



# THE SENTRY

WAR CRIMES SHOULDN'T PAY

---

## SENTRY ALERT

### A Window for Kleptocrats

Weak AML/CFT framework implementation in DR Congo creates money laundering and terrorist financing opportunities

---

By The Sentry team  
August 2018

#### Executive Summary

An analysis by The Sentry has found that the Democratic Republic of the Congo's (DRC) efforts to counter money laundering and terrorist financing are inadequate. What is known as the AML/CFT (anti-money laundering and countering the financing of terrorism) regime lags behind international standards, providing a window for kleptocrats and terrorists to utilize the DRC's banking system to profit from corruption and launder the proceeds of that corruption. Left unresolved, these deficiencies potentially empower criminals, corrupt officials, and terrorists, and threaten the integrity of the international financial system.

A comparison of the laws and policies in place in the DRC and the recommendations set forth by the Financial Action Task Force (FATF) shows the DRC has taken some positive steps, but that critical gaps remain in the structure of the country's legal framework, and existing laws are insufficiently implemented.<sup>1</sup> To address this challenge, and in light of a planned review by the regional FATF affiliate, the DRC government should conduct an AML/CFT risk assessment and address the gaps in its legal framework. The money laundering risk within the DRC—particularly



because of the economy's reliance on cash—should encourage stronger AML policies within the financial sector. To address these risks, the government should pass laws prohibiting banks from opening anonymous accounts and encourage banks to enact stricter controls on accounts managed by politically exposed persons (PEPs). Global correspondent banks should also engage with and, as needed, pressure Congolese banks to improve customer due diligence (CDD) practices. Additionally, the government should work to empower the financial intelligence unit (FIU) to investigate corrupt activities and strengthen law enforcement agencies and the court system to prosecute corrupt actors and companies.

If international standards are not met and effectively implemented, the FATF and its regional affiliates will expose the shortfalls and risks to the international system through the mutual evaluation process, which should incentivize the DRC to alter its conduct. Failure to address the shortfalls and risks could hinder foreign investment and make it more difficult for Congolese banks to operate internationally. Financial institutions, meanwhile, can enact stricter controls and monitoring on accounts, particularly accounts held by PEPs. Finally, the U.S. government should continue to pressure the DRC government through a combination of network-focused sanctions—using both the DRC and Global Magnitsky sanctions programs to target key actors, their business partners, and companies—as well as focused and creative uses of AML measures. The U.S. and other governments should also encourage the DRC government to strengthen its implementation of existing AML laws and pass additional laws to meet FATF recommendations.

Recent actions by the DRC government suggest there is an effort to improve its AML/CFT regime, and this paper is framed to help identify where shortfalls in the regime—in both legal framework and implementation of existing laws—can be found.<sup>2</sup>

## Background

In early September 2017, the government of the DRC signed an agreement with the Central African Economic and Monetary Community (CEMAC), to become a full member of the Action Group Against Money Laundering in Central Africa (GABAC), the FATF-style regional body for Central Africa.<sup>3 4</sup> GABAC's members include Cameroon, Central African Republic, Chad, Republic of the Congo, Equatorial Guinea, and Gabon. Membership with a FATF-style regional body (FSRB) is an important step for a government when strengthening its AML/CFT regime.<sup>5</sup>

GABAC is the youngest FSRB; it was formally recognized by the FATF in 2015. GABAC, like other FSRBs, conducts mutual evaluations of each member country's AML/CFT posture, and is scheduled to conduct a mutual evaluation of the DRC's AML/CFT posture in August 2018. A mutual evaluation is a peer review of a member, conducted on an ongoing basis, to assess the strength of the member's AML/CFT legal framework and technical implementation, based on FATF recommendations. Only after a member has been assessed can the FSRB ensure they are abiding by the recommendations. GABAC has only conducted a handful of mutual evaluations, one for each of its members, minus the DRC. The most recent mutual evaluation conducted by GABAC—



an assessment of the Republic of Congo in 2016—has yet to be formally accepted by the FATF. The mutual evaluations conducted by GABAC to date were in line with the previous, so-called “third round” FATF standards that did not measure effective implementation, but rather focused on technical compliance.

