

ILLEGAL GOLD SMUGGLING

WHAT IS IT?

Precious metal smuggling can take the form of either trading in illegally mined precious metals or obtaining the mined metals illegally and then selling it, with the proceeds of these illegal activities being laundered.



POSSIBLE INDICATORS

- Transfers of funds between business accounts and personal accounts that are not business related
- Suspicious withdrawals and deposits of large sums of money into accounts
- Attorneys' trust accounts that receives funds from clients and purchasing high value assets for clients
- Flow of funds from accounts to offshore destinations.

CASE STUDY



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The FIC assisted the South African Police Service with an investigation into illegal gold

smuggling.

The suspected role players were linked to several multi-national legal entities. The FIC identified and traced the bank accounts of the subjects, their financial transactions, assets and foreign accounts.

The FIC uncovered suspicious deposits and withdrawals of large sums, and their transfers from business to personal accounts belonging to syndicate members. Analysis of financial statements identified funds being transferred to attorneys, who in turn purchased high-end properties and vehicles on behalf of syndicate members.

With the help of its international counterparts, the FIC determined that some of the syndicate members held offshore bank accounts and owned properties in other jurisdictions.

The FIC's report resulted in the local law enforcement agency arresting syndicate members and confiscating assets worth about R6.8 million. ■