FIU-the Netherlands receives delegations of foreign FIUs a few times a year to share experiences and best practices related to specific subjects such as carrying out analyses or cooperation with the investigative authorities.

Cooperation between FIU-the Netherlands and the International Tribunals
To provide for the exchange of information with the international tribunals based in the Netherlands, agreements have been made between FIU-the Netherlands, the National Public Prosecutor's Office for Financial, Economic and Environmental Offences (LOvJ Wwft) and the responsible authority (district public prosecutor's office in The Hague). This could relate to subject-based information intended for investigation or prosecutions or case history information crucial to the task of the international tribunals and to complement the information position of FIU-the Netherlands.

Kingdom seminar
The second Kingdom Seminar was held in March 2011 in Oranjestad, Aruba. The theme of this meeting of the Financial Intelligence Units of the Kingdom of the Netherlands was "The promotion and improvement of the cooperation between the FIUs, also in relation to the 'chains' within which they operate". In view of the new political relations and the shift in the reporting obligation of the reporting entities on Bonaire, St. Eustatius and Saba, this was a very appropriate topic.

It was agreed during the seminar to provide each other with support and assistance and to share expertise. This applies in particular to the Office for the Disclosure of Unusual Transactions (MOT) on St. Maarten, which initially received support from the MOT Curaçao during its establishment. Additionally, a legal working group was formed with a view to come to mutually more effective cooperation in the future. An important aspect of this involves keeping each other informed of relevant developments and changes in the legal framework . Also, conform article 39 of the Charter, the drafting of new legislation should be mutually coordinated in the context of effective Kingdom cooperation.
Finally, a match was carried out by the FIU.NET Bureau as a test for sharing intelligence. This match is being further worked on.

6

6 The Caribbean Netherlands

2011 was the first full year in which the reporting entities in the Caribbean Netherlands were obliged to report their unusual transactions to FIU-the Netherlands. In 2011 the emphasis was placed on instructing the reporting entities and developing and maintaining contacts with other important partners.

Positioning of the Administrative Liaison

The administrative liaison has a key role in informing the reporting institutions in the Caribbean Netherlands about the obligation to report, the reporting procedure and the relevant laws and regulations. The administrative liaison is also responsible for maintaining contacts with representatives of the sectors, the supervisory authorities and the other Financial Intelligence Units of the Kingdom of the Netherlands. There is also a task in the policy development area.
In view of the small scale, FIU-the Netherlands has opted to build up intensive relations with the reporting entities in the Caribbean Netherlands. Regularly paying visits, giving presentations and providing instruction on the current legislation and procedures has led to increased confidence which should result in an increase in the number and quality of the reports.

GoAML

Due to the fact that the developed reporting application, as predecessor to GoAML, was used effectively by the reporting entities in the Caribbean Netherlands, the transition to GoAML was not preceded by a special pilot programme. The transition went smoothly but did take place later than initially planned.

Contact days for traditional reporting entities

In 2011 contact days were organised for the first time for the so-called traditional reporting entities on Bonaire, Sint Maarten, Saba and Sint Eustatius. These contact days are used to introduce all AML chain partners to each other by means of presentations, interaction and meetings.

Reports

In 2011 over 650 reports of unusual transactions were received from the reporting entities in the Caribbean Netherlands. These reports represent a sum of over 56 million Euros. Incoming reports are received both on paper and in digital form.
There are still some steps to be taken regarding the analysis of the unusual transactions from the Caribbean Netherlands. These ‘start-up problems’ are expected to be resolved in 2012.

7

7 Development of the unit

7.1 New IT system GoAML

In 2011 FIU-the Netherlands devoted a lot of its capacity to taking the final steps in the implementation process for the new integral IT system GoAML. The purpose of this process was to replace the applications used by FIU-the Netherlands, which were specifically built for it. These applications were outdated and became too costly to manage.

Not only was the transition to the application a major change in the working method used by FIU-the Netherlands staff, the reporting method was significantly changed as well. A project team was set up at FIU-the Netherlands to put this transformation on the right track. The team was responsible not only for the rollout of GoAML at FIU-the Netherlands, but also for the reporting portal and the reporting application for the reporting entities. A significant part of FIU-the Netherlands' capacity in 2011 was therefore devoted to the work involved in implementing the new IT system. In May 2011 FIU-the Netherlands switched to working via the GoAML application. After this transition a lot of time was devoted to providing 'after care' (additional training, maintenance), the roll-out of a service point at FIU-the Netherlands for the reporting entities and investigative authorities, the roll-out of GoAML for the Caribbean Netherlands, improving the quality of the supply of suspicious transactions to the police application BlueView and the implementation of new releases and custom functionalities specifically for FIU-the Netherlands. With the transition to GoAML FIU-the Netherlands has taken a step towards a more professional, future-proof IT system. However, a separate reporting and analysis tool was missing during the launch of GoAML. This has yet to be developed. GoAML itself will also continue to be further developed. A new project team has been instituted for this purpose.

7.2 Positioning

In 2011 talks were held on the positioning of FIU-the Netherlands. These talks were prompted by the formation of the National Police, as a result of which the positioning of FIU-the Netherlands will have to be reconsidered, and the evaluation of the Netherlands by the FATF. The FATF evaluation report inter alia contains criticisms regarding the positioning of FIU-the Netherlands and its complex governance structure: too many parties are able to influence the organisation's management and policy through an opaque system of mandates and sub-mandates.

The starting point for the new positioning of FIU-the Netherlands is that its independent position must be strengthened, for which the effectiveness of FIU-the Netherlands is also an important condition. How FIU-the Netherlands will be positioned, will become clear in 2012.

8

8 FIU-the Netherlands in key figures

8.1 Introduction

In this chapter FIU-the Netherlands sets out the key figures. Developments in recent years are presented on the basis of the various groups of reporting entities that fall under the reporting obligation of the Dutch Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft) and which have reported unusual transactions to FIU-the Netherlands. The indicators – both objective and subjective – used in the reports are also shown. The developments regarding the suspicious transactions are shown, as well as the reports that constitute the input for FIU-the Netherlands. These are also presented on the basis of the reporting entities where the transactions designated suspicious were conducted.

The 'forwarding reasons' explaining why FIU-the Netherlands designated transactions to be suspicious are also given in various instances. Transactions are designated suspicious on the basis of four different methods/forwarding reasons: (1) the weekly match with the VROS file, (2) screening based on the LOvJ requests, (3) matches with other databases and (4) FIU's own investigations.
Designating transactions suspicious under the first and third categories strongly depends on the input from the investigative authorities; the number of forwarded reports based on the match depends on the extent to which investigating officers fill the databases with subjects that occur in the FIU-the Netherlands database. The number of LOvJ requests (2) submitted by the police does of course also depend on the efforts of the investigative authorities, although FIU-the Netherlands is able to exert a degree of influence by providing the regions with clear information about the use of LOvJ request. Carrying out its own investigations (4) lies primarily within the sphere of influence of FIU-the Netherlands and depends (among other things) on the available expertise and capacity, as well as the (policy) choices it makes regarding the deployment of this capacity.

The unusual transactions are presented on the basis of the year of registration. That shows how many transactions FIU-the Netherlands has registered in the previous year. This in turn forms the input for FIU-the Netherlands. The suspicious transactions are presented on the basis of the year of forwarding, i.e. the year in which the transaction was designated suspicious and disseminated to investigative authorities. This provides an insight into the number of unusual transactions designated suspicious by FIU-the Netherlands within a year and its output. Since the unusual transactions and suspicious transactions are presented on the basis of various date classifications, they cannot be directly compared to each other. After all, a transaction that was designated suspicious and forwarded in 2011 may have been registered in 2008. It is therefore not possible to calculate a 'forwarding percentage' of the unusual and suspicious transactions on the basis of these figures. None the less it can be said that by no means all of the unusual transactions registered by FIU-the Netherlands are also designated suspicious. The two main reasons for this are that (1) not all unusual transactions turn out actually to be suspicious, and (2) that FIU-the Netherlands does not have sufficient capacity to investigate all of the transactions itself. With regard to the first: the analysis carried out by FIU-the Netherlands may show that a transaction highlighted as unusual by a reporting entity has a legitimate explanation. In another scenario it is possible that the reporting entity and FIU-the Netherlands are not able to establish a legitimate reason for a transaction, but that there is not sufficient evidence of a possible link to crime. In both of these situations an unusual transaction is not labelled as suspicious.

A second reason for the number of suspicious transactions lagging behind the number of unusual transactions is FIU-the Netherlands' limited capacity for investigations. FIU-the Netherlands is forced to make difficult choices in the prioritisation of its investigative activities. Put differently: which transactions should (first) be considered candidates for investigation? In this context it is worth taking a look ahead to next year. In 2012 important steps will be taken in the development of the new reporting and analysis (R&A) tool. This tool will be used to gain a clearer image of the trends and developments that arise and to monitor them. FIU-the Netherlands also intends to use the R&A tool to apply a smarter prioritisation to the transactions it wishes to investigate. By working with "red flags", for example, FIU-the Netherlands will be able to identify and investigate the most high risk transactions as soon as possible. Where possible, FIU-the Netherlands will share these red flags with the reporting entities in order to improve not only the quality of the output but also the quality of the input of FIU-the Netherlands.

Reading guide for the figures

- In mid-2011 FIU-the Netherlands switched to a new operational process system, GoAML. This has implications for the figures in this annual report. GoAML operates a different counting method from the old system, MOTION, as a result of which the figures in this annual report cannot be compared directly with those of previous years.
    - In MOTION, a single transaction could consist of several financial dealings. This was counted as a single transaction. In GoAML each financial dealing counts as a single transaction.
    - The subjective reporting obligation for money transfers applies both to the providers of money service businesses and their agents. For this reason there may be cases where the same transaction is reported twice to FIU-the Netherlands. In MOTION duplicate money transfer reports were not counted, whereas GoAML also counts duplicate money transfers.
- The new counting method described above is determinative. This annual report for 2010 and 2011 therefore presents the figures based on the new counting method. The accompanying texts also address the years 2010 and 2011 on the basis of the new counting method. The figures up to and including 2010 have also been shown according to the old counting method for identification and comparison purposes. The difference can be clearly seen in the tables and graphs. An explanation for the figures according to the old counting methods is given in previously published annual reports. They can be downloaded at www.fiu-nederland.nl.
- Unusual transactions are presented by date of registration, which is the date on which FIU-the Netherlands registered the transactions received as being unusual in the MOT database.
- Suspicious transactions are presented by the forwarding date, which is the date on which FIU-the Netherlands designated the transactions as suspicious after investigating them. This is in fact the quantitative production of FIU-the Netherlands. It should be noted here that FIU-the Netherlands is not able to subject all of the presented transactions to a comprehensive investigation in order to designate them suspicious. Each report registered by FIU-the Netherlands is however subjected to an automatic matching process with the VROS register. That means that some kind of investigation is always carried out.
- The arrival of GoAML has also resulted in a change to the forwarding of suspicious transactions to the investigative authorities. All suspicious transactions are now exported to BlueView. The change has also led to a slight change being made to the definition of the forwarding date compared to previous years. For this reason there are a limited number of cases in which a case file that previously had 2010 as the forwarding date will now be dated in 2011.
- It is possible that round-off results in the percentages not always adding up to 100%.
- Amounts in foreign currency are converted into Euros at the exchange rates stated by the reporting entities in their reports. The Customs reports contained some incorrect exchange rates, as a result of which the amounts were not given correctly in the operational process system when the figures were calculated. The amounts related to the Customs reports have therefore been left aside.
- Reports of intended transactions are not included in the calculation of amounts.
- Unless stated otherwise, all numbers in the figures are exact. Amounts have been rounded off.
- Owing to the introduction of GoAML and the accompanying conversion problems, FIU-the Netherlands does not have accurate details about the dates on which reports were received this year. For this reason, this annual report does not contain any figures regarding lead time as was the case in previous years.
- The introduction of the new registration system has resulted in the reasons given for forwarding some of the suspicious transactions (16%) are not given correctly in the system. A solution for this problem is being worked on. In this annual report "to be determined" has been given as the reason for forwarding these transactions.
- Reports received from the Caribbean Netherlands (BES reports) had not yet been imported into GoAML when the database for the figures was compiled. For that reason they are not covered in this chapter. A brief summary of the BES reports in 2011 is given in chapter 6.

