

CASE STUDY

Brief facts of the case.

The case involves a money laundering scheme carried out by several employees of Equity Bank Uganda. On 28 and 29 March 2015, Mwesigwa and other conspirators stole USD 1,450,000 from the accounts of two Southern Sudanese nationals. Mwesigwa, who was the operations manager of Equity Bank Oasis Mall Branch in Kampala, instructed his subordinate to request USD 1 million from the Cash Centre. When advised to send the customers to be served at the Cash Center due to the large amount, the subordinate insisted on them being served at the Oasis branch. Eventually, a request for USD 1,000,000 was lodged with Mwesigwa's approval and the money was received. Subsequently, USD 1,450,000 was paid out to fraudsters at the branch, with the account holders disowning the payments.

The money was withdrawn in three instalments using fake withdrawal slips by fraudsters who impersonated the real account holders and presented fake passports with the assistance of Mwesigwa. Mwesigwa did not conduct biometric verification on the imposters before approving the withdrawal of the money, which the conspirators divided amongst themselves.

On 29 March 2015, some of the conspirators posted a video on WhatsApp showing them posing with bundles of US dollars in their apartment. This video would later go viral and lead to the arrest of some of the conspirators. The fraud came to the bank's attention on 1 April 2015 when one of the real account holders in South Sudan uncovered strange transactions on his bank account at the Juba branch. The matter was immediately reported to the police in Kampala.

The investigation revealed the purchase of various assets as follows:

- On 31 March 2015, one of the conspirators bought a Mercedes Benz 4Matic 500 for USD 25,000 in cash, leaving it registered in the names of the seller.
- On 31 March 2015, the same conspirator purchased a plot of land in Buziga (a suburb of Kampala) for about USD 30,000 in cash, with the sale agreement indicating the names of his mother as the purchaser.
- In mid-April 2015, Mwesigwa purchased a plot of land in Wakiso for about USD 32,000 in cash, with the sale agreement indicating the name of his girlfriend's mother as the purchaser.

- In April 2015, Mwesigwa purchased a Mercedes Benz 4Matic valued at about USD 23,000, leaving it registered in the names of the seller.
- In the same month, Mwesigwa used about USD 2,300 to clear taxes on a Toyota Corona, which his girlfriend had imported for about USD 4,600 before the crime was committed.
- In April 2015, Mwesigwa kept about USD 73,000 in cash in a closet at his brother's home.
- Investigations revealed that two of the conspirators went on holiday to Dubai in mid-April 2015, where they spent luxuriously.

Potential Questions on Money Laundering offence.

<p><u>Answer the following questions:</u></p>	<ul style="list-style-type: none"> ❖ Which offence would you charge the Operations Manager with? Choose only one predicate offence and why. ❖ Which offence of Money Laundering would you charge the Operations Manager based on the AML/CFT Law of Uganda and why? ❖ Describe the different methods used by the suspects to launder the embezzled funds. ❖ What are the elements of ML offence? ❖ What evidence could be used to prove each element? ❖ Identify the types of money laundering observed in the case.
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Potential Questions on the strategies of financial investigations.

<p><u>Answer the following questions:</u></p>	<ul style="list-style-type: none"> ❖ What special investigative techniques were employed by the investigation team in this case? ❖ How did the use of a parallel investigation strategy contribute to the successful recovery of assets? ❖ How did we obtain evidence in South Sudan and employ the available avenues of both formal and informal communication? Given that funds were withdrawn from accounts in South Sudan.
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	<ul style="list-style-type: none"> ❖ What lessons can be drawn regarding the importance of both formal and informal international cooperation in money laundering cases? ❖ What asset management challenges did the investigators and prosecutors face in this case, and what strategies did they employ to address issues like storage of cash, vehicles, and real estate?
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Potential questions on Asset recovery and confiscation

<p><u>Answer the following questions:</u></p>	<ul style="list-style-type: none"> ❖ Utilize a graphical demonstration to showcase the flows of funds and the purchase of assets using information discovered by the investigation team subject to recovery/confiscation. ❖ What steps can be taken to identify and trace the assets purchased with the stolen funds, including the Mercedes Benz cars, the land plots, and the Toyota Corona? ❖ How can the authorities determine the true ownership of the assets registered in the names of relatives and associates of the suspects? ❖ What legal mechanisms can be used to freeze or restrain the identified assets to prevent their dissipation or further transfers? What evidence would be required to support an application for asset freezing or restraint orders? ❖ What legal framework or laws can be used to confiscate or forfeit the identified assets connected to the money laundering scheme? What procedures and requirements must be followed to successfully confiscate the assets, including the cash in the conspirator's brother's home? ❖ How can the stolen funds be returned to the rightful account holders, the Southern Sudanese nationals, and what legal mechanisms can be used to ensure their compensation?
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Judicial considerations when determining ML, TF, Asset Recovery and Financial Investigations cases.

<p><u>Answer the following questions:</u></p>	<ul style="list-style-type: none">❖ What types of direct and indirect evidence should be gathered and assessed in this money laundering case? How can the financial records, transaction logs, asset ownership documents, and witness testimonies be effectively leveraged as evidence?❖ What are the key considerations in ensuring the admissibility and reliability of the collected evidence? What is the role of the judiciary in overseeing the pre-trial investigation in this money laundering case?❖ What measures should the judiciary take to ensure the integrity and admissibility of the evidence, such as authorizing investigative techniques and surveillance?❖ What are the relevant legal provisions and requirements for making confiscation orders in this money laundering case?❖ Explain the key principles of reasoning that should guide the judicial decision-making process, such as the standards of proof, the burden of proof, and the inferences that can be drawn from the evidence during pre-trial and post-trial orders.❖ How can the facts of the case be aligned with the legal requirements for confiscation to justify the judicial decisions?
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