

Investigating illicit financial flows in the city

Conference 22 - 23 May 2018 | Rode Hoed, Amsterdam

Welcome

"Like other cities, Amsterdam is a place where global money flows converge: it must grapple with foreign investments in real estate, hotels, restaurants, clubs, and other businesses. How do we know what the origin of the invested money is?"

Jozias van Aartsen

Acting mayor of
Amsterdam

"We critically examine the consequences that these technological developments have for society traditional bodies and power relations, as well as the possible misuse of these technologies. We strive to make the theme 'digital money flows' accessible to a wider public."

Geleyn Meijer

Dean, Faculty of
Digital Media and
Creative Industries
Amsterdam University
of Applied Sciences

Opening/welcome

Dear participant,

Amsterdam is a great city to live and work in, or to visit. However, as any city we also have our challenges. As money transactions are increasingly decentralized, the nation state is losing its monopoly over the power to define what money is. Cryptocurrencies, blockchain technology, and the emergence of parallel banking systems have had a significant impact on our ideas about how the banking system might be organized and what the future of money might be.

This new financial environment confronts The City of Amsterdam with new challenges. Like other cities, Amsterdam is a place where global money flows converge: it must grapple with foreign investments in real estate, hotels, restaurants, clubs, and other businesses. How do we know what the origin of the invested money is? Is it black, grey or white?

Our current instruments have limitations: you can only screen the financial realities you know.

I'm proud that the conference Flying Money that we organize together with the Amsterdam University of Applied Sciences, brings together experts from a wide range of organizations and communities to discuss ethical and technical questions related to intellectual property, data privacy, data security, anti-money laundering, settlement finality and securities requirements. By bringing together experts with wide-ranging expertise, The Flying Money conference aims to provide the opportunity to learn from each other. After all in many cases collaboration is a necessity, since problems do not end at the edges of our cities and borders.

I wish you very interesting and inspiring days!

Best regards,
Jozias van Aartsen
Acting Mayor of Amsterdam



✕ City of
✕ Amsterdam

Opening/welcome

Dear participant,

Welcome to *Flying Money*. I am proud that the Amsterdam University of Applied Sciences has organized this conference together with the City of Amsterdam. Our university engages with the issues that affect the city of Amsterdam. A conference like *Flying Money* is one example how we achieve this.

The Amsterdam University of Applied Sciences is already doing a great deal of research into developments in the digital economy; its *Money Lab* research project, for instance, part of the Institute of Network Cultures lectorate, focuses on cryptocurrencies and digital money flows. We critically examine the consequences that these technological developments have for society traditional bodies and power relations, as well as the possible misuse of these technologies. We strive to make the theme 'digital money flows' accessible to a wider public. As a knowledge institute we see it as our role to share knowledge with our students, with our partners,

and across different domains, so we are discussing this theme with artists, geeks, and activists as well as exchanging ideas with researchers, policy-makers and entrepreneurs.

Together I am confident we can find new solutions to the problems surrounding digital money flows. I have no doubt that this conference will lead to useful new perspectives, both at the European and the local level – which is good for Amsterdam, too, because the city should remain the haven for creative entrepreneurs that it has always been.

I wish you all a very enjoyable conference!

Best regards,
Geleyn Meijer

Dean, Faculty of Digital Media and
Creative Industries
Amsterdam University of Applied
Sciences

As of 1 July 2018: Rector, Amsterdam
University of Applied Sciences



**Amsterdam University
of Applied Sciences**



Program Day 1		09.00				10.00				11.00				12.00			
		0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45
		1	2							B	3						panel
	Tuesday 22 May																
	Subroom program Workshop Room											6					
	Subroom program Lounge & Art Room	See page 9															

09.00	Opening of the Flying Money conference	Welcome by Katja Berkhout, Moderator Opening by Jozias van Aartsen, Acting Mayor of Amsterdam Opening by Geleyn Meijer, Dean of the faculty Digital Media and Creative Industries at the Amsterdam University of Applied Sciences.	1
09.15 - 10.55	The future of money	Klaas Knot, President of De Nederlandsche Bank N.V. Adjiedj Bakas, Trendwatcher, Trend Office BAKAS Kei Kreutler, Artist and Creative Director, Gnosis Saskia Sassen, Robert S. Lynd Professor of Sociology, Columbia University	2
10.55	Short Break	20 Min	B
11.15 - 12.15	Who owns the city?	Joris Luyendijk, Independent writer and journalist Jan Willem Bastijn, CEO, Cushman & Wakefield Tinkebell, Artist and writer Caroline Nevejan, Chief Science Officer, City of Amsterdam	3
	12.15 - 12.45	Panel	P
12.45	Lunch	60 min	
13.45 - 14.45	Meaning of crypto in the city	Marloes Pomp, Initiator and Program Officer, Blockchainpilots Mariana Gómez de la Villa, Global Program Manager, ING Bank Jaromil, Artist, Theorist and hacker, Dyne Network Stefan Heidenreich, Professor for Art Theory, University of Cologne	4
	14.45 - 15.15	Panel	P
15.15	Short Break	20 min	B
15.35 - 17.15	Parallel money structures in the city	Edgar Kampers, Founder of Qoin Nikos Passas, Professor, Northeastern University Greetje Bos, Public prosecutor Annemie de Boye, coordinator Arrondissementale Information and Expertise Centre Limburg	5
17.20 - 18.15	Drinks & Networking		

			13.00				14.00				15.00				16.00				17.00				18.00			
30	45	0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45	
el	Lunch				4				panel		B		5						Drinks & networking							
			7	8	9	10																				

Subroom program: Workshop Room

11.30 - Saskia Sassen
12.15 interviewed
by Geert Lovink

In this dialogue, Saskia Sassen and Geert Lovink will discuss the latest issues at the crossroads of urbanization, technology and the political such as smart cities, blockchain, maker labs and data commons. How do new forms of de-monopolized money intervene in the spacial politics of our cities? What has changed since the neo-liberal 1990s? We're now ten years after the 2008 global financial crisis. Can we still use terms such as 'global governance' and 'civil society' in era of national populism?