8. 2 Total figures

8.2.1 Unusual transactions

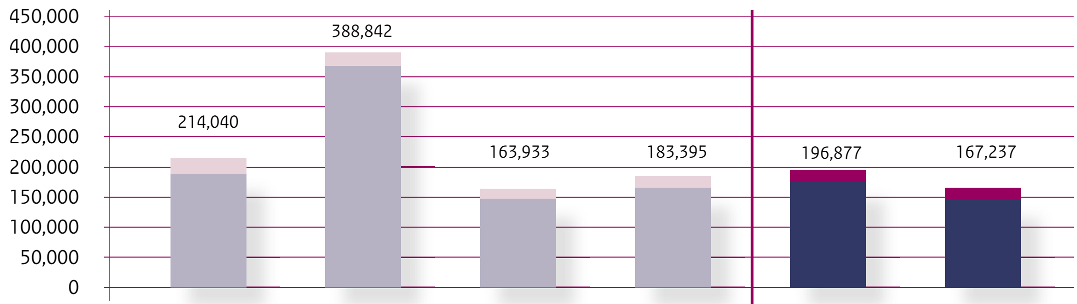
In 2011 FIU-the Netherlands received some 167,000 unusual transaction reports. Graph 1 shows the development in the number of unusual transactions reported in the years 2007 to 2011. The year shown is the year in which the transaction was reported and registered. Reporting entities are able to report not only completed transactions, but also transactions that the client intends to complete. However most of the transactions are completed ones: in 2011, 948 reports of intended transactions were filed.

Fewer reports were received in 2011 than in 2010. The total number of reported unusual transactions has fallen by 15%.

In this section a distinction is made between reported money transfers and non-money transfers. Money transfers are transfers made via registered money service businesses such as MoneyGram and Western Union (or their agencies). Reports in the category of non-money transfers relate (among others) to: cash (exchange) transactions, fund transfer transactions and the important and export of cash. The vast majority of all reports of unusual transactions concern money transfers (87%). To avoid a situation in which the trends in the reports on non-money transfers are overshadowed by the large number of reported money transfers, these two categories of reported transactions are covered in separate sections. The figures for the money transfers are discussed in section 3 and the non-money transfers are covered in section 4.

Graph 1 shows that the total number of money transfer reports is over 16% lower than in 2010. The fall in non-money transfers is approximately 4%.

Graph 1: Unusual transactions 2007 - 2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Non-money transfers	25,093	21,472	16,105	19,331	22,459	21,572
Money transfers	188,947	367,370	147,828	164,064	174,418	145,665
Total	214,040	388,842	163,933	183,395	196,877	167,237

The ratio between objective and subjective reports also changed significantly in 2011 compared to 2010. In 2010 the subjective-objective ratio was 66%-34% and in 2011 52%-48%. The figures will be discussed and a more detailed explanation of the reduction will be given after this and the following sections.

Table 1 provides an overview of the origin of the reports. The number of unusual transactions is shown per reporting sector, again divided into money transfers and non-money transfers. The developments are discussed in more detail for each reporting sector in sections 3 and 4 respectively.

Table 1: Unusual transactions per sector

Non-money transfers

	2011_ GOAML		2010_GOAML		2010_MOTION	
Sector	**Number**	**Share in subtotal**	**Number**	**Share in subtotal**	Number	Share in subtotal
Banks	6,469	30%	8,794	39%	7,740	40%
Government	4,287	20%	3,319	15%	2,773	14%
Dealers	3,890	18%	4,203	19%	3,703	19%
Money trans. offices	2,915	14%	1,758	8%	1,707	9%
Casinos	1,734	8%	1,671	7%	1,014	5%
Credit card co.	1,444	7%	1,316	6%	1,308	7%
Professionals	794	4%	1,348	6%	1,040	5%
Other dealers	67	0%	34	0%	30	0%
Financing co.	8	0%	2	0%	2	0%
Securities brokers	1	0%	11	0%	11	0%
Insurance brokers	1	0%	1	0%	1	0%
Life insurers	0	0%	2	0%	2	0%
Investment inst.	0	0%	0	0%	0	0%
Subtotal non-money transfers	**21,610**	**100%***	**22,459**	**100%***	**19,331**	**100%***

Money transfers

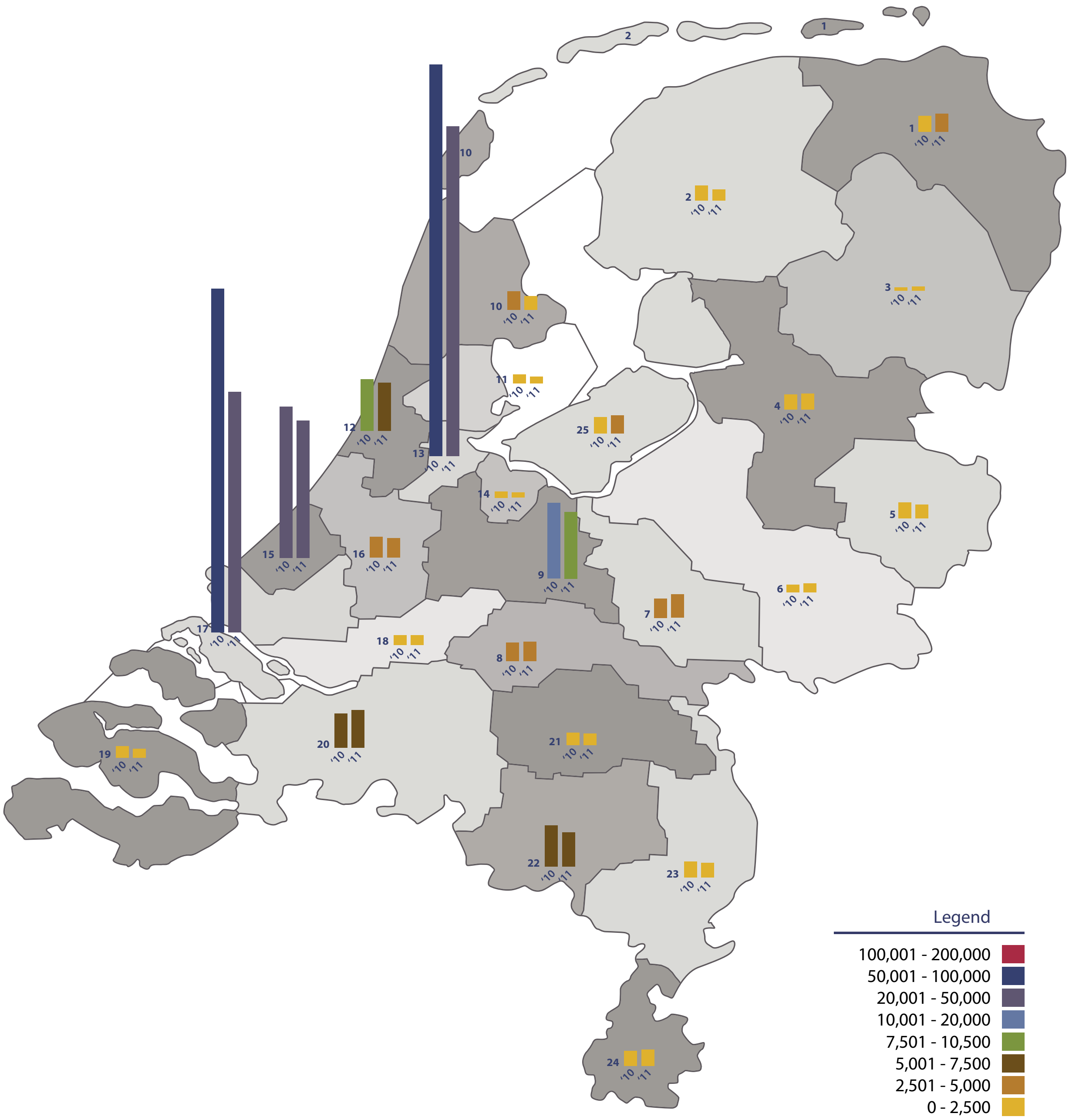
	2011_ GOAML		2010_GOAML		2010_MOTION	
Sector	**Number**	**Share in subtotal**	**Number**	**Share in subtotal**	Number	Share in subtotal
Money trans. offices	132,799	91%	162,521	93%	152,219	93%
Banks	12,830	9%	11,897	7%	11,845	7%
Subtotal money transfers	**145,629**	**100%**	**174,418**	**100%**	**164,064**	**100%**
Total	**167,239**		**196,877**		**183,395**	

* Owing to rounding-off the total is not precisely 100%.

8.2.2 Unusual transactions per police region

To give an impression of where the unusual transactions take place in the Netherlands, figure 1 gives a quantitative image of the unusual transactions per police region.

Figure 1: Unusual transactions per police region, registration years 2010-2011



The precise number of unusual transactions for the individual police regions is given in the table below.