For the DRC, this means that after the assessment is complete, the FSRB, the region, and the general public will have a baseline against which to compare the DRC’s AML/CFT efforts. The FATF and FSRBs review compliance of AML/CFT standards and publicly identify countries that have deficiencies in their systems. The DRC has not been eligible to be publicly identified because a mutual evaluation has not yet been conducted. Should the DRC be publicly identified as a jurisdiction with strategic AML/CFT deficiencies, the identification could make it more difficult for Congolese banks to establish and maintain correspondent banking relationships; it could also make foreign investment more difficult, as being identified as a country with deficiencies signals to the financial world that there are problems with a country’s AML/CFT regime.

## The Existing DRC legal Framework for AML

The mutual evaluation will analyze the DRC’s legal framework and its effective implementation, using FATF recommendations as the standard for comparison. Based on The Sentry’s analysis of the DRC’s existing laws, the DRC’s AML/CFT legal framework has made progress toward meeting FATF recommendations, but critical gaps remain. More worryingly, implementation of the existing laws remains poor.

The DRC has an anti-money laundering law on its books, enacted in July 2004.<sup>6</sup> The law, drafted with assistance from the International Monetary Fund (IMF), addresses many FATF recommendations but remains inadequately implemented. The law criminalizes money laundering and terror financing, establishes CDD measures, and enacts a suspicious activity reporting obligation.<sup>7</sup> The law also allows for asset seizure and international cooperation on AML/CFT cases.<sup>8</sup> The law applies to the central bank, all financial institutions, stock exchanges, lotteries, casinos, lawyers, real estate companies, accountants, and art dealers.<sup>9</sup>

Under this law, the DRC has issued three decrees to create an FIU, an advisory committee, and a fund to combat organized crime.<sup>10 11</sup> The FIU is the Cellule Nationale des Renseignements Financiers (CENAREF), active since 2009.<sup>12</sup> The advisory committee is the Committee Against Money Laundering and Terrorism Financing (COLUB). Although it was established in 2008, the COLUB did not hold its inaugural meeting until November 2017. Finance Minister Henri Yav Mulang presided over the meeting, and the committee is chaired by Nyabirungu mwene Songa, a law professor at the University of Kinshasa.<sup>13</sup> The COLUB held a workshop in July 2018 that focused on “anti-money laundering issues and their impact on the country’s economy.”<sup>14</sup> It is unclear if the fund to combat organized crime is active.



## The Risk to Effective AML Implementation Posed by Corruption

In addition to the AML/CFT law, the country's constitution, ratified in 2005, outlaws corruption and embezzlement.<sup>15</sup> An anticorruption bill was drafted in 2015, but it was not discussed in the Parliament as scheduled. In spite of being outlawed by constitutional provision, corruption runs rampant within the DRC government. As described in the Enough Project's 2016 report, "A Criminal State," the DRC government has elements of a violent kleptocracy—a system of state capture in which the ruling networks have hijacked the governing institutions—and President Joseph Kabila and his close associates have benefitted from rampant corruption.<sup>16</sup>

The government's basic activities and processes are rife with practices that raise red flags. In one illustrative example, the passport authority introduced new biometric passports in 2015, and in 2017 a Reuters investigation uncovered that the \$185 in fees for each passport do not go entirely to the government or the producers.<sup>17</sup> Instead, Reuters reported, the government receives just \$65 from each passport while most of the money goes to Semlex, a Belgian firm that produces the documents, and also to a company in the United Arab Emirates (UAE). According to Reuters, the UAE company that receives \$60 per passport is linked to a Kabila family member, and its involvement in the passport process is unclear. Another red flag was raised in 2017 when almost \$750 million paid by international mining companies to the state-owned mining company Gecamines reportedly went missing from the company's accounts.<sup>18</sup>

The constitution also establishes the central bank (Banque Central du Congo [BCC]) as an independent organization responsible for the supervision of banking activities.<sup>19</sup> The BCC issued a set of guidelines in 2015 to assist banks in combating money laundering and terror financing.<sup>20</sup> The guidelines refer banks to the AML/CFT law and specify that banks should keep records for 10 years.<sup>21</sup> The guidelines also encourage banks to create internal AML/CFT compliance policies and describe how illicit actors are most likely to launder funds.<sup>22</sup> The guidelines, though basic, do address some of the shortfalls of the DRC's legal framework. Other governments, such as that of the United States, issue specific guidance to their banks based on the typologies of specific threats to their financial system. For example, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), the U.S. FIU, issued an Advisory in June 2018 detailing how human rights abuses are enabled by corrupt senior foreign political figures and their financial facilitators.<sup>23</sup> The alert describes the methods by which corrupt actors and their facilitators are able to access and abuse the U.S. financial system. The BCC or the CENAREF should work with GABAC and the FATF to issue specific guidance to Congolese banks on how corrupt actors use their financial system.

