

OLYMPIC TASKS
in the direction of "Information Security"
Qualifying stage. Second round.

QUESTION 1.

A group of telephone scammers, having obtained data from online stores, financial institutions, and government agencies on the illegal market, are trying every day to apply new techniques to convince a potential client to transfer money to them. Three scammers, having obtained the personal data of 30 people, are trying to deceive them. The first “processes” 9 people, the second – 6 people, and the third – 15 people. Clients are selected randomly from the list. The chance of becoming a victim of the first scammer is 30%, the second – 20%, and the third – 50%.

Find the probability that a potential customer will become a victim of a scammer.

Select the correct answer as a decimal, rounding to two decimal places if necessary.

- 1) **0,38**
- 2) 0,5
- 3) 1
- 4) 0,03
- 5) 1,65
- 6) 0,08
- 7) 0,28

SOLUTION.

Let event A be a potential client becoming a victim of a fraudster. Let's denote the hypotheses: H_1, H_2, H_3 – a potential client is “processed” by the first, second, third fraudster.. Then $P(H_1) = \frac{9}{30} = 0,3$; $P(H_2) = \frac{6}{30} = 0,2$; $P(H_3) = \frac{15}{30} = 0,5$. Then the probability that the client became a victim, provided that he ended up with the first scammer, is 30%: $P(A|H_1) = 0,3$; ; to the second – 20%: $P(A|H_2) = 0,2$; to the third – 50%: $P(A|H_3) = 0,5$. Using the total probability formula, we get: $P(A) = P(A|H_1) \cdot P(H_1) + P(A|H_2) \cdot P(H_2) + P(A|H_3) \cdot P(H_3) = 0,3 \cdot 0,3 + 0,2 \cdot 0,2 + 0,5 \cdot 0,5 = 0,38$.

Answer. 0.38

QUESTION 2.

One of the ways attackers can obtain user data is by using keyloggers (keyloggers) - special programs that read information entered from the keyboard. Such applications are difficult to identify, because... Popular antiviruses do not find them. As a result, the login and password information entered by the user, which opens access to the personal account in the online bank, gets to the scammers. If an online bank does not provide multi-factor protection for authentication, then one of the ways to protect against such spies can be a password manager - an online tool that protects (encrypts) passwords in one place (in a digital storage). Thus, if the login to enter an online bank is a card number, and the password is a set of numbers, then they will be stored in encrypted form. Users' bank card numbers consist of 16 digits, written in groups of 4 digits separated by a space. Then, for encryption, each group of numbers and password are represented as a sequence of bits (in binary number system). An exclusive-or operation (XOR) is performed between each bit of the group and each bit of the password (the password is repeated for each group of bits). Determine the card number in unencrypted form, if in encrypted form the number looks like a sequence of 52 bits, divided into 4 groups of 13 bits separated by a space (the space is used only for clarity), with each group representing a number in the decimal notation system. And the password in decimal number system: 4596.

Encrypted card number:

0111011111000 0111001110010 0010010000000 0000101000000

Note: Each group of bits is separated by another space for clarity.

Password: 4596.

In your response, please indicate only the card number in unencrypted form as a sequence of numbers without spaces. Choose the correct answer.

- 1) **7948807054924276**
- 2) 7948007054922476
- 3) 0243012126993915
- 4) 0024312126993915

- 5) 0243012126693915
- 6) 7940807954922476
- 7) 2430121026993915

SOLUTION.

Password: $4596_{10} = 1000111110100_2$

Let's apply an xor operation between each bit of the map and the password:

Encrypted card number	0111011111000	0111001110010	0010010000000	0000101000000
password	1000111110100	1000111110100	1000111110100	1000111110100
xor	1111100001100	1111100001100	1010101110100	1000010110100

Got a number 1111100001100 1111100001100 1010101110100 1000010110100

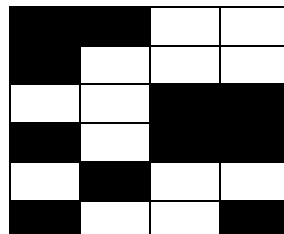
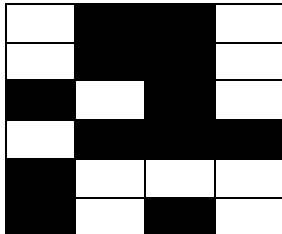
Let's convert each group to the decimal number system:

Card number after xor	1111100001100	1111100001100	1010101110100	1000010110100
In decimal system	7948	8070	5492	4276

Card number: 7948807054924276

QUESTION 3.

In some company, colleagues decided to send messages to each other via corporate email in encrypted form. The information is transmitted in an encrypted archive, the password (which is a number) from which is transmitted in the form of two unencrypted black and white images, encoded line by line. The company's security service intercepted the archive and images encoding the password, and also picked up the password itself. It is necessary to determine which of the bitwise logical operations (logical "and", logical "or", logical "exclusive or") is used to generate a new password from the image, and select from the proposed answers a new password that is obtained as a result of applying this logical operation, provided that the original correct password is one of the following numbers: 1234558, 4185235, 3054787, 1130558. Received images (white bit is coded 1, black bit is coded 0):



Choose the correct answer.

- 1) 11443395
- 2) 12573843
- 3) 4185235
- 4) 1130558

SOLUTION.

Let's convert each of the images to binary form:

- 1) 1001 1001 0101 1000 0111 0101
- 2) 0011 0111 1100 0100 1011 0110

Let's perform a bitwise logical "and" operation with the two received bit sequences:

1	1	0	0	1	1	0	0	1	0	1	0	1	1	0	0	0	0	1	1	1	0	1	0	1
2	0	0	1	1	0	1	1	1	1	0	0	0	1	0	0	1	0	1	1	0	1	1	0	0
"and"	0	0	0	1	0	0	0	1	0	1	0	0	0	0	0	0	0	1	1	0	1	0	0	0

Let's transform the resulting bit sequence to a number in the decimal number system: 1130548. The possible answer options contain a number similar but different from the one received, therefore, the logical “and” operation could not be used to obtain the archive password.

Let's perform a bitwise logical “or” operation with the two received bit sequences:

1	1	0	0	1	1	0	0	1	0	1	0	1	1	0	0	0	0	1	1	1	0	1	0	1
2	0	0	1	1	0	1	1	1	1	1	0	0	0	1	0	0	1	0	1	1	0	1	1	0
“or”	1	0	1	1	1	1	1	1	1	1	0	1	1	1	0	0	1	1	1	1	0	1	1	1

Let's convert the resulting bit sequence to a number in the decimal number system: 12573943. The possible answer options contain a number similar but different from the one received, therefore, the logical “and” operation could not be used to obtain the archive password.

Let us perform a bitwise logical “exclusive or” operation with the two received bit sequences:

1	1	0	0	1	1	0	0	1	0	1	0	1	1	0	0	0	0	1	1	1	0	1	0	1
2	0	0	1	1	0	1	1	1	1	1	0	0	0	1	0	0	1	0	1	1	0	1	1	0
“or”	1	0	1	0	1	1	1	0	1	0	0	1	1	1	0	0	1	1	0	0	0	0	0	1

Let's transform the resulting bit sequence to a number in the decimal number system: 11443395. The possible answer options include the following number, therefore the correct answer is: 11443395.

Answer: 11443395

QUESTION 4.

To protect information from physical damage in the bank payment storage system, the following method of maintaining control information has been introduced: for every 4 bits of useful data, 3 parity bits are added.

The 1st parity bit controls the combined parity of the 1st and 2nd payload bits.

The 2nd parity bit controls the combined parity of the 2nd and 3rd payload bits.

The 3rd parity bit controls the combined parity of the 3rd and 4th payload bits.

How many non-repeated bit errors occurring anywhere (in useful or control bits) can be detected and corrected using this coding method?

Choose the correct answer.

- 1) 0 find and 1 fix
- 2) **1 find 0 fix**
- 3) 1 find and 1 fix
- 4) 2 find and 1 fix
- 5) 2 find and 2 fix
- 6) 3 find and 1 fix

SOLUTION.

Let us determine the Hamming interval of the complete code. Let's consider possible chains for 4 useful bits:

0	0	0	0	0	0	0	0
1	0	0	0	1	0	0	1
2	0	0	1	0	0	1	1
3	0	0	1	1	0	1	0
4	0	1	0	0	1	1	0
5	0	1	0	1	1	1	1
6	0	1	1	0	1	0	1
7	0	1	1	1	1	0	0
8	1	0	0	0	1	0	0
9	1	0	0	1	1	0	1
10	1	0	1	0	1	1	1
11	1	0	1	1	1	1	0
12	1	1	0	0	0	1	0
13	1	1	0	1	0	1	1
14	1	1	1	0	0	0	1
15	1	1	1	1	0	0	0

Obviously, the minimum difference between the two chains will be 2 bits.

To be able to find k errors, the Hamming interval of the complete code must be k+1.

To correct k errors – 2k+1.

Therefore, we can find one error and cannot correct any.

QUESTION 5.

An intern at an information security company decided to create a modified Caesar cipher. In the classical implementation, an integer value is specified - a shift, which is added to the number in the alphabet of each of the characters in the source text (the resulting number is also divided modulo by the power of the alphabet to implement the cyclicity of the shift), and the corresponding character is replaced by a character with a new number.

0	1	2	3	4	5	6	7	8	9	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z

The intern decided to introduce the following complication: when encrypting every second symbol, in addition to the specified shift, the result of dividing the symbol number in the source text modulo the shift is also added to its number.

For example, for the source text «siojufh»:

shift – 7;

s – 18, therefore, $(18+7) \bmod 26 = 25$ is z, since s is the first character of the source text, the step is completed;

i – 8, therefore, $(8 + 7) \bmod 26 = 15$, since i is the second character, we also add the result of dividing modulo its number in the source text by the key length: $15 + 2 \bmod 7 = 15 + 2 = 17$ – this is r.

The message needs to be decrypted «**mlqutftyjw**» and choose the correct answer if you know that shift = 5 was used during encryption.

- 1) helloworlds
- 2) hellotaylor
- 3) hellishsnow
- 4) hellotamara
- 5) hellishrain
- 6) **hellowalter**

SOLUTION.

0	1	2	3	4	5	6	7	8	9	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z

Sequentially transform ciphertext characters «mlqutftyjw» according to a given algorithm:

m – 12.

We subtract the shift from the number (during decryption, the shift is subtracted, since it was added during encryption):

12 – 5 = 7 (since the sequence number in the ciphertext is odd, we do nothing more), the corresponding letter is h

l – 11. Subtract the shift from the number: $11 - 5 = 6$; $6 - 2 \bmod 5 = 6 - 2 = 4$, corresponding letter – e

q – 16. Subtract the shift from the number: $16 - 5 = 11$, corresponding letter – l

u – 20. Subtract the shift from the number: $20 - 5 = 15$; $15 - 4 \bmod 5 = 15 - 4 = 11$, corresponding letter – l

t – 19. Subtract the shift from the number: $19 - 5 = 14$, corresponding letter – o

c – 2. Subtract the shift from the number: $(2 - 5) \bmod 26 - 6 \bmod 5 = 23 - 1 = 22$, corresponding letter – w

f – 5. Subtract the shift from the number: $5 - 5 = 0$, corresponding letter – a

t – 19. Subtract the shift from the number: $19 - 5 - 8 \bmod 5 = 14 - 3 = 11$, corresponding letter – l

y – 24. Subtract the shift from the number: $24 - 5 = 19$, corresponding letter – t

j – 9. Subtract the shift from the number: $9 - 5 - 10 \bmod 5 = 4 - 0 = 4$, corresponding letter – e

w – 22. Subtract the shift from the number: $22 - 5 = 17$, corresponding letter – r

Combining the decrypted symbols together, we get the phrase: «hellowalter»

Answer. hellowalter

QUESTION 6.

What is the strength of public key cryptosystems based on? Choose the correct answer.

- 1) **on the complexity of solving a certain mathematical problem**
- 2) on the secrecy of the encryption key
- 3) on the secrecy of the decryption algorithm

4) on the secrecy of the encryption algorithm

QUESTION 7.

In one of the cryptography blocks there are concepts of symmetric and asymmetric encryption, select the false statement(s):

- 1) **asymmetric cryptography uses a public key and a secret key**
- 2) the RSA algorithm is a symmetric cryptosystem
- 3) asymmetric cryptography uses only a public key
- 4) collision search is not a method of cryptographic attack on hash functions

QUESTION 8.

What are SQL injections and what threats do they pose to information security in the financial sector?

- 1) **attack on the database server**
- 2) **theft of user personal data**
- 3) **substitution of web page content**
- 4) **injection of malicious code onto the server**
- 5) emptying the bank account

QUESTION 9.

Due to the high volume and speed of cyber fraud cases, timely access to financial and banking information is critical to expedite investigations and trace the proceeds of cyber crimes. Some jurisdictions are turning to technology to quickly respond to the rapid flow of cybercrime revenues, often in collaboration with the private sector. Others rely on central registries or develop databases to streamline the information retrieval process.

Exercise. Which of the following hypothetically true data and statements, when included in the text above, directly supports and strengthens the above statement?

- (A) these technologies are aimed at accelerating the investigation and tracking of proceeds from cybercrimes and are an important tool for accelerating the detection of cyber frauds;
- (B) simplification of asset tracking is primarily aimed at simplifying the work of law enforcement agencies in tracking them, and as a result, is an important technology for investigating cybercrimes and tracking the proceeds of illegal activities;
- (B) central banking registries allow law enforcement agencies to speed up the investigation of cyber fraud by gaining quick access to banking information, verifying suspicious accounts, the identity of the owner, etc.
- (Γ) real-time transaction monitoring is considered more effective in detecting and preventing cyber fraud than in speeding up the investigation and tracking of cybercrime proceeds;**
- (Δ) databases for the exchange of financial information in the private sector can identify the relationships of various organizations or individuals with cases of fraud. This makes it possible to speed up the investigation of cybercrimes and track the proceeds from them.

- 1) **everything except (Γ)**
- 2) only (A)
- 3) (B) and (Δ)
- 4) (B) and (B)
- 5) (A), (B) and (Δ)

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

(A) search for information using technology to ensure that financial institutions quickly provide the necessary information to law enforcement agencies, it is advisable for competent authorities in a particular jurisdiction to agree on the areas of data that can be used in conducting investigations

These technologies are aimed at accelerating the investigation and tracking of proceeds from cybercrimes and are an important tool for accelerating the detection of cyber frauds

(B) making it easier to track assets across different financial institutions. Conducting end-to-end transactions and moving accounts between multiple financial institutions increases the workload of law enforcement agencies in tracing assets, as it takes time to gather information from the relevant financial institutions, clarify all levels of transactions, and determine the origin and final destination of funds.

Simplification of asset tracking is primarily aimed at simplifying the work of law enforcement agencies in tracking them, and as a result, is an important technology for investigating cybercrimes and tracking the proceeds of illegal activities

(B) the use of central bank registries allows law enforcement agencies to quickly access key banking information and speed up the investigation of cyber frauds. This information allows law enforcement to verify the banks where the suspect has accounts or the identity of the account holder

Central bank registries allow law enforcement agencies to speed up the investigation of cyber fraud by gaining quick access to banking information, verifying suspicious accounts, the identity of the owner, etc.

(F) real-time transaction monitoring, which involves the use of sophisticated software and algorithms to track financial transactions. Real-time transaction monitoring can help financial institutions identify and investigate suspicious activity across multiple accounts or transactions, even if those accounts or transactions are not directly related

True, since real-time transaction monitoring is considered more effective in detecting and preventing cyber fraud than in speeding up the investigation and tracking of cyber crime proceeds

(D) creation of databases for information exchange within the private sector. In the case of professional ML networks, many mule accounts may be known or suspected of previous scams (e.g., romance, lottery, labor) or identity theft activities

Databases for the exchange of financial information in the private sector make it possible to identify the relationships of various organizations or individuals with cases of fraud. This makes it possible to speed up the investigation of cybercrimes and track the proceeds from them.

QUESTION 10.

An electronic digital signature is:

1) a set of characters in an electronic document confirming its authenticity

2) details of an electronic document, intended to protect this electronic document from forgery, obtained as a result of cryptographic transformation of information using the private key of an electronic digital signature and allowing to identify the owner of the signature key certificate, as well as to establish the absence of distortion of information in the electronic document

3) a set of data in the form of the user name and password of the information system, as well as the organization's seal on the printed document to certify its authenticity

4) user cryptographic character

MARK SCHEME

The number of marks for each question is 10. The maximum total mark is 100.

OLYMPIAD TASKS
in Legal Studies
Qualification Stage. Round 2.

QUESTION 1.

Individual entrepreneur “B” owns an electronics store. In accordance with the law, entrepreneur “B” maintains accounting and tax records of all transactions. During the last quarter, there was an unusual increase in sales of high-end appliances, with the majority of purchases made in cash. Entrepreneur “B” regularly transferred significant amounts of cash into non-cash form through a bank cash desk. It was subsequently determined that “B” purchased electronics from “Supplier X” at inflated prices, and the difference was returned to him in the form of cash “rewards.” Thus, in the opinion of the competent government agency, citizen “B,” through purchases at inflated prices and receiving the difference in the form of cash “rewards,” repeatedly made financial transactions that were recognized as suspicious and having signs of laundering proceeds from crime.

