

Fraud and Asset Laundering: The Collaboration between the Comptroller General of the Republic and the Public Ministry of Chile

Introduction

The Comptroller General of the Republic (CGR) of Chile, in its role of supreme audit institution, collaborates closely with the Public Ministry in several investigations related to fraud to the public funds and asset laundering. This document explores the functions of the CGR, the specific tasks it performs in these investigations and the importance of the role in the prevention and detection of illegal affairs.

The fight against fraud and asset laundering is a priority in Chile, and the CGR plays a crucial role in these efforts. Defined by the institutional organic law N° 10.366, the CGR has the responsibility of overseeing and controlling the use of public resources. This role includes the collaboration with the Public Ministry in the investigations that seek for guaranteeing the integrity and transparency of the financial and accounting system of the country.

Tasks of the Comptroller General of the Republic

The functions of the CGR in the investigations of fraud and assets laundering include a series of detailed and thorough activities. Down below, some of the more relevant tasks that were carried out are described:

Invoice Review: the CGR checks invoices related to payments in national and foreign currency for detecting possible duplicities. This presumption is based on accounting movements that, after the initial payment, reverse accounting entries and reassign the payments to different costs centres in different years. This process includes:

- Verification of each accounting movement, accrual, or any transfer.
- Checking payments made to different vendors.

Bids and Contracts Review: besides the invoices, the CGR reviews the bidding process and the compliance of contracts to ensure that the correct procedures have been carried out and that the contracts have been executed adequately.

The review includes the evaluation of:

- Recruitment by fees or contracts.
- National and international service commissions.
- Monthly assignments by activity.
- Extension or advancement of salary termination.

Activities in the Context of Assets Laundering

The CGR also plays a fundamental role in the review of financial and accounting affairs related to assets laundering. These activities include:

Financial, Accounting, Banking, and Tax Review: Exhaustive review of the information given by the Prosecutor's Office.

Applicable Regulation Revision: assurance of current law and regulations compliance.

Public Institutions Information Review: data analysis of different public entities for detecting irregularities.

Information Gathering: obtaining data from SIAPER and Equifax for completing the investigation.

Information Requests: requesting necessary additional information for the investigation.

Methodology and Results

The investigation process includes the identification of relevant milestones and the crediting of payments made. This allows to determine the amounts and the personnel involved. Depending on the measure, information is requested to different entities to create a universe of persons who received payments. For example, for the recruitment by fees or contracts, information is requested to the Internal Revenue Service (SII by its acronym in Spanish) to the CGR and consultations are made to SIAPER.

Conclusion

The collaboration between the CGR and the Public Ministry is essential in the fight against fraud and assets laundering in Chile. Through a thorough review of the financial documents, the compliance of contracts and the analysis of applicable regulations, the CGR plays a key role in the detection and prevention of irregularities. This collaboration not only strengthens the transparency and efficiency in the use of public resources, but also helps significantly in the integrity of the financial system of the country.