## Failure to Assess and Act on Risk

The FATF recommends that countries assess their individual AML/CFT risk based on the realities in the country.<sup>24</sup> The finance minister stated that a national risk assessment had been conducted in 2002, but it is not readily available. Ideally, a country should conduct a national risk assessment



regularly, such as every 10 years, meaning an assessment from 2002 would likely be of limited value.

The DRC's economy is primarily cash based. The government has not enacted adequate regulations to protect the financial system from illicit activity given the risk associated with a largely cash-based economy. The AML/CFT law does not require financial institutions to implement a risk-based approach.

According to FATF recommendations, the inherent money laundering risk within the DRC—particularly because of the country's reliance on cash—should trigger stronger AML policies within the financial sector. These policies could include more stringent know-your-customer (KYC) standards, additional documentation requirements when accounts are opened, and more regular reviews of customer accounts, particularly PEPs with ties to President Kabila's family.

In addition to the money laundering risk, the DRC is exposed to some risk of terrorist financing. This risk is addressed in The Sentry's 2016 report, "The Terrorists' Treasury,"<sup>25</sup> and its May 2018 alert, "Bank Scandal in Congo."<sup>26</sup> As discussed in some detail in those reports, BGFIBank DRC maintained accounts for companies with ties to terrorists despite repeated warnings from employees, other banks, and the U.S. government.<sup>27</sup> FATF recommendations emphasize the importance of a country assessing its own risk, and implementing regulations and policies that are reflective of that risk. The AML/CFT law prohibits terrorist financing. Under the AML/CFT law, a bank should block transactions attempted by sanctioned individuals, or at least file suspicious activity reports (SARs) to the FIU. Since The Sentry's article was published, the government has not, to our knowledge taken any public action against BGFIBank DRC under the AML/CFT law. The government should recognize that there is a terrorist financing risk within the banking sector, and issue guidance to financial institutions on how best to address this risk.

The United States has issued sanctions against individuals and entities within the DRC, and President Kabila's family is heavily involved with these sanctioned individuals, creating an additional high-risk PEP situation for banks. One recent example is that of Dan Gertler, reportedly a close personal friend of President Kabila.<sup>28</sup> Gertler is an international businessman and billionaire who has invested heavily in the DRC. Gertler has reportedly accumulated his wealth through hundreds of millions of dollars' worth of mining and oil deals in the DRC. According to the Treasury Department, Gertler has leveraged his friendship with the president, compelling some multinational companies to go through Gertler to do business with the DRC government and positioning Kabila as a middleman for mining asset sales in the DRC.<sup>29</sup>

In December 2017, the Treasury Department included Gertler in the Annex of Executive Order 13818, which implements the Global Magnitsky Human Rights Accountability Act and declares Gertler to be a corrupt actor.<sup>30</sup> The designation triggered some Congolese banks to freeze Gertler's assets, complying with FATF recommendations that relate to sanctions. Additionally, the designation triggered a legal tangle involving the Swiss-based company Glencore. Gertler's companies were reportedly seeking billions in unpaid fees from Glencore, and in June 2018, Glencore settled with Gertler, agreeing to pay the fees in euros to not fall foul of U.S. sanctions.<sup>31</sup>



This is a risky situation for banks operating in the DRC and operating elsewhere with entities that are involved in mining projects in the DRC. The FATF recommendations urge financial institutions and their regulators to take high-risk PEP accounts very seriously, including by conducting enhanced, ongoing monitoring of business relationships.

## Gaps for GABAC to Review

Other FATF recommendations are not addressed adequately in the AML/CFT law. The law neither specifies how financial records should be kept<sup>32</sup> nor provides any specific requirements for financial institutions to conduct CDD measures with wire transfers.<sup>33</sup> The law makes no mention of obligations related to correspondent banking.<sup>34</sup> The central bank's guidelines do caution banks on large transfers from correspondent accounts, but the guidelines are merely suggestions.

