

OFFICE FOR PREVENTION OF LAUNDERING OF PROCEEDS DERIVED FROM CRIMINAL ACTIVITY

Report for 2014

1. General description of the Control Service

Legal basis

The new Law “On the Prevention of Money Laundering and Terrorism Financing” (hereinafter also referred to as the Law) came into force on 13 August 2008, and included legal requirements arising from the following:

- 1) Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing;
- 2) Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of ‘politically exposed person’ and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis.
- 3) Council Decision of 17 October 2000 concerning arrangements for cooperation between financial intelligence units of the Member States in respect of exchanging information.
- 4) Council of Europe Convention of 2005 on laundering, search, seizure and confiscation of the proceeds from crime and on the financing of terrorism.

Chapters IX, X, XIII of the Law specify the legal status, responsibilities and rights of the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity (hereinafter also referred to as the Control Service or CS), as well as its cooperation with state and municipal institutions, and international cooperation.

According to the transitional requirements of the Law, the following normative documents subject to the Law – regulations of the Cabinet of Ministers developed jointly with the Control Service, were adopted (reissued):

- Regulation of 22 December 2008 No. 1071 “On the List of Indicators of Unusual Transactions and the Procedures for Reporting on Unusual and Suspicious Transactions” (wording of 01.01.2014);
- Regulation of 2 December 2008 No. 1092 “Procedure for the state and municipal institutions to provide information to the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity”;

- Regulation of 13 January 2009 No. 36 “On the countries and international organisations that have prepared the lists of persons suspected of involvement in terrorist activities”;
- Regulation of 15 June 2010 No. 535 “Procedure for the credit institution to report on the supervision of transactions in the client’s account, and deadlines for reporting”.

Due to the Law coming into force, during 2009 to 2013 the Control Service reissued the entire internal normative base consisting of more than 20 internal normative documents.

A fact worth noting is that in 2009 the Control Service was actively involved in the preparation of amendments to the Law “On the Prevention of Money Laundering and Terrorism Financing” which became effective as of 1 January 2010:

1. implementing the requirements laid down in the Council of Europe Convention No 198 on laundering, search, seizure and confiscation of the proceeds from crime and on the financing of terrorism (also known as 2005 Warsaw Convention), including those on the supervision of transactions in accounts and regarding objects to which orders of the Control Service apply (Sections 33¹ and 33² of the Law);

2. amendments were made in accordance with the verdict of the Constitutional Court issued in May 2009, including in Section 32, by replacing the “60 day” term for reviewing certain types of reports with a new system of additional measures which the Control Service undertook to perform based on the existing capacity and without additional funding.

Effective 16 September 2014, extensive amendments were made to the Law “On the Prevention of Money Laundering and Terrorism Financing” to introduce the requirements of a number of international standards on the prevention of money laundering and combating of terrorism financing in line with the recommendations expressed by Moneyval. By way of example, significant improvements were made to Chapter V of the said law “Refraining from executing a transaction and freezing of funds”.

Capacity of the Control Service

Information at the disposal of the Control Service is strictly protected by the Law which requires the Head and employees of the CS to comply with the requirements specified in the “Law on Official Secrets”.

In line with the allocated financing, the Control Service had the following structure and staff positions (27.5) – head, deputy head, System Analysis Department – 7 positions, Information Processing Department – 6 positions, Information Analysis Department – 9 positions, office manager, secretary, driver (half time), cleaner.

Since 28 May 1999, the Control Service has been a member of the international organisation EGMONT, which entitles and enables the CS to exchange information with Financial Intelligence Units (FIU) of 145 countries using a special protected network for exchange of information, and requires the CS to comply with specific principles for exchanging information and strict measures for protecting information.

The cooperation with Financial Intelligence Units of EU Member States is effected also via FIU-NET, another special protected network for exchange of information, where employees of the CS take particularly active part, including in annual improvements of its functionality.

Starting from 1998, the Control Service develops and updates, on an annual basis, specific software used for the creation of a data base of reports on unusual and suspicious transactions, making various analysis of the information accumulated in line with specific functional priorities (development of selection functions, visualization in schemes etc.) and for the performance of various special tasks within the area of competence of the CS. In recent years, the development of this software was focussed on facilitating its use and increasing the speed of processing of information. In 2013, the CS familiarised with the experience of the FIUs operating in the Nordic countries and the latest trends in this area to continue working on the development of the analytical programme commenced in previous years.

A particular focus in 2014 was laid on software development in order to generate, store and analyse data, including statistical data held by various institutions under the Ministry of the Interior and the Ministry of Justice. These are preliminary efforts as in the second half of 2015 the employees of the CS will commence an analysis of the risks of money laundering and financing of terrorism and proliferation on the national level.

Based on Cabinet Regulation No. 497 of 29 December 1998 “Procedure for the state and municipal institutions to provide information to the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity” (in force until 31 December 2008), for the purposes of analysis the Control Service has access to over 350 data bases, including several dozens of on-line data bases, i.e. the required information is requested and received electronically. The currently effective Regulation No. 1092 “Procedure for the state and municipal institutions to provide information to the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity” adopted by the Cabinet on 22 December 2008 legally extended the capability of the Control Service to obtain the required information also from municipalities starting 1 January 2009.

In the second half of 2009, at the initiative of credit institutions and supported by the Ministry of Finance, a new set of measures was introduced so that the Control Service can receive reports from credit institutions on unusual and suspicious transactions in an electronic encrypted format and send requests to such institutions likewise. Subsequent to introducing the required amendments in Cabinet Regulation No. 1071, at the end of 2013 on the basis of bilateral agreements the Control Service had exchange of information already with 39 various subjects of the law. It is important to note that such measures did not require additional funds; moreover, funds were saved due to a fewer number of printed documents in circulation.

