

Toddington International Inc.

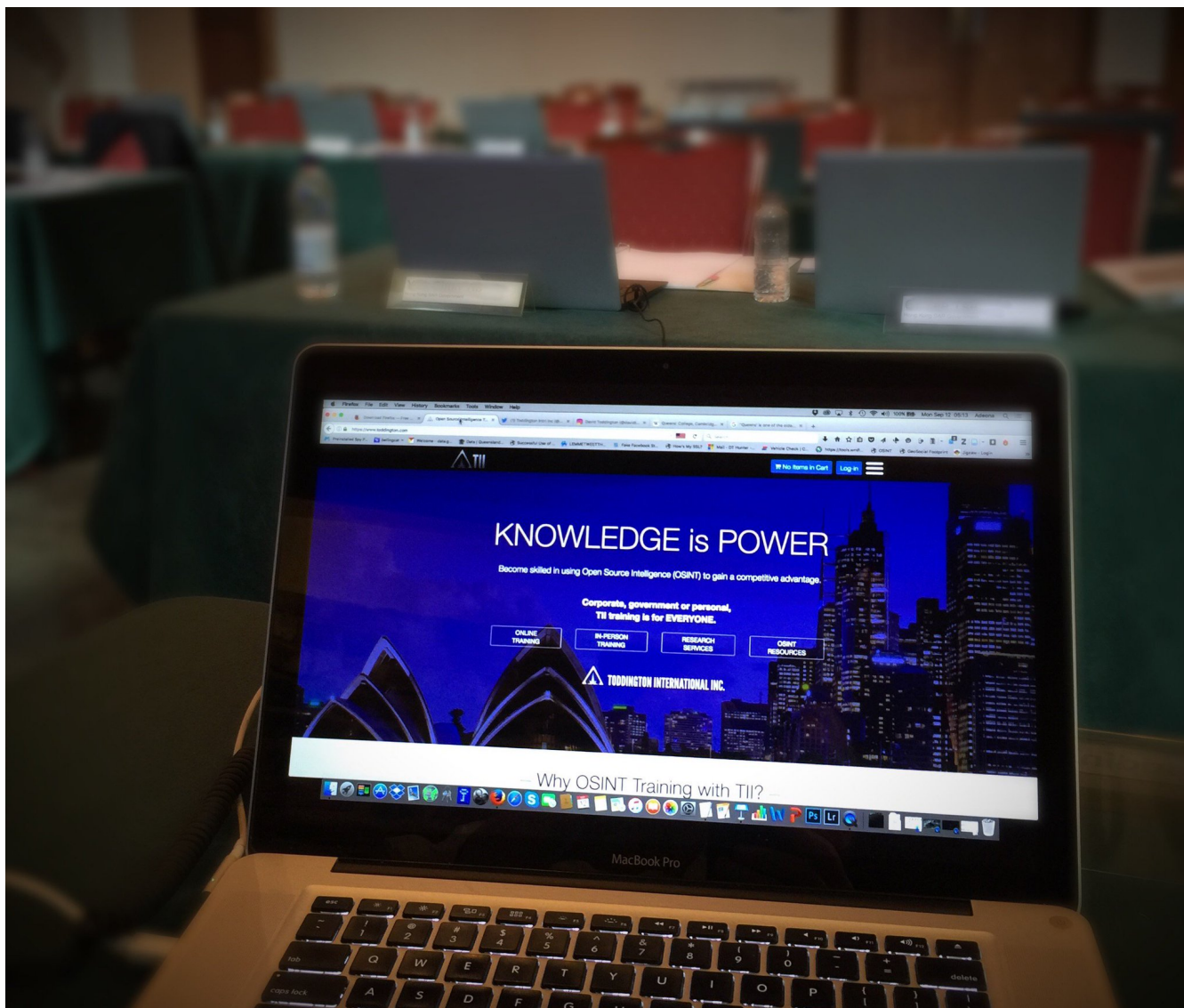
Online Research and Intelligence Newsletter

June 2017 EDITION

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Welcome to the Newsletter



With an incredibly busy spring behind us, and just as busy of a summer around the corner, TII's instructors are working hard finalizing our brand new online and in-person courses, launching this fall. Due to an overwhelming demand, we are pleased to announce we have begun accepting registrations for our new online course, "[*Open Source Intelligence for Financial Investigators*](#)," available September 1, 2017.

In this edition of the newsletter, renowned financial crime and AML expert, Robert Maxwell, writes about the importance of OSINT in financial investigations, and the necessity of early-warning systems in the industry.

E-Learning Graduates

Congratulations to the following students who are among those who successfully completed the 40-hour [*Using the Internet as an Investigative Research Tool™*](#) e-learning program with TII this past month:

- Carl Cantelon
- Corey Oliver - RCMP
- Santiano Hassock - RBC
- Steven Keller
- Paige Depratto

- Uktamjon Shomurodov - International Criminal Court
- Gerry Good - RCMP
- Helena Habraken

Upcoming Select Worldwide Training Dates



"Advanced Internet Intelligence & Online Investigations"

2-Day Course - Australia & Asia Editions

[June 12-13, 2017, Hong Kong](#)

[September 18-19, 2017, Canberra, Australia](#)

[September 21-22, 2017, Singapore](#)

"Advanced Internet Intelligence & Online Investigations"

3-Day Course - UK Edition

(Includes evening networking social event)

[September 10-13, 2017, Cambridge University, Queens' College](#)

"Advanced Internet Intelligence & Online Investigations"

3-Day Course - Canada Edition

(Early-bird pricing available for a limited time)

[September 27-29, 2017, Vancouver, BC](#)

[November 15-17, 2017, Toronto, ON](#)

[December 11-13, 2017, Calgary, AB](#)

"Cyberpsychology & OSINT Training"

2-Day Course - Australia & Asia Editions

November 29-30, 2017, Sydney, Australia

December 4-5, 2017, Singapore

Webpages coming soon. To register or to learn more, please contact our partner [HJ InnoXcell](#) at +852 3978 9918 (UTC+08:00), or email Kelvin Wong at Kelvin@innoxcell.net.