Table accompanying figure 1

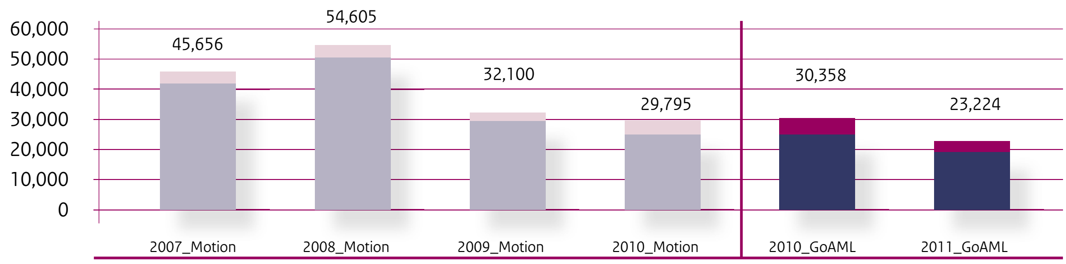
Police region	Number on map	2011_GOAML	2010_ GOAML	2010_ MOTION
Groningen	1	2,632	2,327	2,243
Friesland	2	1,637	2,210	2,018
Drenthe	3	608	541	527
IJsselland	4	2,258	2,152	2,031
Twente	5	2,061	2,317	2,044
Noord- en Oost-Gelderland	6	1,296	1,106	1,067
Gelderland-Midden	7	3,352	2,840	2,382
Gelderland-Zuid	8	2,782	2,735	2,463
Utrecht	9	9,721	11,107	10,499
Noord-Holland-Noord	10	2,069	2,733	2,466
Zaanstreek-Waterland	11	1,075	1,320	1,279
Kennemerland	12	7,037	7,566	6,829
Amsterdam-Amstelland	13	47,969	56,942	52,024
Gooi en Vechtstreek	14	741	868	781
Haaglanden	15	19,975	22,457	21,184
Hollands Midden	16	2,825	3,034	2,880
Rotterdam-Rijnmond	17	35,431	50,006	48,167
Zuid-Holland-Zuid	18	1,458	1,445	1,358
Zeeland	19	1,301	1,690	1,649
Midden- en West-Brabant	20	5,661	5,079	4,681
Brabant-Noord	21	1,788	1,852	1,704
Brabant-Zuid-Oost	22	5,014	6,020	5,577
Limburg-Noord	23	2,117	2,385	2,233
Limburg-Zuid	24	2,389	2,248	2,091
Flevoland	25	2,650	2,394	2,173

Most of the reported unusual transactions originate from the regions with the highest population density. In 2011 most of the reports originated from institutions in police region Amsterdam-Amstelland: about 48,000 reports. Rotterdam-Rijnmond produced over 35,000 reports and the Haaglanden and Utrecht regions about 20,000 and over 9,700 reports respectively.
There was a notable decrease in the number of unusual transactions reported in the Rotterdam-Rijnmond region. This can be attributed to a certain reporting entity, a money transaction office, which decided - in connection with alleged fraud at a sub-agency in 2010 - to report all of the transactions of that specific sub-agency on the basis of a subjective indicator. These fraudulent practices have since been brought to an end, as a result of which the number of reports in the region has decreased.

8.2.3 Suspicious transactions

Graph 2 shows the development of the annual number of forwarded suspicious transactions. A distinction is made between reports of money transfers and non-money transfers. The years shown are the years in which the transactions were forwarded to the criminal investigation services. In 2011 23,224 transactions were designated suspicious, representing a fall of over 23% compared to 2010.
Reference is made to sections 3 and 4 for a more detailed explanation.

Graph 2: Suspicious transactions 2007 - 2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Non-money transfers	4,763	3,802	3,453	4,408	4,988	3,653
Money transfers	40,893	50,803	28,647	25,387	25,370	19,571
Total	45,656	54,605	32,100	29,795	30,358	23,224

The number of suspicious transactions per reporting sector is given in table 2. A distinction is made between reports of money transfers and non-money transfers. The share of reports in the total is also given.

Table 2: Suspicious transactions per reporting sector

Non-money transfers

		2011_GOAML		2010_GOAML		2010_MOTION
Sector	**Number**	**Share in subtotal**	**Number**	**Share in subtotal**	Number	Share in subtotal
Banks	1,648	45%	3,169	64%	2,857	65%
Money trans. offices	683	19%	409	8%	381	9%
Dealers	477	13%	418	8%	391	9%
Casinos	354	10%	303	6%	252	8%
Professionals	289	8%	500	10%	356	6%
Credit card co,.	114	3%	71	1%	67	2%
Government	86	2%	113	2%	99	2%
Other dealers	2	0%	2	0%	2	0%
Life insurers	0	0%	2	0%	2	0%
Securities brokers	0	0%	1	0%	1	0%
Insurance brokers	0	0%	0	0%	0	0%
Investment inst.	0	0%	0	0%	0	0%
Financing co.	0	0%	0	0%	0	0%
Subtotal non-money transfers	**3,653**	**100%***	**4,988**	**100%***	**4,408**	**100%***

Money transfers

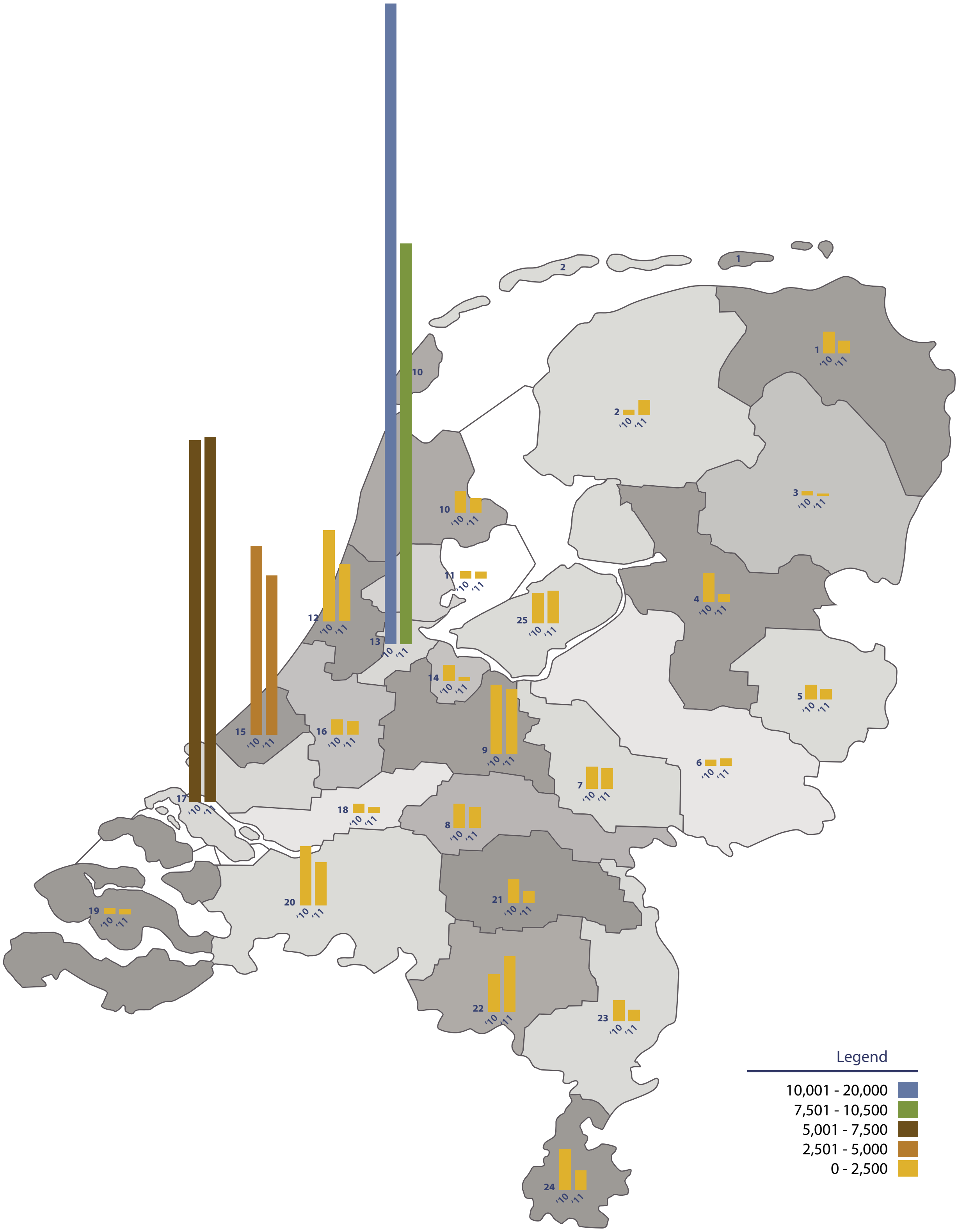
		2011_GOAML		2010_GOAML		2010_MOTION
Sector	**Number**	**Share in subtotal**	**Number**	**Share in subtotal**	Number	Share in subtotal
Money trans. offices	15,502	79%	18,807	74%	18,829	74%
Banks	4,069	21%	6,563	26%	6,558	26%
Subtotal money transfers	**19,571**	**100%**	**25,370**	**100%**	**25,387**	**100%**
Total	**23,224**		**30,358**		**29,795**	

* Owing to rounding-off the total is not precisely 100%.

8.2.4 Suspicious transactions per police region

Figure 2 below provides a quantitative image of the suspicious transactions that took place in the regions. The suspicious transactions are shown on the basis of the year in which they were designated suspicious and forwarded to the criminal investigation services.

Figure 2: Suspicious transactions forwarded in 2010-2011



The precise number of suspicious transactions for the individual police regions is given in the table below.

Table accompanying figure 2

Police region	Number on map	2011_GOAML	2010_GOAML	2010_MOTION
Groningen	1	203	352	357
Friesland	2	77	249	241
Drenthe	3	34	75	96
IJsselland	4	132	471	467
Twente	5	170	243	216
Noord- en Oost-Gelderland	6	121	100	119
Gelderland-Midden	7	337	365	334
Gelderland-Zuid	8	330	398	336
Utrecht	9	1,047	1,125	1,178
Noord-Holland-Noord	10	229	349	361
Zaanstreek-Waterland	11	114	127	125
Kennemerland	12	937	1,487	1,478
Amsterdam-Amstelland	13	7,503	11,399	11,185
Gooi en Vechtstreek	14	62	262	241
Haaglanden	15	2,594	3,077	3,156
Hollands Midden	16	220	247	245
Rotterdam-Rijnmond	17	5,923	5,871	5,804
Zuid-Holland-Zuid	18	86	150	159
Zeeland	19	86	115	112
Midden- en West-Brabant	20	730	968	943
Brabant-Noord	21	195	387	385
Brabant-Zuid-Oost	22	891	619	615
Limburg-Noord	23	198	345	353
Limburg-Zuid	24	321	662	610
Flevoland	25	539	495	486

Most of the suspicious transactions originate from the regions Amsterdam-Amstelland, Rotterdam-Rijnmond, Haaglanden and Utrecht.
There has been a decrease in virtually all police regions. The increase in Brabant Zuid-Oost can be attributed to a single large case file containing 262 suspicious transactions relating to a cash purchase of vehicles worth almost 4 million Euros.

8.2.5 Reasons for forwarding reports

As explained in section 1, there are various reasons for designating an unusual transaction suspicious. The reasons for disseminating suspicious transactions in 2010 and 2011 are given in table 3.