In 2013, the Control Service prepared two sets of methodology materials: one on the system for reporting of unusual and suspicious transactions and the other on matters pertaining to the prevent of terrorism financing and updated both materials in 2015 in line with the amendments to the Law “On the Prevention of Money Laundering and Terrorism Financing” (effective 16 September 2014). For example, as concerns measures preventing terrorism financing, please refer to the material distributed by the Control Service to all supervisory and control authorities initially on 30 May 2013 by letter No. 1-10/65. The

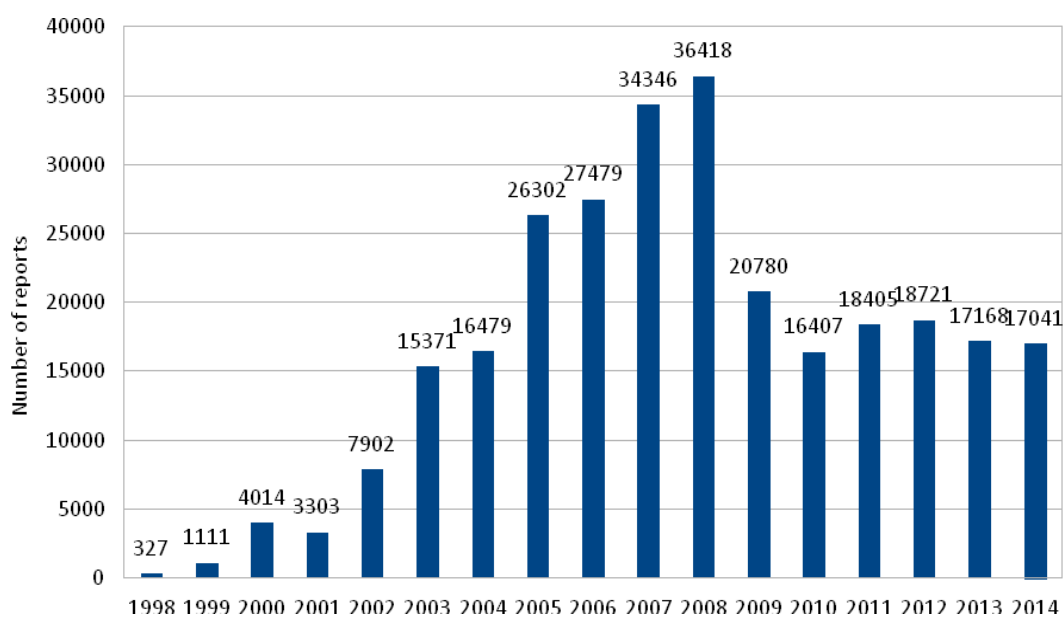
revised version of this informative letter on the measures preventing terrorism financing (letter No. 1-10/205 of 6 November 2014) is available on the website of the Control Service: <http://www.prokuratura.lv/public/30252.html>, which also contains materials on the system for the reporting of unusual and suspicious transactions.

2. Results of work

Reports on unusual and suspicious transactions

The EU Directives 2005/60/EC and 2006/70/EC, the current Law “On the Prevention of Money Laundering and Terrorism Financing” and other normative documents, including Regulation of 2 December 2008 No. 1071 “On the List of Indicators of Unusual Transactions and the Procedures for Reporting on Unusual and Suspicious Transactions” (in force as of 1 January 2009) require reporting of unusual and suspicious transactions.

The growing number of reports submitted to the Control Service over the recent years testified both to involvement of new subjects of the law in the prevention of money laundering and increasingly stricter compliance with requirements of the law. The number of reports received in the period 2002 to 2008 indicated stable growth in these processes. Whereas, over the last five to six years the number of these reports remained unchanged.



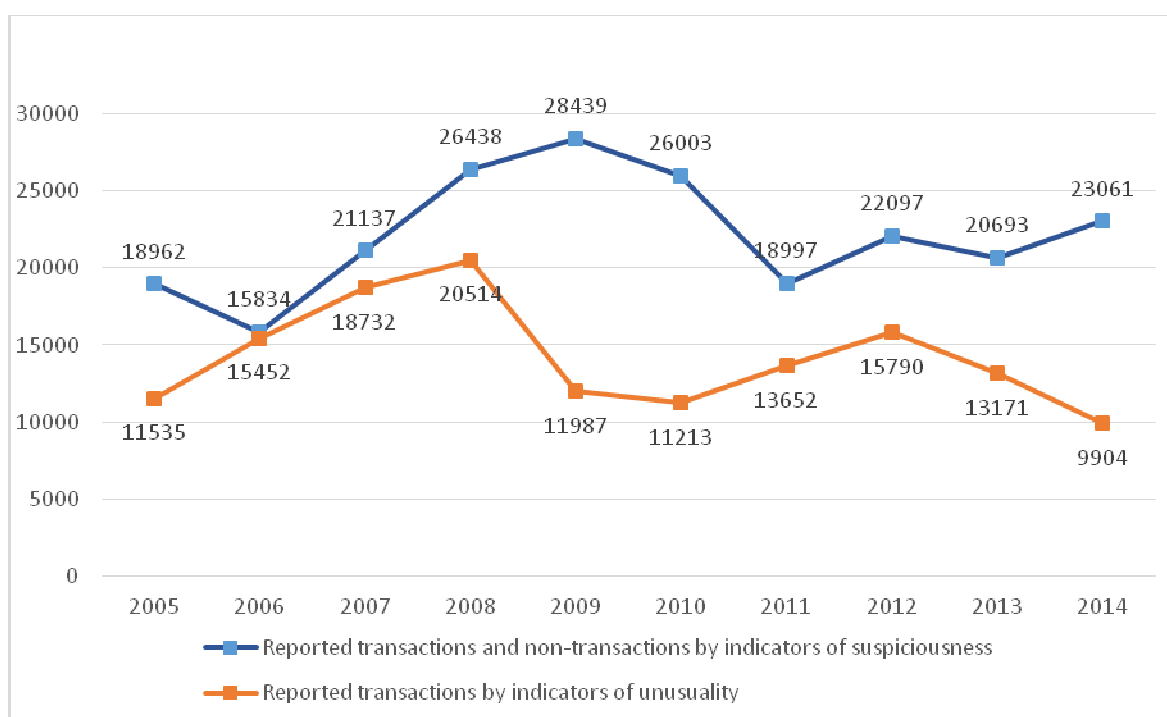
The comparison of the number of reports and reported transactions/non-transactions (concerning the latter please refer to the next figure and count the unusual and suspicious transactions/non-transactions), indicates that it is often the case that reports contain information on several interconnected transactions/non-transactions. This is explained by consistent compliance with a specific requirement of the Law (Section 20 (2) 1) when carrying out monitoring of a business relationship, the subject of the Law shall pay special attention to the customer’s unusually large, complex transactions or mutually linked transactions, which have no apparent economic or visible lawful purpose). This

requirement is also strongly emphasised during the training process, which has had a positive impact on the implementation of the priorities laid down by the Council for the Development of the Financial Sector in 2005 – 2006 (for more details please refer to section **Description and implementation of operational priorities**).