Task.

Which of the following hypothetically true data and statements, when included in the above text, directly confirms and strengthens the conclusion of the competent authorities about the actions of entrepreneur “B”.

- 1) only (A)
- 2) (C) and (D)
- 3) (B) and (E)
- 4) (B) and (C)
- 5) (B), (C) and (E)

A. Entrepreneur “B” made purchases from “Supplier X”, who was previously suspected of money laundering operations, and “B” was aware of this.

B. Entrepreneur “B” used the cash received to purchase real estate in the name of relatives, which was not reflected in the accounting records of his business.

C. “Supplier X” periodically provided entrepreneur “B” with discounts on goods without completing the relevant documents.

D. All financial transactions of the electronics store “B” were carried out through the cash register, and sales data was regularly sent to the tax service.

E. Entrepreneur “B” invested a significant portion of his cash in cryptocurrency, which remained out of sight of the tax authorities.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. Entrepreneur “B” made purchases from “Supplier X”, who was previously suspected of money laundering operations, and “B” was aware of this.

Explanation: This statement directly supports the conclusions of the competent authorities, as it describes a connection between businessman “B” and a person previously suspected of money laundering, which strengthens the suspicion of money laundering.

Incorrect answers:

B. The description of the use of cash to purchase property, which is not recorded in the accounting records, supports the conclusion of possible money laundering, but this action in itself does not support a connection with the original purchase of goods from “Supplier X”.

C. Providing discounts without documentation may be a sign of violation of tax laws, but is not directly related to money laundering.

D. Carrying out all transactions through a cash register and regularly sending data to the tax service are signs of legal activity and cannot confirm conclusions about illegal actions.

E. Investing in cryptocurrency without notifying the tax authorities may be a sign of an attempt to hide financial transactions, but it is also not directly related to money laundering from the original transactions with “Supplier X.”

QUESTION 2.

Citizen “I”, as director of Horns and Hooves LLC, artificially inflated the amounts of contracts for the supply of goods for Horns and Hooves LLC. As a “reward” for these transactions, citizen “I” received part of the funds back from suppliers in the form of cash, which he then deposited into his personal account under the guise of business income. Thus, the competent government agency recognized the actions of citizen “I” as suspicious and having signs of laundering proceeds from crime.

Task.

Which of the following statements, if considered true, can confirm the conclusion of the competent authorities about the actions of citizen “I”?

- 1) only (A)
- 2) (C) and (D)
- 3) (B) and (E)
- 4) (B) and (C)
- 5) (B), (C) and (E)

A. Citizen “I” received a “reward” from suppliers, which amounted to a certain percentage of the amount of the overpriced contracts.

B. Citizen “I” used the cash received from suppliers to purchase securities, which further complicated the process of identifying the source of funds.

C. Citizen “I” deposited cash into his personal account, declaring that it was income from the sale of personal property.

D. Each transaction carried out by citizen “I” complied with legally established standards and did not exceed the limits for cash payments.

E. All cash transactions were carried out through the bank in compliance with all necessary control procedures.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. Citizen “I” received a “reward” from suppliers, which amounted to a certain percentage of the amount of the overpriced contracts.

Explanation: true, since it directly indicates the dependence of the income of citizen “I” on the price of contracts, which confirms the interest in their overestimation and subsequent “kickback”.

Incorrect answers:

B. True, because the use of complex securities schemes can be a way to hide the source of illegal income, which increases suspicions of money laundering.

C. Incorrect because, although the deposit of cash may look suspicious, this in itself does not strengthen the inference of criminal origin of the funds unless a connection is established with inflated contract prices.

D. Incorrect, since compliance with cash payment limits does not indicate the legality of the origin of funds, but only indicates the compliance of transactions with the law.

E. Incorrect, since the fact that the bank complies with control procedures does not exclude the possibility of conducting suspicious transactions that mask the true origin of funds.

QUESTION 3.

Citizen “K”, as the managing director of Soyuz CJSC, organized a scheme according to which the CJSC received invoices with inflated amounts from equipment suppliers. The difference between the real and inflated cost was

returned to citizen “K” to his personal accounts in the form of “cashback”. These amounts were then deposited into the company's accounts as "income from investment activities."

Thus, the competent government agency recognized the actions of citizen “K” and CJSC “Soyuz” as having signs of deliberate tax optimization for the purpose of tax evasion, which may also indicate money laundering.

Task.

On the basis of what alleged facts and statements could the conclusion of the competent authorities be supported?

1) (A), (B) and (C)

2) only (C) and (D)

3) (A) and (C)

4) (B) and (E)

5) only (D)

A. Citizen “K” regularly used invoices with inflated amounts, which raises suspicions of deliberate tax optimization.

B. The funds received from the “cashback” were deposited into the accounts of Soyuz CJSC under the guise of income from investment activities without actually carrying out the corresponding investment transactions.

C. Citizen “K” used several bank accounts in different jurisdictions, which complicates the tracking of financial flows and is associated with the risks of money laundering.

D. Soyuz CJSC has long-term and transparent relationships with equipment suppliers, which does not raise suspicions of money laundering.

E. All financial transactions of Soyuz CJSC were carried out through one bank, which facilitates control over financial transactions.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. Citizen “K” regularly used invoices with inflated amounts, which raises suspicions of deliberate tax optimization.

Explanation: Statement (A) is correct, since the constant use of inflated invoices indicates deliberate tax optimization and supports the conclusion of the competent authorities about possible tax evasion and money laundering.

B. The funds received from the “cashback” were deposited into the accounts of Soyuz CJSC under the guise of income from investment activities without actually carrying out the corresponding investment transactions.

Explanation: Statement (B) is also true because the absence of actual investment transactions when reporting income from such is a sign of misleading the tax authorities and may be part of a money laundering scheme.

C. Citizen “K” used several bank accounts in different jurisdictions, which complicates the tracking of financial flows and is associated with the risks of money laundering.

Explanation: Statement (C) confirms the conclusions of the competent authorities, since the use of multiple accounts in different jurisdictions can complicate the tracking of cash flows and facilitate money laundering.

Incorrect Answers:

D. The statement is incorrect because transparent and long-term relationships with suppliers do not exclude the possibility of unlawful transactions within these relationships. In addition, this statement is not related to the deliberate tax optimization and money laundering schemes indicated in the findings of the competent authorities, and does not contain signs of suspicion that would be associated with the actions of citizen “K”.

E. The statement is incorrect, since conducting all transactions through one bank does not guarantee the absence of money laundering, and such an approach may be part of tax optimization aimed at maximizing the simplification of control over financial flows. This statement also does not reflect the complexity of the financial schemes, which was described in the conclusions of the competent authorities and assumes the legality of the transactions, which contradicts the essence of the suspicions.

QUESTION 4.

Company "A", registered in country "X", is engaged in the export of rare earth metals. The audit revealed that Company A was selling products at prices significantly below market rates to Company "B", registered in Country "Y", which is the main shareholder of Company "A". The proceeds from the sale were transferred to the account of company "B" in country "Z", known for its preferential tax conditions. Further, company "B" sold the same products at market prices, and the profits remained in country "Z". Thus, the competent government authority considered that the actions of company "A" and company "B" may indicate tax optimization and, potentially, the transfer of income to a jurisdiction with a low tax rate, which could be used for money laundering.

Task.

On the basis of what alleged facts and statements could the conclusion of the competent authorities be supported?

- 1) (A), (B) and (C)
- 2) only (C) and (D)
- 3) (A) and (C)
- 4) (B) and (E)
- 5) only (D)

A. Selling products at below-market prices to the shareholder company may indicate a transfer of profits to a jurisdiction with lower taxes.

B. Using country "Z" to accumulate profits, which can then be used in other schemes, including money laundering.

C. Transferring income to a tax-favored country for no apparent business reason may indicate tax planning and tax evasion.

D. Company "A" has a positive reputation and a long history of impeccable trading in rare earth metals.

E. All transactions between Company "A" and Company "B" were conducted at stated prices and through official banking channels.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. Selling products at below-market prices to the shareholder company may indicate a transfer of profits to a jurisdiction with lower taxes.

Explanation: The statement is correct, since the sale of goods at below-market prices to a company that is the main shareholder may be part of a tax optimization scheme to shift profits to a jurisdiction with a low tax rate.

B. Using country "Z" to accumulate profits, which can then be used in other schemes, including money laundering.

Explanation: The statement is also true because the accumulation of profits in a country with preferential tax conditions and its subsequent use may indicate potential involvement in money laundering.

C. Transferring income to a tax-favored country for no apparent business reason may indicate tax planning and tax evasion.

Explanation: The statement is correct, since without apparent business reasons, the transfer of income to a country with a preferential tax regime may indicate a desire to minimize tax liabilities and tax evasion.

Incorrect Answers:

D. The statement is incorrect, since a company's positive reputation and trading history does not eliminate the possibility of tax planning and tax evasion, as well as participation in money laundering schemes.

E. The statement is incorrect, since the official nature of banking channels and stated prices does not exclude the possibility of using complex schemes for tax optimization and money laundering.

QUESTION 5.

Citizen "X" is the founder and general director of construction company "Z". Over the past year, the company has received significant amounts of money from municipal infrastructure contracts. The investigation suggests that part of the funds received by Company "Z" was used to provide bribes to officials and finance illegal activities. The funds were transferred to the accounts of various shell companies that allegedly provided consulting and

subcontracting services, but there was no real confirmation of the work performed. Citizen “X” also purchased several real estate properties in the name of his relatives and transferred significant amounts to their bank accounts.

Task.

Which of the following statements can serve as a conclusion for the information provided and correctly characterize the income laundering scheme implemented by citizen “X”?

- 1) (A) and (D)
- 2) only (C)
- 3) (A) and (E)
- 4) (B) and (D)

A. Citizen “X” used a complex scheme for money laundering: at the first stage - placement of funds through the conclusion of construction contracts; at the second stage - layering, carried out by transferring funds to the accounts of shell companies; at the third stage - integration, with the aim of legalizing funds through the acquisition of real estate in the names of relatives.

B. Citizen “X” used a one-way money laundering mechanism, which only provides for the transfer of funds to the accounts of shell companies without further use.

C. To launder income, citizen “X” used only non-cash transfers, which does not imply a complex scheme and does not correspond to the description of a complex multi-stage income laundering scheme.

D. The stratification of funds was carried out through subcontractors and consulting services, without the actual provision of these services. At the last stage, income was integrated into the economy through the acquisition of property and transfer of funds to the accounts of relatives.

E. The mechanism of money laundering consisted of a direct transfer of funds from the bank account of the construction company to the personal accounts of citizen “X” and his relatives without additional financial transactions.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. Citizen “X” used a complex scheme for money laundering: at the first stage - placement of funds through the conclusion of construction contracts; at the second stage - layering, carried out by transferring funds to the accounts of shell companies; at the third stage - integration, with the aim of legalizing funds through the acquisition of real estate in the names of relatives.

Explanation: The statement is correct, as it indicates the use by citizen “X” of the classic three-stage model of money laundering: placement, layering and integration, which corresponds to the description in the information provided.

D. The stratification of funds was carried out through subcontractors and consulting services, without the actual provision of these services. At the last stage, income was integrated into the economy through the acquisition of property and transfer of funds to the accounts of relatives.

Explanation: The statement is also true, since the information presented contains data on a multi-stage scheme, where the stratification of funds was carried out through shell companies, and integration through the acquisition of property and the transfer of funds to the accounts of relatives.

Incorrect Answers:

B. The statement is incorrect, since a company's positive reputation and trading history does not eliminate the possibility of tax planning and tax evasion, as well as participation in money laundering schemes.

C. Incorrect, since the use of only non-cash transfers does not exclude the possibility of implementing a complex money laundering scheme, while the information provided speaks of a multi-stage scheme.

E. Incorrect, as the information provided does not indicate direct transfer of funds to personal accounts without additional transactions, and this statement also ignores the use of shell companies and the acquisition of real estate.

QUESTION 6.

Citizen “E” is the director of a large enterprise “L”, which sells information technologies. According to investigators, Enterprise “L” has been conducting transactions with fictitious companies over the past two years, including the purchase of non-existent equipment and software. Cash in the amount of 80 million conventional monetary units was transferred to the accounts of these companies. Subsequently, transfers of significant amounts from the accounts of these companies to the personal accounts of citizen “E” and his family members were recorded. This raised suspicions about the use of enterprise “L” as a front for the legalization of illegally obtained income.

Task.

Which of the following statements correctly describes a potential money laundering scheme associated with the activities of citizen “E”?

1) (B) and (C)

2) only (C)

3) (A) and (E)

4) (A) and (D)

A. All financial transactions of Enterprise “L” were carried out in accordance with the law, and transfers to company accounts were part of normal business activities, which excludes their involvement in money laundering.

B. Enterprise “L” used fictitious companies to create the appearance of legitimate financial transactions, thereby hiding the real purpose of the transferred funds.

C. The personal accounts of citizen “E” and his family were used as the final destination for funds received from dubious financial transactions, which indicates their role in the process of integrating laundered funds into legal financial circulation.

D. Citizen “E” and enterprise “L” actively participated in charity and sponsorship activities, which confirms their desire to support socially significant projects and the transparency of their operations.

E. Financial transactions between enterprise “L” and fictitious companies were of a reusable nature and were aimed at implementing complex projects in the field of information technology, which cannot serve as evidence of money laundering.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

B. Enterprise “L” used fictitious companies to create the appearance of legitimate financial transactions, thereby hiding the real purpose of the transferred funds.

Explanation: The statement of the use of shell companies by Citizen E to create false accounting is consistent with a scenario that describes the potential concealment of the true nature of financial flows.

C. The personal accounts of citizen “E” and his family were used as the final destination for funds received from dubious financial transactions, which indicates their role in the process of integrating laundered funds into legal financial circulation.

Explanation: the direction of funds to personal accounts indicates the last stage of money laundering - integration, where illegally obtained funds are returned to economic circulation as legal ones.

Incorrect Answers:

A. The statement suggests the legality of the transactions, while the evidence indicates the existence of fictitious transactions and firms, which may be a sign of money laundering.

D. Charitable activities, although they may be a sign of social responsibility, do not exclude the possibility of using them as a cover for money laundering.

E. The regularity of transactions and the complexity of projects do not exclude the possibility of using such a scheme for money laundering, especially if the transactions are fictitious.

QUESTION 7.

As part of the tax audit, it was established that "BystroStroy" LLC carried out a number of dubious financial transactions. In particular, the company transferred significant amounts to the bank accounts of its contractors,

which were newly registered and had no signs of real economic activity. Transactions involving the transfer of funds to the personal accounts of the founders and management of the company were also identified.

Task.

Which of the following hypothetically true statements, when included in the description of the situation, does not directly confirm the presence of irregularities in the financial transactions of "BystroStroy" LLC?

- 1) (A), (B) and (E)
- 2) (C) and (D)
- 3) only (C)
- 4) (A) and (B)
- 5) (D) and (E)

A. As a result of the tax audit, it was discovered that the contractors of "BystroStroy " LLC have evidence of real economic activity, such as the presence of an office, employees and special equipment.

B. It was established that transfers to the personal accounts of the founders correspond to legal dividends based on the results of the financial year, which is confirmed by accounting and tax returns.

C. A tax audit showed that the managers and founders of "BystroStroy " LLC regularly used corporate cards for personal needs, without reporting these expenses to the accounting department.

D. Operations to transfer funds to contractors were carried out without concluding work contracts or other legally significant documents, which raises doubts about the legality of these operations.

E. The audit revealed that the founders and management of "BystroStroy " LLC have significant personal savings and income that could be used for personal transfers without attracting company funds.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. As a result of the tax audit, it was discovered that the contractors of "BystroStroy " LLC have evidence of real economic activity, such as the presence of an office, employees and special equipment.

Explanation: The presence of evidence from contractors of conducting real economic activities presupposes the legality of the financial transactions carried out with "BystroStroy" LLC.

B. It was established that transfers to the personal accounts of the founders correspond to legal dividends based on the results of the financial year, which is confirmed by accounting and tax returns.

Explanation: if transfers to the personal accounts of the founders correspond to legal dividends and this is confirmed by financial documents, then this does not indicate violations.

E. The audit revealed that the founders and management of "BystroStroy" LLC have significant personal savings and income that could be used for personal transfers without attracting company funds.

Explanation: The presence of personal savings and income among the founders and management, which may explain the source of personal transfers, does not confirm irregularities in the company's operations

Incorrect Answers:

C. Regular use of corporate cards by management for personal needs, without reporting to the accounting department, is a violation and indicates questionable financial transactions.

D. Transferring funds without legally binding documents raises questions about the legality and intended use of funds.

QUESTION 8.

During an audit of the private clinic "ZdravLab", signs of manipulation of financial statements were found. Reports showed high incomes from the provision of medical services that did not correspond to reality. Upon deeper investigation, it turned out that most of the income was allocated to patients who did not actually receive services at the clinic. The investigation also drew attention to large sums transferred to the accounts of companies registered in offshore zones.

Task.

Which of the following assumptions does NOT support evidence of financial reporting fraud at "ZdravLab"?

