

NCA Gets 4th Unexplained Wealth Order In Steady Ramp-Up

By **Bonnie Eslinger**

Law360, London (July 31, 2019, 9:30 PM BST) -- Britain's crime-fighting agency said Wednesday it has secured its fourth unexplained wealth order against a Northern Irish woman with suspected links to paramilitary activity and other organized crime, part of its continued push to make use of the new tool.

Under the High Court order, the woman is required to explain how she financed the purchase of six properties together worth about £3.2 million (\$3.9 million). Two of the properties are in Northern Ireland, with the other four in London. The National Crime Agency won the order July 24 and served it Tuesday.

The NCA said in its Wednesday announcement that it believes the woman, who now lives in London, is associated with cigarette smuggling and criminals involved in paramilitary activity.

The court has also imposed interim freezing orders to prevent the properties from being sold, transferred or dissipated during the NCA's investigation.

Andy Lewis, the NCA's head of asset denial, said in a written statement that multiple factors go into the agency's decision to pursue a UWO.

"Our investigations are complex and involve careful consideration before we make an application before the court," Lewis said. "We do not investigate illicit finance based on monetary value alone. This latest order shows that we will act against those who we believe are causing the most harm to our communities."

Sarah Pritchard, director of the National Economic Crime Centre, said law enforcement would use all of its available tools and powers, including UWOs, to target those suspected of laundering ill-gotten money.

Unexplained wealth orders were introduced by the government in 2018 to help British law enforcement agencies halt the flow of so-called dirty money. The result of the Criminal Finances Act 2017, which



The target of the order must explain how she paid for six properties, worth approximately £3.2 million (\$3.9 million), in Northern Ireland and London. (AP)

provides new powers for law enforcement to demand that suspected criminals explain the origins of their assets, as well as seize the proceeds of crime.

The first unexplained wealth orders were issued last year against two London properties believed to belong to jailed Azerbaijani banker Jahangir Hajiyev and his wife.

Then another order was imposed in May as part of an NCA investigation into London property linked to an individual believed to be involved in serious crime.

In mid-July, British investigators secured a wealth order linked to an individual with suspected connections to organized crime in an investigation into a £10 million (\$12.5 million) property empire.

One reason the NCA may only have used four unexplained wealth orders so far is that they require some work to carry out, according to Covington & Burling LLP's Ian Hargreaves.

"However, as those utilising them become more familiar with the process their use may increase," Hargreaves told Law360 in an email.

Jonah Anderson, a partner in White & Case LLP's white collar practice, said while there may be a perception that UWOs are being underutilized, they're still in their infancy and law enforcement is learning how to use the new tool.

"In the second year of the existence of UWOs, the government expected there would be 20 such orders," Anderson told Law360 in an email. "Cases will be selected with care as law enforcement builds its expertise."

That said, there will likely be more challenges from respondents, the White & Case partner added.

"UWOs have been very effective in capturing the public imagination but whether they lead to effective enforcement via civil recovery is still to be assessed," Anderson said. "It is a useful investigative order and may lead to more use of civil forfeiture powers, particularly in relation to politically exposed persons."

And the latest UWO could be a sign of things to come, according to Rahman Ravelli's legal director, Syedur Rahman.

"Today's news that the NCA has issued a further unexplained wealth order (UWO) is another warning shot to those engaged in acquiring assets through criminal conduct. It is the second time in less than two weeks that we have seen a UWO used as part of an ongoing investigation.

With three UWO's issued since late May, "it seems like the proverbial floodgates appear to be opening," he added.

The orders act, in part, as a deterrent, Hargreaves said.

"For many years the U.K. has been criticised (especially the property market in London) for allowing too much 'dirty' money to pass through its financial systems and for proceeds of crime to reside in expensive property in London," Hargreaves said. "UWOs may act as a warning sign to criminals that it may no longer be easy to hide assets in the U.K. and to launder their ill-gotten gains through the U.K."

That said, there's no guarantee such crimes will be thwarted.

"Proceeds of crime will simply find a new home in another jurisdiction or a different way of crystallising in the U.K.," the Covington partner said.

--Additional reporting by Richard Crump and Joanne Faulkner. Editing by Orlando Lorenzo.