Prevalence of certain types of reports

The Law “On the Prevention of Money Laundering and Terrorism Financing” (Section 30 (1)) requires the subjects of the Law to report on each suspicious or unusual transaction. The indicators of unusual transactions are defined in Cabinet Regulation of 2 December 2008 No. 1071 “On the List of Indicators of Unusual Transactions and the Procedures for Reporting on Unusual and Suspicious Transactions”.

The dynamics of reported unusual and suspicious transactions in the last 10 years is illustrated by the following charts, which indicate statistical similarities between 2005-2008 and 2011-2012 as concerns the number of reported suspicious and usual transactions.



Each year the Control Service performs statistical registration of reported unusual and suspicious transactions and conducts an analysis of such transactions by reference to indicators of unusuality and suspiciousness.

Some examples – in 2014, the highest number of reports was prepared based on the following indicators of unusuality, with the number of reports provided in brackets:

- a cash transaction involving EUR 60 000 and more (3 073);
- a cash transfer involving EUR 40 000 and more (note - other than credit institutions; 1 923);

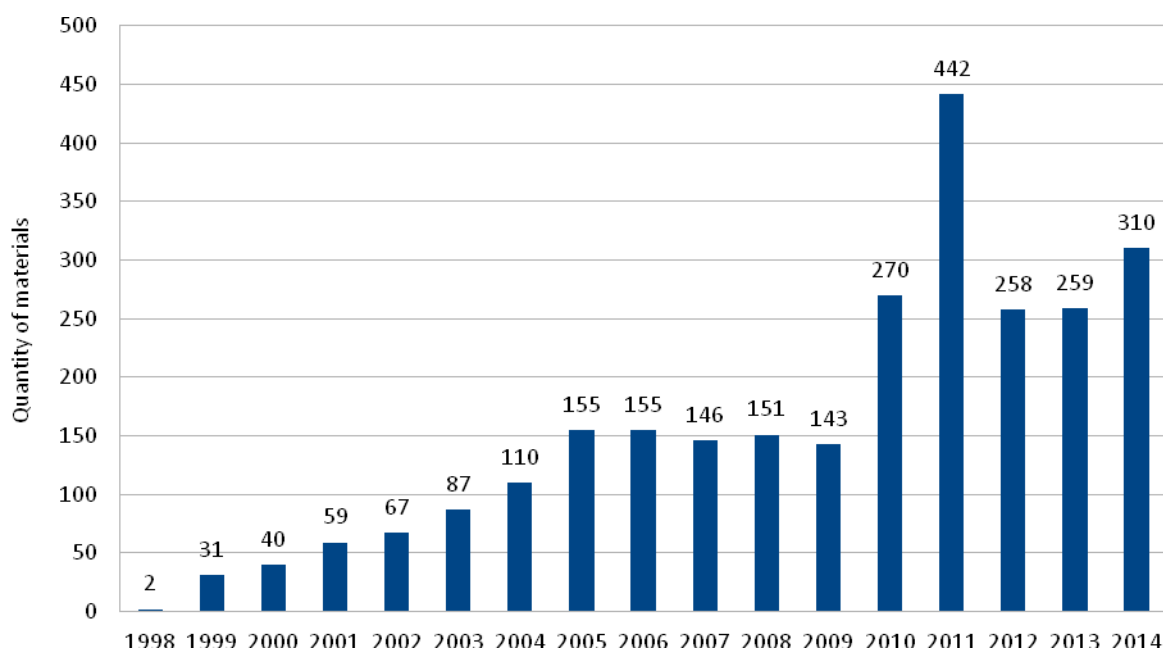
- a client who does not have an account with the bank makes a currency exchange transaction at the bank using cash equivalent to EUR 8 000 and more (1 535).

The highest number of reports in 2014 was prepared based on the following indicators of suspiciousness, with the number of reports provided in brackets:

- cash debited from an account immediately after crediting it (3 917);
- potential fraud (2 636);
- a suspicious transaction abroad (2 559).

Materials prepared and sent by the Control Service

Various events have significantly impacted the number of materials prepared and sent to law enforcement institutions regarding potential crime identified by the Control Service.



Source: CS statistics as at 1 January 2015.

The significant increase in the number of materials sent to law enforcement institutions in 2011 was primarily related to notable growth in one of the laundering typologies ("phishing", for details please refer to section **Current typologies of money laundering**). In 2010, the Department for Combating Economic Crimes received 67 materials of this type but in 2011 the number was 318. The specifics of this typology and other relevant matters remain the focal point of constant cooperation between the Control Service and the employees of the said department both by way of exchange of information and common discussions. The number of such materials continued to decrease during 2012 and 2013, which impacted the total number of materials prepared. 169 materials were

prepared during 2014 concerning cases of laundering of funds defrauded this way, which represents an increase in the number of such cases.

Distribution of materials sent to law enforcement institutions

The distribution of reports sent to law enforcement institutions to a large extent indicates the source of funds derived from criminal activity (tax evasion, fraud etc.).

Year	Number of Materials	Financial Police	Department for Combating Economic Crimes	KNAB	Other	New criminal procedures commenced*	Added to existing criminal procedures*
2006	155	124	25	4	2	42	5
2007	146	98	27	2	19	40	10
2008	151	91	45	3	12	47	30
2009	143	68	63	3	9	57	12
2010	270	139	117	10	4	49	83
2011	442	86	339	2	15	32	288
2012	258	62	184	1	11	42	121
2013	259	81	173	2	3	58	94
2014	310	62	235	7	6	94	92

* - these columns show materials decided in the respective year for which the Control Service has received feedback until 1 January of the following year. Consequently, these materials represent only a part of the total results of reviews of materials.