Perhaps more significantly, the law does not prevent a financial institution from opening nameless or anonymous accounts or accounts in fake names.<sup>35</sup> The law also does not mention PEPs.<sup>36</sup> The law does prohibit any and all cash payments over USD \$10,000, but it is unclear how or if this is enforced.

While the AML/CFT law meets many FATF recommendations, the mutual evaluation will also assess the DRC's implementation of its existing laws. The DRC's ability to implement its laws is unclear. While payments over USD \$10,000 in cash are prohibited, all financial transactions over USD \$10,000 must be reported to CENAREF. CENAREF<sup>37</sup> is responsible for analyzing, investigating, and disseminating information regarding money laundering and terror financing cases. The U.S. Department of State's 2014 International Narcotics Control Strategy Report (INCSR) stated that "as of the end of 2013, CENAREF has submitted two case files to the Attorney General; 145 case files are under active investigation and information is being collected on 161 additional cases."<sup>38</sup> As of 2015, CENAREF had submitted only five money laundering cases to the prosecutor general, with just one resulting in a conviction.<sup>39</sup> According to the State Department report, "There is a strong perception that CENAREF is not empowered to investigate businesses and transactions if such investigations might adversely impact the economic interests of high-level Congolese officials and ruling elites."<sup>40</sup>

Beyond CENAREF, there are no law enforcement entities equipped to investigate or prosecute money laundering or terror financing cases. While CDD requirements are in place, no method exists by which to ensure adherence to the requirements. In 2014, the IMF reported that "the CDD requirements are generally ignored by the most vulnerable sectors [and the] regulatory and supervisory bodies, including the [central bank], have yet to develop and implement adequate AML/CFT control procedures."<sup>41</sup>

At a GABAC meeting in December 2017, the permanent secretary advised that the DRC authorities must make every effort to ensure that four criteria are met in regard to CENAREF, in preparation for the mutual evaluation later this year: 1) CENAREF must make an effort to hire



qualified and experienced people; 2) the unit must secure its independence, and ensure the absence of conflicts of interest among staff members; 3) the unit must have adequate equipment and computer systems for analyzing financial data; and 4) the unit must have the financial resources needed to carry out its mission.<sup>42</sup>

## Recommendations

The DRC government has taken some introductory steps toward building an AML/CFT regime, such as joining GABAC, drafting laws to address gaps, issuing basic AML guidance to banks, and inviting a GABAC assessment team to conduct a mutual evaluation. Further, the process for building robust capabilities is not quick; it takes most countries many years to pass the necessary laws and ensure effective implementation of the laws. In comparison to other GABAC countries, all of whom have already had mutual evaluations, the DRC is farther behind in developing an effective AML/CFT regime. While the other GABAC countries also struggle with corruption and poor implementation, many of them have taken visible steps to promote stronger AML/CFT regimes, leaving the DRC's financial system comparatively more vulnerable to threats.

Cameroon, for example, while still struggling with widespread corruption and poor implementation of AML laws, has managed to take some concrete steps toward building a stronger AML/CFT regime. The government has been able to combat corruption in the logging industry, partnering its National Anti-Corruption Commission with the police, forest ministry, and environmental groups to set up a suspicious logging activity reporting system using smartphones. The effort has led to the suspension of logging concessions for 23 companies.<sup>43</sup> Additionally, according to the State Department, Cameroon's FIU has been able to recover \$1.2 billion in embezzled state funds between 2006 and 2013.<sup>44</sup>

In addition to GABAC's recommendations on CENAREF, the DRC government needs to consider updating the AML/CFT law to address all FATF recommendations, strengthening the ability of regulatory and supervisory bodies to enforce AML/CFT policies, and conducting a national risk assessment. These efforts will allow the government to develop a strategy to effectively implement its AML/CFT regime.

We recommend the DRC government take concrete steps toward strengthening its AML/CFT regime.

- **Risk Assessment:** The DRC needs to conduct a new risk assessment. The last assessment was conducted 15 years ago, and it is difficult for any country to address its own risks and issues without knowing exactly what they are. The risk assessment—if thorough and permitted to address difficult topics—could serve as a roadmap for the government to begin addressing its AML/CFT regime's shortfalls in an organized and comprehensive manner.
- **FIU Empowerment:** Strengthen the FIU with the resources and independence to carry out its mission of investigating financial crimes. Ensure that CENAREF has the resources and



expertise it needs to conduct investigations and collaborate with law enforcement and the judiciary to bring cases to prosecution.

