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cutting through complexity™

The role of the private sector in criminal asset recovery

Roger Aldridge

Serious and Organised Crime Forum

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Agenda

- Why work with the private sector?
- What value can the private sector add?

  The example of asset recovery
- Engaging with the private sector, what should you expect?

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Why work with the private sector?

The Spending Review settlement will lead to a 20% reduction in funding

"*the core challenge is to reduce costs whilst maintaining and indeed improving public services*" (Nick Herbert 25 January 2011)

New ways of doing things need to be identified

"*outsourcing need not stop at back office functions. Where operational functions in the middle office could be run better and more cost effectively by the private sector, there should be no ideological barrier to change*." (Nick Herbert 25 January 2011)

New revenue streams need to be developed. New skills and capabilities are needed.

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What value can the private sector add? The example of asset recovery

Commercial skills

"*what we need to do is bring in key commercial skills that the public sector does not naturally have*" (Nick Herbert 25 January 2011)

Value for money and a cost and efficiency focus

Capability and expertise in specialist areas

Expertise in asset recovery, money laundering and the use of technology

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What value can the private sector add? The example of asset recovery

Asset recovery

- **The private sector has experience in civil litigation and recovering assets in private fraud cases**
- **Skills and capability in following the trail of cash and property, in understanding complex company structures and trusts and in investigations in overseas jurisdictions**

Case study: Civil recovery

The investigation subjects had built up large property portfolios

It was suspected that the portfolios were a mechanism of laundering funds for terrorists

KPMG were engaged to analyse how the property had been funded and to reconstruct the complex web of transactions

Through reviewing the financial records of the known entities we identified further commercial entities and nominees which had been used by the subjects to hold properties

Our analysis identified over 250 properties with a market value of £45m for recovery and created a clear picture of the complex transactions through which they had been acquired using criminal funds

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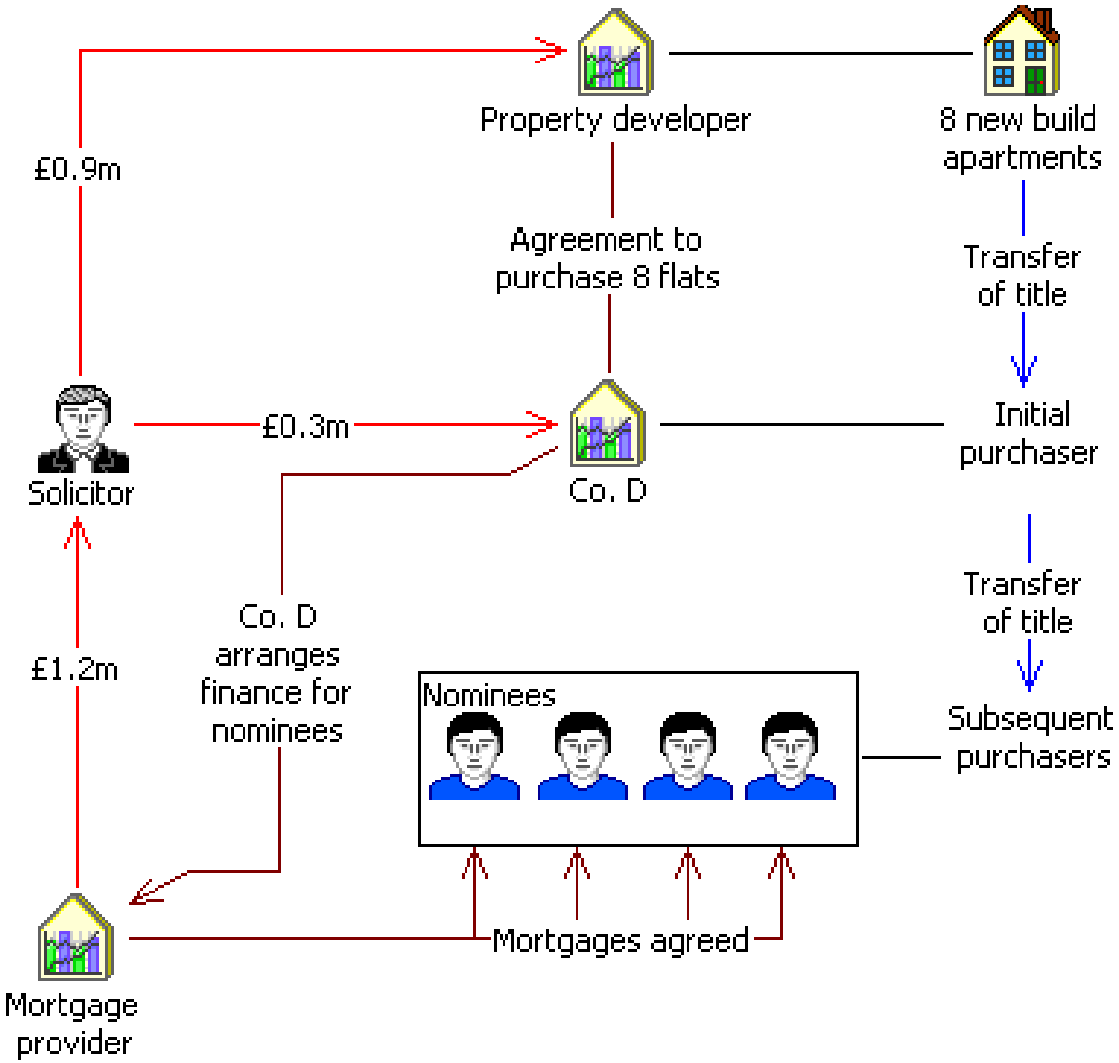
What value can the private sector add? The example of asset recovery



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How to engage with the private sector

An elephant in the room? The cost of engaging the private sector

- **Importance of the right approach in managing costs – the Assets Recovery Agency experience**

Key approaches to working in partnership

- **Engagements need to be targeted**
- **Engagements need a collaborative approach including the assessment of objectives, strategy, case selection, fee structure and ROI**
- **Engagements need open and regular communication**

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How to engage with the private sector

What should an engagement with the private sector look like?

- **Risk sharing**
- **New resources**
- **Specialist experience**
- **Payment by results**
- **Joint ventures**

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Roger Aldridge
roger.aldridge@kpmg.co.uk

07789 943080

Questions