Table 3: Forwarding reasons suspicious transactions

	2011_GOAML		2010_GOAML		2010_MOTION	
Reason for forwarding	**Number**	**Share in total**	**Number**	**Share in total**	**Number**	**Share in total**
VROS	8,329	36%	15,503	51%	15,222	51%
Investigation by FIU	7,919	34%	9,498	31%	9,149	31%
LOvJ	3,145	14%	5,338	18%	5,407	18%
CJIB and BOOM [2]	83	0%	17	0%	17	0%
To be determined	3,750	16%	2	0%	0	0%
Total	**23,226**	**100%***	**30,358**	**100%***	**29,795**	**100%***

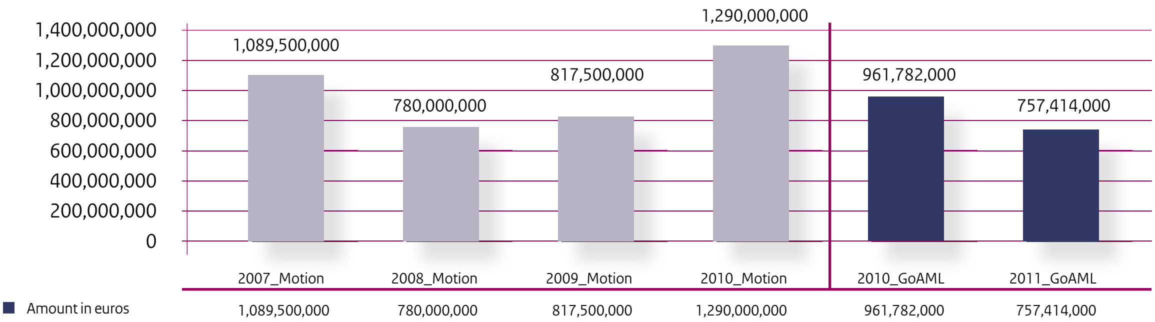
[2]/
Central Fine Collection Agency and Prosecution Service Criminal Assets Deprivation Bureau

As in 2010, most of the transactions in 2011 were designated suspicious in response to a VROS match and FIU-the Netherlands' own investigation. It is notable that in 2011 16% of the transfers were given "to be determined" as the reason for forwarding. This has to do with the transition to GoAML. (See the reading guide at the beginning of this chapter).

8.2.6 Amounts of suspicious transactions

Graph 3 shows the amounts involved in the suspicious transactions carried out in the period 2007-2011. In 2011 the customs reports on the import, export and transit of cash were left aside. This is because the currency rates given in the customs reports were not correctly supplied, as a result of which the amounts were incorrectly given in Euros in the system. FIU-the Netherlands will correct this in the system in 2012 so that the amounts can be shown in the next annual report (see reading guide). There are big differences between the amounts in 2010 according to the MOTION count and the GoAML count. This difference is caused largely by a single large case file with a value in excess of € 327,500,000. Owing to the switch to GoAML this specific file was counted with the 2011 suspicious transactions (see also the reading guide).

Graph 3: Amount in Euros involved in the suspicious transactions



8.3 Figures for money transfers

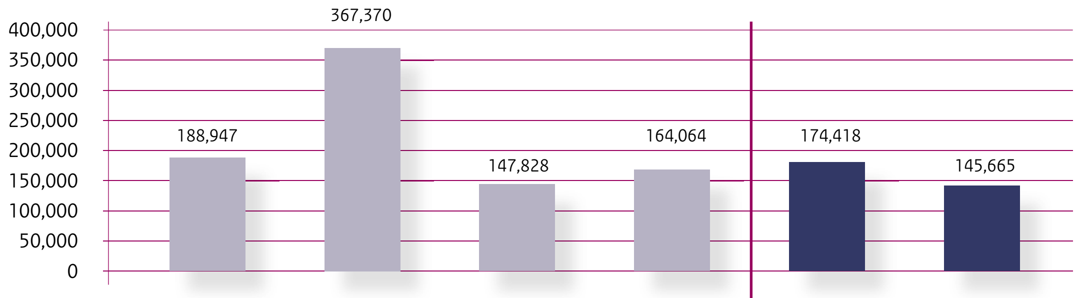
8.3.1 Unusual and suspicious money transfers

This section discusses the figures concerning the money transfers. Attention is paid to the total number of unusual and suspicious transactions in this category and the countries to which the money is transferred.

Graph 4 shows the numbers of money transfer reports for the period 2007-2011 as registered annually by FIU-the Netherlands in that period. The total number of reported money transfers is 145,665, which represents a fall of 16% compared to 2010. This decrease can be attributed to three money transfer offices that filed more reports in 2010 than usual. This had to do with internal matters at these offices. One of these money transfer offices took the precautionary measure in 2010 of reporting all of the transactions of certain branches in response to employees of that institution acting contrary to internal guidelines.

Although a number of other relatively large reporting entities filed more reports in 2011, the effect of the decrease on the top 3 money service businesses remained perceivable.

Graph 4: Unusual money transfers per registration year 2007 - 2011

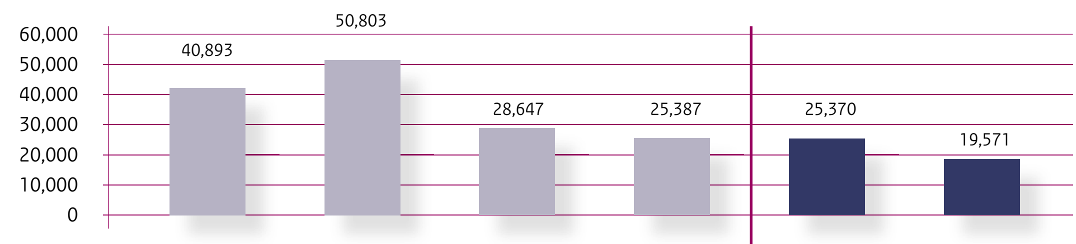


	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Money transfers	188,947	367,370	147,828	164,064	174,418	145,665

In 2010 the ratio between objectively and subjectively reported money transfers was 35-65%. Considerably more objective reports were filed both absolutely and relatively in 2011. 48% of all money transfers are reported on the basis of an objective indicator. The decrease in the number of subjectively reported transactions from 65 to 52% in 2011 is related to the fall in the number of reports by the three large money service businesses that reported mainly on the basis of a subjective indicator in 2010.

In 2011 19,571 money transfers were designated suspicious, as shown in graph 5. Compared to 2010 this represents a fall of 23%.

Graph 5: Suspicious money transfers per forwarding year 2007-2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Money transfers	40,893	50,803	28,647	25,387	25,370	19,571

8.3.2 Suspicious money transfers

Table 5 shows the total amounts and the average amounts involved in the suspicious money transfers carried out in the period 2007-2011. Amounts involved in the intended transactions are left aside.

Table 5: Total and average amount of suspicious money transfers carried out.

Year	Total amount	Number of money transfers carried out	Average amount
2011_GoAML	29,497,000	19,434	1,518
2010_GoAML	40,366,500	25,104	1,608
2010_Motion	40,430,000	25,136	1,610
2009_Motion	53,739,500	28,346	1,880
2008_Motion	81,535,000	50,141	1,620
2007_Motion	99,216,000	40,708	2,430

8.3.3 Reasons for forwarding reports on suspicious money transfers

Table 6 shows the grounds on which money transfers were designated suspicious by FIU-the Netherlands in the period 2010-2011. As indicated in section 8.2.5, it was not possible to correctly give the actual reason for forwarding some of the suspicious transactions at the time of writing. These are currently classified as “To be determined”.

Table 6: Reasons for forwarding suspicious money transfers

	2011_GOAML		2010_GOAML		2010_MOTION	
Reason for forwarding	**Number**	**Share in total**	**Number**	**Share in total**	Number	Share in total
VROS	7,273	37%	12,593	50%	12,615	50%
FIU investigation	6,530	33%	8,158	32%	8,145	32%
LOvJ	2,368	12%	4,601	18%	4,611	18%
CJIB and BOOM	80	0%	16	0%	16	0%
To be determined	3,320	17%	2	0%	0	0%
Total	**19.571**	**100%**	**25,370**	**100%**	**25,387**	**100%**

8.3.4 Money flows in unusual and suspicious money transfers

The registered money transfers provide information about the money flows between the Netherlands and the various countries of origin and destination. Tables 7a and 7b show the top 5 countries for incoming and outgoing money flows for unusual and suspicious money transfers respectively. More reports on transfers abroad (82%) are made than money transfers originating from abroad (17%). Compared to 2010 the top 5 most important destination countries remains unchanged; only the position of some countries has changed slightly within the top 5. Regarding the countries of origin, compared to the previous year the United States and Germany have replaced Spain and France in the top 5.

Table 7a: Top 5 countries for unusual money transfers in 2011

	Unusual	Number	Amount
From the Netherlands		82%	79%
Destination top 5	Turkey	16,277	59,593,000
	Morocco	7,972	25,845,000
	China	7,415	25,783,000
	Suriname	7,299	8,839,000
	Dominican Republic	4,886	6,393,000
To the Netherlands		17%	17%
Origin top 5	Italy	2,272	2,612,000
	Turkey	1,698	1,980,000
	Great Britain	1,541	3,147,000
	United States	1,422	4,351,000
	Germany	1,370	1,573,000

* Numbers: 1% of the money transfers concern a money transfer within the Netherlands.

* Amounts: 4% of the money transfers concern a money transfer within the Netherlands.

Table 7b: Top 5 countries for suspicious money transfers in 2011

	Unusual	Number	Amount
From the Netherlands		83%	80%
Destination top 5	Dominican Republic	2,415	3,765,000
	Suriname	1,920	1,585,000
	Turkey	1,492	4,823,000
	Colombia	1,482	1,475,000
	Netherlands Antilles	581	691,000
To the Netherlands		15%	18%
Origin top 5	Italy	282	546,000
	Germany	243	463,000
	Greece	214	358,000
	Great Britain	200	320,000
	Spain	195	332,000

* Numbers: 2% of the money transfers concern a money transfer within the Netherlands.

* Amounts: 1% of the money transfers concern a money transfer within the Netherlands (owing to rounding-off the percentages do not add up to 100%).

8.4 Figures for non-money transfers

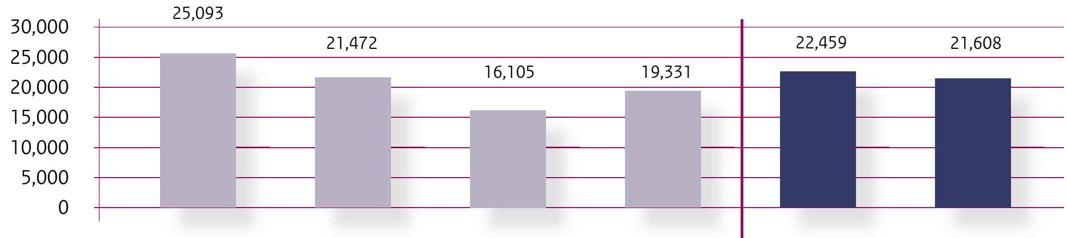
8.4.1 Unusual and suspicious non-money transfers

This section discusses the figures concerning the non-money transfers. Although this is a smaller category of reports – 13% of the incoming reports – this is a wider range of report types and accompanying reporting sectors (see sections 8.4.3 to 8.4.6).