- **Legal Framework:** Close the gaps within the legal framework to meet FATF recommendations. The existing AML law is a good start, but there are a few areas where the legal framework falls short of the FATF recommendations. This includes banning anonymous bank accounts, increasing monitoring for PEP-owned accounts, ensuring bank records are kept electronically, enacting stronger CDD measures with wire transfers, and establishing basic correspondent banking CDD requirements.
- **Guidance to Banks:** For banks operating in the DRC, issue guidance on AML/CFT recommendations and encourage banks to file SARs. Include guidance on PEPs and money laundering typologies related to the mining and oil industries.
- **International Assistance:** With regard to the first three steps, the DRC should request assistance on these actions from the international community. The IMF and World Bank, the FATF, and international partners have the resources and expertise to assist in meeting these objectives.

Even with these steps, however, the DRC government needs to start taking anticorruption efforts much more seriously for an AML/CFT regime to be successful, and GABAC must conduct a thorough evaluation to ensure that the DRC receives the necessary guidance, and that the international financial system is made aware of pertinent risks.



---

<sup>1</sup> The FATF is the global standard setter for AML/CFT laws and effective implementation of legal, regulatory, and operational measures for combating money laundering, terrorist financing, and other related threats to the integrity of the international financial system.

<sup>2</sup> Recent efforts on behalf of the DRC government to improve the AML/CFT legal framework include an anticorruption bill drafted in 2015 but not passed, as well as two laws drafted and brought to committee in the spring of 2018. As of the publication of this paper, neither law has been passed. The first is a counterterrorism law that brings the DRC into compliance with FATF recommendations 5–8 regarding countering the financing of terrorism. The second, a law focused on nongovernmental organizations (NGOs), was alarming to civil society, as it would have allowed the government to shut down any NGO for almost any reason. The law mentions illicit finance as a problem in the NGO community, but gives no examples or statistics to support the claim. United Nations human rights experts urged the DRC government to review the draft bill, as it appears to threaten civil society. U.N. Human Rights Office of the High Commissioner, “UN Experts Urge Review of Draft NGO Bill,” June 4, 2018, available at <https://www.ohchr.org/en/NewsEvents/Pages/DisplayNews.aspx?NewsID=23170&LangID=E>.

<sup>3</sup> GABAC website, available at <http://spgabac.org/la-rdc-devient-membre-associe-du-gabac/> (last accessed July 2018).

<sup>4</sup> The FATF is the global AML/CFT standard setter, and has developed a set of standards and recommendations for countries to follow to effectively combat money laundering, terror financing, and the proliferation of weapons of mass destruction. For more information about the FATF’s members and recommendations, see <http://www.fatf-gafi.org>. There are many FATF-style regional bodies (FSRBs) around the world; they are independent of the FATF and share a common goal of strengthening AML/CFT systems. The FRSBs conduct mutual evaluations within their organization, conduct analyses of AML/CFT-related threats in their region, and follow up on identified deficiencies in member AML/CFT regimes.

<sup>5</sup> The DRC was also granted observer status with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) in September 2017. Cellule Nationale de Traitement des Renseignements Financiers, “Admission of the DRC to ESAAMLG,” available at <http://cenaref.org/accord-adhesion-gabac.php>.

<sup>6</sup> Loi N° 04/016 du 19 Juillet Portant Lutte Contre le Blanchiment Des Capitaux et le Financemet du Terrorisme (Law N° 04/016 of 19 July Fight Against Money Laundering and the Financing of Terrorism).

<sup>7</sup> FATF recommendations 1, 2, 3, 5, 6, and 20, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

<sup>8</sup> FATF recommendation 4, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

<sup>9</sup> The full text of the law is available at <http://www.droit-afrique.com/upload/doc/rdc/RDC-Loi-2004-16-lutte-blanchiment.pdf>.

<sup>10</sup> The three decrees were issued in 2008, N° 08/20, 08/21, and 08/22 of September 24, 2008.