Source: CS statistics as at 1 January 2015

It should be noted that statistics on the criminal procedures commenced is likely to increase as, for example, upon completion of a large number of audits and audits of large scope (or tax calculations) the Financial Police would make decisions on commencing criminal procedures also based on materials sent in previous years. Also, as at 9 February 2015 the following information was available regarding the 310 materials of the year 2014: criminal procedures were initiated for 112 materials and 101 materials were added to existing criminal procedures.

According to the data of the Prosecutor's Office in 2014 (Section 195 of Criminal Law):

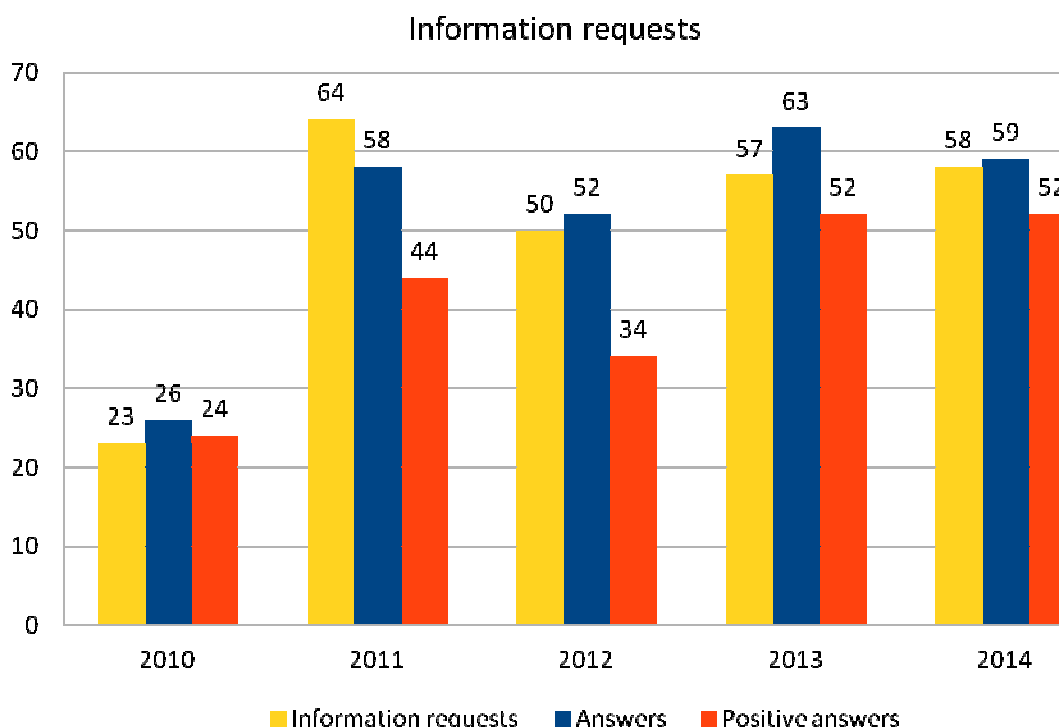
- the opening balance of criminal offences for which no pre-trial investigation under criminal procedures has been completed by the Prosecutor's Office - 22.
- the number of criminal offences for which criminal cases have been received for commencing prosecution - 39;
- 14 criminal cases were forwarded to the court accusing 43 persons of criminal offences (episodes) of this nature.
- 43 criminal procedures were commenced regarding property obtained from criminal activity (Section 627 (1) of the Criminal Procedure Law) in the instigative institutions, under which property of LVL 15,054 and EUR 4,570,575 was seized by court orders.

Information requests

In 2012, the Control Service received 50 information requests and provided specific financial information in 34 answers (including 11 answers to requests made at the end of 2011). 18 answers specified that the Control Service did not possess the requested information.

In 2013, the Control Service received 57 information requests and provided 52 answers (including those to information requests made in the previous year) containing the requested information, and also informed that the Control Service did not possess the relevant information.

In 2014, various law enforcement institutions made 58 requests and 52 answers were provided containing specific information relevant for pre-court investigation. In other instances, the Control Service did not possess the requested information. In 2014, the State Revenue Service made information requests concerning 262 persons. The Control Service provided information that it possessed concerning suspicious and unusual transactions of 74 persons.



Note – In 2014 answers were provided also to certain requests made in 2013.

3. Description and implementation of operational priorities

The Council of Prevention of Laundering of Proceeds Derived from Criminal Activity (since 2007 entitled the Council for the Development of the Financial Sector) chaired by the Prime Minister, held a meeting on 14 December 2005 where it suggested that the Control Service set its operational priorities, for example, prioritise investigation of potential money laundering cases and freezing of financial funds in cases where the amount of funds involved is large or where criminal offence is easier to prove.

In view of the above, the CS focussed on the following priorities:

1) Freezing of large amounts of funds derived from criminal activity.

Apart from statistical data, other characteristic information is provided for certain years.

In 2008, the Control Service issued **99 orders** and **LVL 2.71 million** were frozen in Latvia, which is less than in the previous years. This result is explained both by financial crisis and by a new typology – upon or immediately after gaining proceeds from criminal activity such funds are transferred to accounts opened in Lithuanian or Estonian banks that are not registered with the State Revenue Service in Latvia. In order to deal with this behaviour, subsequent to 13 August 2008 when the new law came into effect (See Section 63) the Control Service had successful cooperation with institutions of the same nature in the neighbouring countries – requesting them to issue orders on freezing of funds based on the information gathered by the Control Service, which resulted in freezing of over LVL 350,000 in Estonia and over LVL 110,000 in Lithuania.

Continuing the practice of previous years, **in 2009** the Control Service prepared 61 materials that included **70 orders** that resulted in freezing funds or suspending transactions in Latvia amounting to **LVL 5.2 million**. Following requests by the Control Service, counterparts of foreign countries froze approximately LVL 417,000 that may be arrested based on requests for legal assistance from appropriate Latvian institutions.