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13.00 - Lunchtime project
13.15 pitches | ArtEZ
students Tycho
Kilsdonk & Bente
Brunia

As we're moving towards a cashless society, banks are removing more and more ATM's throughout Amsterdam. However, due to a disproportionate amount of tourists to citizens in the city, there is still a high demand for cash. In the last two years more than 60 vibrant yellow and blue ATM's have been placed throughout the city by Euronet Worldwide in an attempt to cash in on this opportunity. This seemingly temporary phenomenon has changed the streetscape of Amsterdam in a short amount of time. Cashing Amsterdam is an interactive installation that maps and highlights the effects of these ATM's in Amsterdam.

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13.15 - Lunchtime project
13.30 pitches | UvA
student Ouafa
Ben Taleb

This presentation will describe how blockchain technology could contribute to the modernization of municipal tax autonomy. The use of blockchain technology could lead to a more efficient and effective levy of taxes, while fight tax fraud at the same time."

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13.30 - Lunchtime project
13.45 pitches | UvA
student Fleur
Crolla

Gold proves to be an exceptionally attractive object for criminals for a number of reasons. This workshop especially focusses on shops that buy gold from private customers. What do we know about this phenomenon? In this workshop the preliminary results of the exploratory research will be presented. Additionally you are invited to share your stories and experiences.

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13.45 - Workshop about
14.45 exploring the Clear,
Deep, and Dark
Web by Anthony
van der Meer

What's the clear net? What is the difference between the deep web and the dark web? And how can we find something that isn't supposed to be found? In this workshop these questions will be answered.

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Program Day 2		09.00				10.00				11.00				12.00			
		0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45
	Wednesday 23 May	1		2				panel		B		3				panel	
	Subroom program Workshop Room			8								9					
	Subroom program Lounge & Art Room	See page 9															

09.00	Bill Browder, CEO Hermitage Capital Management and Head of the Global Magnitsky Justice Campaign	1
09.30 - 10.30	Investigating illicit financial flows Misha Glenn, Author and broadcaster Lodewijk van Zwieten, National senior prosecutor on cybercrime Tom van Engers, Professor, University of Amsterdam Rob Procter, Professor, Alan Turing Institute and Warwick University & Andrew Elliott, Research associate, Alan Turing Institute Saskia Sassen, S. Lynd Professor of Sociology, Columbia University	2
10.30 - 12.55	Panel	P
10.55	Short Break 25 Min	B
11.20 - 12.20	Investigating illicit financial flows Femke Herregaven, Visual artist Rob van 't Oever, Compliance manager, ABN Amro Bank N.V. Jonathan Brown, Partner and Head of forensics for Europe & Africa, Control Risk Bastian Obermayer, Head of investigations, Süddeutsche Zeitung	3
12.20 - 12.45	Panel	P
12.45	Lunch 60 min	
13.45 - 14.25	Investigating illicit financial flows Anita van Dis, National Coordinating Public Prosecutor anti money laundering Eric Smit, Founder & editor in chief, Follow the money Q&A	4
14.25 - 15.30	Regulating urban finance Gian Guido Nobili, Head of Urban Security & Crime prevention department, Emilia-Romagna Region (Italy) Giulia Baruzzo, Coordinator of European desk, Libera Associations Karin Wilschut, Senior policy officer, City of Amsterdam Jonus Hult, Chief Safety and Security Advisor, Malmö (Sweden) Stefanie Vermeul, Policy advisor city of Rotterdam & Loes van der Wees, senior public prosecutor, National Programme Rotterdam South	5

		13.00				14.00				15.00				16.00				17.00				18.00			
30	45	0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45	0	15	30	45
nel	Lunch				4		5				B		6		7		8		Drinks & networking						
	10				11																				

15.35	Short Break	25 min	B
15.50 - 16.45	The future of financial intelligence and governance	Reinier Pollmann, Programme Manager Innovation & Fintech, AFM Hennie Verbeek, Head, Financial Intelligence Unit John Christensen, Chair of the board, Tax Justice Network	6
16.45 - 17.00	Closing of the Flying Money conference	Ferdinand Grapperhaus, Minister of Justice and Security	7
17.00 - 17.10	Wrap up	Geert Lovink and Ilse Verkerk, conference organisers	8
17.10 - 18.00	Drinks & Networking		

Subroom program: Workshop Room

09.30 - 10.50	Workshop Mutable Money: How we can Reshape Society in the Age of Crypto by Andy Morales Coto	In this workshop, participants will reimagine money through different textures, shapes, timelines, and social contracts. In the process, they will discover how monetary inventions can alter the very fabric of society. Be ready to get your hands dirty and build new currencies with water, Lego and clay.	8
11.20 - 12.20	Project pitches about state of the Art in CAS Research by students from UvA and TNO.	Ameneh Deljoo Norms are driving forces in social systems and governing many aspects of individual and group decision making. Various scholars use agent based models for modeling such social systems, however, the normative component of these models is often neglected or relies on oversimplified probabilistic models. Within the multi-agent research community, the study of norm emergence, compliance and adoption has resulted in new architectures and standards for normative agents.	9

Koen van der Zwet

Illicit networks or organisations are terms used to refer to any coalition or coordination of illicit individuals. Some speak of the term organizations as a “carte blanche” to oversimplify the complexity of the ongoing processes. To get a grasp on the emergence of criminal organisational structures, it is important to find differences and similarities in organisational manners of illicit individuals. A continuum of “organisational sophistication” can be observed within illicit markets.

Bob van der Vecht

In order to better understand illicit organisations and their dynamics it is essential to understand the their financial structure as illicit activities require financing and at the same time generate profits. This presentation will focus on how modelling the financial mechanisms of an illicit organisation provides insight into the behaviour of an illicit organisation and its response to possible interventions.

Tijmen Verburgh

The dark web offers a forum for meeting and trading place for criminals. Previous studies (Rolf van Wegberg et al 2018) indicate that digital payment methods are increasingly used by criminals to launder money. Therefore it is essential to better understand and monitor the darkweb and understand cryptocurrencies trading as well as the new business models that emerge due to the darkweb and use of cryptocurrencies.