- 1) (A), (B) and (E)
- 2) (C) and (D)
- 3) only (C)
- 4) (A) and (B)
- 5) (D) and (E)

A. It was discovered that the "ZdravLab" clinic has agreements with large insurance companies that pay for the treatment of their clients, which could increase the clinic's income without direct contact from patients.

B. During the investigation, it turned out that transfers to offshore companies were associated with the purchase of medical equipment from foreign manufacturers without intermediaries.

C. Some of the patients named in the reports were found to be fictitious individuals.

D. After additional verification, it was confirmed that payments to offshore companies were made under the guise of payments for services that were not actually provided.

E. It turned out that the "ZdravLab" clinic actively invests in scientific research, and many of the income can be associated with public and private grants.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer:

A. It was discovered that the "ZdravLab" clinic has agreements with large insurance companies that pay for the treatment of their clients, which could increase the clinic's income without direct contact from patients.

Explanation: contracts with large insurance companies could increase revenue without patients actually visiting the clinic

B. During the investigation, it turned out that transfers to offshore companies were associated with the purchase of medical equipment from foreign manufacturers without intermediaries.

Explanation: transfers of funds to offshore companies in the case of purchasing equipment directly from foreign manufacturers may be legal and not indicate fraudulent reporting.

E. It turned out that the "ZdravLab" clinic actively invests in scientific research, and many of the income can be associated with public and private grants.

Explanation: investments in research and grants may explain the clinic's high income, which is not related to the provision of services to patients.

Incorrect Answers:

C. Fictitious patients in reports are a clear sign of data falsification and fraud.

D. Deductions to offshore companies for services not provided indicate fraudulent manipulation of finances.

QUESTION 9.

Lex's lawyers must determine whether it is possible to carry out a transaction to purchase a plot of land for the construction of an office complex. The transaction must be concluded within seven days, each day of the week from Monday to Sunday is suitable for concluding one type of transaction: purchase, exchange, rental, donation, investment, project development or obtaining a license.

Each type of transaction must be executed at least once. In this case, the schedule must take into account the following conditions:

- The lease agreement cannot be concluded on Wednesday.
- The investment contract must be concluded on Sunday.
- At least one day must pass between the purchase agreement and the project development agreement, during which the lease agreement will be concluded.
- The donation agreement must precede any transaction for the exchange of land.
- No type of transaction can be concluded several days in a row.

Task.

Which of the following scheduling options is acceptable for Lex Company, in the order of Monday through Sunday?

A. Purchase, Exchange, Rent, Project development, Donation, Investment, License.

B. Purchase, Project development, Donation, Rent, Exchange, Investment, License.

C. Donation, Project development, Purchase, Rent, Exchange, Investment, License.

D. Rent, Purchase, Exchange, Donation, Project development, Investment, License.

E. Project development, Exchange, Purchase, Donation, Rent, Investment, License.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Let's analyze each of the conditions and apply them to the proposed schedule options, eliminating unsuitable options.

The first condition excludes options D and C, since they provide for the conclusion of the lease on Wednesday.

The second condition excludes all options except A and B, since only in them the investment contract is concluded on Sunday.

The third condition excludes option B because there is no lease date between the purchase agreement and the development of the project.

The fourth condition excludes options E and D, since in them the gift agreement does not precede the exchange.

The fifth condition is satisfied in all options, since no type of transaction is repeated in a row.

Thus, the only option that satisfies all the conditions is option A.

QUESTION 10.

In 2024, the Commission on the Legal Regulation of Artificial Intelligence (hereinafter referred to as the commission) will review the legislation of six countries: A, D, I, M, S and Z. The commission will assess the adequacy of each country's laws in relation to developing artificial intelligence technologies. Each country will be ranked in order (from first to sixth) based on the following conditions:

1. The legislation of country I is assessed immediately after country D.
2. The legislation of country M is assessed up to country A.
3. Country S is ranked later than country I.
4. Country D is ranked either first or last.
5. If country A is ranked fourth, then country S will be ranked sixth.

Task.

Which country cannot be rated last?

A. Страна A.

B. Страна D.

C. Страна I.

D. Страна M.

E. Страна Z.

ANALYSIS OF CORRECT AND INCORRECT ANSWERS:

Correct answer: B. Country D.

Explanation: D cannot be evaluated last, since according to condition 1, I comes immediately after D, and according to condition 3, S comes after I.

Incorrect answers:

A. A can be scored last if it is not fourth.

C. I cannot be last, because according to condition 3, S comes after I.

D. M may be the latter, since the conditions do not prohibit it.

E. Z may be the latter, since the conditions do not prohibit this.

QUESTION 11.

Below are excerpts from the International Convention for the Suppression of the Financing of Terrorism (A) and UN Security Council Resolution 1373 (B). Study these fragments and answer the question after the text.

A) "Article 2

1. Any person commits an offense within the meaning of this Convention if he, by any means, directly or indirectly, unlawfully or intentionally, provides or collects funds with the intention that they should be used, or with the knowledge that they will be used, in whole or in part, to complete:

a) any act constituting an offense under the scope of application of one of the treaties listed in the annex and the definition contained therein;

(b) any other act intended to cause the death of, or grievous bodily harm to, any civilian or any other person not taking an active part in hostilities in a situation of armed conflict, where the purpose of such act, by its nature, or context is to intimidate a population or force a government or international organization to take or refrain from taking an action.

<...>

3. In order for an act to constitute an offense referred to in paragraph 1, it is not necessary that the funds were actually used for the commission of an offense referred to in subparagraphs (a) or (b) of paragraph 1.

4. Any person also commits a crime if he attempts to commit any of the crimes specified in paragraph 1 of this article.

5. Any person also commits a crime if he:

a) participates as an accomplice in the commission of any of the crimes specified in paragraphs 1 or 4 of this article;

b) organizes or directs other persons to commit any of the crimes specified in paragraphs 1 or 4 of this article;

c) facilitates the commission of one or more crimes specified in paragraphs 1 or 4 of this article by a group of persons acting with a common goal. Such assistance must be intentional and must be provided:

i) or in furtherance of a criminal activity or criminal purpose of a group, when such activity or purpose involves the commission of one of the crimes specified in paragraph 1 of this article;

ii) or upon realizing the intent of the group to commit one of the crimes specified in paragraph 1 of this article.

<...>

Article 4

Each State Party shall take such measures as may be necessary:

a) to establish as criminal offenses under its domestic law the offenses referred to in article 2;

b) to establish proportionate penalties for these crimes, taking into account the gravity of these crimes.

<...>

Article 8

1. Each State Party shall take the necessary measures, in accordance with the principles of its domestic law, to identify, detect, block or seize any funds used or allocated for the commission of the offenses set forth in article 2, as well as the proceeds derived from such crimes, for purposes of possible confiscation.

2. Each State Party shall take appropriate measures, in accordance with the principles of its domestic law, to confiscate funds that have been used or appropriated for the purposes of the commission of the offenses set forth in article 2 and the proceeds derived from such offences." (Source: Official UN website: https://www.un.org/ru/documents/decl_conv/conventions/terfin.shtml)

B) "all states must:

a) prevent and suppress the financing of terrorist acts;

b) criminalize the intentional provision or collection of funds, by any means, directly or indirectly, by their nationals or on their territory with the intention that such funds should be used - or with the knowledge that they will be used - for the commission of terrorist acts;

c) promptly freeze funds and other financial assets or economic resources of persons who commit or attempt to commit terrorist acts, or participate in or facilitate the commission of terrorist acts; organizations directly or indirectly owned or controlled by such persons, as well as persons and organizations acting on behalf of or at the

direction of such persons and organizations, including funds received or acquired through property directly or indirectly owned or under the control of such persons and related persons and organizations;

d) prohibit its citizens or any persons and organizations within its territory from providing any funds, financial assets or economic resources, or financial or other related services, directly or indirectly, for the benefit of persons who commit or attempt to commit terrorist acts, or assist or participate in their commission, organizations directly or indirectly owned or controlled by such persons, as well as persons and organizations acting on behalf of or at the direction of such persons;" (Source: Official UN website: https://www.unodc.org/pdf/crime/terrorism/res_1373_russian.pdf)

Which of the following questions does both passages answer?

1. In what cases is there criminal liability for financing terrorism?

2. What are the grounds for confiscation of funds received for the purpose of financing terrorism?
3. What is meant by terrorism?
4. Is international cooperation important in countering the financing of terrorism?
5. What are the consequences of the state not criminalizing the financing of terrorism?

QUESTION 12.

Study a fragment of the text and answer the question after the text.

"The purpose of stablecoins is to maintain a stable value related to some underlying asset. As noted in the FATF G20 Report, they carry the same risks as some virtual assets due to the fact that they can be used to provide anonymity, global applicability and to disguise illicit means. However, some stablecoins have great potential for widespread use, which may lead to increased ML/TF risks. Therefore, while ubiquity is a factor relevant to all virtual assets, it should be given particular consideration when assessing the ML/TF risks of stablecoins. Widespread use is an important ML/TF risk factor to consider, as the ability of criminals to use virtual assets as a medium of exchange largely depends on whether they can be freely exchanged and liquid, and widespread use can provide. In addition, if any virtual asset reaches a sufficient level of use worldwide and begins to be used as a medium of exchange and store of value without the participation of a VASP or other reporting entities, there are no or insufficient AML/CFT controls, and non-compliance or insufficient compliance with AML/CFT measures may lead to increased ML/TF risks. Stable virtual currencies may have characteristics that may offset factors that limit the widespread use of virtual assets as a means of payment. By providing stable value, stablecoins eliminate the problems of value volatility that are often associated with many virtual assets. Reduced volatility could lead to their widespread use as a means of payment or remittances, particularly where they are backed by large technology, telecommunications or financial services companies that can enable their use as a means of payment on a global scale. Like virtual assets more broadly, the characteristics of stablecoins also influence the extent to which ML/TF risks are realized. Stable virtual currencies may be more centralized or less centralized in nature, both in terms of how they are governed and who can access them (e.g., do they allow offline wallets or not, do they require permissions to log in? or not required) and offer related services. Differences in the functioning of these currencies may have an impact on ML/TF risks; Operations may change over time due to changes in the status of a particular stablecoin. For example, central authorities for stablecoins will begin to be subject to the FATF Standards, i.e. they will begin to be considered as VASPs or financial institutions. Where a similar function is carried out with some degree of decentralization, it is expected that countries will adopt a functional approach to determine who is the accountable entity and will mitigate associated risks based on the RBA, regardless of the nature of the activity and the name of the entity. Consistent with their general obligations under the FATF Standards that relate to new technologies, countries, VASPs and other reporting entities must identify and assess the ML/TF risks associated with stablecoins before they circulate, on an ongoing and proactive basis, and also take appropriate measures to manage and mitigate these risks before commencing treatment. These risks should continue to be mitigated even after circulation begins, and the risk posed by the widespread use of a stemcoin or stablecoins should be taken into account." (Source: Official website of the EAG. Updated guidance on the application of the risk-based approach "Virtual assets and service providers in the field of virtual assets" (Box 1, pp. 18-19) https://eurasiangroup.org/files/uploads/files/06.Updated-Guidance-VA-VASP_rus.pdf)

The above text is devoted to the problem... (choose ONE option that most fully reflects the problems described in the text)

1. ML/TF risks when using stablecoins as a means of payment

2. Anonymity of stablecoins and solutions to this problem
3. the use of stablecoins for the purposes of financing terrorism and insufficient regulation (ban) of stablecoins as a means of payment
4. ensuring stable value of virtual assets used as a means of payment
5. growing popularity of stablecoins, including among criminals

QUESTION 13.

FATF in the Guide to Assessing and Mitigating the Risks of Financing the Proliferation of Weapons of Mass Destruction (June 2021) (Source: ITMCFM Official Website: <https://mumcfm.ru/d/7DKZ7e8rzNeRH4ODaYv3Jrs0teevSFyahN4QRJom>) provides clarifications of some concepts that are necessary to understand the topic reflected in the manual. Determine which of the concepts the following fragments correspond to:

1. Consequence
2. Risk of bypassing targeted financial sanctions
3. Risk of potential violation or non-application of targeted financial sanctions
4. Vulnerability
5. Threat

A. ... possibly if organizations and individuals included in the sanctions lists gain access to financial services and/or funds or other assets. This may occur, for example, due to delays at the national level in communicating the inclusion of individuals and entities on the lists or due to a lack of clear obligations for private sector entities. This may also occur because private sector entities do not develop and implement appropriate policies and procedures to assess and mitigate their FPWMD risks.

B. Designated individuals and entities that have committed in the past, or have the potential to commit in the present or future, violations of targeted financial sanctions for FPWMD, circumvent such sanctions, or take advantage of the non-application of targeted financial sanctions by government agencies and private sector entities.

C. The result in which designated individuals and entities gain access to facilities or assets that may ultimately enable them, for example, to acquire materials, items or systems necessary for the development or maintenance of illicit nuclear, chemical or biological systems weapons (or their means of delivery), or in which the frozen assets of designated individuals or entities may be used without authorization to finance the proliferation of weapons of mass destruction.

D. ... possibly as a result of concerted efforts by designated individuals and entities to evade targeted financial sanctions (for example, through the use of shell companies or front companies, joint ventures, escrow accounts, intermediaries, or other fraudulent/sham intermediary services).

E. Areas in which the threat may materialize, or which may facilitate the violation, non-application or circumvention of targeted financial sanctions for FPWMD. In the context of countries, this may include gaps in the laws or regulations underlying a country's national anti-PR regime, or specific country conditions and characteristics that enable designated individuals and entities to collect or move funds or other assets.

ОТВЕТЫ:

1. 1C, 2D, 3A, 4E, 5B
2. 1C, 2A, 3B, 4E, 5E
3. 1E, 2A, 3C, 4B, 5E
4. 1C, 2B, 3A, 4E, 5D
5. 1A, 2C, 3D, 4E, 5B

QUESTION 14.

Citizen of the Russian Federation "Z" repeatedly left the Republic of Belarus and declared the export of cash through the airport. For the period 2015-2017. the total amount of declared funds amounted to 1.3 million US dollars. African countries, as well as the Netherlands, were indicated as the destination country in the declarations. Based on the facts studied, the Department of Financial Monitoring (PFR of the Republic of Belarus) concluded that there was a possible crime in the actions of citizen "Z", and the relevant information was proactively transferred to the law enforcement agencies of the Republic of Belarus. As feedback, the Financial Monitoring Department was informed that the information was used for operational activities. (Compiled based on: EAG Official Website. Mutual Evaluation Report. 2019. Republic of Belarus. Example 6.3 (p. 45))

Which of the following hypothetically true facts and statements were the FIU's conclusions based on?

- A. The Department of Financial Monitoring (FIU of the Republic of Belarus) sent a corresponding request regarding the Russian citizen to the FIU of Russia. According to information received from the FIU of Russia, Russian citizen "Z" could be involved in a scheme for withdrawing funds abroad.
- B. Citizen "Z" permanently resided in an African country where the ability to use bank cards is limited, and there were also difficulties with currency exchange.
- C. Between 2015 and 2017 Citizen "Z" worked under a contract in a large foreign company in Russia, where she was working on a project to automate production lines.

D. Citizen “Z” transported large amounts of cash, although according to information available to the Department of Financial Monitoring, these amounts were multiples of her income.

E. Citizen “Z” was heading to an area of Africa that was a known location for the activities of criminal gangs who were engaged in the illegal mining and sale of precious metals and stones. The region itself had no tourist attraction, so the tourist destination looks suspicious.

Answers:

1. A, D, E
2. A, B, C
3. Only «A»
4. A and E
5. B and C

QUESTION 15.

Citizen of the Republic X “A” purchased air tickets on the route Russian Federation – Republic of Turkey for third parties. Citizen “A” left for the Russian Federation in 2012. Tickets were purchased for citizens of Republic X who were suspected of involvement in terrorist activities. Based on the analysis of this situation, law enforcement agencies concluded that citizen “A” was involved in the activities of a terrorist organization. (Compiled based on: EAG Official Website. Mutual Evaluation Report of the Republic of Uzbekistan. 2022. Example 1.1 (p. 41))

Which of the following hypothetically true facts were the conclusions of law enforcement agencies based on?

- A. The family of citizen “A” lives permanently in Turkey.
- B. According to operational data, citizen “A”, being on the territory of a foreign state, held active meetings with citizens of the Republic of X (mainly with youth representatives), at which, according to preliminary data, the recruitment of citizens of the Republic of X was carried out for further transportation to Syria and Iraq in order to join international terrorist organizations and further participation in hostilities.
- C. Among the financial transactions in the accounts of citizen “A” there is a significant number of money transfers from Syria and Iraq from places controlled by terrorist organizations.
- D. The citizens for whom the air tickets were purchased are relatives of citizen “A”. However, the investigation did not reveal close ties or regular communication.
- E. During the investigation, information was received that citizen “A”, being on the territory of a foreign state, could fall under the influence of emissaries of the international terrorist organization “Islamic State” (Islamic State (ISIS) is an organization included in the list of terrorists and extremists, whose activities are prohibited in territory of the Russian Federation).

Answers:

1. B, C, E
2. B, C, D, E
3. «A» and «E»
4. «A» and «D»
5. A, B, E

QUESTION 16.