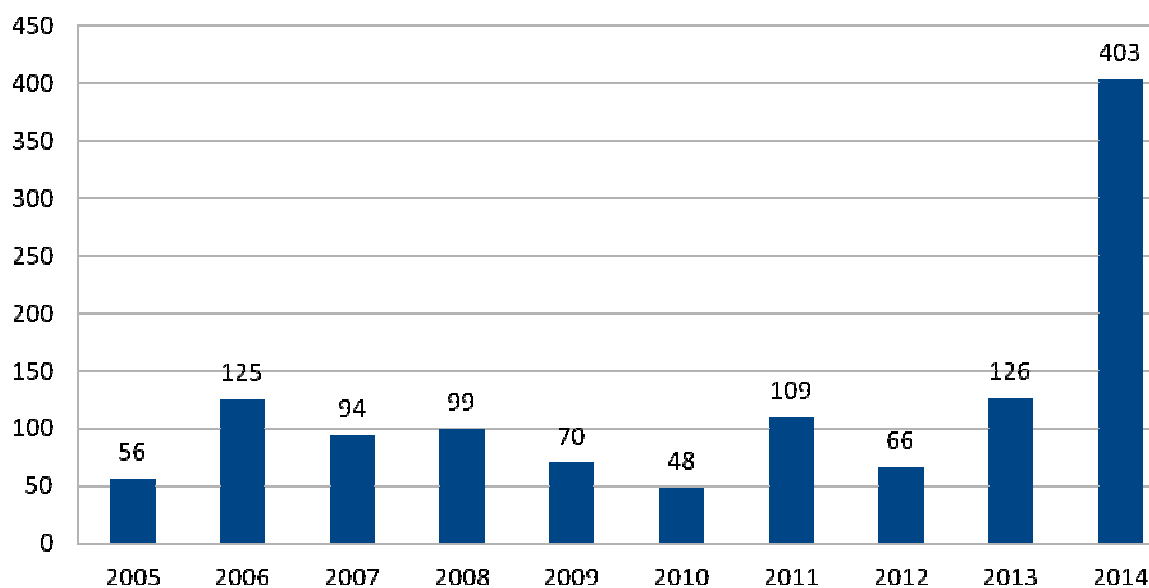
In 2010, 48 orders were issued that resulted in freezing funds derived from criminal activity amounting to **LVL 1.39 million**. The drop in the level of statistical data is largely connected with the economic crisis, amendments to the Law “On the Prevention of Money Laundering and Terrorism Financing” and reaction of the clients of the subjects of the Law to the consequences of previously frozen amounts of funds derived from criminal activity who instead of one or several transactions now perform numerous transactions with relatively small amounts each.

In 2012, 66 orders were issued which is a notable decrease compared to the previous year but these statistical data should be viewed in light of the fact that the number of orders issued in 2011 was connected with the great number of the so-called *phishing* materials that were growing rapidly in numbers (67 in 2010 and 318 in 2011). These orders in 2012 effectively suspended **LVL 20.25 million** of funds derived from criminal activity.

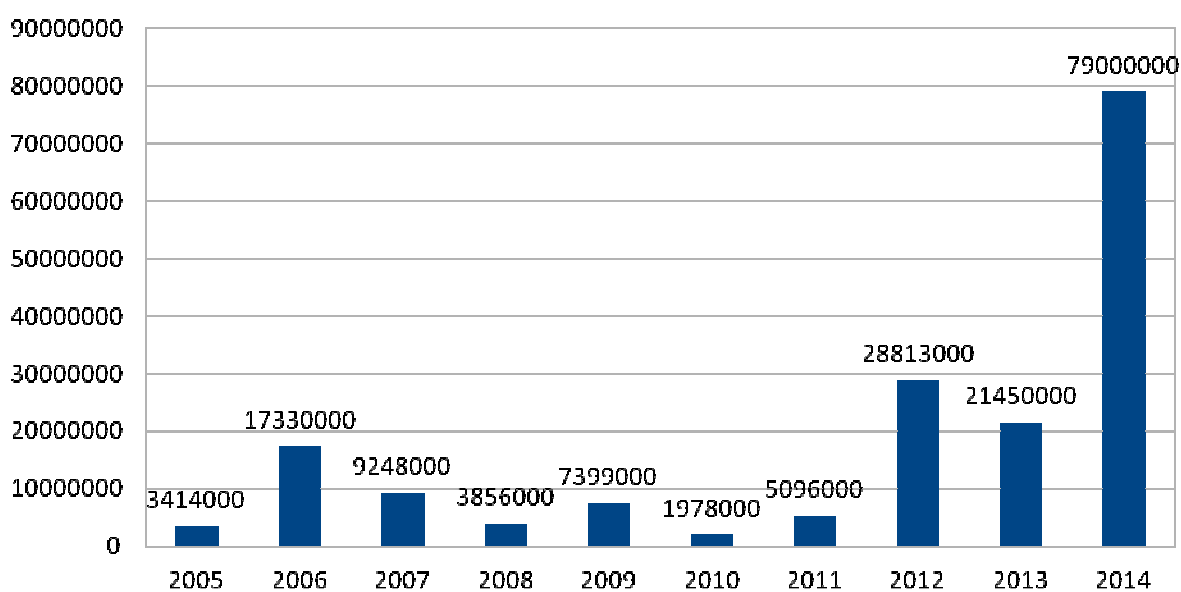
These orders form a part of the materials and they are forwarded to law enforcement institutions for commencing pre-trial investigations and arresting funds derived from criminal activities to ensure that these funds are seized during the court procedures on behalf of victims or the national budget. For example, in September 2011 when one of the suburban courts of Riga reviewed a criminal procedure concerning property obtained from criminal activity it was decided to recognise an amount of EUR 1.4 million to be funds derived from criminal activity and then the entire amount was seized on behalf of the state.

As evidenced by the below information, in 2014 the Control Service achieved the best results in the performance of this particular priority.