Irvan Smit

Like in many other cities ATMs for exchanging currencies into crypto currencies and vice versa, so-called BTMs, are emerging. With this study we hope to understand the reasons why business place these BTMs and what motives the users of these BTMs have to use them. It is still unknown to what extend these users use crypto currencies to participate in illicit transactions or launder money.

12.45 - 13.45 - Blockchain and the governance of the ungovernable by Geert Lovink, Balazs Bodo, Eduard de Jong, Caroline Nevejan

Blockchain was designed explicitly to do away with the necessity to trust a central organization in planetary-scale exchange. With the launch of Ethereum, smart contracts and decentralized organizations, its influence is growing beyond hyper-speculative cryptocurrencies, into the realm of digital identity, automated decision-making and the organization of p2p networks. As more and more people become involved, questions of governance resurface; what structures of governance, power distribution and ongoing decentralization are coded into the technology, and where are these structures lacking?

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**13.45 -
14.25** **The Art of
Financial Hacking
by Luce Goutelle,
Emma Kraak**

The financial sector often appears daunting and impenetrable to outsiders. We look at the huge skyscrapers and imagine bankers using obscure language and complex mathematical models to move money around the globe, influencing politicians and pulling strings behind closed doors. The sector, however, is far more permeable than it may seem, and since the financial crisis we have seen a rise in artists, activists and anthropologists intent on exploring the sector, looking for cracks and opportunities for interventions and creative alternatives.

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Subroom program: Lounge & Art Room May 22-23

We asked designers, students and artists to use their creativity and prepare a visual surprise for you. You can discover the following activities:

- **Cashing Amsterdam by Tycho Kilsdonk & Bente Brunia**
Cashing Amsterdam is an interactive installation that maps and highlights the effects of these ATMs in Amsterdam.
- **Find My Phone by Anthony van der Meer**
In the Netherlands, 300 police reports a week are filed for smartphone-theft. Besides losing your expensive device, a stranger has access to all of your photos, videos, e-mails, messages and contacts. Yet, what kind of person steals a phone? And where do stolen phones eventually end up? The short documentary 'Find My Phone' follows a stolen phone's second life by means of using spyware. Although you'll meet the person behind the theft up close and personal, the question remains: how well can you actually get to know someone when you base yourself on the information retrieved from their phone?
- **Cryptodivination Tarot Cards by Andy Morales Coto**
Find out what your cryptofuture holds with Andy Morales Coto's Cryptodivination Tarot Deck.
- **Slideshow Art of Financial Hacking by Luce Goutelle & Emma Kraak**
A presentation of the results of The Art of Financial Hacking workshop that was held in Brussels last April. It took participants on a journey into the dark heart of finance, showcased investigations and interventions into the financial sector, and explored the cracks in the district of Brussels, the European financial regulatory. These are the participant's own financial art-hacks.
- **Posters from Femke Herregraven**
In her work Femke Herregraven explores which new material base, geographies and value systems contemporary financial technologies and infrastructures carve out. Her ongoing investigations zooms in on the relationship between financial value, geological instability, biological and technological self-organising systems. In Offshore Scatter, she explores the shell companies located in Amsterdam associated with Italian oil company Eni.

**Speakers
Day 1
Tuesday
22 May**



Katja Berkhout



Jozias van Aartsen



Geleyn Meijer



Klaas Knot



Adjiedj Bakas



Kei Kreutler



Saskia Sassen



Joris Luijendijk



Jan Willem Bastijn



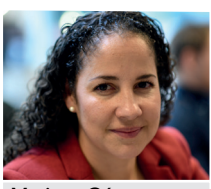
TINKEBELL



Caroline Nevejan



Marloes Pomp



Mariana Gómez
de la Villa



'Jaromil'



Stefan Heidenreich



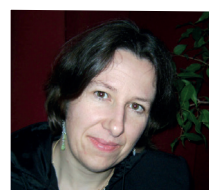
Edgar Kampers



Nikos Passas



Greetje Bos



Annemie de Boye



Bill Browder



Misha Glenn



Lodewijk
van Zwieten

**Speakers
Day 2
Wednesday
23 May**



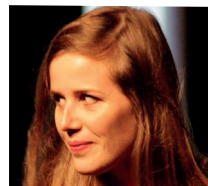
Tom van Engers



Rob Procter



Andrew Elliot



Femke Herregraven



Rob van 't Oever



Jonathan Brown



Bastian Obermayer



Anita van Dis



Eric Smit



Gian Guido Nobili



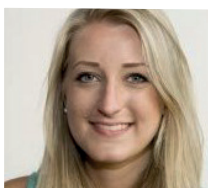
Giulia Baruzzo



Karin Wildschut



Jonas Hult



Stefanie Vermeul



Loes
van der Wees



Reinier Pollmann



Hennie Verbeek-
Kusters



John Christensen

Speakers | Day 1

Katja Berkhout is the moderator of this conference. Katja Berkhout is an allround executive with 14+ years of experience in international business advisory and economic development in Northern America and Europe. She is director international at StartupDelta, innovation lead at NLIB and founder of the Dutch Venture Café.

Klaas Knot is President of De Nederlandsche Bank NV. In this capacity he holds seats on the Governing Council, the General Council and the European Systemic Risk Board of the European Central Bank.



The future of money: a less-cash society and its challenges

Starting from the different roles money has played and still is playing in our society, Klaas Knot sketches current developments in payment. From the perspective of a central banker, he also outlines future developments and – not surprisingly – addresses the risks attached to them. Yes, we are heading towards a less-cash society, Knot states, but a cashless society is not in the picture yet. And it is key that cash continues to function well.

Adjiedj Bakas is a highly acclaimed trend watcher, author and speaker with roots in India, Latin America and Europe. He researches financial, social, cultural, economic, technological and spiritual trends, and interprets these for an array of clients. His book 'Capitalism & Slowbalization' is nominated as management book of the year. He is currently working on 'The China Factor' and 'Seamless' about global logistic trends.