Graphs 6 and 7 show the number of unusual and suspicious transfers of non-money transfers respectively. There is a slight reduction in the unusual transfers (4%) compared to 2010: in 2011 21,608 reports of non-money transfers were received, as compared to 22,459 in 2010. The number of suspicious non-money transfers in 2011 was 3,653 (see graph 7). This represents a decrease of 7% compared to 2010.

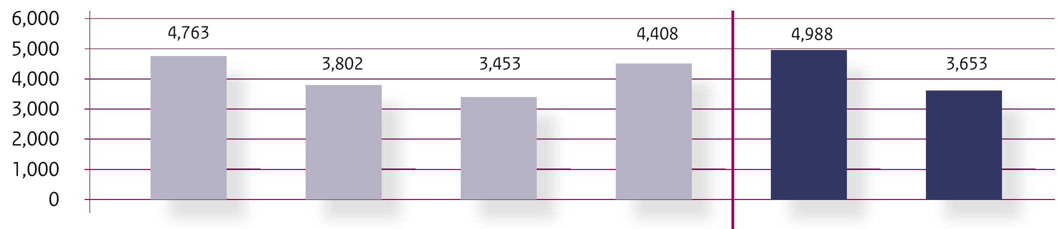
As shown in table 1 (section 8.2.1) most of the reports of non-money transfers were filed by banks (30%), the government (20%), dealers (18%) and casinos (14%). The unusual and suspicious transactions are examined in more detail for each reporting sector in the sections below.

Graph 6: Unusual transactions non-money transfers 2007-2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total unusual	25,093	21,472	16,105	19,331	22,459	21,608

Graph 7: Suspicious transactions non-money transfers 2007-2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total suspicious	4,763	3,802	3,453	4,408	4,988	3,653

8.4.2 Reasons for forwarding reports on suspicious non-money transfers

Table 8 shows the grounds on which FIU-the Netherlands designated non-money transfer transactions suspicious in 2010 and 2011. The number of VROS matches in particular has fallen substantially (a fall of 64%). FIU-the Netherlands is looking into the cause of this.

Table 8: Reasons for forwarding reports on suspicious non-money transfers

	2011_GOAML		2010_GOAML		2010_MOTION	
Reason for forwarding	**Number**	**Share in total**	**Number**	**Share in total**	**Number**	**Share in total**
FIU investigation	1,387	38%	1,340	27%	1,004	23%
VROS	1,056	29%	2,910	58%	2,607	59%
LOvJ	777	21%	737	15%	796	18%
CJIB and BOOM	3	0%	1	0%	1	0%
To be determined	430	12%	0	0%	0	0%
Total	**3,653**	**100%**	**4,988**	**100%**	**4,408**	**100%**

* Owing to rounding-off the total is not precisely 100%.

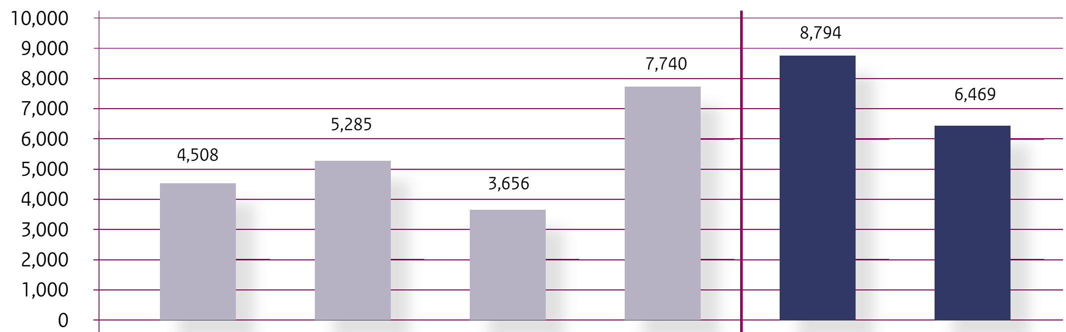
8.4.3 Traditional reporting entities

Traditional reporting entities are the institutions that have had a reporting obligation since the Disclosure of Unusual Transactions (Financial Services) Act (Wet MOT) came into effect in 1994. Examples of the reporting groups include: banks, money service businesses, casinos, credit card companies and what are known as the other traditional reporting entities. The latter group includes insurance brokers, investment institutes, securities brokers, life insurers and financing companies.

8.4.3.1 Banks

Graph 8 shows the number of reports filed by banks (not including money transfers) in the period 2007-2011.

Graph 8: Unusual transactions non-money transfers by banks 2007-2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total unusual	4,508	5,285	3,656	7,740	8,794	6,469

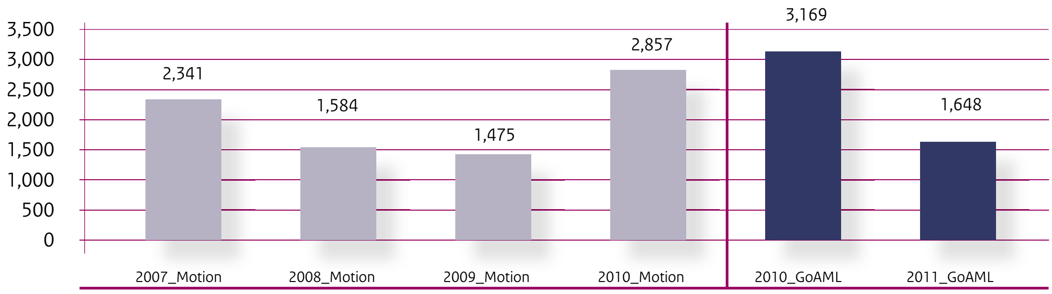
In 2011 6,469 reports from banks were registered. Most unusual non-money transfers are reported on the basis of a subjective indicator (96%). The top 3 major banks filed substantially fewer reports in 2011. This has led to a 26% fall in the number of reports filed by the banking sector. The fall among individual banks is substantial in some cases: at one major bank the number of reports decreased in 2011 by 51%. In 2010 66% of all bank reports originated from a single major bank: in 2011 this was 72%.

Table 9: Bank's reports broken down for type of transaction in 2010-2011

Type of transaction	2011	2010	Total
Deposit in account	3,926	4,778	8,704
Funds transfer	1,028	2,702	3,730
Withdrawal from account	745	572	1,317
Cash	414	236	650
Other	254	341	595
Foreign currency purchase by reporting party	54	101	155
Exchange transaction	24	53	77
Cash machine deposit	24	11	35
Total	**6,469**	**8,794**	**15,263**

The table above (table 9) shows that most bank reports relate to cash transactions: in 2011 80% of the reports (64% if the reports of the biggest reporting entity are not included). In about three quarters of the cases a cash transaction in 2011 related to a deposit in an account. Cash transactions also relate to cash withdrawals from account (745 reports), other notes and coins transactions (236 reports), foreign currency purchases (54 reports), exchange transactions (24 reports) and Cash machine deposits (24 reports). The cash transactions are followed by fund transfers and withdrawals from accounts. The decrease in the total number of reports from 8,794 to 6,469 is related to a fall in the number of reported fund transfers and deposits in accounts.

Graph 9: Suspicious transactions not including money transfers reported by banks 2007-2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total suspicious	2,341	1,584	1,475	2,857	3,169	1,648

The number of suspicious transactions fell substantially in 2011 by 48% compared to 2010. This is related to the decrease in the number of forwarded reports based on the VROS match (-78%) (see table 10). The number of forwarded reports based on LovJ requests rose sharply last year (+78%). This rise can be attributed mainly to a single large case file of over 500 suspicious transactions. The LOvJ request was submitted by the FIOD-ECD and related to a VAT carrousel. This is a form of fraud in which use is made of parties sending invoices to each other purely with the aim of obtaining a turnover tax refund from the tax authorities through an exporting party/company, despite the fact that the turnover tax has never been paid by the party or parties charging it.

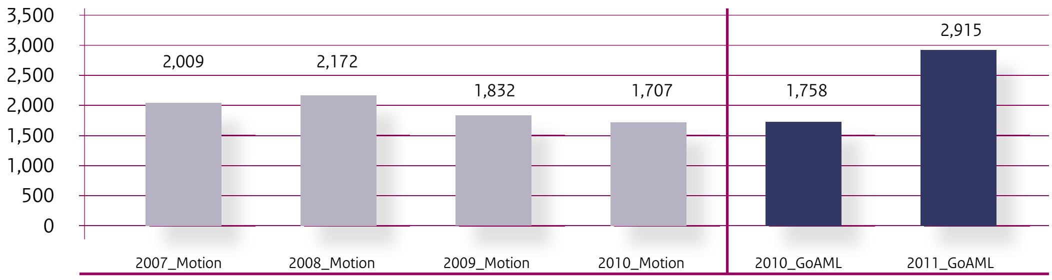
Table 10: Reasons for forwarding reports on suspicious bank transactions (non-money transfers)

	2011_GOAML		2010_GOAML		2010_MOTION	
Reason for forwarding	**Number**	**Share in total**	**Number**	**Share in total**	Number	Share in total
FIU investigation	468	28%	866	27%	622	22%
VROS	417	25%	1,935	61%	1,757	61%
LOvJ	654	40%	368	12%	478	17%
CJIB	1	0%	0	0%	0	0%
To be determined	108	7%	0	0%	0	0%
Totaal	**1,648**	**100%**	**3,169**	**100%**	**2,857**	**100%**

8.4.3.2 Money service businesses

Graph 10 shows the number of reports filed by money service businesses (non-money transfers) for the period 2007-2011. The number of reports filed by money service businesses has not been as high as it was in 2011 for years. There was an increase of 66% compared to the previous year. The reason for the rise is the marked increase in the number of reports on the use of prepaid cards. Whereas in 2010 FIU-the Netherlands had received just 200 reports on this product, this rose to over 900 in 2011. The amount involved in the use of prepaid cards rose from over € 200,000 to about € 850,000. Once they have been credited, these prepaid cards can be used for payments in (online) shops and for Cash machine withdrawals. Some prepaid cards have a maximum amount that can be placed on the card and/or a maximum annual amount, but this is by no means the case for all similar payment products. The prepaid card therefore lends itself well to withdrawing large sums and easily moving the money abroad since some prepaid cards are available in various currencies. Other than is the case for the import, transit or export of cash, a credited prepaid card does not have to be reported to Customs Authorities when entering or leaving the European Union. The reported transactions concerning these prepaid cards take place mainly at locations in Amsterdam, Schiphol, Rotterdam and The Hague. In view of the number of reports and the potential (money laundering) risks involved in this payment product, FIU-the Netherlands will continue to monitor the use of the prepaid card.