In 2019, the Russian Federation underwent a mutual assessment procedure for the compliance of the AML/CFT system with the 40 FAFT recommendations. Below are two tables that were published in the assessment report.

year	ML	TF	Total
2014	30 546	5103	35 649
2015	36 607	4250	40 857
2016	34 771	5847	40 618
2017	35 612	7121	42 733
2018	34 447	7916	42 363

Source: Official website of the EAG. Mutual evaluation report. Russian Federation (p. 54): https://eurasiangroup.org/files/uploads/files/OVO_RF_final_.pdf

Types of materials	2014	2015	2016	2017	2018
Art. 9 Not containing bank secrecy (upon request)	31 770	35 516	35 200	37 286	36 763
Art. 8 Containing bank secrecy (upon request)	943	1144	1332	1078	1232
TF	126	179	194	102	91
Proactive	3538	4253	4559	4123	4282
Total	36 251	40 913	41 091	42 487	42 277

Source: Official website of the EAG. Mutual evaluation report. Russian Federation (p. 55): https://eurasiangroup.org/files/uploads/files/OVO_RF_final_.pdf

What conclusion did the evaluators come to based on the data presented in the tables?

1. Law enforcement agencies actively request information held by Rosfinmonitoring in the course of their investigations. Over the course of five years, there has been a trend of a significant increase in the number of requests for operational financial data from Rosfinmonitoring. Rosfinmonitoring actively responds to requests from law enforcement agencies regarding cases under investigation, and also forwards a large amount of information to law enforcement agencies on a proactive basis

2. There is an increase in the number of requests from law enforcement agencies sent to Rosfinmonitoring and materials sent by Rosfinmonitoring to law enforcement agencies, which is explained by an increase in the total number of crimes

3. There is an increase in the number of requests from law enforcement agencies sent to Rosfinmonitoring and materials sent by Rosfinmonitoring to law enforcement agencies, which is explained by an increase in the total number of crimes in the investigation of which financial information is required

4. The total number of materials sent by Rosfinmonitoring related to the investigation of crimes in the field of terrorist financing is decreasing, since in general there is a positive trend and there are fewer such crimes every year

5. Materials sent by Rosfinmonitoring to law enforcement agencies upon request can be divided into “containing bank secrecy” and “not containing bank secrecy,” which is determined by the requirements of the legislation of the Russian Federation. Most investigations do not require information containing bank secrecy.

QUESTION 17.

In 2019, the Russian Federation underwent a mutual assessment procedure for the compliance of the AML/CFT system with the 40 FAFT recommendations. Below is the table that was published in the assessment report.

	2013	2014	2015	2016	2017	2018
Art. 174.1 (self-laundering)	358	533	688	655	584	696
Art. 174 (laundering through third parties)	198	85	46	24	25	16
Art. 175 (purchase/sale of property obtained by criminal means)	3257	2728	2413	2193	2260	2052
Total number of crimes investigated	3813	3346	3147	2872	2869	2764
Percentage of investigations of ML crimes by main articles	14%	18%	23%	24%	21%	25%

Source: Official website of the EAG. Mutual evaluation report. Russian Federation (p. 71): https://eurasiangroup.org/files/uploads/files/OVO_RF_final_.pdf

What conclusion could the appraisers come to based on the results of studying the information presented in the table:

1. From the above data it follows that there is a slight decline in investigations under articles related to money laundering, which is explained by a decrease in the total number of predicate crimes

2. From the above data it follows that on average in Russia every year 652 investigations into cases of money laundering are initiated under the main articles 174.1 (self-laundering) and 174 (money laundering through third parties) of the Criminal Code of the Russian Federation and another 2484 investigations under Article 175 of the Criminal Code of the Russian Federation (acquisition/sale property obtained by criminal means)

3. From the above data it follows that the number of criminal cases initiated under Art. 174.1 of the Criminal Code of the Russian Federation is growing rapidly, while under Art. 175 of the Criminal Code of the Russian Federation there is a decline in the total number of investigations

4. According to the elements of the crime, liability for which is provided for in Art. 175 of the Criminal Code of the Russian Federation, more cases are initiated than under Art. 174 of the Criminal Code of the Russian Federation, art. 174.1 of the Criminal Code of the Russian Federation

5. The total number of investigations of crimes under Art. 174, 174.1, 175 of the Criminal Code of the Russian Federation is decreasing, which is happening, among other things, due to a decrease in the number of investigations under Art. 175 of the Criminal Code of the Russian Federation

QUESTION 18.

A large public hospital placed several contracts for the purchase of equipment that the FIU considered suspicious. It was planned to purchase equipment worth about 500 million rubles. Previously, this hospital also purchased equipment for significant amounts. Attention was drawn to the owners of companies who were applicants for a government contract. Also under suspicion was the deputy director of the hospital, who led the public procurement activities in the said hospital, and the brother of the deputy director's wife was found to have an apartment in an elite residential complex, purchased during the period of active public procurement of this hospital. (Compiled based on: EAG Official Website. Mutual Evaluation Report (2019). Russian Federation. Box 3.11 (p. 78))

Which of the following hypothetical true facts does not confirm the conclusion of the Pension Fund of Russia that there is a crime in the actions of these persons?

A. Based on the results of an inspection of applicants for a government contract, namely companies "Y", "M", "K", it was revealed that these companies have the same owners, and also that the companies of these owners had previously received the right to supply equipment for this hospital within the framework of other state procurement.

B. When assessing the cost of the equipment, it was revealed that its cost is 30% higher than the market value of the same or similar equipment placed with other suppliers.

C. Based on the results of the audit, it was revealed that the brother of the deputy director's wife did not have income that would allow him to purchase the specified living space. Also, for several months before purchasing the apartment, the wife of the deputy director transferred large sums of money to his account, the source of which is also unclear, since the amounts exceeded the income of both spouses.

D. Based on the results of the inspection, it was revealed that the apartment owned by the brother of the deputy director's wife was purchased, among other things, from funds received from the sale of another apartment, as well as a car that belonged to the brother's daughter.

E. The hospital also purchased foreign equipment, and the cost of some devices increased significantly due to exchange rate fluctuations.

1. D and E

2. A, B, C

3. A and C

4. B and C

5. only C

QUESTION 19.

A citizen of the Russian Federation registered LLC "L" and LLC "S" on the territory of the Republic of Belarus. Funds from card accounts of foreign banks were received in favor of LLC "S". Only about \$2.3 million was credited. From the account of LLC "S", funds were transferred to the account of LLC "L", and then from LLC "L" to an account in Latvia. The Financial Monitoring Department (FIU in the Republic of Belarus) received a message from banks about the suspicious nature of the transactions. The Department of Financial Monitoring suspended accounts in Belarusian banks within three hours, blocking about \$1.7 million. (*Compiled based on: EAG Official Website. Mutual Evaluation Report. Republic of Belarus. 2019. Example 6.2. (p. 43)*)

Which of the following hypothetically true facts does not support the FIU's conclusion that there are signs of money laundering?

A. The account of LLC "S" received funds from accounts in foreign banks, and 820 attempts were made, of which 230 were successful.

B. From the account of LLC "S", funds were transferred to the account of LLC "L", and then from LLC "L" to an account in Latvia, while there were no signs that LLC "L" took any actions to fulfill its obligations, for which payment of approximately 2.3 million US dollars was received under the agreement.

C. For more than 20 years, LLC "S" has provided legal and other consulting services for foreign companies planning or already operating in the CIS countries.

D. The company LLC "L" is a construction company and has entered into an agreement for the supply of building materials with a company in Lithuania due to the need to fulfill obligations under the contract that was concluded with LLC "S" for the construction of a new shopping center.

E. Funds from foreign banks arrived at the account of LLC "S" within a short time, and taking into account the total number of transfers and the number of unsuccessful attempts, the transactions can be characterized as suspicious.

ОТВЕТЫ:

1. C and D

2. A, B, E

3. Only B

4. A, B, D, E

5. B and E

QUESTION 20.

As the VASP (virtual asset service provider) sector matures and develops, countries should consider the need to examine the relationship between AML/CFT measures for covered virtual asset activities and other regulatory and supervisory measures (for example, consumer and investor protection, prudential security and reliability, network security, combating tax crimes, etc.). In this regard, countries should consider short-term and longer-term policy work to develop a comprehensive regulatory and supervisory regime for covered virtual asset activities and VASPs (as well as other regulated entities engaged in virtual asset activities). (*Based on: Official website of ITMCFM. Updated guidance on the application of a risk-based approach in relation to virtual assets and service providers in the field of virtual assets (p. 43-44)*)

Which of the following hypothetically true facts weakens the argument presented in the text?

- 1. The VASP sector is rapidly developing, which can create difficulties in terms of regulation and supervision in this area, and the need for long-term work may affect the effectiveness of the measures being developed, since the virtual assets sector is rapidly changing, which requires a new approach to regulation in this area .**
2. Changes to regulations that are not directly related to AML/CFT should be considered in conjunction with AML/CFT, as they may affect ML/TF risks.
3. Virtual assets have continued to proliferate in recent years, highlighting the need to consider additional regulation.
4. Achieving effective regulation and supervision of activities with virtual assets is possible only with an integrated approach, since the designated area affects many areas not only of the financial sector.
5. The development of the VASP sector leads to the need to reconsider a number of issues relating to the supervision of activities related to virtual assets, since legislation may largely lag behind the rapidly developing relations in this area.

MARK SCHEME

The number of marks for each question is 5. The maximum total mark is 100.

OLYMPIAD TASKS
in International Relations
Qualification Stage. Round 2.

QUESTION 1.

Citizen "A" is the CEO and Chairman of the Board of an Indian bank and is also a recipient of the prestigious Indian Order of Padma Bhushan. Citizen "A" was found to have sanctioned loans to companies with low credit ratings and suffering losses. Citizen "A" approved the issuance of a loan to company "B" for a significant amount. After receiving the funds, Company B transferred part of the funds received as part of the loan to the accounts of a large number of companies, including Company C, whose owners were the daughters of citizen A. Citizen "A" is also a painting collector. He purchased paintings, including from major politicians. Citizen "A" purchased one of the paintings for \$264,000 from citizen "B," who was closely associated with the politician who made decisions on awarding the Padma Bhushan. Having studied the information presented above, law enforcement agencies were able to conclude that money laundering and bribery using works of art are taking place (based on Box 7 (p. 22), FATF Report. Use of art and cultural property as a tool ML/TF).

Which of the following hypothetically true facts and statements were the conclusions of law enforcement agencies based on?

- A. An assessment was made of the paintings found in the possession of citizen "A", and although their total value corresponds to the official income of citizen "A", this does not mean that they could not have been purchased with criminal proceeds.
- B. When studying the cash flow in the accounts of company "C", it was revealed that part of the funds received from company "B" was used to purchase assets, including paintings, which can be called irrational from the point of view of the company's economic activities.
- C. Company "B" could be characterized as suffering losses (which was revealed when studying the financial statements), while the loan funds received were not used to improve the situation in the company, but were transferred to a large number of companies, including company "C".
- D. An examination was carried out of the painting that citizen "A" purchased from citizen "B". During the examination, it was revealed that the cost of the painting was many times higher and did not correspond to the market value for similar paintings.
- E. Citizen "A" was found to be sanctioning "suspicious" loans, while he was purchasing a lot of paintings, which is suspicious since works of art can be used in money laundering, as demonstrated in the FATF Report "Use of Art and Cultural Property as ML/TF instrument."

1. B, C, D

- 2. A and C
- 3. A, C, E
- 4. B and E
- 5. Only «C»

QUESTION 2.

Turkey's FIU received a Suspicious Transaction Report (STR) from a virtual asset service provider regarding a virtual asset wallet address associated with a person identified in the report as "Name 1". An Internet search for this name revealed a website registered to this name (1). Upon further investigation, it was discovered that the website was hosting activities related to the Darknet (2). The website served as an intermediary for the sale of ransomware and other malicious software (3).

Further analysis of information found in open sources revealed the following:

- the person who participated in the operation specified in the STR used a different pseudonym ("Name 2") (4). As a result, the real name of this person ("Person X") was established. The identity of this person was previously interested in the Cybercrime Department of the Police Department (5).
- the suspect ("Person X") offered products and services such as unauthorized access, access to confidential information, fake identities and credentials, hacking social media accounts, selling malicious links and phishing pages (6).
- payment for these illegal products/services was made in bitcoins and other virtual assets (7).

Following this, Turkish FIU officers requested additional information from the virtual asset service provider (VASP) about the STR defendant, in particular, information about virtual asset wallet addresses, information about financial transactions (both in virtual assets and in fiat currency) and other personal data.

Based on the results of the investigation, an analytical report was compiled, which outlined suspicions that the person featured in the STR was an intermediary in the sale of ransomware and other malicious software. The report was sent to the Cybercrime Department of the Turkish National Police.

(Source: FATF/OECD 2023 Brief: COUNTERING THE USE OF RANSOMWARE. P.36)

Analyze sentences 2-7 of the above text and establish a correspondence between the factual circumstances listed in the passage and the indicators of activity associated with the use of ransomware as a service. Please note that one sentence may correspond to several indicators of suspicion, or none.

Write the answer as a sequence of letters.

Activity indicators using ransomware as a service	Factual circumstances
(1) The activity is carried out through a network that cannot be detected by conventional methods, and access to which is provided through special software. (2) Virtual currencies are used as payment. (3) The website owner uses different names when registering on the Internet. (4) Intermediary activities are associated with the provision of illegal services.	(A) The seller offered illegal products/services and malicious software for purchase (unauthorized access, access to confidential information, fake identification and credentials, hacking of social media accounts, selling malicious links and phishing pages). (B) When making sales through the website, the seller used a pseudonym. (B) payment for illegal products/services was made in bitcoins and other virtual assets (D) Activities are carried out through the Darknet. (E) Commercial activities are carried out through the website.

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
<i>D</i>	<i>C</i>	<i>B</i>	<i>A</i>

QUESTION 3.

Citizen A. (Russian Federation) in the period from March 2022 to September 30, 2023 received 538 international mail items declared as goods for personal use. The parcels included mobile phones, tablets and processors of the brands “XIAOMI”, “Realme”, “AMD Ryzen” and others, with a total value of 11.4 million rubles. The weight of the parcels ranged from 26 kg to 40 kg. Citizen A. ordered goods through marketplaces from China, and registered the parcels for himself and his friends: citizen B. and citizen V.

To sell electronic equipment, citizen A. opened a retail store in the city of S. However, most of the products were sold through an electronic trading platform. Having this information at their disposal, customs officials suspected that the scheme being used was a way to evade customs duties.

Which of the following hypothetically true facts and statements are based on the conclusions of customs officers and the FIU?

- 1) (A), (B), (C) and (E)
- 2) (B), (D) and (F)
- 3) (D), (C) and (E)
- 4) (A), (C) and (F)
- 5) only (A) and (D)

(A) the transported electronic equipment in international mail was declared for personal use, that is, as not related to business activities, while the goal of citizen A. was the subsequent sale of goods to the domestic market of the Russian Federation through retail and e-commerce channels

(B) the parcels were registered not only to citizen A., but also to his acquaintances, thereby hiding the real recipient of the parcels

(C) high frequency of parcels sent over the specified period to citizen A. and his friends

(D) purchase of goods abroad was carried out through orders in online stores

(E) the moved electronic equipment exceeded the current norm for duty-free import of goods in international postal items for personal use (200 euros and 25 kg) in the period from March 2022 to October 1, 2023), but citizen A. did not pay customs duties.

(F) when imported into the territory of the Eurasian Economic Union, goods for personal use sent by international mail are subject to customs declaration.

QUESTION 4.

In 2024, a selected group of experts will conduct a mutual assessment of the anti-corruption system in seven states in relation to all relevant international legal, financial and law enforcement standards and will make recommendations on ways and means to strengthen the fight against corruption in these states. Seven selected states will be subject to mutual assessment of the anti-corruption system: N, K, L, M, U, S and Y. Each state will be assessed in a certain order (from first to seventh) in accordance with the following conditions:

1. The assessment of State K cannot be carried out immediately after the assessment of State Y.
2. The assessment of State M will be carried out after the assessment of State L.
3. The assessment of State S will be carried out earlier than the assessment of State N.
4. State K is assessed first or last.
5. If state M is assessed third, then state S will be assessed fifth.

Which state cannot be subject to the seventh mutual assessment of the anti-corruption system?

- A. State N.
- B. State K.
- C. **State L.**
- D. State M.
- E. State U.

QUESTION 5.

