



Financial
Intelligence Centre

MEDIA RELEASE

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FUSION CENTRE MARKS TWO YEARS OF SUCCESSFUL PUBLIC-PUBLIC COLLABORATION

22 August 2022: The Fusion Centre, the crime-fighting public-public collaboration in South Africa, marked its second year of operation in May, celebrating achievements in improving efficiency in financial investigations related to corruption, fraud, abuse of power, and maladministration.

This multi-disciplinary initiative, created by the Anti-Corruption Task Team (ACTT), located at the Financial Intelligence Centre (FIC), brings together South African law enforcement agencies, the intelligence community, and other competent authorities. Representative entities and authorities include the National Prosecuting Authority (including the Asset Forfeiture Unit, and National Prosecuting Services); the Special Investigating Unit; the South African Revenue Service; the South African Police Service's Directorate for Priority Crime Investigation and its Division: Crime Intelligence and Detective Service; the State Security Agency; as well as the National Intelligence Coordinating Committee. Each partner operates within its own legislative framework and mandate, focusing the expertise, skills and experience of the law enforcement and other competent authority partners into a single hub.

This collaborative effort serves as a model for showing that diverse departments and entities can work together to solve complex and multi-pronged problems. The establishment of the Fusion Centre at the FIC is central to the South African government's efforts to address money laundering and terrorist financing, which is in turn important for economic growth making the economy resilient to criminal exploitation.

The Fusion Centre was conceptualised as an operational hub to address priority financial crimes effectively and efficiently through a four-pronged approach consisting of prevention, detection, investigation, and resolution. The FIC plays an essential role in the Fusion Centre, where the

financial intelligence it develops is shared with law enforcement and investigative agency members.

In turn, these partners use this intelligence in their investigations and applications for asset forfeiture

Since its fast-tracked inception in 2020, the Fusion Centre has made significant inroads in the fight against financial crime using the public-public collaboration approach. The initial primary focus for the Fusion Centre in 2020/21 was fraud, corruption, maladministration, money laundering and priority crimes related to the government's COVID-19 (coronavirus) pandemic relief efforts. During the 2020/21 financial year, the work of the Fusion Centre, augmented by financial intelligence from the FIC, resulted in 276 criminal investigations relating to fraud and corruption. This has led to the recovery of proceeds of crime to the value of approximately R659 million, which has been returned to the fiscus. Several positive outcomes, including the preservation and recovery of pilfered public funds, have been achieved. In addition, the collective work of the Fusion Centre has resulted in the recovery of tax revenue, identification of fraud in the temporary economic relief offered to employers, identification of procurement fraud, and other related financial crimes. There were 19 criminal cases finalised in courts which attained convictions of which 6 matter are related to fraud and theft and 13 cases are tax related

The Fusion Centre was modelled on similar initiatives in some financial intelligence units across the globe, the Fusion Centre is an alliance of law enforcement authorities and investigative bodies in the Justice, Crime Prevention and Security cluster and the FIC. The remit of the multi-agency collaborators is to fast-track and deal with criminal and civil matters from stages of identification to investigation, and ultimately, to litigation.

In the future the Fusion Centre will be looking to expand its scope beyond matters relating to financial crimes linked to the government's COVID-19 relief and containment interventions. To this end, the Department of Planning, Monitoring and Evaluation (DPME) has already reviewed the Fusion Centre's performance in 2021 to understand how and where possible improvements could be made. The DPME benchmarked the Fusion Centre against similar multi-agency operations in Australia (Criminal Assets Confiscation Taskforce); Kenya (Multi-Agency Team), and the United Kingdom (National Economic Crime Centre).

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Issued by:

The Financial Intelligence Centre

For more information, please contact communications@fic.gov.za or visit www.fic.gov.za.

Note to editors:

Note to editors: As South Africa's national centre for the gathering and analysis of financial data, the Financial Intelligence Centre's (FIC's) role is to safeguard the integrity of the country's financial system and its institutions. In pursuit of this, the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), mandates the FIC to identify the proceeds of crime, and assist in combating money laundering, terrorist financing and proliferation financing, and to facilitate the effective supervision and enforcement of the FIC Act.

Under this legislation, the FIC makes information available to a wide range of law enforcement agencies and other government institutions to facilitate the administration and enforcement of the laws of the Republic. The FIC also provides information and guidance to financial and non-financial institutions on their compliance obligations. It also outlines the enforcement and penalty regime for those who do not comply.

The FIC ensures South Africa's legislation and standards for combating money laundering and terrorist financing are met and up to date across government and the private sector.

Item	2020/21
Institutions registered with FIC as of 31 March 2021	44 499
Regulatory reports received	5.2 million
Cash threshold reports received	4.8 million
Suspicious and unusual transaction reports received	394 709
Inspection reports issued by FIC and supervisory bodies	749
Total number financial intelligence reports disseminated	3 206
Responses to requests for financial intelligence	2 080
Financial intelligence reports referred	1 126
Value of suspected criminal proceeds frozen	R613.2 million
Value of criminal proceeds recovered where FIC financial intelligence was used	R3 398.71 million

For more about the FIC visit www.fic.gov.za