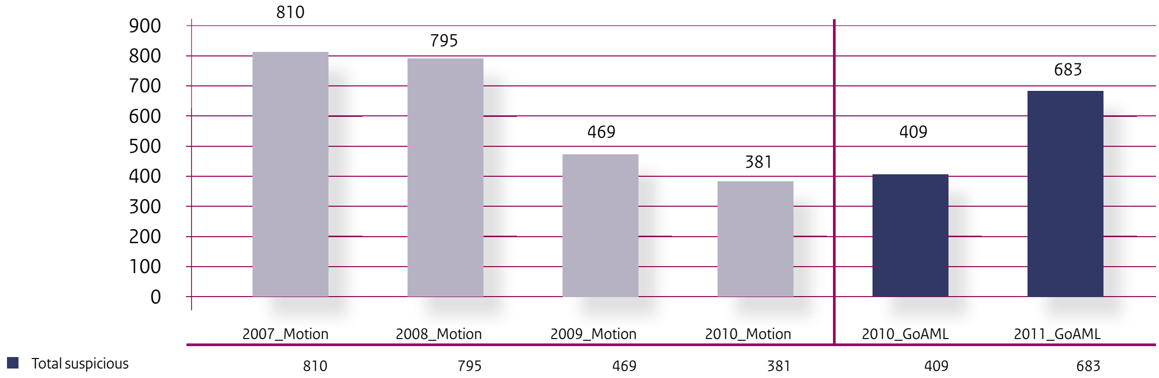
Graph 10: Unusual transactions non-money transfer reported by money service businesses 2007-2011



Total unusual	2,009	2,172	1,832	1,707	1,758	2,915

Graph 11 shows the number of suspicious transactions at the money service businesses (non-money transfers) over the period 2007-2011.

Graph 11: Suspicious transactions non-money transfer reported by money service businesses 2007-2011



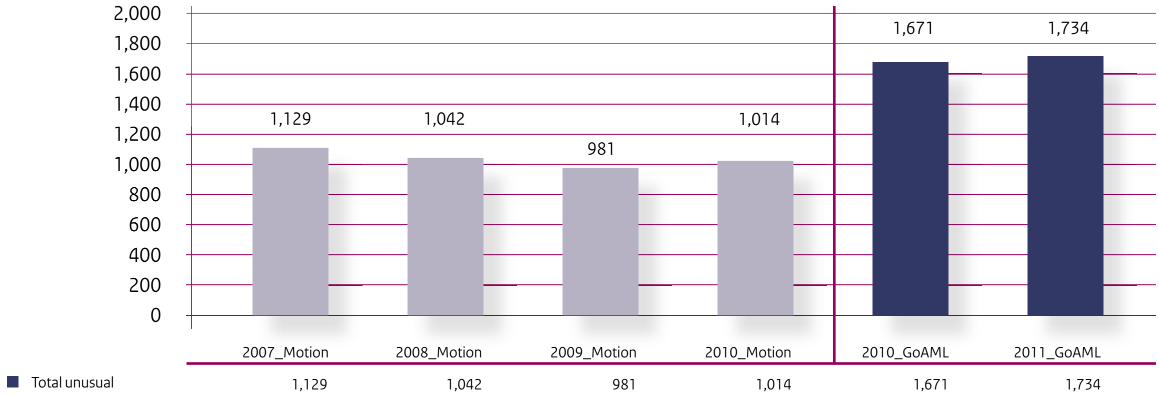
The number of suspicious transactions at money service businesses – in line with the unusual transactions – rose substantially in 2011 (67%). There were an especially large number of transactions designated suspicious as a result of the FIU's own investigation. This increase can be attributed to the rise in the number of reports on the use of prepaid cards; 60% of the FIU's own investigations were related to reports on this financial product.

8.4.3.3 Casinos

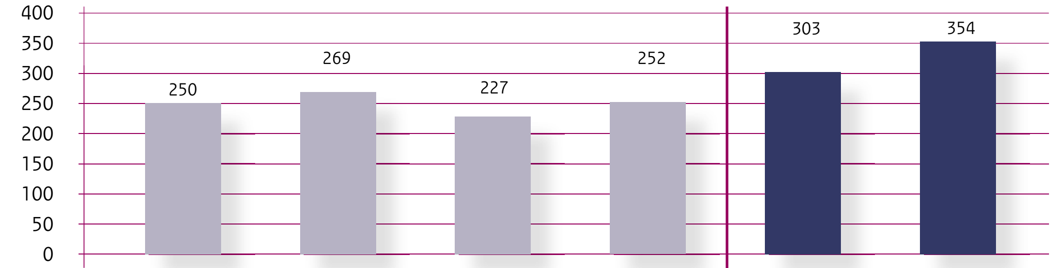
In 2011 1,734 reports from casinos were registered (see graph 12). Casinos report deposits and fund transfers (of prize money) and exchange transactions from small to large denominations. In the latter case the aim is to use fruit machines or buy tokens in order to exchange small denominations for 500 euro notes.

There is a notable difference in the registration of reports from 2010 between the old and new business process system. The new system, GoAML, registers each financial action as a single transaction, whereas previously a transaction could consist of several financial actions: a composite transaction. A case in point is formed by a subsequent report from a casino from 2010, in which mention is made of 24 financial actions taken by a single subject. In Motion this was registered as a single transaction, but in GoAML it is viewed as 24 separate transactions by the same subject.

Graph 12: Unusual transactions reported by Casinos 2007 - 2011



Graph 13: Suspicious transactions reported by casinos 2007 - 2011

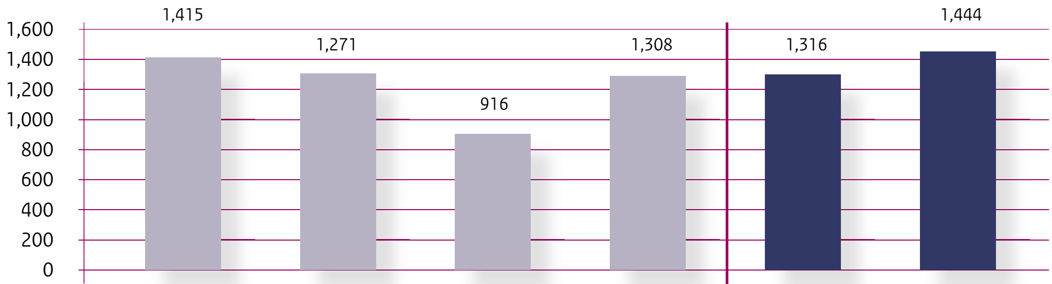


	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total suspicious	250	269	227	252	303	354

8.4.3.4 Credit card companies

Credit card companies are required to report cases in which a client makes a payment of € 15,000 or more, or deposits that amount in cash in his credit card account. Credit card companies are also able to file subjective reports. Graph 14 shows the number of credit card company reports for the period 2007-2011. In 2011 the number of reports rose compared to 2010 from 1,316 to 1,444 reports.

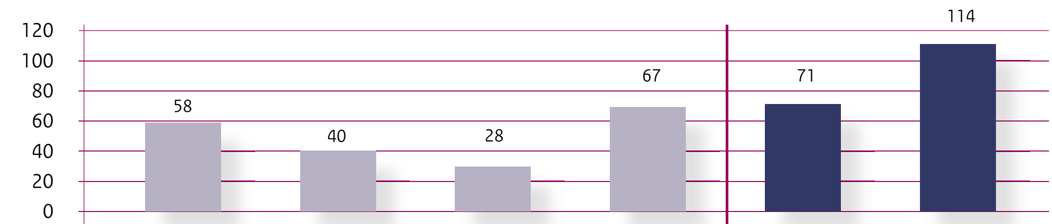
Graph 14: Unusual transactions reported by credit card companies 2007 - 2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total unusual	1,415	1,271	916	1,308	1,316	1,444

The number of suspicious credit card company transactions rose substantially in 2011, from 71 transactions in 2010 to 114 in 2011 (see graph 15). A large number of these transactions can be traced back to a single case file containing no fewer than 89 suspicious transactions.

Graph 15: Suspicious transactions reported by credit card companies 2007 - 2011



	2007_Motion	2008_Motion	2009_Motion	2010_Motion	2010_GoAML	2011_GoAML
Total suspicious	58	40	28	67	71	114

8.4.3.5 Other traditional reporting entities

Table 11 shows the number of reports filed by other traditional reporting entities in the period 2010-2011. This includes reports by securities brokers, whose clients set out to hide some or all of their capital, foreign or otherwise, from the tax authorities. At the financing companies this usually concerns unusual transactions involving the use of credit cards. The number of suspicious transactions of the other traditional reporting entities has fallen from 3 to 0.

Table 11: Number of unusual and suspicious transactions originating from other traditional reporting entities

	2011_GOAML		2010_GOAML		2010_MOTION	
Sector	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	Unusual	Suspicious
Securities brokers	1	0	11	1	11	1
Life insurance companies	0	0	2	2	2	2
Finance companies	8	0	2	0	2	0
Insurance brokers	1	0	1	0	1	0
Investment institutions	0	0	0	0	0	0
Totaal	**10**	**0**	**16**	**3**	**16**	**3**

8.4.4 Dealers

The unusual and suspicious reports of dealers are shown in table 12. A distinction is made between the dealers in large value items (vehicles, precious materials, boats, antiques and art) and the other dealers.

Table 12: Number of unusual and suspicious transactions in the dealer's sector

	2011_GOAML		2010_GOAML		2010_MOTION	
Dealers in	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	Unusual	Suspicious
Vehicles	3,750	458	4,078	393	3,581	368
Precious metals	99	10	32	12	29	12
Vessels	39	7	86	13	84	11
Antiques	0	0	3	0	6	0
Art	2	2	4	0	3	0
Subtotal	**3,890**	**477**	**4,203**	**418**	**3,703**	**391**
Other dealers	67	2	34	2	30	2
Total	**3,957**	**479**	**4,237**	**420**	**3,733**	**393**

The total number of unusual transactions fell in 2011 compared to 2010 from 4,237 to 3,957 reports. All reporting sectors apart from the trade in precious materials and other dealers reported fewer unusual transactions. For the reporting sectors in which there was a decrease, there were fewer reporting entities and a lower number of reports per reporting entity on average. The opposite is true of the rising groups: for precious materials four specific reporting entities filed a lot more reports in 2011.
In this group of reporting entities virtually all non-money transfers are reported on the basis of an objective indicator (97%).

The number of suspicious transactions in vehicle trading rose substantially. This was caused by a single large case file containing 262 suspicious transactions concerning cash purchases of vehicles worth almost 4 million Euros. Most of the dealers' reports were designated suspicious as a result of the FIU's own investigation (see table 13).