When analyzing the system of interaction between authorities in the field of AML/CFT, it is important to list the areas of possible cooperation that most critically affect the overall level of effectiveness of anti-money laundering mechanisms. From the point of view of the team of authors, these include the following:

1. Joint expertise in the field of AML/CFT/FPWMD, providing for the analysis of existing experience and the development of new solutions in order to improve the efficiency of systems, including as part of the formation of a national risk assessment, which is ultimately relied upon by all AML/CFT/FPWMD subjects for formation of sectoral assessments, as well as programs to combat unscrupulous market participants. When conducting NRA on a national scale, a comparison is made of identified threats and the current state of economic sectors and their resistance to these threats. In this way, the state is able to identify areas of threat implementation, as well as identify factors that help minimize the likelihood of their occurrence. The regularity of such assessments allows us to dynamically track the effect of the implemented reforms, as well as evaluate the effectiveness of certain measures and technologies.
2. Cooperation between the Pension Fund of the Russian Federation, supervisory and law enforcement agencies in conducting investigations and preventive procedures for AML/CFT purposes, as well as the formation of a unified supervisory regime to ensure a common understanding of the goals of the anti-laundering mechanism both in the authorities and in society, which manifests itself in countering the following categories of crime [a list of crimes is given].
3. Interaction at the international level to prevent ML/TF/PF, which is based on the following international documents: the Vienna Convention of 1988, the Palermo Convention of 2000, the UN Convention against Corruption of 2003 and the Convention for the Suppression of the Financing of Terrorism 1999 and others. In the course of such cooperation, it is implied that jurisdictions provide mutual support in the following areas: legal assistance, ensuring the freezing and confiscation of criminal assets, extradition, information exchange and consultations, as well as other forms of cooperation defined by the FATF Recommendations.
4. Strengthening public-private partnerships in the area under study, related to supporting the effective functioning of primary financial monitoring entities, as well as the formation of public and professional trust in the field of AML/CFT and awareness of the need for the activities of such institutions.

The above text addresses the problem (choose the answer that best reflects this problem):

- (A) **building comprehensive interaction at the national and international levels in order to create an effective mechanism for combating money laundering, taking into account the changing economic situation**
- (B) increasing the efficiency of cooperation between states in the exchange of information and prosecution of money laundering
- (C) harmonization of legislation in order to create uniform standards for international cooperation in the field of combating money laundering to ensure interdepartmental cooperation to identify and suppress AML/CFT crimes

(D) ensuring increased efficiency of the national risk assessment system by building international cooperation both at the interstate and interdepartmental level

QUESTION 6.

As FATF and Europol reports show, the number of cases of online crowdfunding being used to finance extremism and terrorism is growing, which allows us to conclude that this area should be under special control in states. At the same time, this area has developed self-regulation and also uses third-party processing services for payments that are subject to the control of the AML/CFT system, which makes the risks minimal.

Choose an argument that is inherently erroneous (i.e., not directly related to the situation) in relation to the above situation, but correct in its argumentation.

(A) international cooperation in the field of AML/CFT is based on the implementation of international conventions concluded by states in the field of AML/CFT; at the same time, it should be noted the great importance of the quality of national legislation in the field of supervision of the financial sector, which allows states to jointly combat money laundering and the financing of terrorism

(B) crowdfunding systems have proven to be effective in financing civic initiatives; At the same time, there are cases where humanitarian, charitable and non-profit goals can serve as a disguise for raising funds to finance terrorism

(C) the scale of cyber fraud on a global scale has not yet been adequately assessed; however, many jurisdictions report their constant growth and frequent cases of transfers of income from them to foreign jurisdictions/

(D) Rosfinmonitoring is a financial intelligence unit that has excellent resources and automated processes; Russian law enforcement agencies routinely receive and effectively use financial investigative data and other relevant information to gather evidence to support investigations into money laundering, terrorist financing and predicate offences, and to trace the proceeds of crime.

QUESTION 7.

One of the problems with the extradition of those accused of money laundering is the lack of double criminalization. The state's accession to the relevant AML/CFT conventions helps solve this problem.

Choose an argument that is inherently erroneous (i.e., not directly related to the situation) in relation to the above situation, but correct in its argumentation.

(A) this state is not a global financial center, but has a significant banking sector, including many small banks, which previously created difficulties for the implementation of the AML/CFT system in the financial sector; however, recently there has been a reduction in supervised entities in the banking sector, which makes it possible to improve the system of control over the implementation of AML/CFT legislation in this sector

(B) the state has a legal basis for international interdepartmental cooperation of competent authorities in the field of AML/CFT; Along with interstate agreements, interdepartmental cooperation agreements can also be concluded on the basis of standard agreements developed by the government

(C) one of the factors contributing to the development of cyber fraud is the level of digitalization of the state; however, cyber fraudsters actively use quite traditional means of social engineering (exerting emotional pressure on the victim, impersonating another person, creating a sense of urgency, etc.)

(D) mutual legal assistance in the field of AML/CFT allows requests to be sent to foreign countries; Thus, a state can seize assets on its territory during the execution of a foreign court decision on confiscation and transfer them to a foreign state

QUESTION 8.

«The Doctors Against War» charity foundation is preparing to implement a program to help refugees and victims of the armed conflict in Syria. The program is planned to include the following activities: purchase and distribution of food among refugees and civilians; procurement and distribution of essential goods to refugees and civilians; purchase of dressings for refugees and civilians; Conducting educational seminars for refugees and civilians. Unable to act independently in Syria, the fund found an intermediary in Singapore, with whom it entered into an agreement on the transfer of funds as part of the purchase and delivery of inventory items. In turn, it was planned to finance educational seminars through direct transfers to Syrians, who would conduct seminars according to agreed programs, then providing photo and video materials for reports. The director of the fund rejected the program, pointing out that in this version it creates risks in the area of AML/CFT.

Which of the following circumstances caused the fund director to be concerned that the fund was violating AML/CFT legislation?

- A) the fund will not be able to monitor the implementation of the program
- B) some contracts will be concluded using an electronic signature
- C) all program participants and intermediaries will be checked for being on the lists of extremists and terrorists
- D) program participants are located in a country with high levels of terrorist activity
- E) delivery of goods will be carried out by a company hired by an intermediary

- 1) (A) and (D)
- 2) (B) and (E)
- 3) (C) and (D)
- 4) only (A)

QUESTION 9.

The production and sale of drugs quite often become the basis for the development and implementation of schemes for laundering proceeds derived from this criminal activity.

State A authorities investigated the scheme and discovered the following. State A has three drug laboratories. Their owner organized the export of produced drugs to the United States through Mexico. The proceeds from drug sales in the United States were transported by cash couriers to Mexico, where they first entered the banking system through nominee account holders and then accumulated in the accounts of several companies engaged in export-import transactions. After that, as payment for goods and services, they were transferred to State B to the account of the drug laboratory owner's company. For a long time it remained unclear how this money again ended up in state A, but after some time it was possible to establish it.

What hypothetical facts helped complete this money laundering scheme and connect all the links in the chain?

- (A) the customs authorities of State A have discovered that importer X sometimes imports goods at deliberately low prices and then sells the goods himself in his retail stores
- (B) the company of the drug laboratory owner in State B makes bank transfers to the account of Company X for services
- (C) cash couriers were found on the border between countries A and B who could not explain the origin of the money
- (D) in countries A and B there is a hawala transfer system

- 1) (A) and (B)
- 2) (A) and (D)
- 3) (B) and (C)
- 4) only (B)

QUESTION 10.

States A, B and C have joined international cooperation in the field of AML/CFT. Each state has acceded to three of the five conventions listed: the Vienna Convention 1988, the Strasbourg Convention 1990, the Palermo Convention 2000, the Merida Convention 2003, the Warsaw Convention 2005. Indicate the correct answers, which reflect all the conventions to which each of the three states has acceded, if you know that:

- 1) only two states have acceded to each of the conventions;
- 2) each state has acceded to at least one convention concluded before 2001;
- 3) two states acceded to conventions that were concluded sequentially - one after another.

- (A) State A has acceded to the 1988 Vienna Convention, the 2003 Merida Convention and the 2005 Warsaw Convention
- (B) State B has acceded to the 1990 Strasbourg Convention, the 2000 Palermo Convention and the 2003 Merida Convention
- (C) State B has acceded to the 1988 Vienna Convention, the 2000 Palermo Convention and the 2005 Warsaw Convention
- (D) State A has acceded to the 1988 Vienna Convention, 2000 Palermo Convention, 2005 Warsaw Convention
- (E) State B has acceded to the Palermo Convention 2000, Merida Convention 2003, Warsaw Convention 2005
- (F) State B has acceded to the Vienna Convention 1988, Strasbourg Convention 1990, Warsaw Convention 2005

QUESTION 11.

When conducting an investigation into laundering and theft of budgetary funds, law enforcement agencies of several states established that participants in the laundering process were several companies established in different states:

- Company K (Russia)
- Companies R and D (USA)
- Company A (British Virgin Islands)
- Company C (Luxembourg) and its subsidiary CC (France)
- Company F (France)

Apart from the companies, the wife of a government employee (E) was also involved.

The laundering scheme at the third stage included the purchase of real estate in France through notaries (N).

Select the correct answer reflecting the funds transfer scheme if you know that:

- 1) E owned two of the companies listed above in different jurisdictions;
- 2) two companies of different jurisdictions served as “pads” to hide the connection between transactions of companies of the same jurisdiction
- 3) funds were transferred to notaries from the USA
- 4) the owner of French real estate is company F

1) scheme for transferring funds K – R – A – D – N – F, the shareholder of the property owner F was E

2) scheme of transfer of funds K – A – R – N – F, the shareholder of the owner of real estate F was company A

3) scheme of transfer of funds K – C – A – D – N – CC – F, the shareholder of the owner of real estate F was the company CC

4) scheme for transferring funds K – R – N – F, the shareholder of company F was company D

БОИПОС 12.

Below are ways of laundering proceeds from illegal trade in wildlife and examples reflected in the FATF report “Money Laundering and Illegal Trade in Wildlife” (June 2020) (*source: ITMCFM official website: <https://mumcfm.ru/mediateka/270>*).

Match examples of money laundering with the methods used by criminals. Please note that some examples may have more than one method, or none at all, and that one method may have more than one example.

Example 1:

“Between April and May 2015, two shipments of ivory weighing a total of 6.8 tons were seized in Thailand and Singapore. Both of these shipments were exported from the port of Mombasa, Kenya. A financial investigation carried out by Liberty Shared in collaboration with relevant national authorities helped uncover the activities of a wider crime syndicate linked to the seized ivory shipments. Through analysis of import and export documents and data related to the seized shipments, investigators determined that a criminal syndicate set up a legitimate tea trading company in Kenya to conceal ivory shipments and related financial flows between East Africa and East Asia. The syndicate created a front tea trading company (Company A) to purchase products from a larger, unsuspecting tea company, as well as a freight forwarding company (Company B) to hide the identity of the true tea buyers.

Example 2:

“Indonesian authorities have charged a police officer (known as “MAX”) from Pekanbaru in Riau province with wildlife crimes and money laundering after he was caught attempting to transport 70 armadillos weighing a total of 301.5 kilograms. Investigators found 7.1 billion Indonesian rupiah (approximately US\$525,000) in funds from the sale of armadillos in the account of a man named “ZA” (who was “MAX’s” brother-in-law). “MAX” asked “ZA” to open an account, but the bank book was with “MAX”. In 2017, MAX transferred IDR 274 million (approximately US\$20,000) from the ZA account to his personal account, IDR 188 million (approximately US\$13,000) to his wife’s account, and IDR 179 million (approximately 12,000 US dollars) into the account of his brother’s wife. He also withdrew a total of IDR 597 million (USD 41,000) from the account via ATM and bank teller. He also used proceeds from illegal wildlife trade to purchase assets and other goods and services (including cars, expensive fashion clothing and accessories, and to pay hotel bills).

Example 3:

“One investigation by US authorities found that in 2015-2016, a wildlife trafficking syndicate used fei chen (flying money) networks in China to transfer funds between the syndicate’s leader, who was in Asia, and his accomplice of Chinese origin, who was in Uganda. This scheme worked as follows. The crime syndicate would transfer RMB to a fei chen network manager in China, after which that manager’s co-worker, who was also an ethnic Chinese resident

in Uganda, would transfer the equivalent amount in US dollars to a wildlife trafficker in Uganda. This money was used to purchase ivory and rhino horns to be sent to a crime syndicate in Asia.”

Example 4:

“In 2018, Indonesian authorities uncovered a major crime syndicate that illegally sold approximately US\$9 million worth of pangolin scales between 2012 and 2017. The leaders of this syndicate, Mr. “S”, Mr. “A”, Mr. “B” and Mr. “C” (the last three were brothers and owners of the company “RT.ABC” selling frozen fish), used a network of transit bank accounts opened in fictitious names to conceal relevant payments. Most of these transit accounts were opened under the pretext that their owners were law-abiding suppliers of animal and agricultural products. Further investigation into the financial transactions of Mr. C and Mr. A identified funds transfers totaling approximately \$6 million from drug traffickers who were subsequently convicted.”

Example 5:

“Specifically, countries have reported that wildlife criminals deploy funds and cover their tracks by: making cash deposits (under the guise of loans or payments); through the use of electronic banking systems (for example, electronic payment services linked to a credit card or bank account); through the use of licensed money and value transfer systems (MVTs); and by making electronic fund transfers through third parties in the banking system. To hide the identity of the sender and recipient of funds and bypass transaction thresholds above which financial institutions send messages, criminal syndicates use so-called “money mule” accounts and make payments in small amounts.”

Methods of money laundering:

- A. Illegal use of the Formal Financial Sector
- B. Use of informal networks of money and value transfer service providers
- C. Shell Companies and Mixing of Legal and Illegal Proceeds
- D. Acquisition of real estate and luxury goods

Answer options:

1. 1C, 2D, 3B, 4C, 5A
2. 1A, 2A, 3B, 4C, 5-
3. 1D, 2C, 3B, 4A, 5B
4. 1A, 2C, 3B, 4D, 5C
5. 1B, 2A, 3-, 4C, 5C

QUESTION 13.

Study the text below and answer the question after the text.

As discussed earlier, the jurisdiction in which cyber fraud occurs (i.e., where the victim is typically located) is typically different from the jurisdiction in which the proceeds are laundered. This can lead to difficulties in conducting cross-border investigations and effectively collaborating internationally to successfully obtain information and evidence, dismantle cyber fraud syndicates and recover illicit proceeds. For example, in a jurisdiction where the proceeds of cyber fraud have been laundered, it may be difficult to identify each victim associated with a money laundering account as they may be spread across multiple jurisdictions.

The decentralized nature of cyber fraud creates additional challenges. There may be inconsistencies in the priorities of jurisdictions in the area of international cooperation, for example, in cases where victims of jurisdiction A transfer money to jurisdiction B, but victims of jurisdiction B are in jurisdiction C (i.e., jurisdiction A may prioritize cooperation with jurisdiction B, and for jurisdiction B – cooperation with jurisdiction C). The need to involve multiple stakeholders and partners, both public and private, abroad also makes it difficult to identify and track illicit funds.

- Cyber fraud syndicates use a variety of financial services and asset classes. Transactions can be carried out almost instantly across borders between different providers and sectors. This makes it difficult to track and attribute funds transfers.

- Additionally, relevant digital forensic evidence may be located in different jurisdictions, making it difficult to develop a complete picture of crime syndicate activities and money laundering. To complicate matters further, digital forensic evidence is unstable and can easily be lost if not stored promptly.

Formal cooperation, including mutual legal assistance, tends to take a long time. Given the fast-paced nature of digital crime and related ML activities (where evidence can quickly disappear if not preserved), relying on formal cooperation can lead to significant inefficiencies. In order to remain responsive in providing cross-border assistance to successfully disrupt CM-related criminal activity, competent authorities are increasingly relying on informal

cooperation mechanisms, exchanging information directly with their foreign counterparts. This may occur at the law enforcement or FIU level through a variety of channels, including the Egmont Secure Network, Interpol I-24/7, as well as other informal networks such as the Camden Asset Recovery Interagency Network (CARIN) and regional interagency recovery networks. assets (ARINs). (source: official website of the ITMCFM: <https://mumcfm.ru/mediateka/1891?format=document>)

The above text is devoted to the problem... (choose ONE answer option that most fully reflects the problems described in the text).

1. conducting cross-border investigations and international cooperation in cyber fraud and tracking of illegal proceeds

2. identifying the use of financial services for laundering criminal proceeds obtained as a result of cyber fraud
3. providing legal assistance in the investigation of cyber fraud
4. the use of unofficial channels for the exchange of information between law enforcement agencies when investigating cyber fraud
5. preservation of evidence of a crime located in different jurisdictions

QUESTION 14.

In 2019, the Russian Federation underwent an assessment of the effectiveness of the Russian AML/CFT system and its compliance with the 40 FATF recommendations. Based on the results of the mutual evaluation, a mutual evaluation report was presented (December 2019). Below is a table containing information on the number of requests and information messages sent to foreign FIUs from 2013 to 2018. Rosfinmonitoring. What conclusion was drawn as part of this mutual evaluation based on the data in the table?