Number of orders issued



Funds frozen by orders, EUR

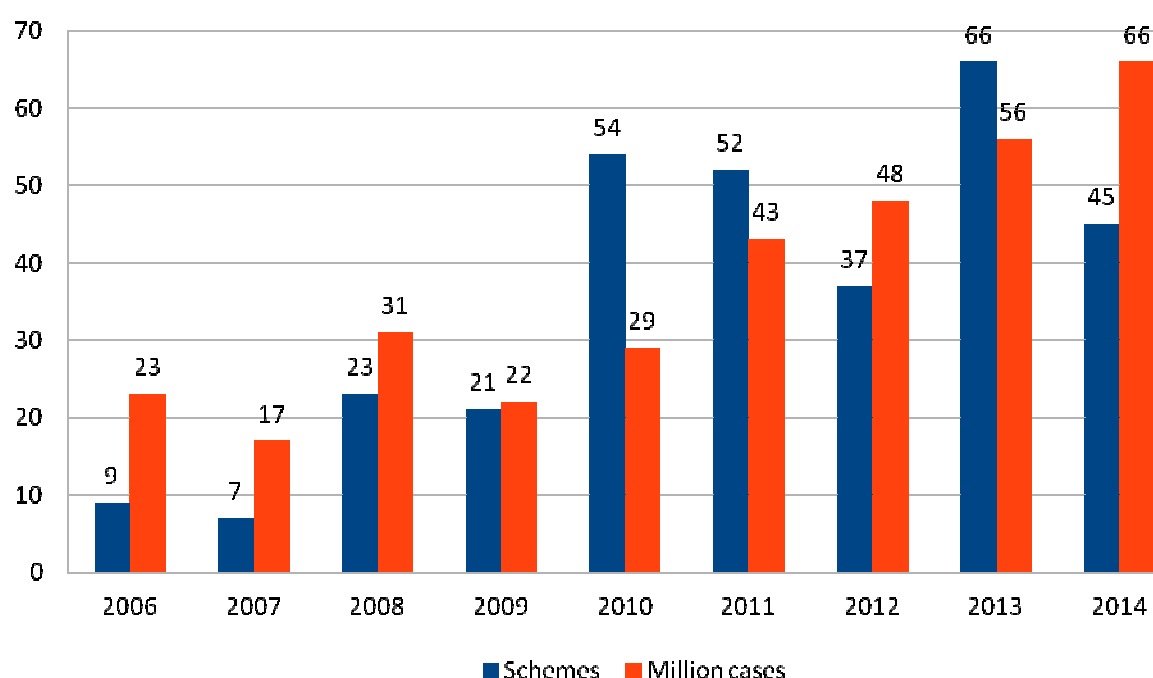


Note - to enable comparison of the last 10 years, all amounts disclosed were translated from LVL to EUR.

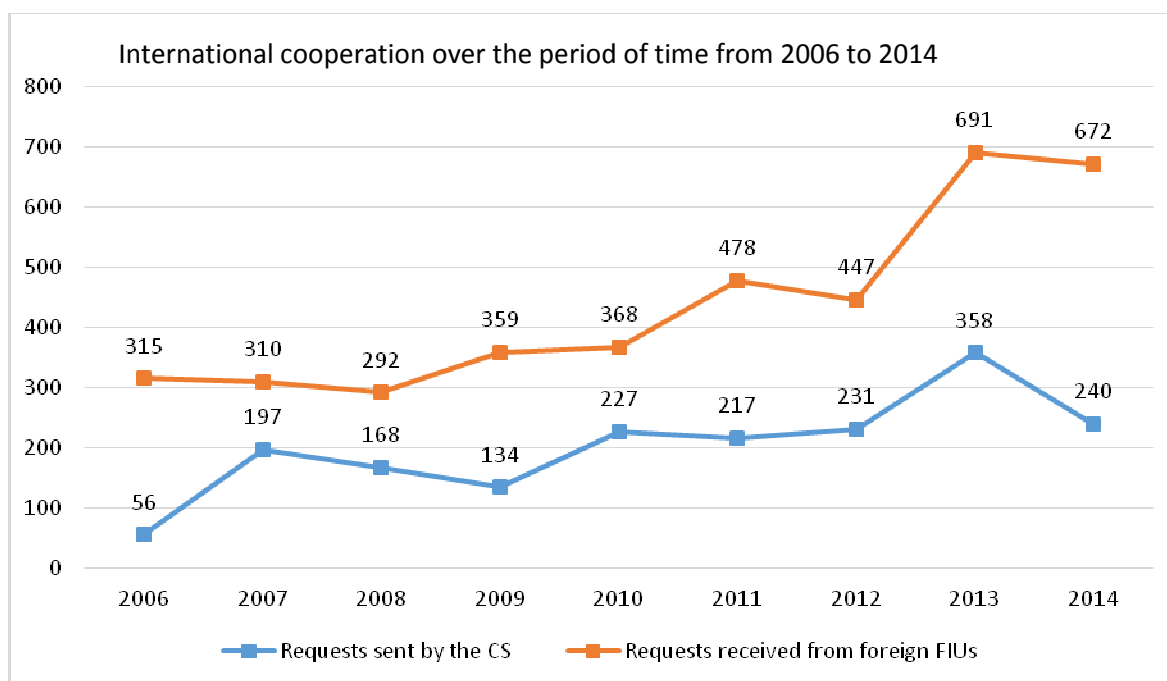
2) Preparation of materials that feature transaction schemes with a large number of persons involved (20 - 50 and more legal or natural persons) or/and transaction schemes involving large amounts of money (LVL 1 million and more).

In 2013, 66 materials were prepared and provided to investigative institutions concerning transaction schemes involving more than 20 natural or legal persons. Among these, there are **56 materials** that feature transaction amounts of at least one million lats.

In 2014, 45 materials were prepared and provided to investigative institutions concerning transaction schemes involving more than 20 natural or legal persons. Among these, there are **66 materials** that feature transaction amounts of at least one million euro.



4. International cooperation



Source: CS statistics as at 1 January 2015

In accordance with Section 62 of the Law “On the Prevention of Money Laundering and Terrorism Financing” the Control Service exchanges information with Financial Intelligence Units of foreign countries, and with foreign and international institutions for combating terrorism on issues pertaining to the movement of funds or property connected with terrorism.

Since 1998 the Control Service has signed 27 bilateral agreements on exchange of information with counterparts in foreign countries. Information is exchanged via the special network of the international organisation EGMONT group or via the EU network FIU-NET. In 2013, a number of such agreements were signed, including with the counterparts of Norway and Japan. New cooperation agreements were not signed during 2014 (the agreement with the counterpart of the Russian Federation was updated).