Table 13: Forwarding reasons suspicious transactions

	2011_GOAML		2010_GOAML		2010_MOTION	
Reason for forwarding	**Number**	**Share in total**	**Number**	**Share in total**	**Number**	**Share in total**
FIU investigation	331	69%	87	21%	82	21%
VROS	85	18%	183	44%	173	44%
LOvJ	25	5%	150	36%	138	35%
CJIB and BOOM	0	0%	0	0%	0	0%
To be determined	38	8%	0	0%	0	0%
Total	**479**	**100%**	**420**	**100%**	**393**	**100%**

8.4.5 Independent professionals

Table 14 shows the number of unusual and suspicious transactions for the independent professionals. Compared to 2010 there has been a fall of 41% and 42% respectively. Accountants and tax consultants filed considerably fewer reports in 2011, which has to do with the expiry of the voluntary disclosure scheme that led to a relatively large number of reports in 2009 and 2010. The business-economic advisors also filed fewer reports in 2011. This decrease can be attributed to 3 business-economic advisors filing a large number of reports that all related to the same party in 2010.

Table 14: Number of unusual and suspicious transactions reported by the independent professions 2010-2011

	2011_GOAML		2010_GOAML		2010_MOTION	
Sector	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**
Accountants	325	66	676	179	456	87
Lawyers	11	4	27	5	18	4
Business-economic advisors	15	6	77	45	68	42
Tax consultants	35	9	147	34	129	22
Immoveable property mediators	0	0	1	0	1	0
Estate agents	23	2	46	2	45	2
Civil-law notaries	359	199	356	231	304	194
Independent legal advisors	0	0	6	0	6	0
Trusts	26	3	12	4	13	5
Total	**794**	**289**	**1,348**	**500**	**1,040**	**356**

In 2011 there was not only a fall in the number of unusual transactions reported, but also in the number of independent professionals who filed a report to FIU-the Netherlands (table 15). The number of different reporting entities fell from 327 in 2010 to 239.

Table 15: Number of reporting entities for each independent profession in 2010-2011

	2011_GOAML	2010_GOAML	2010_MOTION
Sector	**Number of reporters**	**Number of reporters**	**Number of reporters**
Accountants	87	121	121
Lawyers	7	17	14
Business-economic advisors	8	23	21
Tax consultants	23	38	37
Immoveable property mediators	0	1	1
Estate agents	6	5	5
Civil-law notaries	100	112	113
Independent legal advisors	0	3	3
Trusts	8	7	8
Total	**239**	**327**	**323**

Table 16 shows that the total amount involved in the suspicious transactions fell sharply in 2011. There was a substantial decrease in the amount of the suspicious transactions reported in the accountants' sector, for example. This has to do with the substantial sums involved in a number of individual transactions. One suspicious accountants' transaction in 2010 involved a sum of more than 100 million Euros. The decrease among lawyers and civil-law notaries is also substantial: the large amounts in 2010 were caused by a small number of individual reports involving very large amounts. Among the trust companies there was a very large amount involved in a single suspicious transaction in 2011.

Table 16: Total amount in Euros involved in suspicious transactions reported by the independent professions in 2010-2011

	2011_GOAML	2010_GOAML	2010_MOTION
Sector	**Trans. amount in €**	**Trans. amount in €**	**Trans. amount in €**
Accountants	40,805,000	357,737,000	343,865,000
Lawyers	5,554,000	61,301,000	60,801,000
Business-economic advisors	290,000	1,029,000	911,000
Tax consultants	704,000	6,545,000	6,378,000
Immoveable property mediators	0	0	0
Estate agents	19,000	0	0
Civil-law notaries	67,685,000	132,406,000	147,326,000
Independent legal advisors	0	0	0
Trusts	35,060,000	751,000	0
Total	**150,117,000**	**559,769,000**	**559,281,000**

8.4.6 Government agencies

By far the most reports filed by the government agenceies come from the Customs reports (see table 17). European Regulation 1889/2005 obliges persons to file a report if they enter or leave the European Union with the intention of importing or exporting a cash sum of 10,000 Euros or more. These reports must be filed with Customs authorities. Of the 4,262 Customs reports registered by FIU-the Netherlands in 2011, 4,105 related to the import, transit and/or export of cash. The number of reports rose by over 30% in 2011 compared to 2010. The reports concerning cash imports rose the most sharply, as is shown in table 18.

Table 17: Unusual and suspicious transactions reported by the government sector in 2010-2011

	2011_GOAML		2010_GOAML		2010_MOTION	
Sector	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**	**Unusual**	**Suspicious**
Customs	4,262	72	3,282	90	2,736	78
Tax authority	25	14	37	23	37	21
Supervisory authority	0	0	0	0	0	0
Total	**4,287**	**86**	**3,319**	**113**	**2,773**	**99**

Table 18: Transport of cash 2011

Type of report	2011_GOAML	2010_GOAML	2011_MOTION*
Cash export from the Netherlands	1,149	806	707
Cash transit in the Netherlands	1,130	931	710
Cash import into the Netherlands	1,826	1,390	1,169
Total	**4,105**	**3,127**	**2,586**

* In the 2010 annual report, the figures on cash export and cash import were erroneously swapped. This has been corrected in this annual report.

The top 5 countries of origin for cash imports are Nigeria, Ghana, Egypt, Georgia and Iran, respectively (see table 19). The number of cash import reports in Ghana rose sharply in 2011 from 101 to 205; Egypt on the other hand saw a substantial decrease. Another sharp rise was seen in Georgia, which now occupies fourth position. Libya fell sharply as a country of origin compared to 2010. As shown in table 20, most of the reports relating to cash exports have Turkey, Morocco, Hong Kong, China and the United States as their destination country. The sharpest rise in the number of reports compared to 2010 relates to Hong Kong. There has been a decrease in Thailand and Iran. The corridor Nigeria-Germany via the Netherlands is by far the most important transit route (see table 21). The number of reports for this corridor has risen sharply compared to 2010: from 193 to 278. There has also been an increase for the transit corridors Ghana-Germany and Nigeria-Great Britain. The transit corridors Nigeria-Switzerland and Georgia-Germany have disappeared from the top 5.

Table 19: Top 5 countries of origin of cash imported into the Netherlands

Ranking 2011	Origin	Number 2011	Ranking 2010	Number 2010
1	Nigeria	359	1	374
2	Ghana	205	3	101
3	Egypt	116	2	164
4	Georgia	74	16	12
5	Iran	61	5	60

Table 20: Top 5 of countries of destination of exports of cash from airports in the Netherlands

Ranking 2011	Destination	Number 2011	Ranking 2010	Number 2010
1	Turkey	116	1	99
2	Morocco	55	3	40
3	Hong Kong	53	15	11
4	China	48	2	62
5	United States	41	6	29

Table 21: Top 5 of itineraries of cash transit through Dutch airports in 2010-2011

Ranking 2011	Itenerary	Number 2011	Ranking 2010	Number 2010
1	Nigeria-the Netherlands-Germany	278	1	193
2	Nigeria-the Netherlands-Belgium	66	2	71
3	Ghana-the Netherlands-Germany	35	11	11
4	Nigeria-the Netherlands-Great Britain	29	11	11
5	Nigeria-the Netherlands-United States	25	4	26

9

9 Case examples

Homes as cannabis farms

The crime squad of the police region Gelderland-Midden opened an investigation into a family living in Arnhem. The crime squad had received reports from various sources on the three brothers' luxurious financial situation despite the fact that none of them had any kind of income from employment. They were however receiving a social assistance benefit and a care allowance. An investigation revealed that the brothers were running cannabis farms and several raids were carried out at homes in and around Arnhem. A cannabis farm was found in each identified home.

An analysis of the data system of FIU-the Netherlands led to transactions being located and issued. It emerged that one suspect had purchased a car for 20,000, despite only having had a legal net income of 16,000 Euros that year. Another suspect had deposited cash sums totalling 27,000 Euros in his bank account in a period of one month. He did this with sums including thirty 500 euro notes and was not able to give the bank a plausible explanation of its origin.

The crime squad calculated on the basis of the reported suspicious transactions that the brothers had received at least 650,000 Euros in criminal proceeds. This calculation will serve next year as a basis for the deprivation of criminal assets procedure.

Cannabis farming and money laundering construction

During the course of 2011 the Amsterdam-Amstelland police force investigated an organisation that was involved in large-scale cannabis farming. They contacted FIU-the Netherlands in the context of the investigation. The FIU carried out an analysis that revealed a series of transactions, the total of which exceeded 800,000 Euros.
A member of this criminal organisation had set out to give the series of transactions a semblance of legality by administratively entering a non-existing company and using fictitious employees for payments of 'salaries'. However, the suspect turned out to be the beneficiary for all of the accounts to which the 'salaries' were transferred.
The transactions also fit within a money flow to a foreign country where property was purchased in the name of family members. The Dutch authorities have since sent a request for legal assistance to the country in question with a view to seizing the suspects' assets there. The information concerning the suspicious transactions helped to steer the investigation and substantiated the case for the seizure of assets.

Money laundering through business activities

The police region Midden- en West-Brabant opened an investigation into the director and sole shareholder of a trading company in response to certain suspicious transactions. The man in question had been in contact with the judicial authorities in the past.
The transactions reported to FIU-the Netherlands revealed that the director was using his trading company to make cash deposits in his business account supposedly as business transaction settlements. An initial deposit was successful, but questions were asked by the bank employee when a second deposit was made at a different branch office. The suspect was unable to provide a plausible explanation, and the deposit was therefore refused by the bank. It emerged from information from the Belgian counterpart of FIU-the Netherlands that they too had received reports of similar deposits from a Belgian bank. The reported transactions were not in keeping with the trade company's turnover.
An official report was filed for the transactions in the Netherlands and Belgium, after which the police opened an operational investigation, arrested the director and searched his home. The search revealed a firearm and a false invoice that had been submitted with a mortgage application.

It was based in part on the suspicious transactions that the court found the suspect guilty of money laundering on the basis of one deposit and one attempted deposit. Together with the possession of an illegal alarm pistol and the fraudulent use of the invoice, the court sentenced him to one year imprisonment.

Nice car from illegal cannabis production

One of the specific tasks of FIU-the Netherlands is to analyse incoming transaction reports. The analyses are carried out using certain techniques. Cases including the following ones were detected this way:
In January 2011 a 31-year-old woman bought a Mercedes Benz car. She paid the 95,000 euro invoice in cash using nineteen hundred 50 euro banknotes. It emerged that someone registered at her home address had carried out a similar transaction three years before. That person bought a car for 29,000 Euros in cash. The man and his brother turned out to have criminal records for drugs offences.
An investigation into the woman's annual income revealed that the cash payment of the car was not in any way in keeping with the level of her regular income.
In partnership with the Netherlands Police Agency (KLPD) Financial Intelligence Team, FIET FinEC, a short preliminary investigation was carried out, after which a confiscation team of the Netherlands Police Agency traced and seized the Mercedes Benz.
The car was being used by somebody else. A search of the home of that user revealed a cannabis farm comprising 590 plants. The woman was present in that home. The cannabis farm was dismantled, the woman and the driver arrested and the Mercedes Benz seized.
Interestingly enough the car was put in the name of another owner within 2 hours of the seizure. But to no avail. This owner, too, was arrested and charged with money laundering.
The reported transactions led directly to the arrest of suspects, the seizure of the car and the clearance of an illegal cannabis farm.