The current monetary and financial system is actually bankrupt. The ongoing printing of "Monopoly money" by central banks weakens regular currencies. Yet the technological revolution enabled a global political awakening of the masses, a trend, also called the Brezinski doctrine. The blockchain technology will enable the rise of parallel economies and parallel crypto currencies. Current crypto currencies, as Bitcoin, are not based on valuables. The Israel diamond exchange just launched the new cryptocurrency Carat and Cut whose value is to be backed by diamonds. This might be an inspiring example for other stakeholders worldwide. The new radical government in Italy can create a parallel economy with an crypto currency backed by the nations wealth of monuments and artworks, without having to leave the Eurozone. This could save Italy from the perils of globalization and the Euro. Local currencies are on the rise everywhere in Europe, enforcing local and regional economies. Globalization will be replaced by Slowbalization. An amazing new era for humanity is emerging. However, this transition will not happen peacefully. Meanwhile the criminal world (especially the drugs cartels) and the regular world will clash more fiercely than ever before and they will continue to undermine society.

Kei Kreutler is a designer, developer and researcher. She is currently Creative Director at Gnosis, a platform for information discovery on the Ethereum blockchain, and curates the events programme at Full

Node, Europe's largest coworking space for blockchain companies.



The talk will approach how we can model and interact with complex systems through game design. Through the lens of Patternist, an urban augmented reality game, the talk will explore the concepts of networked barter, nanobarter, and decentralized exchanges, focusing on the implications of digital currency to transform how we mediate and socialize value.

Saskia Sassen is the Robert S. Lynd Professor of Sociology at Columbia University and a member of its Committee on Global Thought, which she chaired until 2015. She is the author of eight books, of which *Expulsions: Brutality and Complexity in the Global Economy* (Harvard University Press, 2014) is the most recent.



New financial instruments make it possible to dissolve material elements, including massive high-rise buildings, into liquid instruments. Once liquid they can be bought and sold continuously. Moreover, the most recent innovations can make an empty building even more valuable than an occupied one: with new types of asset-backed securities perhaps the most-used innovation. Much of this is invisible to the human eye: we just see an empty building and pity the owner. That may have been the case until quite recently, but not nowadays: an empty building can bring even more profit because the structure we see with our eyes is no longer what is in play – it has in fact been transformed into liquid assets. These are predatory formations of a new sort.

Joris Luijendijk is an author and journalist, and a regular contributor to the British

newspaper *The Guardian*. Lately, his focus has been on morality and finance, the culture in big banks, the political response to the financial crash of 2008 and the danger for regulators, academics and journalists of being “captured” by the industry they are assigned to.



Financial districts are worlds in their own right. Boasting their own peculiar forms of architecture and social norms and habits, they lock their employees into a universe that many struggle to escape. If we are to reintegrate the financial sector into our societies, reorganising its physical shape and form as well as its social structure and rituals is essential.

Jan Willem Bastijn is CEO, EMEA Capital Markets, at Cushman & Wakefield. He focuses on pan-regional investors and cross-border investment transactions. Bastijn is based in the UK but works closely with other teams to strengthen relationships with major pan-European investors operating across several markets.



The global property market is highly connected and the Netherlands plays a key role, both as a target and a source of investment. While sometimes tempting to see those involved as a dominant elite, in reality most are acting on our behalf, investing for pensions and other savings needs. As such, they have a lot of investment options and real estate must compete for attention. And it is critical to cities like Amsterdam that they do this, because their investment helps to modernise and create jobs. At the same time, while the large institutions that control the market have made it more accountable than ever before, unfettered, they may not deliver for

society at large and it is therefore critical that governments guide but also innovate in new areas such as big data for example.

TINKEBELL. is an artist and a writer. She calls herself a “storyteller and maker”. She has written several books, works as a columnist, makes films, performs public interventions, delivers lectures and produces art “on-the-spot”, but also shows her work at galleries and museums.



What happens at the Amsterdam Zuidas, stays at the Amsterdam Zuidas. This used to be true when it comes to tens of thousands companies who made use of the Dutch laws to evade tax in this beautiful city. Until artist **TINKEBELL.** started to read herself into the subject and started ‘Kamerplanttours’: a (bus or bike) excursion that leads people through the Zuidas jungle. Since words are spread, for some companies, things will never be the same.

Caroline Nevejan is a researcher and designer who has been involved with the emerging network society and digital culture since the 1980’s. Nevejan is a regular presenter at national and international fora. She is an advisor to national and European policy makers.

Caroline Nevejan is professor by special appointment with the Amsterdam School for Social Science Research, University of Amsterdam (2018-2023). Her research is focused on Designing Urban Experience and she supervises 5 PhD candidates in this context.

Marloes Pomp is initiator and Programme Officer for the Blockchain Projects of the

Dutch government, and also responsible for the international strategy of the Dutch Blockchain Coalition. In order to establish the precise opportunities and threats associated with blockchain technology, Marloes has launched 35 pilot projects within the government.



After a brief general introduction to blockchain and cryptocurrencies, this presentation examines what part the Dutch government has so far played in the development of blockchain technology. Where are there opportunities for the Netherlands, and what are the challenges? What does the country hope to achieve in the coming year, and are the EU’s plans?

Mariana Gomez de la Villa is Global Programme Manager, Distributed Ledger Technology, at ING Bank. She is also the global head of ING’s Blockchain Programme, with overall responsibility for driving the research and development of distributed ledger technology as well as capitalising on its potential in order to unlock mass-scale value.



Examining the application of blockchain, or any distributed ledger technology, within an entity such as a city requires us to address the potential benefits alongside existing challenges. From the experience ING has gained so far, DLT surpasses existing systems in terms of speed, security and cost. DLT can be applied in several ways to combat illicit financial flows. Self-sovereign identity and localised currencies can potentially reduce money laundering, improve compliance, increase transparency and provide a better overview on the flow of money. Nevertheless,

a number of hurdles still exist when it comes to the implementation of DLT within both the financial sector and local-government level. This presentation will provide an overview of DLT, what can be achieved and what remains to be done.

Denis Roio, better known by the hacker name **"Jaromil"**, is cofounder and CTO of Dyne.org, an Amsterdam-based software house and think-and-do tank known worldwide for developing and distributing free, open-source software with a strong focus on peer-to-peer networks, social values, cryptography, disintermediation and sustainability.