<sup>11</sup> FATF recommendation 29, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

<sup>12</sup> The members of CENAREF were officially appointed in September 2009, and fall under the Ministry of Finance; CENAREF is expected to collaborate with the Ministry of Justice. According to statute, CENAREF’s mission is to collect and process financial intelligence on money laundering and terrorist financing circuits. CENAREF is responsible for receiving suspicious activity reports, receiving related information on suspicious persons or activities, carrying out periodic studies on the evolution of money laundering techniques, and advising the government on policy and implementation of laws related to AML/CFT. CENAREF is also required to prepare quarterly reports on its activities. <http://www.congoforum.be/fr/nieuwsdetail.asp?subitem=1&newsid=162373&Actualiteit=selected>.

<sup>13</sup> The finance minister’s speech at the inaugural meeting is available at <https://congoactu.net/lutte-contre-blanchiment-capitaux-financement-terrorisme-henri-yav-installe-comite-consultatif/>.

<sup>14</sup> COLUB website, available at <http://colub-rdc.org/index.html>



---

<sup>15</sup> Article 56 of the constitution states, “Any action, agreement, convention, arrangement or other act which has the consequence of depriving the nation, individuals or corporations of all or part of their means of subsistence drawn from their natural resources or wealth, is qualified, without prejudice to the international provisions on economic crimes, as the crime of looting punishable by law.”

Article 57 states, “The acts referred to in the preceding article as well as the attempt thereof, whatever their conditions, are punishable as offenses of high treason if they are committed by a person invested with public authority.”

Article 165 states, “Failings in matters of honor and integrity are established particularly if the conduct of the President of the Republic or the Prime Minister is contrary to morality or if they are identified as authors, co-authors or accomplices of embezzlement of funds, corruption or unjustified enrichment.”

<sup>16</sup> See Sasha Lezhnev, “A Criminal State: Understanding and Countering Institutionalized Corruption and Violence in the Democratic Republic of Congo” (Washington: The Enough Project, October 2016), available at <https://enoughproject.org/reports/criminal-state-understanding-and-countering-institutionalized-corruption-and-violence-democr>.

<sup>17</sup> David Lewis, “Congo’s Pricey Passport Scheme Sends Millions of Dollars Offshore,” Reuters, April 13, 2017, available at <https://www.reuters.com/investigates/special-report/congo-passports/>.

<sup>18</sup> William Clowes and Tom Wilson, “Congo’s Gecamines Accounts Missing \$750 Million, Group Says,” Bloomberg, November 3, 2017, available at <https://www.bloomberg.com/news/articles/2017-11-03/congo-s-gecamines-accounts-missing-750-million-group-says>.

<sup>19</sup> FATF recommendation 26, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

<sup>20</sup> Vade Mecum de Lutte Contre le Blanchiment des Capitaux et le Financement du Terrorisme, available at <http://www.bcc.cd/downloads/interfin/reglement/vad%20mec%2015.pdf>.

<sup>21</sup> The record-keeping guidelines do not indicate how records should be kept (e.g., electronically).

<sup>22</sup> FATF recommendation 18, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

<sup>23</sup> U.S. Department of the Treasury, Financial Crimes Enforcement Network, “Advisory on Human Rights Abuses Enabled by Corrupt Senior Foreign Political Figures and Their Financial Facilitators” (June 12, 2018), available at [https://www.fincen.gov/sites/default/files/advisory/2018-07-03/PEP%20Facilitator%20Advisory\\_FINAL%20508%20updated.pdf](https://www.fincen.gov/sites/default/files/advisory/2018-07-03/PEP%20Facilitator%20Advisory_FINAL%20508%20updated.pdf).

<sup>24</sup> FATF recommendation 1, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.

<sup>25</sup> The Sentry, “The Terrorist’s Treasury: How a Bank Linked to Congo’s President Enabled Hezbollah Financiers to Bust U.S. Sanctions” (October 2017), available at [https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury\\_TheSentry\\_October2017\\_final.pdf](https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury_TheSentry_October2017_final.pdf).

<sup>26</sup> See The Sentry, “Bank Scandal in Congo: Urgent Action Needed to Hold BGFIBank DRC to Account for New ‘Terrorist Treasury’ Revelations, Hezbollah Financier Links” (May 2018), available at <https://thesentry.org/reports/bank-scandal-in-congo/>.