The statistical data regarding the exchange of information during the past years between the Financial Intelligence Unit of Latvia, the Control Service, and its counterparts of foreign countries not only indicate changes in the scope of work (over the last 6 years the growth has been nearly twofold) but also the number of instances when information was requested (Latvia vs. foreign countries).

The intensity of international cooperation lessened in 2014, which is a positive sign. The scope of this cooperation was growing for a relatively extended period of time and it reached a high level compared to many other FIUs. This also has reduced staff overload.

Measures to prevent terrorism financing

Since 9/11 tragedy in the USA, the Control Service has established a system for prevention of terrorism financing based on regulations, methodology, network of contact

persons of the subjects of the Law, 2 employees of the CS have been assigned responsibility for processing terrorists and supporters of terrorists, preparation and distribution of the Consolidated Lists, review of the reports from the subjects of the Law and other measures. Effective 16 September 2014, as required by the amendments to the Law “On the Prevention of Money Laundering and Terrorism Financing” these lists are maintained by the Control Service only on its website (<http://sankcijas.kd.gov.lv>).

The consolidated lists were prepared and sent electronically 121 times, including 9 in 2006, 4 in 2007, 10 in 2008, 12 in 2009, 13 in 2010, 12 in 2011 and 10 in 2012, 11 in 2013, 11 in 2014.

In 2005, subjects of the Law 30 times reported on suspicions of potential terrorism financing, in 2006 – 6, 2007 – 3, 2008 – 7, 2009 – 20, 2010 – 10, 2011 – 39 and in 2012 – 79 times, including 41 (64 transactions) associated with potential terrorism financing. In 2013, 51 such reports were received concerning 58 transactions. In 2014, 39 such reports were received concerning 52 transactions. In all such cases, the Control Service examined the reports, including by exchange of information with foreign counterparts, and informed the subject of the Law on the results of such examinations.

No actual cases of terrorism financing were identified.

5. Training

In discharging its responsibilities set in the Law “On the Prevention of Money Laundering and Terrorism Financing”, the Control Service:

- provides information on the most characteristic techniques and locations for generating and laundering of proceeds derived from criminal activity and terrorism financing to ensure that measures are put in place to prevent the possibility to launder proceeds derived from criminal activity and finance terrorism;
- ensures training on matters related to the prevention of money laundering and terrorism financing;
- based the information at the disposal of the Control Service, provides written recommendations to pre-trial investigative institutions and the Prosecutor’s Office in order to prevent money laundering and terrorism financing;
- publishes information on the results of work of the CS on a regular basis.
- prepares methodological materials on the prevention of money laundering and terrorism financing and maintains such materials on the website of the CS: <http://www.prokuratura.lv/public/30252.html>

Since its establishment on 1 June 1998, the Control Service performed the above responsibilities:

- using various methodological materials, organized more than 340 training sessions for subjects of the Law and employees of the monitoring and control institutions and law enforcement institutions, including 16 sessions in 2014;

- prepared and provided information to mass media 304 times (26 times in 2014), including to radio and television, on various questions connected with money laundering and terrorism financing.

6. Evaluation of the Latvian anti-money laundering and counter-terrorist financing system

In the plenary meeting held in July 2012 the European Council Moneyval Committee approved the report on compliance of the Latvian anti-money laundering and counter-terrorist financing system with the primary requirements of FATF 40 Recommendations and formulated recommendations to improve the said system.

Since the previous evaluation performed in 2006 the Latvian relevant authorities invested significant efforts in the development of this system, which was the basis for the positive evaluation. The previous report noted 5 critical points but the present report has none. Out of 49 items to be evaluated, 13 were assigned higher rating than the previous time, including 2 more instances when the maximum rating was assigned which made the total number reach 14.

For detailed information, here is the link to the Moneyval report: http://www.coe.int/t/dghl/monitoring/moneyval/Countries/Latvia_en.asp

On 28 March 2013 the Financial Sector Development Council led by the Prime Minister approved “Action plan for the improvement of the anti-money laundering and counter-terrorist financing system” which appoints the Control Service as the authority responsible for summarising the results of this plan after 1 February 2014 as Latvia was required to defend its Progress Report on the implementation of the recommended measures and achievements at the plenary meeting of the European Council Moneyval Committee held in September 2014.

Moreover, on 10 May 2013 the work group established by the Prime Minister’s order No. 173 “On the work group for preparing a draft law on amendments to the Law “On the Prevention of Money Laundering and Terrorism Financing”” began working on a draft law containing the required amendments in line with the recommendations formulated by the European Council Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) and international standards.

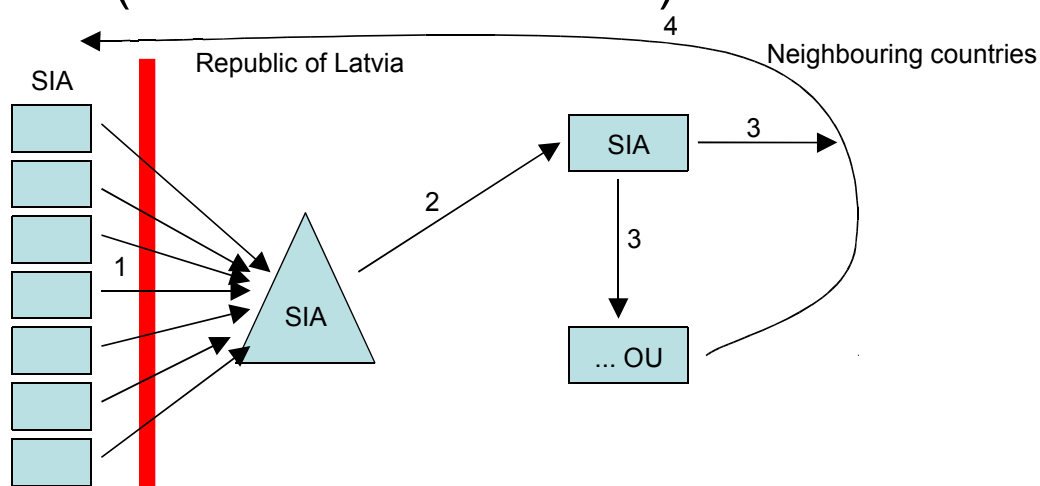
The required amendments to the Law “On the Prevention of Money Laundering and Terrorism Financing” entered into force on 16 September 2014 and the Latvian delegation informed Moneyval on this fact at the plenary meeting of 17 September when the Progress Report was presented. The Progress Report was successfully defended.