It is 2018 and the logic of financialised and systematised production has occupied the terrain of both social relations and creativity. Post-Thatcher, or perhaps we should say post-Kroes, the "creative" industries' neoliberal ideology has put private capital in the driving seat while at the same time cuts are being applied to public spending. Speculation has become the main vehicle for value production: a means very familiar to organised crime worldwide. Criminals comply well with both corporate and state apparatuses. New media technologies are being developed with a traumatised agenda in mind: scenarios of journalist assassinations and fundamentalist regimes worldwide are filling our news feeds, urging us to develop technologies that can protect minorities from prevarications and persecutions. As predicted by many, war is no longer only being played out on the battlefields. Cyberwarfare has entered everyone's home, cryptography can be a toy in the hands of kids – and there is nothing we can do, nor should do, to stop this. The arms race to pervasive surveillance and privacy-enabled technologies is empowering every player

on the battlefield, whilst reducing social relations to axiomatic equations of technical, financial and institutional power. But while policymakers are hardly able to keep up with the growing complexity of regulatory side-effects, there is a heritage of social justice movements we can consider the best possible solution to the growing problems of fair, social and peaceful government.

Stefan Heidenreich currently teaches at the University of Cologne, having previously worked at ETH Zürich, Dusseldorf Art Academy and Leuphana University Lüneburg. He has published books on economics (Geld: Für eine non-monetäre Ökonomie, 2017; English edition to appear in 2018 as Money: Toward a Non-Money Economy.), cultural history (Geburtstag: Wie es kommt, dass wir uns selbst feiern, 2018) and art (Was verspricht die Kunst, 2009).



Desire and distribution

Economics is about sharing things and tasks. It deals with matching goods or services, demand and supply, desires and skills. At present, this matching is co-ordinated mainly through money and markets. But with increasingly precise data available on behaviour and personal desires, other types of matching are now becoming feasible. In a not-too-distant future, "smart" and algorithmic procedures may become more effective than markets and money, not only when it comes to transaction costs but also in terms of results and equality. Cryptocurrencies will not add much to this future, but cryptocontracts may play a role in facilitating decentralised transaction flows. Local communities could take the lead in this transition, although personally I would rather look to gaming as main driver of change.

Edgar Kampers is founder, ICO adviser to and a public speaker at Qoin, a social enterprise that creates, develops and supports impact-driven currencies and blockchain initiatives.



City tokens support building vibrant local communities that allow citizens, businesses and local stakeholders to cocreate and codeliver meaningful social, environmental and economic impact. The city, community groups and/or the business community can take the initiative to launch these currencies. The euro is not a given. It and the other currencies we use are essentially a choice of governments. Euros are created by commercial banks through debt, a system that relies on interest to repay the money issued. Since money is man-made, it can be reinvented to positively serve our individual and collective needs. City tokens are designed to sit alongside mainstream fiat currencies, to address objectives the conventional fiat system cannot.

The development of city tokens gained momentum after the financial crisis of 2007-2008, which led to social impoverishment and unemployment in many cities in Europe. The invention of blockchain and other technical solutions further increased the opportunities. Setting up a city token is a dynamic process. Where do you start? How do you actually create a new currency? How do you make sure it meets legal and fiscal requirements? How do you deploy an effective, reliable and secure IT platform and payment system? And finally, how do you actually run a city token successfully?

Nikos Passas is Professor of Criminology and Criminal Justice at Northeastern University. He is the author of more than

230 publications on corruption, illicit financial and trade flows, sanctions, informal fund transfers, remittances, terrorism and financial regulation. He is a consultant for law firms, financial institutions and various other organisations, including the EU, World Bank, research institutions and government agencies, on all continents.



Cash or cashless

A debate is under way within the European Union on whether to push for blanket cash-transaction limitations. This is presented as a measure against the financing of terrorism, serious crime and tax evasion. However there is evidence that such limits may not be effective as crime-control measures. Cash-payment limitations (CPLs) are not a panacea that can address all these different types of crime. Experience from EU countries with CPLs in place shows higher levels of informal economic activity, corruption, tax evasion and terrorism risks than in those without them. There is also substantial evidence of very serious and organised non-cash crime. The risk is that determined offenders will shift to other methods and become more sophisticated, thus posing new problems for controllers. At the same time, CPSs are likely to have a number of adverse consequences for legitimate interests and human rights, especially for fragile communities and the elderly.

Hawala

Contrary to conventional wisdom, hawala and similar informal or traditional remittance channels primarily serving developing and cash societies could be a blessing in disguise. Although they entail risks and uncertainties, they also represent good business models, support economic development, assist

communities in crisis and create useful opportunities that could be leveraged in parallel with the international community's efforts to gradually build regulatory and governance capacity in developing and developed societies. In order to appreciate these features, we will take a closer look at hawala, its modus operandi and its multiple beneficiaries.

Greetje Bos is a public prosecutor based at the regional office of the Public Prosecution Service for the southern Netherlands. She specialises in local organised crime, outlaw motorcycle gangs, local gang criminality and financial crimes.



Hawala it is about moving money out of sight of the government. The reason for this could be distrust of the banking system, but the system is also a particular favourite of criminals. Originating on the Indian subcontinent, hawala was probably first brought to the Netherlands by immigrants as a means of remitting funds to relatives in their homeland. Over the years, however, it has become infected by criminals. They are turning increasingly to hawala "bankers", possibly because checks on the financial system have tightened considerably and so forced them to search for alternative ways to move their money. The hawala system keeps the monetary obligations of the bankers involved more or less in equilibrium, in much the same ways as a money-transfer service like Western Union, but it only works if participants all over the world maintain their liquid assets at a certain level. To do this, couriers are regularly dispatched to transport vast amounts of cash between bankers or to and from clients – often quite literally in plastic shopping bags. These transfers are an essential part of hawala, but also its most vulnerable. They are when the

police and prosecutors are most likely to try to intervene, since by seizing the cash they disrupt the whole system. In her conference talk, Greetje Bos examines the criminal world behind the hawala system and shares a number of case studies with the audience.

