

# 15<sup>TH</sup> MEETING OF THE INTOSAI WORKING GROUP ON

Fight Against Corruption and Money Laundering  
(WGFACML)

WGFAMCL

Asset Recovery Subgroup

# ASSET RECOVERY DOCUMENT

- Project completed in July 2021.
- The Asset Recovery subgroup consisted of Tanzania and USA.

# PROJECT OBJECTIVES

- Addresses what to do after the crime has already been committed and assets have already been lost. While safeguarding assets is critical, as is preventing crime and corruption, these matters are beyond the scope of this document.
- The objectives of this document are to (1) explain the key steps of asset recovery efforts and associated challenges by summarizing the work of experts in the field, and (2) provide usable guidance or tips—a “toolkit”—for SAI auditors working in asset recovery.

# BACKGROUND

- The Stolen Asset Recovery Initiative (StAR) estimates that the proceeds of crime, corruption, and tax evasion total between \$1 trillion and \$1.6 trillion annually. Governments lose between \$20 billion and \$40 billion in stolen assets each year, but StAR estimated in 2011 that over the last 15 years, only \$5 billion had been repatriated.
- Stolen assets are money and other proceeds that result from a profit-generating crime. Stolen public assets are money lost to countries through government corruption (e.g. kleptocracy and the bribery and fraud that make it possible).
- Asset recovery—the seizure and recovery of the proceeds of crime and corruption—is a powerful tool to combat corruption and increase confidence in government.

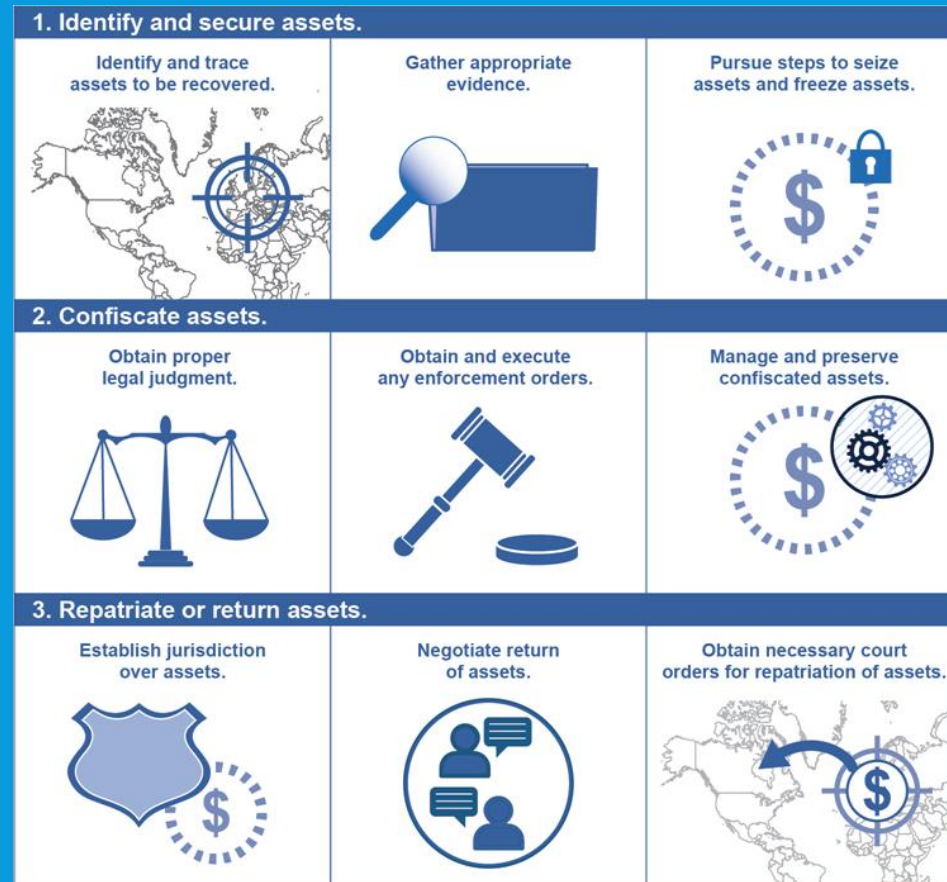
# ROLE OF SAIS IN ASSET RECOVERY

- SAI authorities vary depending on the legal and operational responsibilities of the SAI within a particular country. SAI authorities are established by the country's constitution or supreme law-making body. Based on SAI authorities, some SAIs may have direct and/or indirect involvement in asset recovery, particularly in the early stages.
- SAIs may also provide oversight.
- To address some of the broader challenges discussed in this overview, SAI auditors may wish to ask specific questions.

# NUMEROUS STAKEHOLDERS IN THE ASSET RECOVERY PROCESS

- Law enforcement
- Prosecutors
- Other government officials, such as those who coordinate with foreign authorities
- Banks
- Private companies
- Development agencies

# ASSET RECOVERY ORGANIZED AS THREE KEY PROCESSES





# SOME KEY MECHANISMS FOR INTERNATIONAL COOPERATION ON ASSET RECOVERY

- Mutual Legal Assistance (MLA) requests: An MLA treaty is an agreement between two or more countries to gather and exchange information to enforce public or criminal laws.
- Informal assistance: Informal assistance is any official support provided beyond the scope of an MLA request.

# KEY CHALLENGES IN ASSET RECOVERY

- Coordination and information sharing: government agencies and other authorities—both internationally and domestically—may work in silos and fail to share relevant information with other parties
- Resources and expertise: agencies and organizations must be well-resourced, meaning that appropriate staff are allotted time to work on asset recovery and have access to necessary technical tools.
- Differences in legal traditions: differing legal systems and confiscation systems create challenges for foreign jurisdictions attempting to cooperate.

# HOW TO USE THE ASSET RECOVERY DOCUMENT [TOOLKIT]

- Resources and legal tools for SAIs
- Specific audit questions for SAIs to use in a practical way during their audit