<sup>27</sup> In response to a request for comment from The Sentry, BGFIBank provided the following through its counsel: “The Bank has objected to The Sentry’s findings, and contests any allegations that it is or was involved in a conspiracy to assist certain parties evade U.S. sanctions. Since the publication of The Sentry’s October 2017 report, the Bank has launched an internal investigation, off-boarded certain customers, and is working to implement any remedial measures necessary to ensure compliance with U.S. sanctions. To this end, BGFIBank has been involved in an on-going dialogue with The Sentry and The Enough Project, and continues to work with those organizations to address any outstanding concerns.”

<sup>28</sup> Tom Wilson, “Congo Bribery Probe Puts Israeli Billionaire’s Future on Hold,” Bloomberg, February 22, 2018, available at <https://www.bloomberg.com/news/articles/2018-02-23/he-got-rich-on-congo-mines-until-bribe-probe-put-future-on-hold>

<sup>29</sup> U.S. Department of the Treasury, “United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe,” Press release, December 21, 2017, available at <https://home.treasury.gov/news/press-releases/sm0243>.



- 
- <sup>30</sup> U.S. Department of the Treasury, “United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe,” Press release, December 21, 2017, available at <https://home.treasury.gov/news/press-releases/sm0243>.
- <sup>31</sup> Barbara Lewis, “Glencore Settles With Gertler Over Congo Royalties,” Reuters, June 15, 2018, available at <https://www.reuters.com/article/us-glencore-congo/glencore-settles-with-gertler-over-congo-royalties-idUSKBN1JB0JM>.
- <sup>32</sup> FATF recommendation 11, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.
- <sup>33</sup> FATF recommendation 16, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.
- <sup>34</sup> FATF recommendation 13, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.
- <sup>35</sup> FATF recommendation 10, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.
- <sup>36</sup> FATF recommendation 12, available at <http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF%20Recommendations%202012.pdf>.
- <sup>37</sup> CENAREF did not respond to The Sentry’s request for comment on key issues. We contacted the head of CENAREF (the Chairman of the Board) directly using his publicly-available personal e-mail address and also e-mailed the publicly-available e-mail inbox for CENAREF.
- <sup>38</sup> U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, “2014 International Narcotics Control Strategy Report (INCSR) Report” (March 2014), available at <https://www.state.gov/j/inl/rls/nrcrpt/2014/supplemental/227757.htm>.
- <sup>39</sup> International Monetary Fund, “Democratic Republic of the Congo: Financial System Stability Assessment” (October 22, 2014), available at <https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Democratic-Republic-of-the-Congo-Financial-System-Stability-Assessment-42410>.
- <sup>40</sup> U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, “2014 International Narcotics Control Strategy Report (INCSR) Report” (March 2014), available at <https://www.state.gov/j/inl/rls/nrcrpt/2014/supplemental/227757.htm>.
- <sup>41</sup> In 2014, the IMF made four recommendations regarding AML/CFT: 1) Develop a multisectoral AML/CFT national strategy that would prioritize the implementation of AML/CFT measures in the most vulnerable sectors; 2) Reinforce the structure and the independence of the national FIU; 3) Review the domestic AML/CFT law to ensure that preventive measures to detect potential illicit financial flows are applicable to all reporting entities, in particular to dealers in precious stones and metals; and 4) Include AML/CFT as part of criminal justice strategies to fight important crimes and build capacity within the law enforcement community on financial investigations. The DRC government has not addressed these recommendations. International Monetary Fund, “Democratic Republic of the Congo: Financial System Stability Assessment” (October 22, 2014), available at <https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Democratic-Republic-of-the-Congo-Financial-System-Stability-Assessment-42410>.
- <sup>42</sup> GABAC website, text of speech given by former GABAC Permanent Secretary Désiré Geoffroy Mbock on December 8, 2017, available at <http://spgabac.org/seminaire-de-pre-evaluation-du-dispositif-national-de-la-republique-democratique-du-congo/>.
- <sup>43</sup> Elias Ntungwe Nagalame, “Armed With Smartphones, Cameroon Forest Defenders Take on Illegal Loggers,” Reuters, February 3, 2017, available at <https://www.reuters.com/article/us-cameroon-forests-corruption-tech-idUSKBN15I1M7>.
- <sup>44</sup> For more information, see U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, “2015 International Narcotics Control Strategy Report (INCSR)” (March 2015), available at <https://www.state.gov/j/inl/rls/nrcrpt/2015/supplemental/239159.htm>.