As a security consultant on the local public administrative approach to organised crime, **Annemie de Boye** deals with questions like how local authorities can play a leading role in preventing and combating criminal networks. Her interests also include the international exchange of expertise at the European level and cross-border co-operation involving the Netherlands.



The European Internal Security Fund (ISF) project CONFINE is a two-year collaboration between the Brabant-Zeeland Regional Crime Information and Expertise Centre (RIEC) in the Netherlands, the University of Leuven in Belgium and the Belgian cities of Antwerp and Genk, focusing on financial indicators of human trafficking. The hand-carwash sector, with operators predominantly from an Indo-Pakistani background, is one very vulnerable to trafficking in human beings. First identified in the town of Genk, a network was discovered that – after two-and-a-half years of investigation – appears to cover at least three Belgian provinces. At the centre of the web are one key person and his brother. They recruit labourers in a variety of vulnerable situations and exploit them by putting them to work at carwashes without proper contracts or payment. As controls by local government, police and inspection services are stepped up, the companies resort to a tactic of continuously changing their business structure and using various "legal" arrangements to create an impression of legitimate employment. For example, on paper labourers are called "manager",

“shareholder” or “associate”. When things get too “hot”, or when the business is threatened with closure by the authorities, bankruptcy is initiated for the existing company and a new one established at the same location by the same owners. The labourers are very often found to be living and sleeping at the carwashes. Needless to say, these housing conditions are

poor and even dangerous, since none meet hygiene regulations or the safety standards imposed by, for example, the fire brigade. Given the tactics used by the operators, however, local governments face a considerable challenge when trying to end these exploitative activities.

Speakers | Day 2

Bill Browder is the founder and CEO of Hermitage Capital Management and Head of the Global Magnitsky Justice Campaign. He was the largest foreign investor in Russia until 2005, when he was denied entry to the country for exposing corruption in Russian state-owned companies.



In 2009 Browder's Russian lawyer, Sergei Magnitsky, was killed in a Moscow prison after uncovering and exposing a US\$230 million fraud committed by Russian government officials. Because of their impunity in Russia, Browder has spent the last eight years conducting a global campaign to impose visa bans and asset freezes on individual human rights abusers, including those who played a role in Magnitsky's false arrest, torture and death. The USA was the first to impose these sanctions with the passage of the 2012 Magnitsky Act. A Global Magnitsky Act, which broadens the scope of the US

Magnitsky Act to human rights abusers from all around the world, was passed at the end of 2016. Since then, other Magnitsky Acts have been adopted by several other countries, including Canada, UK, Estonia, Latvia, Lithuania and Gibraltar.

A former BBC Central Europe correspondent who covered the revolutions in Eastern Europe, **Misha Glenny** won the Sony Gold Award for Outstanding Contribution to Broadcasting for his work during the wars in the former Yugoslavia. He is also a past winner of Digital Security Journalist of the Year.



Misha Glenny discusses how his non-fiction book about globalised organised crime and political corruption became a major BBC television drama series. He explains how to overcome the challenges in building public awareness of money laundering and corruption, subjects which many people find both arcane and tedious. Using clips

from the hit show, he demonstrates how successful televisual interventions can force and accelerate changes in the law, as Britain recently witnessed with the passing of a so-called McMafia Law.

Lodewijk van Zwielen has over 10 years of experience in investigating and prosecuting cybercrime. In 2015, he started at Eurojust, the European Union's judicial cooperation unit as a seconded national expert on cybercrime. He represented Eurojust at the European Cybercrime Centre at Europol. In March 2018 Lodewijk took up a position at the Hague Public Prosecution office. His current portfolio includes cybercrime and innovation.



Behind every successful criminal enterprise lies a successful business model. An understanding of this model allows for multidisciplinary interventions to be designed, in order to disrupt and unravel it. This is not something any public or private entity can do on its own. It takes a network to defeat a network. But how do we build an effective network capable of taking on criminal enterprises? And what does a modern day (cyber)criminal business model look like?

Tom van Engers has worked at the Ministry of Finance since 1983, with a particular focus on innovation programmes. He is also Professor of Legal Knowledge Management at the University of Amsterdam, Managing Director of the Leibniz Center for Law and Programme Director of the Crime and Terrorism programme at the Institute for Advanced Study.



Illicit activities usually result in illicit financial flows. Criminal organisations, often working in networks, and law enforcement agencies are involved in a game where hiding the intentions and unravelling financial flows require investments that are balanced with the potential profit and losses. In this contribution prof. Van Engers will sketch the agent-based approach that is core to the research on non-compliance at the Leibniz Center for Law. Looking both at the interests and abilities of individual agents and the dependencies on network partners and their interests and abilities will help law enforcement organizations to design better non-compliance defence mechanisms.

Rob Procter's academic background is in Computer Science but his research has become increasingly interdisciplinary as his career has progressed. Social Informatics is the study of how cognitive, organisational and social factors shape processes of appropriation of ICTs. Current interests include methodologies and tools for big data analytics in the context of social and economic research. Procter has published over 260 peer-reviewed journal and conference papers.

Andrew Elliott is working on detecting fraud in large transaction networks using novel network science methods. As a mathematician, he graduated from Imperial College London and went on to do a PhD at Oxford University. His PhD work involved network analysis and method development using ideas from mathematics, statistics, physics, and biology. Specifically looking at the properties of biologically motivated subnetworks sampled from a wider network with a focus on network null models and community detection methods.



Challenges for anomaly detection in financial transactions

This talk will provide an overview of current methods for analysing big data for anomaly detection in financial transactions. It will then outline work in progress at the Turing Institute on anomaly detection in potentially time-dependent networks, using network comparison tools and spectral methods. These methods have applications in several domains including financial transaction networks and cyber security.

Femke Herregraven is visual artist. In her work she explores what new material base, geographies, and value systems are carved out by contemporary financial technologies and infrastructures. Her current investigations focus on the relationship between financial value, geological instability, and biological and technological self-organising systems.