Table 8.8. Requests and information messages sent to foreign FIUs (total and by category)						
	2013	2014	2015	2016	2017	2018
Outgoing requests	452	325	400	878	677	740
Including those related to suspicion of:						
Fraud in the financial sector	107	88	128	213	244	218
Drug trafficking	35	48	43	37	53	63
Theft of budget funds	129	104	152	153	244	230
Corruption / abuse of power	100	78	127	222	165	164
Including a request to provide:						
Basic (basic) information	288	190	249	591	430	485
Information about beneficial owners	190	130	158	401	309	322
Number of requests sent that were rejected	0	7	6	38	5	2
Average time to receive a response (days)	71	56	51	33	35	28
Materials sent on an initiative basis	0	0	4	11	218	156

(Source: EAG official website, Mutual Evaluation Report of the Russian Federation (p. 223), https://eurasiangroup.org/files/uploads/files/OVO_RF_final_.pdf)

1. In general, the FIU has demonstrated that it is actively making requests for assistance from foreign partners in cases related to money laundering. Over the past 6 years, there has been an increase in the number of outgoing requests, which indicates a more active approach of Rosfinmonitoring to seeking assistance at the international level

2. In general, the FIU has demonstrated that it is not proactive enough in sending requests for assistance to foreign partners in cases related to money laundering. The number of detected crimes significantly exceeds the number of requests sent to foreign FIUs
3. In general, the FIU has demonstrated that it is actively sending requests to foreign partners for assistance in cases related to money laundering, although in the area of investigation of laundering of proceeds from crimes related to

drug trafficking there is insufficiently active dynamics, taking into account the total number of crimes related to drug trafficking. drug trafficking

3. In general, the FIU has demonstrated that it is actively making requests for assistance from foreign partners in cases related to money laundering. The largest number of requests is related to the need to obtain information about the beneficial owners, which is determined by the specifics of the cases under investigation during the designated period

4. Overall, the FIU has demonstrated that it is active in requesting assistance from foreign partners in cases involving money laundering, although investigations into money laundering related to financial sector fraud have not been as active as the overall number of crimes. in the specified area.

5. In general, the FIU has demonstrated that it is not proactive enough in sending requests for assistance to foreign partners in cases related to money laundering. At the same time, the Russian Federation is receiving significantly more requests from foreign countries for assistance in cases related to money laundering

QUESTION 15.

One of the main challenges in recovering assets from cyber fraud is the rapid pace of laundering. To reduce this problem, there are multi-stakeholder "rapid response" programs established by various organizations to track and recover proceeds from cyber fraud, including Interpol's Global Rapid Intervention Program (I-GRIP), the Egmont Group's BEC Project and the Financial Fraud Kill Chain USA. The experience of these organizations shows that intervention is most effective within 24-72 hours of the fraudulent transaction. Basically, such multilateral programs are aimed at accomplishing two goals: collecting the minimum amount of information necessary for law enforcement actions, and transferring this information to the "right hands." To ensure an effective cross-border response, all nodes in multilateral networks also establish governance rules and procedures. While such multi-stakeholder networks are typically global in nature, regional initiatives can also be useful in addressing challenges, building on already established regional cooperation. Because speed is of the utmost importance, any information collected should ideally be directly shared with authorities who already have the appropriate authority and expertise to locate and recover assets. Thus, upon receipt of a request, interim measures can be taken immediately to prevent further laundering or dispersal of assets. This gives law enforcement agencies the vital time needed to continue their investigation, develop and collect evidence, and subsequently issue formal requests for mutual legal assistance (based on: FATF Report: *Illicit Financial Flows from Cyber Fraud* (pp. 50-54).

Which of the following hypothetically true facts weakens the argument presented in the text?

1. The creation of mechanisms for intercountry interaction may be complicated by differences in the legislative framework of states and, as a result, may not be effective enough

2. For effective work in terms of search and return of assets, the specialization of the body that is empowered to return criminal assets is important, since the chances of returning as much as possible of criminally obtained funds significantly depend on the time that passes from the moment the cyber fraud was committed

3. Cyber fraud and laundering of proceeds from cyber fraud can be cross-border in nature, which increases the importance of international cooperation in this area

4. In the context of the return of illegal proceeds, the importance of interim measures increases, the purpose of which is to prevent further concealment and obfuscation of traces of funds

5. In order to narrow the scope of the investigation into laundering proceeds from cyber fraud and increase the chances of recovering illegal proceeds, a quick response is necessary, since the rate of laundering in these crimes is high.

QUESTION 16.

Company "A" operated in the metals and waste recycling sector, but had an organizational structure that was not typical for this area and did not actually carry out the declared activities. The company carried out bank transfers which were justified as advance payment of invoices by Italian companies operating in the same sector. These companies have previously been subject to investigations related to tax crimes, illegal disposal of metal waste and laundering of illegal mafia proceeds. Some of these companies appeared in an investigation carried out by the Salerno city prosecutor on charges of creating a criminal group involved in the international smuggling of waste to East Asian countries. The falsified shipping documents indicated that the cargo consisted of goods and raw materials, rather than waste. The beneficial owners of these companies were part of a wide network of individuals who exchanged financial flows through prepaid cards and cash withdrawals. This was revealed due to the fact that the main debit transactions in company account statements related to cash withdrawals, as well as bank transfers that were issued in favor of foreign organizations. The volume of financial flows amounted to approximately 14.2 million US dollars (12 million euros). Having reviewed this information, the FIU suspected that Company A was a shell company being used for criminal purposes (based on Box 3.2 (p. 29), FATF Report on Money Laundering Related to Environmental Crime).

Which of the following hypothetically true facts and statements were the FIU's conclusions based on?

- A. The new shareholders purchased the company below market value because the former shareholders, due to the investigation being carried out against them, could not sell the company at the market price, although this fact does not exclude the possibility of a sale in order to conceal criminal activity.
- B. The company operated in the metals and waste management sector, and did not have a proper organizational structure or any declared activities, although there was cash flow in the company's accounts, which raised suspicions.
- C. The volume of financial flows amounted to about 14.2 million US dollars, which is very large for this area and raises suspicions.
- D. After studying the company's bank transfers, a connection between company "A" and foreign companies was identified, which were investigated by law enforcement agencies, including on suspicion of money laundering.
- E. An analysis of company accounts showed that the bulk of transactions were cash withdrawals and money transfers in favor of foreign companies, which is not typical for companies that actually carry out any real activity.

1. B, D, E

2. A, B, D

3. C, D, E

4. A, B, E

5. B, C, D

QUESTION 17.

Under certain circumstances, 5 members of a criminal group that specialized in smuggling precious metals, precious stones, and valuable wood species were detained. Members of the group were detained while trying to send goods to foreign countries. Among the goods were gold bars, a shipment of rosewood, emeralds, rubies, and diamonds. It is also known that each group of goods was sent to customers located in country "A", "B", "C", "D", "E". Representatives of the law enforcement agency conducted an interrogation to find out which of the shipments was sent to which country. Each of the detainees testified, but only one of the two statements of each detainee is true:

- 1. Gold went to country "A", and rosewood to country "D".
- 2. Emeralds were sent to country "B", and gold to country "C".
- 3. Diamonds were sent to country "A", and rubies to country "B".
- 4. The emeralds were sent to country "B", and the rosewood to country "D".
- 5. Rubies were sent to country "B", and diamonds were sent to country "E".

What country were the emeralds sent to?

1. A

2. B

3. C

4. D

5. E

QUESTION 18.

States "A", "B", "C", "D", "E", "K", "N", "U" conduct joint investigations of crimes as part of AML/CFT/FPWMD activities. These states have created working groups to investigate certain crimes. The working group includes representatives of three states. Moreover, each state participates in a working group to investigate the crime that was committed on its territory. A state can participate in only one working group at a time.

It is also known:

- 1. State D investigated only one crime within the working group.
- 2. The investigation of crimes committed on the territory of states "K" and "N" took place simultaneously.
- 3. Representatives of states "U" and "D" did not participate in joint investigations.
- 4. The investigation of the crime committed on the territory of State "B" was completed first.
- 5. Representatives of State "A" took part in three investigations.

Какое из перечисленных далее утверждений не может быть верным?

1. The investigation of a crime committed on the territory of state "N" was carried out by a working group of representatives of states "A", "E", "U".

2. States "A", "D", "C" did not participate in the investigation of the crime committed on the territory of state "U".

3. States "K" and "N" took part in the investigation of a crime committed on the territory of state "A".

4. The investigation of the crime committed on the territory of state "K" was carried out by a working group of representatives of states "K", "B", "E".

5. Representatives of states “B”, “D”, “K” did not take part in the investigation of the crime committed on the territory of state “E”.

QUESTION 19.

India's Directorate of Revenue Intelligence has received specific information from a reliable source that a certain person "X" is engaged in the illicit manufacture of fentanyl hydrochloride, a narcotic drug, for onward supply to foreign nationals. A certain foreign national visits Indore where 'X' holds a meeting with the foreign national in connection with the supply/smuggling of a large consignment of Fentanyl Hydrochloride.

The manufactured fentanyl is then transported to Mexico for sale in the United States. The money was deposited into the bank account of Mr. X's company located in Hong Kong, China, from Mexico through banking channels. To obtain this money in India, Mr. X contacted various importers who were importing goods from another Asian country, with the value of the imported goods often being undervalued to Indian Customs to evade paying customs duty. However, to avoid detection, these importers could only transfer such undervaluation to this other Asian country through banking channels. Mr. "X" transferred the differential amount of these goods (Differential amount = Actual value of the goods - understated value of the goods at customs) to the exporter from his bank account in Hong Kong, China. Indian importers paid him this amount in India (*compiled from Box 3.4 (p. 20), FATF Report, Money Laundering through Fentanyl and Synthetic Opioid Trafficking*).

Which of the following hypothetically true data and statements, when included in the text above, directly supports and strengthens the authorities' conclusion about the situation presented?

- A. A certain foreign national is visiting Indore and persons 'X' and 'Y' have a meeting with this foreign associate (a Mexican national) in connection with the supply/smuggling of a large consignment of fentanyl hydrochloride.
- B. Money entered the company's bank account from Mexico through banking channels in amounts below the reporting threshold.
- C. Authorities seized contraband manufacturing equipment and tools, as well as \$8,600 in proceeds from the sale and a vehicle.
- D. The Indian importers paid him the amount in cash in India.
- E. Fentanyl is being manufactured in a laboratory illegally run by one person “Y” in Indore. “Y” was seen in the company of “X” and a foreign national at an alleged meeting regarding the supply of a large shipment of fentanyl.

1. C and E

2. Only E

3. A, B, D

4. A, C, D

5. A and E

QUESTION 20.

In 2005, Citizen A in Brazil was found guilty of money laundering. In this criminal case, the Sao Paulo court judge also ordered the search, seizure and confiscation of assets that the man, his associates and members of his family had acquired with illegally obtained funds. Among these assets were works of art. After Brazilian authorities conducted searches, they discovered that some of the most valuable pieces of art were missing. After searching for missing works of art in Brazilian museums and institutions, representatives of the Sao Paulo court turned to Interpol for help. In October and November 2007, Interpol and the Brazilian government sought assistance from the United States to locate and seize wanted works of art. An investigation in the United States revealed that two paintings were sent from the Netherlands to a storage facility in New York on August 21, 2007 and September 11, 2007, respectively (*compiled from Box 3 (p. 19), FATF Report on Use of Items art and cultural values as an instrument of ML/TF" <https://mumcfm.ru/mediateka/1741>*).

Which of the following hypothetically true data and statements, when included in the above text, directly confirms and strengthens the competent authorities' conclusion about the actions of citizen "A"?

- A. During the investigation, as part of the search, assets were discovered, including works of art worth between 20 and 30 million US dollars.
- B. The shipping invoices for the paintings shipped from the Netherlands did not list the names of the items and stated that the value of each item was \$100, although experts estimated the value of the items to be substantially higher.
- C. Citizen "A" is the founder and president of one of the banks.
- D. The works of art were stored in various places, including at the man's home in the Morumbu area of São Paulo, at bank offices and in a vault.

E. Citizen “A” used the power of the bank, in which he was president, to commit financial fraud, which allowed him to receive criminal income, which confirms the fact that he knew about the criminal origin of the money with which works of art were purchased.

Answers:

1. **B and E**
2. B, D, E
3. only «B»
4. A, B, C, E
5. B, C, D

MARK SCHEME

The number of marks for each question is 5. The maximum total mark is 100.

OLYMPIAD TASKS
in Economics
Qualification Stage. Round 2.

QUESTION 1.

The higher education institution plans to launch short-term courses to train specialists in the field of AML/CFT.

The course will start on Monday and last five days. The course contains 3 modules: Internal control, National AML/CFT system, International AML/CFT system.

On what day which course module will be taught, if

1. modules Internal control and the International AML/CFT system are not sequential
2. Internal control module does not start on Monday
3. module National AML/CFT system has a duration 2 times longer than the module Internal control

Correct answer:

Monday - International AML/CFT system

Wednesday - National AML/CFT system

Friday - Internal control

QUESTION 2.

The financial intelligence unit conducts targeted training for the following persons who are the subjects of primary financial monitoring: leasing company, credit organization, pawnshop, insurance organization, notary, real estate agency, telecom operator. The training will be conducted by 3 FIU employees: Mikhailov, Vasiliev, Fedorov. Each of the seven subjects is taught by only one teacher in accordance with the following conditions:

1. a pawnshop or a real estate agency (but not both), are trained by Mikhailov.
2. a pawnshop and an insurance company are trained by the same teacher
3. either a real estate agency or a telecom operator (but not together), trained by Vasiliev
4. Fedorov trains more subjects than Vasiliev
5. the notary and the telecom operator are trained by the same teacher

Which of the following statements cannot be true?

- (A) the leasing organization and the notary are trained by Mikhailov
(B) the leasing organization and the notary are trained by Fedorov.
(C) the credit institution and the notary are trained by Fedorov.
(D) the credit institution and telecom operator are trained by Fedorov
(E) pawnshop and notary are trained by Mikhailov

QUESTION 3.

(1) A regional bank in a certain European country, K., has been pursuing an active policy over the past few years to attract new clients from Western European countries. (2) This had a positive impact on the financial performance of the bank. (3) The volume of bank assets over the past 3 years has increased by 45%, and the amount of net profit has increased by 38%. (4) This was facilitated by the diversification of the bank's activities and the variety of services provided to clients, many of whom were foreigners. (5) The bank was especially popular among foreign companies and individuals. (6) Foreigners were given the opportunity to open several accounts in different currencies. (7) A foreigner, according to the law, could receive a loan at a low interest rate. (8) It was possible to open an account in the bank for a foreign company that was a counterparty of the bank's client company, without even being in country K. (9) Accounts were opened without thorough checks of foreign clients. (10) Over the past year, it was revealed that the bank's clients transferred about 950,300,000 euros through other countries, while information from the documents of the bank's client companies does not allow identifying their true owners. (11) At the end of the last year, more than 40% of the bank's clients were outside Country K. (12) An examination of a large transfer transaction of €85,500,000 into a bank account revealed that the account holder, foreign company A, transferred the money to company B, which actually turned out to be a shell company.

For a long time, regulatory authorities did not pay attention to such bank activities. However, the combination of observed facts led to the fact that a report of suspicious activity of the bank was sent to the FIU of the country K.

Task. Analyze sentences 6-12 of the given text and establish a correspondence between the factual circumstances listed in the passage and indicators of suspicious activity. Please note that one sentence may correspond to several indicators of suspicion, or none.

Indicators of suspicious activity:	Factual circumstances:
(1) Opening of bank accounts for third parties. (2) Lack of checks of foreign clients in the bank. (3) Transfer of money by companies without indicating their true owners. (4) Transfer of money by bank clients through shell companies.	(A) Foreigners were given the opportunity to open multiple accounts in different currencies. (B) A foreigner, according to the law, could receive a loan at a low interest rate. (C) It was possible to open an account with a bank for a foreign company that is a counterparty of the bank's client company, even without being in country K. (D) Accounts were opened without thorough checks of foreign clients. (E) Over the past year, it was revealed that the bank's clients transferred about 950,300,000 euros through other countries, while information from the documents of the bank's client companies does not allow identifying their true owners. (F) At the end of the last year, more than 40% of the bank's clients were outside Country K. (G) An examination of the transfer of a large sum of EUR 85,500,000 to a bank account showed that the account holder, foreign company A, transferred the money to company B, which in fact turned out to be a shell company.

Indicators of suspicious activity	1	2	3	4
Factual circumstances				

OTBET:

1	2	3	4
C	D	E	G

QUESTION 4.

Countries may allow financial institutions to rely on third parties to apply elements (a) to (c) of the customer due diligence (CDD) measures set out in Recommendation 10 or to represent the business entity, provided that the criteria set out below are met. Where reliance on third parties is permitted, ultimate responsibility for CDD measures remains with the financial institution relying on the third party. The following criteria should be ensured: (a) a financial institution relying on a third party should promptly obtain the necessary information on elements (a) to (c) of the CDD measures set out in Recommendation 10; (b) financial institutions must take appropriate steps to be able to obtain copies of identification data and other relevant documentation subject to CDD requirements from a third party without delay upon request; (c) the financial institution should ensure that the third party is regulated, supervised or monitored and that the third party is taking steps to comply with CDD and data retention requirements in accordance with Recommendations 10 and 11; (d) Countries should take into account available information on the level of country risk when determining countries in which a qualifying third party may be located. If a financial institution relies on a third party that is part of the same financial group, and (i) such group applies CDD and data retention requirements in accordance with Recommendations 10, 11 and 12, as well as anti-money laundering and anti-terrorist financing programs in accordance with Recommendation 18 and (ii) if the effective implementation

of these CDD requirements and data storage and AML/CFT programs is monitored by a competent authority at group level, the relevant competent authorities may consider that the financial institution has applied the measures set out in points (b) and (above). c) within the framework of the group's program and may decide that paragraph (d) is not a necessary precondition for confidence if the country's high risk is fully offset by the group's AML/CFT mechanisms.