7. Current typologies of money laundering

For the purpose of analysing and studying money laundering or attempts at money laundering and improving the measures for prevention and detection of money laundering, the Control Service accumulates knowledge and experience on current laundering typologies from reports on unusual and suspicious transactions and from information received in cooperation with foreign counterparts (requests for exchange of information, seminars, conferences) and shares this knowledge within training processes.

Of all known money laundering typologies, the most popular in 2014 continued to be the ones connected with tax evasion and laundering of funds derived from fraudulent activities abroad in Latvia. According to international practice, such typologies are given names.

Tax evasion (Criminal Law Sect.218)



- (1) declaration of transaction to the SRS (Crim. Law Sect.218)
- Transactions (2 -4) - reasonable suspicion of money laundering

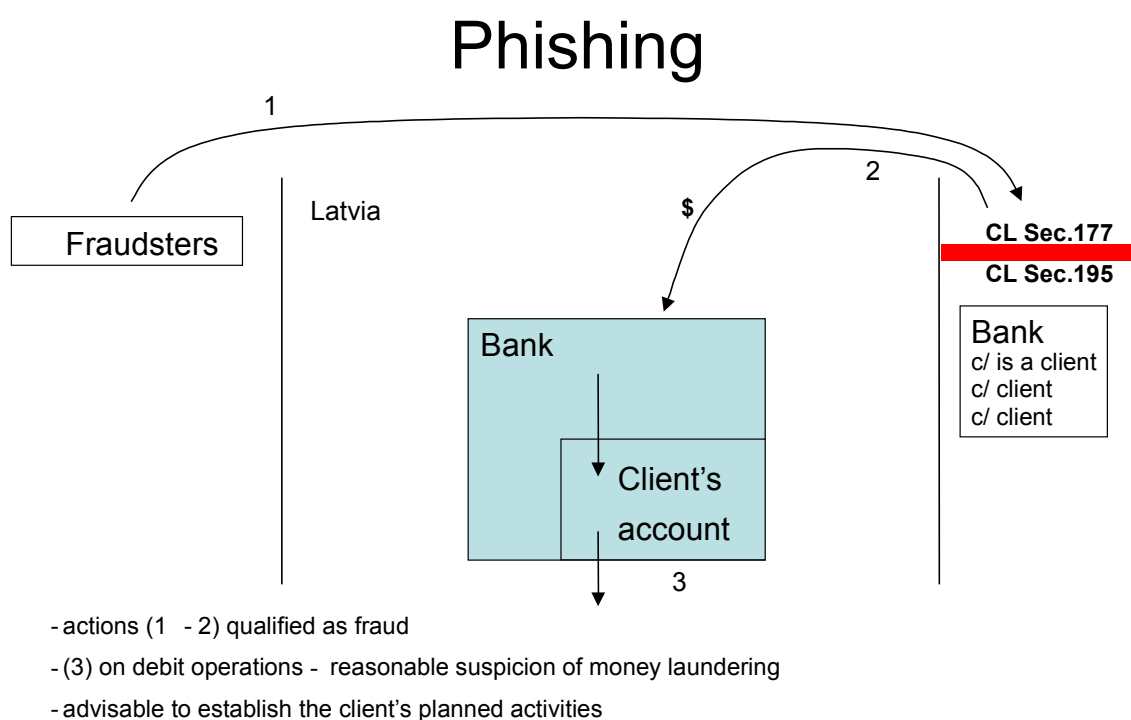
Short description of the typology

Specific structuring of transactions in order to evade taxes has been around for many years. The statistics of the past years show that the number of natural and legal persons involved in a transaction scheme may range from 20 to 50 persons and in some cases even be as high as 100 persons or more. The duration of the scheme is approximately several months and then the organisers would use a part of the persons involved (see group 1 in the scheme) in an analogous scheme.

The scheme of transactions is depicted in a simplified manner and the scheme most often operates as follows:

- in order to evade taxes and obtain funds for the so-called “envelope salaries” or similar needs, according to the agreement with the organizers of the scheme legal entities (group 1 in the scheme) transfer money to the above SIA as if for supply of goods or services and declare these financial transactions to the State Revenue Service;
- then the group of legal persons (group 2 in the scheme) transfers this money via accounts with various banks and withdraws in cash outside Latvia (group 3 in the scheme) – most often in Estonia, Lithuania or Poland and deliver the money back to the original transferor of funds (group 1 in the scheme);

Short description of the typology



During the last 4 – 8 years, the world, including Latvia, has seen increasing use of a typology called “phishing” (the name is derived from a criminal activity, i.e. theft of personal data, where “password harvesting” is abbreviated to “phishing”), an activity aimed to steal money from client accounts often using the clients’ gullibility.

After obtaining client personal data, including their passwords, by various means (using documents prepared by the bank’s clients, by stealing it from the client or the bank using a special software program), the fraudsters would act like the clients and transfer funds from the victims’ accounts (most often from Germany, Canada) to the accounts of their accomplices in Latvia. Then the money is converted and withdrawn in cash.

In practice, it has proven many times that one of the most effective means to combat unlawful actions described in the above typology is that subjects of the Law withdraw from transactions that appear connected or are reasonably suspected to be connected with money laundering and the Control Service suspends such transactions.

In June 2011, the Control Service and the employees of the State Police Department for Combating Economic Crimes with the help of mass media prepared an information material to warn society, in particular parents, to prevent children of legal age in Latvia from involving in this type of money laundering schemes (to launder money obtained by

fraud from bank accounts abroad). Please refer to this article:
<http://www.delfi.lv/archive/print.php?id=39020320>

The efforts to inform society on the operation and dangerousness of this money laundering typology continued also in 2014. Relevant information was provided on a regular basis by various means both during training sessions presented to the employees of law enforcement institutions and credit institutions and to other stakeholders.