Geographies of avoidance

Under the overarching theme Geographies of avoidance, visual artist Femke Herregraven explores what new material base, geographies, and value systems are carved out by contemporary financial technologies and infrastructures. Where wealth once had a strictly material condition and was contextualised by its territory, it is now disconnected from a specific place, labour or material production. Capital is no longer based on material, territorialised assets but on abstraction, decontextualisation, linguistic exchange and the circulation of signs, ideas, and information. Describing financial exchanges as 'flows' suggests, however, a smooth and natural movement like water or other liquid material. The use of the conceptual metaphor of 'liquidity' by

finance implies a certain natural and free movement of capital that is only limited by 'gravity'. The more invisible and immaterial financial processes become, the larger its material base, we might say. What then, is this material base of finance, where can we encounter it, how does it affect us? How can finance be melted back into a material condition, back into our sight, back into our human experience?

Rob van 't Oever leads the Intelligence Centre within the Security & Integrity Management department of ABN AMRO. He heads a team of approximately 45 security and compliance professionals with areas of responsibility including fraud and security incident response, law enforcement requests, and the bank's whistleblowing process.



In future, financial crime is set to increase in volume and complexity. The number of cases is extremely large, the real estate market has become more international, there are new types of currency, and calls for greater transparency. Interests also vary: in the West, public opinion favours transparency, but is that also the case for China or Russia? How reliable is the public domain that is consulted for research? Damage to reputation is an important issue for a bank, but where does our responsibility end? Regulators make a wide variety of demands, but how effective are their wishes in relation to transaction monitoring? ABN AMRO believes that in the fight against fraud and corruption, cooperation is desirable among private partners, but is equally necessary with public partners. Information sharing can increase effectiveness. However, privacy considerations present a major dilemma. We regard trust as a keyword in

collaboration, and common interests should be prioritised.

Jonathan Brown is a forensic accountant with 20 years' experience of investigating fraud and financial crime, covering periods of boom and bust for the global economy. Based in London, he leads the forensic practice for Europe and Africa, comprising investigations, disputes and forensic technology.



He will discuss how investigations have changed during this period, how the world has moved from boxes of dusty paper records to the big data that surrounds us now, and the analytical tools and techniques that investigators have deployed to try to keep pace with fraudsters who often seem to be one step ahead. Jonathan will also discuss the role of the regulators in combatting fraud, corruption and financial crime, how they have adapted to the challenges they have faced since the global financial crisis in 2008, and any lessons this provides for the future. In a digital world where financial crime knows no borders, Jonathan will discuss how regulators across multiple jurisdictions can work together to share information and resources to maximum effect, and what role the private sector can play in this. In addressing these topics, he will consider the role of big data analytics, artificial intelligence, machine learning and cross-border regulatory cooperation.

Bastian Obermayer, head of investigations with *Süddeutsche Zeitung*, is the reporter that first received the Panama Papers, and later, together with his colleague Frederik Obermaier, also the Paradise Papers. He has received numerous national and international honours for his work, including, in 2017, the Pulitzer Prize for Explanatory Reporting with the Panama Papers team.



In April 2016, the Panama Papers uncovered some of the most incriminating evidence against an alleged international tax-evasion scheme ever – some 150 politicians and close associates have been linked to hundreds of thousands of offshore shell companies, reportedly used as tax havens to shield billions of dollars from government taxation. The 2017 Paradise Papers served as an equally big sequel to the offshore investment story.

Bastian talks about the following:

- How he received the leak, from first contact to source-journalist-issues
- How he and his paper decided to share the material
- How they brought together an international team to investigate the data
- The difficulties and dilemmas: what to publish, and what to even write about
- How all this played out, and what the impact was

Anita van Dis is the National Coordinating Public Prosecutor responsible for combating money laundering.



The fight against money laundering has been made a priority. The goals: protecting the integrity and stability of the international financial system and making it difficult for criminals to profit from their criminal activities. Criminals make large amounts of money from activities such as drug dealing, human trafficking, corruption and fraud. To benefit freely, they need to conceal the illicit origins of the money by investing it in real estate and companies. Money laundering is therefore a high risk for increased volatility of capital flows and a damping effect on legally sourced investments.

In 2009 **Eric Smit** founded the platform for investigative journalism Follow the Money with Arne van der Wal. In February 2018 he received the Journalist of the Year 2017 award with Kim van Keken. Smit holds a master's degree in economics from Vrije Universiteit Amsterdam.



No country in the world plays a more important role in channelling funds to tax havens than the Netherlands. Twenty-three percent of the money flowing to sunny fiscal climes worldwide makes its way via the Low Countries. Amsterdam in particular, and its financial district, the Zuidas, plays a leading role. Not infrequently, the origins of this money are dubious to say the least. To prevent companies from only calling in on the Netherlands to evade tax, the Dutch Tax Service obliges them to meet 'substance requirements', some of which are of a physical nature. The result is that the artificial constructions in Amsterdam have a visible manifestation: offices belonging to the likes of corrupt Eastern European oligarchs, devoid of personnel, occupied by a minimum of one houseplant. On the form, substance and economic benefit of the Netherlands as a tax haven.

Gian Guido Nobili is currently Head of the Urban Security and Crime Prevention Department of the Emilia-Romagna Region (Italy). He oversees research programmes, projects, and data systems concerning crime, victimisation, juvenile delinquency, organised crime, immigration, urban security and crime prevention.



Nothing is more intolerable for a Mafia member than to be deprived of his/her assets. The history of the Mafia teaches us that its members take into account the possibility of jail and detention for a certain number of years from the very outset of their criminal careers. Mafia bosses did not consider and did not even foresee that besides the loss of personal liberty, they would suffer the humiliation of being stripped of assets accumulated over their long criminal careers. In Secondigliano, a fair-trade clothing store formerly belonging to the Camorra, selling goods made in the city and regional penitentiaries will soon open. The shop has been assigned to a social cooperative for the project DiversaMente: vendiamo creatività!, selling artistic screen-printed products made by individuals with mental disabilities. The district of Monte Rosa in Scampia will see the launch of the NGO Papà separati for the project Ancora Genitori, a day-care, accompaniment, and support service for separated parents.

Giulia Baruzzo, as Senior official of humanitarian organisation and Coordinator of European desk for Libera, has worked on management of European projects such as Tackling Illegal Economy / EC Home Affairs.