Task. The above text is devoted to the problem..... (choose ONE option that most fully reflects the problems described in the text)

1. trust in third party measures

2. applying enhanced due diligence measures to business relationships and transactions with individuals and legal entities and financial institutions from other countries
3. applying enhanced due diligence measures to business relationships and transactions with individuals, legal entities and financial institutions from higher risk countries for which the FATF calls for this
4. application of group programs to combat money laundering and terrorist financing
5. mechanisms for obtaining timely access to information on elements of CDD in relation to a third party on which the financial institution relies

QUESTION 5.

The Investigation Department sent a criminal case to court accusing an official of the Main Directorate of the Ministry of Emergency Situations of Russia for the Kursk Region of committing a number of crimes. Thus, on January 18, 2023, the accused, through an intermediary, received a bribe in the amount of 230,240 rubles by transferring the specified amount of money from Alpha LLC to the settlement account of Omega LLC for committing illegal inactions in favor of an entrepreneur related to providing the opportunity to provide services in in the field of fire monitoring and maintenance of fire alarms in violation of Russian legislation in the field of fire safety, and illegal actions related to depriving other organizations of the opportunity to carry out similar activities in the Kursk region, as well as for general patronage and connivance in the provision of these services. During the period 2022-2023. the accused and his subordinate systematically received bribes from the director of one of the commercial organizations for committing illegal actions in favor of the specified person.

Which of the following hypothetically true data and statements, when included in the above text, directly confirms and strengthens the conclusion of the competent authorities that the accused violated the laws on legalization of proceeds from crime?

- (A) in December 2022, the defendants carried out a scheduled fire safety inspection of Betta LLC, which, in accordance with the law, is a small business entity while there was a moratorium on such inspections of these business entities.
- (B) On February 22, 2023, the accused, while in the territory of the city of Kursk, realizing that on the current account of Alpha LLC, owned by his relative, there are funds in the amount of 230,240 rubles received as a result of committing a crime - receiving a bribe, hiding them criminal origin, in order to give legality to the possession, use and disposal of these funds, he transferred a certain amount to his mother's bank account with the subsequent withdrawal of these funds from the account.
- (C) On January 5, 2023, the accused, using the bribe received, purchased a phone worth 50,000 rubles.
- (D) On February 20, 2023, an amount of 10,000 rubles was received into the defendant's bank account from a work colleague.
- (E) On February 29, 2023, the accused received a cash bonus from the Main Directorate of the Ministry of Emergency Situations of Russia in the Kursk Region for high performance results in the amount of 150,000 rubles.

1. (B) and (C)
2. only (A)
3. (C) and (D)
4. (B) and (E)
5. (B), (C) and (E)

QUESTION 6.

The head of construction company "A" invests money in trading company "B". Company B, having received an influx of cash from investments, intensifies its financial and economic activities. The company opens a documentary letter of credit with the bank for an import transaction, through which money is transferred to a foreign bank. These funds are used to purchase imported finishing building materials, which are then sold in Russia. As a result, the

funds invested in the company are used to purchase imported goods. The head of company “A” receives part of the profit from the sale of imported goods in Russia. This financial transaction by the FIU of Russia was recognized as suspicious and having signs of laundering proceeds from crime.

Which of the following hypothetically true data and statements, when included in the text above, directly confirms and strengthens the competent authorities' conclusion about the actions of the director of Company A?

- A) the head of construction company “A” invests a large sum of money (30 million rubles) in trading company “B”
- B) the head of construction company “A” invests a large amount of money (30 million rubles) in trading company “B” by crediting cash to the account of legal entity “B”
- C) as a result of the investigation, facts of theft by the head of enterprise “A” of part of the budget funds intended for the implementation of a regional construction project that were invested were revealed.
- D) company “B”, in which investments were made, turned out to be unprofitable at the end of last year, so the head of construction company “A” invested in the unprofitable company.
- E) the head of company “A” is a Russian citizen who has property the value of which significantly exceeds his level of income.

- 1. **(B) and (C)**
- 2. only (A)
- 3. only (B)
- 4. only (C)
- 5. (C), (D) and (E)

QUESTION 7

The head of the state telecommunications company gave an unjustified advantage during the determination of the winner of the tender to company “A”, which belonged to Mr. “F”. Mr. “F” transferred a certain amount of money to the account of a private company “K” for allegedly rendered services. Later, the funds were withdrawn in cash from the account of Company K and deposited in the brokerage company into the account of Mr. D. The funds deposited in Mr. D's account were used to purchase securities on the open market, which were later sold to the son of a telecommunications company executive, who in turn sold the securities on the open market at a higher price. The funds he received in this way under the guise of legal income were subsequently placed in bank deposits. This financial transaction by the FIU of Russia was recognized as suspicious and having signs of laundering proceeds from crime.

Which of the following hypothetically true data and statements, when included in the text above, directly supports and strengthens the competent authorities' conclusion about the actions of the telecommunications company executive?

- A) the head of a state telecommunications company received money in the form of a bribe for providing an unjustified advantage during the determination of the winner of a tender, the cost of which was determined at a pre-agreed inflated price
- B) Mr. “F” transferred a large amount of money (1.5 million rubles) to the account of a private company “K”
- C) company “K” also belonged to Mr. “F”, and was essentially a front company with minimal authorized capital
- D) Mr. “D”, in whose name the account was opened at the brokerage company, turned out to be a nominee acting on the instructions of the head of the telecommunications company
- E) the executive of a telecommunications company opened an account in the same brokerage company in his son's name.

- 1. **(A), (C) and (D)**
- 2. (A), (B) and (C)
- 3. (A), (C) and (E)
- 4. (A), (D) and (E)

QUESTION 8.

The owner of the personal account received payments for goods sold on the Internet. The deposited funds were immediately transferred in fractional payments from a personal bank account to another account owned by a joint stock company in country A and exchanged for BA (bitcoin) at a number of local VASPs. These VAs were then immediately withdrawn from the account. The bank suspended the suspicious transfers and issued an SAR. Based

on the information received and after analyzing the ongoing financial transactions, the FIU suspected that the financial transfer model used by the company was a sign of money laundering, and that the owner of the personal account was a money mule recruited by criminals.

Which of the following hypothetically true factors and statements were the FIU's conclusions based on?

- A. transactions that do not correspond to the profile of the account owner: in the first two days after opening a personal account for a young individual, large commercial deposits were received into the account from various legal entities
- B. making a large initial deposit when establishing a new relationship with a VASP, with the amount of funds corresponding to the client's profile
- C. transaction pattern: deposited funds were immediately transferred to the accounts of several VASPs (on the same day) for the purchase of VA (bitcoins)
- D. customer profile - one participant in the transaction was known to the bank as a person involved in a fraud case. The bank also provided the authorities with the IP addresses used to provide Internet banking services
- E. making the entire amount of a large initial deposit when establishing a new relationship with a VASP on the first day of account opening

1. A, C and D

- 2. A and E
- 3. B and C
- 4. Only E
- 5. B and D

QUESTION 9.

A financial institution (bank) issued an SAR in relation to the account of a local company. The account contained funds received from the sale of coupons, which could be used to purchase a certain product. Funds, some of which were VA, were contributed by both individuals and legal entities. The bank made several requests for the client to provide information about the origin of funds

Based on the information received and having analyzed the financial transactions carried out, the FIU suspected that the financial transfer model used by the company was a sign of fraud.

Задание. Which of the following hypothetically true factors and statements were the FIU's conclusions based on?

- A. analysis carried out by the competent authorities showed that the funds transferred by the company showed links with entities related to organized crime and one fraudulent project
- B. despite subsequent requests from the bank, representatives of the account owner did not provide information about the origin of the funds
- C. funds contributed by both individuals and legal entities were largely VA
- D. the client has changed his identification data, including email addresses, IP addresses
- E. the recipient does not have sufficient knowledge and, therefore, provided, at the request of the bank, distorted information about the transaction and the source of funds

1. A, B, E

- 2. B and D
- 3. only A
- 4. A, D and C
- 5. A and C

QUESTION 10.

Excerpt A¹

Russian law enforcement agencies have identified the first cases of receiving bribes using cryptocurrency. Such crimes pose an increased public danger, said Prosecutor General of the Russian Federation Igor Krasnov.

In his opinion, the danger of such bribes, which, however, are still rare, is primarily due to the fact that the use of cryptocurrency in criminal payments often indicates a connection with organized crime.

¹ <https://monocle.ru/2022/12/9/s-kriptom-vzyatki-ne-gladki/>

As an example, Igor Krasnov cited a criminal case in which a case in Khakassia was investigated. There, the head of the department for drug control agreed with the operator of one of the online stores involved in the sale of drugs to detain and prosecute for a bribe the person who stole narcotic drugs from the bribe-giver.

“In addition, he provided information about ongoing operational-search activities to members of an organized group that carried out the illegal sale of narcotic drugs through an online store, and instructed them on security measures to avoid punishment. For this, he received a bribe in bitcoins, which he transferred into rubles through a Qiwi wallet and transferred to a bank card at his disposal,” Igor Krasnov noted in an interview with TASS.

Excerpt B²

In the current geopolitical and economic situation, cryptocurrency will become increasingly widespread. And the process of tracking it will turn out to be a new challenge for our law enforcement system. According to experts, the most logical way to simplify the situation is to legalize cryptocurrency. This question has been raised several times, but remains open for now.

Cryptocurrencies can be used in such matters in the same way as regular money, Olga Sokolova, a partner at the Digital Guru agency, told Expert. Moreover, the popularity of cryptocurrency is growing, its regulation is also being discussed by the state. It's no surprise that more and more people are starting to use it. In this case, it is simply a convenient way to transfer money. “But I would not say that the use of cryptocurrency necessarily means connections with organized crime,” the expert noted.

In 2022, the Russian cryptocurrency market is estimated at 16.5 billion rubles, Daniil Gorkov, a lawyer at the Criminal Defense Firm, told Expert. This is about 12% of the total capitalization of the global crypto market. Back in 2021, Russia entered the top 3 countries in the world for Bitcoin mining.

For a long time, cryptocurrencies were in the shadow of other financial instruments, and the economic and legal communities did not know what assessment to give crypto assets, the lawyer emphasized.

Which of the following questions are answered in both passages?

Possible answers:

A. For what purposes are cryptocurrencies used in the modern economy?

Q. What is the legal status of cryptocurrency in the modern Russian economy?

S. Why is the legalization of cryptocurrencies necessary?

D. How is the use of cryptocurrencies related to organized crime?

QUESTION 11.

The FATF has succeeded in creating a “third-party enforcement” mechanism by incorporating power into global terrorism financing regulation without the direct source of power in the form of the FATF, which remains the regulator. The AML/CFT regime built by the FATF is a hierarchical network structure of elements, each of which forms a lower-level regime, united by complex multidimensional connections into a single system. In this context, it can be argued that the FATF has achieved endogenous efficiency within the regime. Considering that the FATF does not have independent enforcement measures, and decisions are advisory in nature, an important factor is the strength of its members, who promote FATF standards beyond the Group. The potential of FATF members, the ability to apply tangible sanctions to non-cooperating states, together with the interest of its members, have ensured the FATF's role as a fundamental institution in the fight against terrorist financing. If the cooperation of FATF members resembles a prisoner's dilemma, since states can benefit from stricter AML/CFT regulations, then the cooperation of non-FATF members can be explained from the following positions: states cooperate because the risks associated with competition (in our case, as a result of non-alignment), outweigh the risks of cooperation. However, the power asymmetry between developed and developing countries leads to the exclusion of “weak links” from the process of formulating global standards, as well as their imposition by developed countries, which represents a potential for conflict within the FATF. Considering the exclusive format of the FATF, its dependence on the interests of its members (the most developed economies of the world), the FATF regime, to some extent, reflects the ideas of hegemonic stability, since it is a coordinated system managed and used by powerful states to realize their national interests. This is evidenced by the double standards of the FATF when compiling “grey” and “black” lists and the use of the Recommendations as a tool for developed countries to put pressure on the tax policies of developing countries in their own interests. However, due to the interest of the hegemons, who have taken on the role of curators of the regions within the framework of the created regional structures, the AML/CFT regime is supported. At the same time, among the advantages of the FATF for all jurisdictions, regardless of the distribution of power potential between them, are facilitation of communication, reduction of information asymmetry and reduction of transaction costs. The FATF provides a platform for global political actors to harmonize their interests, develop common policies and maintain the ability to monitor each other's behavior

² <https://monocle.ru/2022/12/9/s-kripto-vzvatki-ne-gladki/>

through self-assessment and mutual assessment procedures, contributing to the gradual weakening of anarchy between state parties to the AML/CFT regime.

In addition, the compliance of jurisdictions with the Recommendations regarding international cooperation is also quite low. Until now, states are guided by national interests and the principles of secrecy, especially in the area of information exchange on ML/TF cases and the extradition of criminals. One of the key problems remains the lack of a unified list of individuals and organizations involved in extremist and terrorist activities. The process of developing such a list is extremely politicized, which does not allow the development of a unified approach between the states of the same FSRB. From the point of view of the economic approach, the activities of the FATF also cannot be called effective, since the FATF does not take into account the economic burden of states as part of the implementation of the Recommendations. Building an effective AML/CFT system is too expensive even for countries with developed economies, not to mention developing countries. Unsustainable costs are borne by private sector institutions, which, simply because they do not comply with FATF technical parameters, risk being fined, even if they have never been convicted of ML/TF. As a result, instead of improving internal AML/CFT systems, there is a tendency among financial institutions to abandon business activity with an entire class of clients, which contributes to their displacement into the zone of a cash economy that is difficult to detect.

Thus, it can be stated that the institutional and legal foundations of the global system for combating money laundering and the financing of terrorism have been formed, and currently all elements of this system function effectively only in interaction.

What conclusions can be drawn about the state of the effectiveness of the FATF regime using the text presented?

A) an important achievement of the FATF is the construction of the institutional framework of the AML/CFT regime based on FATF standards. As an informal institution, the FATF compensates for institutional limitations by interacting with other international organizations on the principle of “governance in alliance with multilateral organizations.”

B) The FATF has succeeded in creating a “third-party enforcement” mechanism by incorporating power into global terrorism financing regulation without the direct source of power in the form of the FATF, which remains the regulator. The AML/CFT regime built by the FATF is a hierarchical network structure of elements, each of which forms a lower-level regime, united by complex multidimensional connections into a single system. In this context, it can be argued that the FATF has achieved endogenous efficiency within the regime

C) given that the FATF does not have independent enforcement measures, and decisions are advisory in nature, an important factor is the strength of its members, who promote FATF standards beyond the Group. The potential of FATF members, the ability to apply tangible sanctions to non-cooperating states, together with the interest of its members, have ensured the FATF's role as a fundamental institution in the fight against terrorist financing. But an assessment of the effectiveness of the FATF's activities shows that it is still premature to talk about its high level. There is no need to talk about the high level of effectiveness of the FATF, assessing it within the framework of the legal approach

D) among the advantages of the FATF for all jurisdictions, regardless of the distribution of power potential between them, are facilitation of communication, reduction of information asymmetry and reduction of transaction costs. The FATF provides a platform for global political actors to harmonize their interests, develop common policies and maintain the ability to monitor each other's behavior through self-assessment and mutual assessment procedures, contributing to the gradual weakening of anarchy between state parties to the AML/CFT regime

E) The FATF plays an important role in educating regime members by providing expert support, sharing best practices, and raising awareness of the need for the ongoing fight against terrorist financing, where the FATF has a key role to play. Of great importance in its work are communities that not only delegitimize the financing of terrorism, but also form the collective identity of the FATF through the deliberate division of all countries into “cooperating” and “non-cooperating”. This formulation gives a sense of community and equality to all jurisdictions implementing FATF standards, regardless of their membership in the Group

QUESTION 12.

German authorities, with the support of EUROPOL experts, conducted an operation against a foreign organized crime group (based in Germany), which was suspected of providing ML services to international heroin traffickers. This operation was preceded by large-scale and complex criminal investigations supported by EUROPOL, coordinated by law enforcement agencies in France, Spain, Germany and the Netherlands and duplicated by judicial coordination by EUROJUST. This criminal syndicate, consisting mainly of Iraqi nationals, was responsible for collecting proceeds from the sale of heroin throughout Europe (Spain, the Netherlands, Italy and the UK) and laundering these funds through Germany to the Middle East. It is estimated that €5 million was laundered.

Which of the following hypothetically true facts does not support the conclusions of the competent authorities about the existence of a money laundering (ML) scheme?

A. The criminals' methods included the use of cash couriers traveling in cars to collect dirty money throughout Europe. Trade money laundering techniques then funneled the value of the proceeds to the Middle East, primarily under the guise of used car shipments; heavy machinery and construction equipment were purchased in Germany and exported to Iraq, where the goods were eventually resold for "clean" money

B. The OCG (organized crime group) was able to use the services of a money or value transfer provider (MVTS), as well as unregulated financial channels (hawala system) to integrate and further transfer funds into the regulated financial system.