Inexplicable financial activities

FIU-the Netherlands carried out an analysis in its databases on the basis of information from a "*Waakzaam*" ("watchful") operation of the Netherlands Agency (KLPD) in Zuid-Limburg.
This analysis revealed the cash purchase of a car. The buyer paid for the car exclusively in 10 and 20 euro banknotes for the sum of 17,500 Euros. The woman bought the car but the man with her handed over a plastic bag containing stacks of 10 and 20 euro notes. Shortly after the purchase, the woman bought another car and this one was also paid for in cash. This time the amount involved was 32,500 Euros.
A further investigation revealed that the woman had four brothers. It emerged that the woman and her four brothers conducted money transfers to Morocco. Using this method they transferred 19,000 Euros to one and the same beneficiary in Morocco during a certain period of time. They also made a cash deposit of 17,500 Euros and a sum of 5,000 Euros was exchanged from small to large denominations.
The woman turned out to have direct family members with criminal records involving illicit drugs and firearms. The National Crime Squad of the KLPD opened an investigation on the basis of this transaction information and established that the woman, together with one of her brothers, was living in a home worth over a million Euros without a mortgage on the home. This led to the home being seized.
Based on the transaction information, the ownership of the home and the extremely luxurious home contents, the team was able to draw up an overview of income that showed that the people concerned could never have made these purchases with a legally obtained income. Charges of money laundering were brought.

Underground banking

FIU-the Netherlands issued the regional police Amsterdam-Amstelland with 291 suspicious transactions following analyses. The transactions were conducted by five people affiliated with a single company. The company sold telephone cards. The transactions involved 16.4 million Euros.

Financial specialists of the police region investigated the transactions and established that the money flow from the suspicious transactions was not in keeping with the company's turnover details. A further investigation revealed that the company was functioning as a branch of an internationally operating underground banking organisation. The company, which was also legitimately trading in

telephone cards, combined its legitimate business activities with illegal underground banking activities and thus set out to cover up these activities. A parallel administration was found during a raid on the company. This made it possible for the investigating team to gain a clear image of the scope of the underground banking activities. Also, during this operation, stacks of Euro notes were found packed in bags and placed in boxes in the cargo area of the company's vans.
A money counting machine was found on the business premises. The underground banking activities were divided over a number of subjects. Each had his or her own task. During the trial the court noted that there was a clear division of tasks, differences in responsibilities and a structured illegal activity.
The court convicted the eight suspects of money laundering and violations of economic law and sentenced them to terms of imprisonment ranging from 3 to 30 months.
The seized sum of 783,000 Euros was forfeited. Separate deprivation proceedings will follow for the confiscated jewellery and seven vehicles.

Savings account in Luxembourg

FIU-the Netherlands exchanges information with dozens of FIUs in other countries. This is done within the Egmont Group and within the network of the EU Member States, FIU.NET. FIU-the Netherlands received information from FIU-Luxembourg via this network.
The information concerned a bank account opened by a Dutch national in Luxembourg. The account had a credit balance of over 500,000 Euros. An investigation revealed that the account holder was running a coffee shop (cannabis cafe) in the province of Noord-Holland. The bank information was issued to the Noord-Holland-Noord regional police force for further investigation.
At that time the coffee shop owner was already the subject of an investigation into the export of hard drugs and the laundering of criminal proceeds. By means of a request for legal assistance, the Public Prosecution Service in Alkmaar had a prejudgement seizure imposed on the assets in Luxembourg.
The investigation was concluded in 2011 and the suspect was convicted by the court in Alkmaar of money laundering and drug trafficking and sentenced to 30 months' imprisonment. The amount of 500,000 Euros was forfeited.

Money laundering from human smuggling

Two transactions were reported to FIU-the Netherlands by a bank in the north of the country. Two young men of Chinese nationality deposited a total of 209,000 Euros in their account in several tranches, after which they transferred the money to a bank account in the People's Republic of China.
An investigation revealed that they were both Chinese students. It was implausible that students would have such a large amount of money at their disposal. Neither was there any explanation for transferring such a large amount of money to China (rather than the other way around).
FIU-the Netherlands transferred the information to the Friesland regional police in the form of an official report. The National crime squad responded by opening an investigation into the origin of the money, which brought a case of human smuggling to light. It emerged that the two Chinese students had made the deposits and transfers on the instructions of a Chinese restaurant owner. This owner provided housing and employment for Chinese people illegally smuggled from China to the Netherlands. This involved substantial amounts of money. It has not been established whether the money was to be transferred to the part of the organisation established in China or that the suspect intended to invest the criminal proceeds in China.
The restaurant owner refused to explain the origin of the money that he had had instructed the students to transfer. Neither did he give any explanation as to why he had taken the risk of the money being taken out of his reach by having it transferred by the students.

The investigation was concluded in 2011 and a trial followed. The court in Leeuwarden found the restaurant owner guilty of money laundering and the smuggling of one Chinese illegal immigrant. The Chinese suspect was sentenced to 6 months' imprisonment. Following this criminal conviction the suspect was also given a heavy administrative fine by the labour inspectorate.

Cash deposits

FIU-the Netherlands received a number of reports about cash deposits made by a female civil servant in her own private account. The unusual transaction reports were initially of limited scope. Since FIU-the Netherlands suspected that there had to be more transactions, the reporting entity was asked for additional information by means of an article 17 enquiry.
The bank then established that the woman had paid 2,000 to 3,000 Euros into her bank account in cash every month from 2008 to 2011. Over 80,000 Euros had been paid into her account this way.
An analysis showed that the cash deposits and a very large mortgage in proportion to her regular income gave sufficient cause to transfer the dossier for further criminal investigation to the FIOD.
The reports ultimately led to a search of a home in which a drying unit for cannabis tops was found.
Also the investigators found out that the female civil servant had a relationship with a man previously convicted for drug trafficking. The civil servant was suspended, and an official report has now been drawn up pending a trial in the course of 2012.

Dutch foundation placed on terrorism list

On 27 April 2011 the Minister of Foreign Affairs declared the 'Sanctions regulation terrorism 2007-II' applicable to the *Stichting Internationale Humanitaire Hulporganisatie Nederland* (International Humanitarian Aid Organisation Netherlands Foundation),(*IHH-Nederland*).
IHH was placed on the national list based on information provided by the General Intelligence and Security Service (AIVD). The IHH foundation was alleged to be involved in the provision of financial support to the Palestinian organisation HAMAS, an organisation included in the EU list of terrorist organisations. The German branch of the IHH was prohibited by the authorities in June 2010 for its long-term support of HAMAS. All of the assets of both IHH-Germany and IHH-the Netherlands were frozen.
The similarly named organisation IHH-Turkey became a subject of media attention in 2010 when it organised the "Freedom Flotilla", in which ships with aid goods set out to break Israel's blockade around Gaza.
Transaction information was held by FIU-the Netherlands. In the period from 2009 to 2011 FIU-the Netherlands investigated several case files in relation to the IHH and transferred them to the investigative authorities. A number of FIU-the Netherlands dossiers contributed to the inclusion of the IHH on the national terrorism list and the freezing of the assets of IHH-the Netherlands.

Bijlage 1 - Lijst met belangrijke afkortingen

AIVD	*Algemene Inlichtingen- en veiligheidsdienst* (General Intelligence and Security Service).
AFM	*Autoriteit Financiële Markten* (Netherlands Authority for the Financial Markets)
AWF	*Analytical Work File*
BFT	*Bureau Financieel Toezicht* (Financial Supervision Office)
BHM	*Belastingdienst Hollands Midden / unit MOT* (Tax and Customs Administration Holland-Midden/ MOT Unit)
BIBOB	*Bevordering integriteitbeoordelingen door het openbaar bestuur* (Public Administration Probity Screening Act)
BOOM	*Bureau Ontnemingswetgeving Openbaar Ministerie* (Prosecution Service Criminal Assets Deprivation Bureau)
CBA	*Criminaliteitsbeeld analyse* (Crime Threat Analysis)
CIE	*Criminele Inlichtingen Eenheid* (Criminal Intelligence Unit)
CJIB	*Centraal Justitieel Incasso Bureau* (Central Fine Collection Agency)
CN	The Caribbean Netherlands
CV-Infobox	*Crimineel Vermogen Infobox* (Criminal Assets Infobox)
CT-Infobox	*Contra terrorisme Infobox* (Counterterrorism Infobox)
DNB	*De Nederlandsche Bank* (Dutch Central Bank)
DNR	*Dienst Nationale Recherche, onderdeel KLPD* (National Crime Squad, a division of KLPD)
EMM	*Expertisecentrum Mensenhandel en Mensensmokkel* (Expertise Centre for Human Trafficking and Human Smuggling)
FATF	Financial Action Task Force
FIET	Flexible Intelligence & Expertise Team
FinEC	*Programma Financieel Economische Criminaliteit* (Financial and Economic Crime Programme)
FIOD	*Fiscale Inlichtingen- en Opsporingsdienst* (Fiscal Intelligence and Investigation Service)
GoAML	ICT application made specifically for FIUs by the ITS department of UNODC
KLPD	*Korps landelijke politiediensten* (Netherlands Police Agency)
KMar	*Koninklijke Marechaussee* (Royal Netherlands Marechaussee)
LRAP	*Liaison rapportage* (Liaison reporting)
LOvJ	Landelijk Officier van Justitie (National Public Prosecutor's Office)
MOT	*Meldpunt Ongebruikelijke Transacties* (Office for the Disclosure of Unusual Transactions)
MOU	Memorandum of Understanding
NDB	*Nationaal Dreigingsbeeld* (National Threat Assessment)
OM	*Openbaar Ministerie* (Public Prosecution Service)
OT	*Ongebruikelijke transactie* (Unusual Transaction)
RIEC	*Regionaal Informatie en Expertise Centrum* (Regional Information and Expertise Centre)
RTB	*Regionaal Transactie Beeld* (Regional Transaction Overview)
RDW	*Rijksdienst voor het Wegverkeer* (Government Road Transport Agency)

St.AVC	*Stichting aanpak voertuigcriminaliteit* (Foundation for countering vehicle crime)
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TFTP	Terrorist finance tracking programme
UNODC	United Nations Office on Drugs and Crime
VIC	*Vastgoed Intelligence Centre* (Real Estate Intelligence Centre)
VROS	*Verwijzingsindex Recherche Onderzoeken en Subjecten* (Index of Criminal Investigations and Subjects)
VT	*Verdachte transactie* (Suspicious transaction)
Wwft	*Wet ter voorkoming van witwassen en financieren van terrorisme* (Anti-Money Laundering and Counter-Terrorist Financing Act)

Colophon

Publisher: FIU-the Netherlands
PO Box 3016
NL-2700 KX Zoetermeer

Website www.fiu-nederland.nl

Editors: FIU-the Netherlands

Zoetermeer, augustus 2012