Confiscated goods are a sign of a major shift for territories and communities: they become tools allowing us to enhance social development and implement social cohesion. In Italy, confiscated mafia assets can be socially reused by institutions and civil society (Law 109\1996), thanks also to the anti-mafia organisation Libera's a network. In line with the Italian experience, the EU Directive 2014/42 has promoted the

possibility to use confiscated criminal assets for social and public purposes also in other European countries. Developing common good practices centring on citizens needs and rights is fundamental to tackling the illegal economy.

Karin Wilschut has a background in the arts and cultural studies, a Bachelor in music from the ArtEZ Academy of the Arts, a Master in Cultural studies, Public administration and management from the University of Amsterdam.



Project 1012, a large-scale policy programme to transform Amsterdam's Red Light District and its immediate surroundings, will come to an end this year. The project applied an innovative approach that proved to be exemplary for so-called 'area-specific integrated approaches' in other districts of Amsterdam, and inspiring to other Dutch cities.

A number of specific instruments that the City of Amsterdam used in Project 1012 are particularly relevant to the focus of this conference. They include the spatial distribution of certain sectors designated as being vulnerable to criminal influences, the implementation of the Integrity and Agreements Provision to prevent criminal involvement in contracts with local government, and the municipal regulation and acquisition of property in cooperation with housing corporations, based on the principle that bona fide property ownership is crucial to gaining control in a particular geographical location. The recent establishment of 1012inc, a public-private partnership, is another example of cooperative efforts to achieve a transparent investment climate in the city centre.

Jonas Hult is Chief Safety and Security Advisor at the city of Malmö. He has strategic responsibility for identifying, developing and implementing measures regarding safety, security and crisis management for the municipality of Malmö. This includes prevention of radicalisation and extremism, cooperation with police and civil society, close protection for politicians, coordination of governmental programmes and crisis management and handling.

Stefanie Vermeul is a criminologist and has been working for the municipality of Rotterdam since 2014 as a policy officer for the Department of Public Safety. Here she has specialised in the administrative and integrated approach of organised and/or subversive crime. Her expertise lies in tackling criminogenic industries such as money remittance offices, jewellers and rental agencies.

Loes van der Wees works as a prosecutor at the National Programme Rotterdam South (NPRZ), a joint, long-term collaboration between the Dutch national government, the city of Rotterdam, educational institutions, housing corporations, local business organisations, and local care providers. Together they work to improve the prospects of an area that is one of the most economically depressed and socially complex in the Netherlands.



Dark Money in Rotterdam-Zuid

The average annual income in Rotterdam-Zuid is €17,000 per person. An analysis by the FIU revealed that per day €53,000 worth of suspicious transactions are reported in this area. "Rotterdam Zuid provides an attractive climate and infrastructure to move dirty money and keep it hidden from the government. And, apparently this is

accepted by the residents". This hypothesis was investigated by Fieldlab Organized Crime group Maasgeld, a collaborative group of civil servants who use strategic and innovative ways to solve a criminality problem. They focused on sectors that are obliged to report unusual transactions to the FIU and found that money remittance offices lend themselves easily to money laundering. Under the guidance of researchers from Harvard and Oxford University they found a way to create awareness about this problem and work with the supervising authorities and the branch to solve it.

Reinier Pollmann is Programme Manager of Innovation & Fintech at the markets and consumer protection regulator in the Netherlands (AFM). Within this role he is responsible for AFM's InnovationHub to help companies overcome undue regulatory obstacles, and cooperation with the other regulators in the Netherlands. The other part of his role is to act on new emerging risks associated with the digitisation of services, artificial intelligence and crypto assets.



The AFM is the Dutch financial markets and conduct supervisor and our perspective on cryptos is how they affect the fairness and efficiency of capital markets. There are legitimate ideas about how financial markets could be improved by adapting blockchain technology, but what we currently see is an enormous speculative hype that offers an ideal breeding ground for fraud and market abuse. People use the story that many believe of the creation of new currencies in new blockchain ecosystems. This is for several reasons a development that should be stopped: investors will be disappointed and this could cannibalise regular capital

markets that are based on mutual trust. Moreover, raising capital without acting in line with investors' expectations comes close to fraud, which could impact general business integrity if it is not corrected by civil claims or criminal prosecution.

Hennie Verbeek-Kusters has been appointed Chair of the Egmont Group of Financial Intelligence Units for the period 2017-2019. Within the framework of the Egmont Group, she was Chair of the IT Working Group and of the Training and Technical Assistance Working Group. Since 2008, she has been Head of FIU-the Netherlands.



FIU-the Netherlands, like any financial intelligence unit in the world, is uniquely positioned between the public and the private sector. It receives unusual transaction reports from the regulated private sector, analyses them and then feeds the results of its analyses into the public sector in order to fight serious crimes, including terrorism, and support oversight. Important developments for FIU-the Netherlands are currently the exploration of public-private partnership, considering what can be revealed by using large data files in analyses, providing ideas and collaboration on new ways of tackling criminality and investigating ways in which financial intelligence can be generated with regard to cryptocurrency-related crimes.

John Christensen is a director of the Tax Justice Network, an expert-led network which heads global efforts to tackle tax havens and restrain tax competition and offshore secrecy. Trained both as a forensic auditor and economist, he has worked in many countries around the world, including

a period of working in offshore financial services with Touche Ross & Co (now Deloitte).



The Dark Side of Cryptocurrencies

Are cryptocurrencies emerging as the sharpest tool in the money launderer's toolbox? Since the mid-1990s, when the World Bank and others started to identify corrupt practices as a major impediment to economic and social development, concerns about cross-border flows of illicit finance have risen to the top of the policy agenda. In the past decade, faced with strong civil society pressure – backed by the evidence of the Panama Papers and Paradise Papers leaks – the G20 countries have brought forward important measures to improve transparency and strengthen cooperation between crime-fighting agencies and tax authorities. While nation states attempt to block flows of illicit finance and reassert a degree of sovereignty over their taxing rights, the rapid emergence of cryptocurrencies threatens to reverse the successes of the past decade. If the potential misuses of cryptocurrencies are left unaddressed, we will soon be back to square one.

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