C. professional service providers, such as lawyers, accountants and corporate formation agents, provided the skills and knowledge of financial procedures necessary to operate the money laundering scheme. This syndicate has already been seen to provide services for laundering large amounts of money and significantly influence the ability of other organized crime groups to disguise and invest the proceeds of crime. The syndicate has become a significant obstacle to tracking criminal assets. There is virtually no paper trail left for law enforcement agencies

D. one of the companies that is part of the organized crime group is an online seller of digital expressions of precious metals and is engaged in the sale of virtual gold and silver at market prices, claiming to hold the precious metals on behalf of its client. The company buys and sells electronic precious metals through its own accounts in transactions with clients, independently determining which type of payment they will exchange for digital currency

1. D

2. A and B

3. C and D

4. C

5. A and C

QUESTION 13.

The investigation was carried out by a specially appointed foreign AML task force, which includes representatives from the police, the tax authority, the Anti-Money Laundering and Anti-Terrorism Financing Commission (FIU) and the prosecutor's office. In addition, the investigation was conducted in cooperation with law enforcement agencies of another country. The suspects are criminals who engaged in massive fraud and extortion, as well as AML officers who assisted predicate offenders in laundering the proceeds of crime.

The funds were laundered using shell companies established in Europe and the Far East, front persons, couriers and hawala services. Companies were pre-established in countries where victims of fraud believed illegal activity was less likely. AML created an infrastructure that made it possible to carry out ML, which, in turn, was part of a global ML network.

Which of the following hypothetically true facts does not support the conclusions of the competent authorities about the existence of a money laundering (ML) scheme?

A. ALM of this network could provide bank accounts with different characteristics (that is, accounts in which the volume of transactions is small, medium or large, depending on the amount of money being laundered)

B. the suspects transferred fraudulent proceeds to bank accounts opened in the names of fictitious companies and front persons

C. funds received in the bank accounts of the fictitious companies were transferred to other bank accounts in the Far East, and the suspects immediately withdrew the money in cash through couriers, hawala networks and MVTS providers to transfer the funds to their respective final destinations

D. AML, using others, opened foreign bank accounts, created foreign companies, and used the foreign immigrant repatriation network to move funds

E. the bank account of one of the clients located in another country, as a result of trading operations, regularly received funds not exceeding the threshold values for reporting

1. A and E

2. B and C

3. A and B

4. E

5. D and E

QUESTION 14.

Banks and non-credit organizations (brokers, dealers, insurance companies) are the first to be at risk of being involved in schemes for theft and laundering of public funds. It is necessary that these organizations have an appropriate internal control system capable of identifying questionable customer transactions, possibly related to

theft and laundering of government funds. At the same time, financial transactions carried out by politicians and government officials, as well as their relatives or persons acting on their behalf, should be subject to expanded and in-depth monitoring. In addition, it is necessary to take possible measures to determine the sources of origin of funds or other property of officials. Particular attention should be paid to assessing the authenticity of financial documents provided to the bank, in particular those relating to orders for the transfer of funds from the accounts of government organizations. For the purpose of stealing government funds, fake signatures, seals, and document forms are often used. The issue of the quality and content of transaction reports provided to the FIU by banks and non-credit organizations deserves special attention. It is necessary for financial organizations to move away from a formal approach to evaluating operations, i.e. sending messages about transactions to the FIU of the Russian Federation according to formal criteria.

Which of the following hypothetically true facts weakens the argument presented in the text?

A) financial organizations should not disclose information about whether a participant in a transaction is the head of a government organization, a civil servant, the founder of several commercial organizations, etc., as this violates the principle of bank secrecy

B) the practice of financial intelligence throughout the world shows that one of the key factors in the successful detection of corruption-related crimes is how effectively internal control procedures have been implemented in credit and non-credit organizations, primarily “Know Your Customer” procedures.

C) practice shows that the lack of awareness of the sources of origin of the funds of a financial transaction or ignorance of AML/CFT standards and rules on the part of brokers and dealers significantly facilitates the process of laundering proceeds from crime

D) it is necessary for financial organizations to approach the assessment of a client’s transaction not formally, but to evaluate it to identify signs of suspicion and possible connections with theft and laundering of public funds, and for this it is important to know the indicators inherent in such operations

QUESTION 15.

In the city “N”, according to official statistics, 1,841 organizations from various sectors of the economy are registered as taxpayers and carry out financial and economic activities.

Organizations operating in the city “N” operate in the following areas:

- OKVED 56 - Activities for the provision of food and beverages (250 organizations);
- OKVED 47 - Retail trade, except trade in motor vehicles and motorcycles (524 organizations);
- OKVED 55 - Activities to provide places for temporary residence (366 organizations).

At the same time, some organizations combine several types of activities in order to increase competitiveness in the domestic and international markets for goods and services:

- 47 organizations combine activities according to OKVED 56 и ОКВЭД 47;
- 62 organizations combine activities according to OKVED 56 и ОКВЭД 55;
- 86 organizations combine activities according to OKVED 47 и ОКВЭД 55.

1247 organizations carry out other types of activities other than OKVED 47, OKVED 55, OKVED 56.

Task. How many organizations in the city “N” operate simultaneously according to OKVED 47, OKVED 55, OKVED 56?

1. 52
2. 380
3. 594
4. 65
5. 50

QUESTION 16.

Today, in modern conditions, the world and national economies are in a constant zone of risk, in particular with regard to their use for the purpose of laundering proceeds of crime and financing terrorist activities. These processes are directly related to the flight of capital abroad, illegal trade in weapons, drugs, corruption, and the use of offshore jurisdictions to conceal the sources of income and tax evasion. According to expert estimates, income from various types of financial crimes ranges from 2 to 5% of the global gross product, that is, from 1 to 3 trillion US dollars annually, while at least 600 billion US dollars are legalized annually in the global space. According to the Central Bank of State X, in 2014, capital outflow in State X amounted to 62.7 billion US dollars; in 2013, this figure amounted to 54.6 billion US dollars, where the balance of payments item of State X in relation to questionable transactions accounted for more than 85 %. In 2015, capital outflow amounted to 153 billion US dollars, in 2016,

capital outflow amounted to 57.5 billion rubles, and in 2017, according to the Ministry of Finance of State X, capital outflow amounted to 30–40 billion US dollars. Thus, according to statistical data, since 2000, more than 350 billion US dollars have been exported from State X under the heading “dubious transactions”. At the moment, the main motive for carrying out dubious transactions is tax evasion and money laundering, including through the use of offshore jurisdictions. The growing interest in business circles in the offshore zone in order to minimize taxes and use them in criminal schemes is confirmed by the steady trend of capital flowing into State X in the form of foreign investments.

More than a third of all investments in the economy of State X, totaling more than \$132 billion, came from offshore areas such as the British Isles, the Virgin Islands and the Republic of Cyprus. These funds were separated from criminal sources of origin with further legalization and introduction into the legal economy of state X, which caused significant damage to the interests and security of the state. The main factors that directly influence the laundering of criminal proceeds include:

- legal nature, namely the lack of legal regulation in the field of money laundering, which does not allow the formation of sustainable judicial practice;
- economic nature, namely economic instability;
- of a political nature, namely the corruption component in the system of executive, law enforcement and judicial authorities, as well as in the banking system, the presence in legislative bodies of persons who are directly interested in reducing the quality of state regulation of ML/TF.

All this has led to the opportunity to lobby for the adoption of regulations in the interests of organized criminal groups that are engaged in such legalization.

According to experts, more than 70% of banking transactions in State X are fictitious; over the last three years alone, more than 300–400 billion conventional monetary units of criminal income have been invested in the financial sector. According to the Control Office of the President of State X, theft in the structure of government procurement annually amounts to 1 trillion rubles. Large-scale corruption schemes that are being implemented on the territory of State X are directly related to the processes of money laundering with the participation of the banking sector. There are also cases of government officials participating in criminal groups, which creates favorable conditions for the theft of budget funds. Funds spent as part of government procurement and orders allocated for targeted development programs are one of the most vulnerable areas of economic activity from an AML/CFT point of view.

Which of the following indicators allow us to judge the scale of the threat of corruption schemes that are implemented on the territory of State X and are directly related to the processes of money laundering with the participation of the banking sector?

- A) the number of banking licenses revoked from credit institutions**
- B) disguise of criminal proceeds using almost all types of banking so-called “dubious transactions”**
- C) loss of control over state assets and budgetary funds
- D) tax evasion and money laundering, including through the use of offshore jurisdictions
- E) expenditure of funds within the framework of public procurement and ordering, which are allocated for targeted development programs

QUESTION 17.

The risks of participants in financial and credit relations (suppliers and consumers of services) are assessed differently, since, firstly, the subjects of the relationship pursue different business interests and have different operational goals; secondly, it is assumed that the economic security of individual parts of the system determines the entire security system of the whole. But this statement is not indisputable for many reasons, which become obvious especially in the present complex and unstable conditions, but will become even more relevant in the future, as business conditions become more complicated due to the increase and complication of threats, including from criminal structures. In this regard, it becomes relevant and in urgent demand to solve the issues of improving the provision of systemic counteraction to threats to financial and credit relations of market entities, implementing an integrated approach to working on this task, which is solved by building a mature AML/CFT system. The issue of systemic counteraction to both systemic and extra-systemic dangers and threats to the implementation of the goals of financial and credit relations of market entities, the negative consequences of possible risk events in this area, which reduce the level of economic security of organizations at both the micro and macro levels, becomes important.

It has been proven that the criterion for the economic security of an organization is not only the maintenance of the AML/CFT system in the organization, but also the maintenance of stable and effective relationships of this organization with other market entities. Financial monitoring with a system of complex connections creates the basic basis for high-quality forecasting of possible negative trends in the client base, and, consequently, emerging threats. Five mandatory elements of the system are adopted as the basis for the organization and functioning of the AML/CFT system: control environment; risk assessment; controls; information and communication; monitoring procedures. It is concluded that the AML/CFT system in organizations, from a methodological point of view, should

have the following directions: a) regulatory; b) organizational; c) procedural and methodological; d) organization of internal control.

The analysis of each of the areas revealed shortcomings that show that, in particular, undeveloped programs for identifying clients and poor-quality information about the client lead to an inaccurate assessment of the client's risk. At the same time, the competence and professionalism of employees influences the adequate correlation of operations and transactions to the category of questionable. Resource provision affects the quality of the monitoring process. That is, shortcomings in the organization of one direction lead to ineffective implementation of another direction, duplication of functions by structural divisions, the quality of interactions between structural elements, with regulatory authorities and other stakeholders affect the effectiveness of the AML/CFT system as a whole.

Based on the information presented above, which of the following statements cannot be true?

A) countering systemic and extra-systemic dangers and threats to the implementation of the goals of financial and credit relations of market entities, the negative consequences of possible risk events in this area, have an impact on reducing the level of economic security of organizations

B) the criterion for the economic security of an organization is not only the maintenance of the AML/CFT system in the organization, but also the maintenance of stable and effective relationships of this organization with other market entities

C) the basis for the organization and functioning of the AML/CFT system is formed by five mandatory elements of the system: control environment; risk assessment; controls; information and communication; monitoring procedures

D) shortcomings in the organization of one area lead to ineffective implementation of another area, duplication of functions by structural divisions, the quality of interactions between structural elements, with regulatory authorities and other stakeholders affect the effectiveness of the AML/CFT system as a whole

E) the AML/CFT system in organizations should have the following directions: a) regulatory; b) organizational; c) procedural and methodological; d) organization of internal control

QUESTION 18.

Excerpt A³

The FATF notes that some governments are beginning to take notice of the range of challenges and regulatory challenges presented by virtual currency-based payment products and services. In the area of AML/CFT specifically, some jurisdictions are already implementing regulatory measures, while others are only monitoring and studying developments and possible AML/CFT risks, as the use of RRP is not yet widespread in these jurisdictions. Some jurisdictions may require a greater understanding of the nature and characteristics of virtual currency payment products and services in order to establish an effective AML/CFT regulatory regime. However, the rapid development, increasing functionality, growing acceptance and global nature of virtual currency products and services make taking action at national levels to identify and reduce the ML/TF risks posed by VPSP a priority area of activity. The FATF recognizes that there may be other policy considerations that may influence the final regulatory options or the outcome of the use of VPSP in individual jurisdictions.

Excerpt B⁴

Based on the results of the risk assessment, countries should decide to introduce a regulatory regime for the activities of centers for exchanging virtual currency for fiat currency and vice versa (i.e., the activities of service providers for exchanging convertible virtual currencies). Some countries may decide to prohibit virtual currency activities based on their own risk assessment (including, for example, emerging trends) and the specifics of their national regulatory regime to achieve other policy objectives (for example, rights protection issues). consumers, ensuring safety and reliability, implementing monetary policy). If countries are considering banning the use of virtual currency-based payment products and services, they should consider, among other things, the impact such a ban would have on local and global ML/TF risks. In particular, consideration should be given to whether a ban on virtual currency payments would result in such activities continuing to be carried out underground without any AML/CFT controls or oversight. Regardless of whether a country has decided to ban virtual currency or regulate

³ Руководство по применению риск-ориентированного подхода. Виртуальные валюты. ФАТФ/ОЭСР, 2015, стр.7

⁴ Руководство по применению риск-ориентированного подхода. Виртуальные валюты. ФАТФ/ОЭСР, 2015, стр.14

such activities, taking additional measures will be beneficial to reduce overall ML/TF risks. If a country decides to prohibit virtual currency activities, additional risk mitigation measures should include efforts to identify virtual currency providers operating illegally within the country and to impose proportionate and dissuasive sanctions against such providers. Despite the ban, the country will still need to conduct outreach, improve education and use law enforcement measures. When developing risk mitigation strategies, countries must also take into account the cross-border aspect of the use of virtual currency-based payment products and services.

Which of the following questions are answered by both passages?

- A. Do countries need to identify and assess ML/TF risks arising from the activities of VPSP?
- B. Should countries ban virtual currency activities?
- C. Should countries regulate virtual currency?
- D. does the lack of regulation of virtual currencies pose ML/TF risks?
- E. Should countries take policy considerations into account when developing approaches to dealing with virtual currencies?

QUESTION 19.

(1) Individual A (creditor) provided legal entity Y (debtor) a loan in the amount of 15 million rubles for a period of 2 weeks. (2) The parties turned to a notary to certify the transaction establishing monetary obligations under the loan agreement. (3) Two weeks later, when the loan repayment period expired, the creditor turned to the notary to perform a notarial act, citing the impossibility of independently fulfilling obligations to the creditor. (4) The notary issues an order to the debtor to accept funds into a public deposit account. (5) The debtor's account, which previously had no turnover, immediately began to receive funds, which he, on the basis of an order issued by a notary, transfers to the notary's public deposit account. (6) By order of the notary, funds that have been given legal ownership are issued to the creditor in cash. (7) The lender was a 3rd year university student. (8) The debtor was a company that was registered 2 months before applying to the notary, did not have an office and acted as a subcontractor under a government contract for the construction of a school.

Analyze sentences 5-8 of the given text and establish a correspondence between the factual circumstances listed in the passage and indicators of suspicious activity. Please note that one sentence may correspond to several indicators of suspicion, or none. Write the answer as a sequence of letters.

Indicators of suspicious activity:	Factual circumstances:
(1) A short period that has passed since the creation of the debtor organization, or a change of director (participant) shortly before the occurrence of obligations to the creditor;	(A) The debtor's account, which previously had no turnover, immediately after contacting the notary began to receive funds, which he transferred to the notary's deposit account.
(2) Insignificant, compared to the amount of debt, the amount of transactions on the debtor's current account;	(B) The creditor received the funds in cash.
(3) Funds comparable to the amount of debt do not accumulate gradually in the debtor's account, but are received after contacting a notary.	(C) The lender was a 3rd year university student.
(4) Short term for repayment of funds specified in the loan agreement;	(D) The debtor was a company that was registered 2 months before applying to the notary, did not have an office, but at the same time acted as a subcontractor under a government contract for the construction of a school.
(5) Registration of the debtor organization at the mass registration address, absence in the address of the debtor organization, mass director of the debtor organization, information about the unreliability of the address of the debtor organization declared to the tax authorities;	(E) The term of the loan agreement is 2 weeks.
(6) Young age of persons providing large loans.	(F) Loan amount - 15 million rubles.

ОТВЕТ:

1	2	3	4	5	6
D	A	A	E	D	C

QUESTION 20.

The person of the OG was the general director of the largest oil producing company in country A; in 2020, the OG declared an income of \$20 million. According to media reports, for the same year, the son and wife of the OG declared a total income of \$300 million and became owners of real estate worth 500 million dollars. These circumstances became the reason for an investigation by the financial intelligence unit (FIU). During the investigation, the Pension Fund of the Russian Federation discovered that these funds were the illegal income of the OG and his relatives; in 2022, the OG was charged with theft.

Which of the following statements made it possible to determine the illegality of the income received by the general director of the OG?

- (1) These funds were stolen from funding allocated for the reconstruction of the oil refinery
- (2) Stolen funds were redirected to company accounts in foreign countries
- (3) Real estate acquired in foreign countries
- (4) Bank accounts were opened in offshore jurisdictions in the name of the OG's son and wife
- (5) The stolen funds were transferred to the bank accounts of OG's relatives in offshore jurisdictions, from where they were redirected to the bank accounts of countries bordering A, and cashed out by OG's son and wife.

- A. (2), (3), (4) and (5)
- B. (1), (4) and (5)
- C. (2) and (5)
- D. (4)
- E. (2), (4) and (5)

MARK SCHEME

The number of marks for each question is 5. The maximum total mark is 100.