

Handwritten notes: "Higan" and "Safelid" in a box.

Higan Ltd .

This SAR is linked to others including 67943, 68004, 68013, 68105, 68115, 68156, 68190 and 68023.

During the course of recent weeks I have looked at a number of enquires that are related to UK companies being engaged in transactions many of which originate in Latvia and are paid through Wachovia - US in USD. My initial findings caused me to broaden my investigations to include companies engaged in similar activity but incorporated in New Zealand.

Wachovia Bank N.A. provides USD clearing services to correspondent banks all over the world, including the EU. Presently Wachovia does not offer direct correspondent services to banks in Latvia. One element of the AML program within Wachovia is the monitoring of USD transactions with Banks (both direct and indirect) located in higher risk countries. Through this program Wachovia in the US has identified a series of transactions (39) processed through Wachovia between November 2007 and February 2008, for a value of USD 24,102,495.62. The originating party was a company called Akcent Finance (Russia) Ltd (Russia) using Uralsib Bank in Russia. The funds were transferred to a UK registered entity called Higan Ltd. Higan holds a bank account(s) with Paritate Bank ("Paritate") in Latvia. In turn Paritate has a correspondent bank with Raiffeisen Zentralbank Osterreich Bank ("RZB") and RZB clear USD through its own correspondent banking relationship with Wachovia in the US.

Having been unable to identify a corporate profile for Higan that substantiated the aggregated value of the funds transferred an enquiry was created and a request was forwarded to RBA for additional information to be obtained from Paritate.

Connected to the US investigation, as the UK MLRO and Nominated Officer I have conducted enquiries with Companies House of England and Wales and established the following.

Higan was incorporated in November 2004, the address of Higan is 5 Jupiter House, Calleva Park, Aldermaston, Reading, Berkshire, RG7 8NN. The company incorporation number is 05287381.

The officers of Higan are shown as.

Company Secretary – Midland Services Inc. of Street 50 and 64, Plaza Varibe, 105, Panama City, Panama

Sole Company Director – Orlando Barria Frago. His date of birth is 05.10.1972 and his occupation is shown as a lawyer. His address is shown as that of Midland Services Inc.

The sole shareholder is also shown as Midland Services Inc. My research into Orlando Frago has revealed that he is allegedly not all that he purports to be, one article found on a web page suggested that he is not in fact a lawyer and that he may have been forging documents.

'It was a pretty lucrative business, practicing law without a license. Using the services of a notary who didn't bother to check if he was actually an attorney and allegedly forging the name of an actual lawyer, one Orlando Barría Frago registered at least 447 corporations at the Registro Publico, something that, as full employment for lawyers measure, the law says only licensed lawyers can do. The actual attorney whose signature was used, Itzel Sanmartín, said she discovered was the massive forgery of her signature and filed a criminal complaint. Alas, there's a problem with dealing with Mr. Barría Frago. He's a PRD candidate for a seat in the National Assembly from the San Felix area of Chiriqui and is thus immune from investigation or arrest for criminal activity. His lawyer presented authorities with a certificate of his candidacy and the investigation was called off.

Frago is shown as a company officer for three other UK companies and in November 2004 this Midland Services Inc was appointed as the Company Secretary for in excess of 100 UK companies) It is evident that these parties are acting in a nominee capacity on behalf of unknown third parties

The financial returns for the company indicate that it was not active in 2005 and 2006. The returns for 2007 are abbreviated account showing a turnover of £89990.

These accounts are not in keeping with the value and volume of the transactions paid to Higan through Uralsib, Paritate, RBA and Wachovia.

It is apparent that the entity's account activity and turnover is considerably more than £1million and the exemption applied under Section 249A(1) of Companies Act 1985 (companies with an annual turnover of less than £1million are exempt from submitting independently audited accounts) is false.

Wachovia have identified similar groups of transactions originated by other UK and New Zealand companies through Latvian banks and RAB. In a number of instances the Latvian Banks have answered questions and stated that the entity has an operating address in Eastern Europe, more often than not the Ukraine and the transactions are in keeping with the bank's understanding of the customer's trading business buying and selling goods from China to other parts of the world. Such trading is not matched with accounts submitted to Companies House.

In all instances nominees have been used in far flung corners of the globe including, Panama, BVI, New Zealand, the Seychelles, Vanuatu, Belize and more. As a former police officer I have prior experience of investigating Russian money laundering (Bank of New York 1996 – 2001) and all the characteristics of these entities – the use of nominees, the inaccurate, false accounts, USD transactions and lack of transparency are matters that I am familiar with.

Furthermore there have been reported typologies of Russians and eastern Europeans using New Zealand registered companies to launder money. RZB has previously been