Please [contact us](#) directly for your in-house training requirements.



The financial services industry relies heavily on third-party systems to alert them to the “red flags” that highlight specific risks associated to a client or counterparty. Typically these alerts capture actions or risks that have already occurred: a bankruptcy, an arrest, or a default. This means that client risk management is invariably on the back-foot, reacting to events by looking in the rear-view mirror.

The explosion of information that can be openly captured on the web, coupled with advances in the systems available to capture relevant content, means that companies are now able to create forward-looking systems that are able to 'sniff out' potential risks before they develop into red flags.

These signals of potential risks are known as “amber flags”; they can act as an early-warning alarm for risk managers and investigators. This approach works on both positive and negative signals, but is particularly relevant in the areas of financial crime, AML detection, and KYC remediation and on-boarding.

Building an Early-Warning System

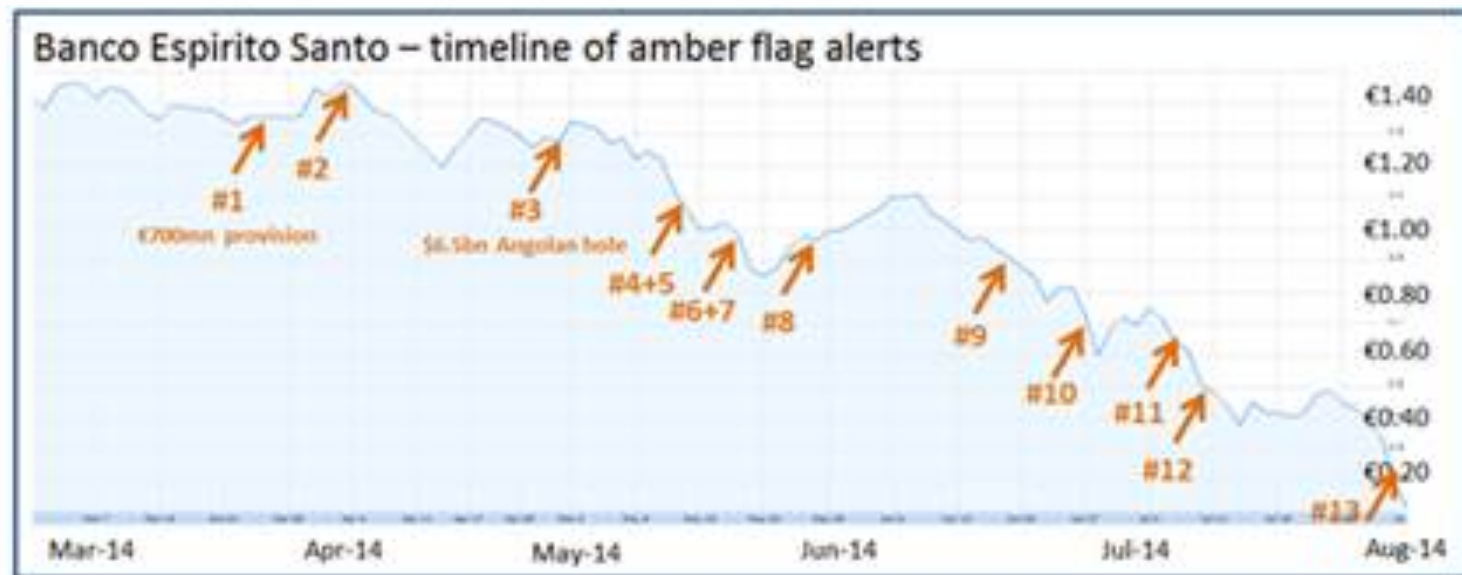
There are three principal ingredients required to build an effective early-warning system that will deliver *actionable intelligence*.

- First of all, one needs the broadest possible capture of news content;
- Secondly, the ability to create and adapt filters on that news-flow to ensure that only relevant news flows from the process;
- Finally, you need a team of investigators and analysts that have been trained in the process, methodologies, and techniques of Open Source Intelligence – 'OSINT' for short.

Amber Flags In Action – Banco Espírito Santo

In early August 2014, a leading Portuguese bank had to be rescued by the State. The shareholders lost everything: the market value had fallen by over €5bn (US\$7.2bn) over the previous six months, and added to that was the €1bn which

investors had been convinced to 'plough' into the bank in a 'rights issue' underwritten by some of the biggest names in global investment banking. Bond holders also lost a serious amount of money, with well over €10bn in losses.



What was most shocking about the collapse of Banco Espírito Santo was that the warning signs were in plain sight – if you knew how and where to look. This is why Open Source Intelligence skills are essential for banks and investment managers. In the six months leading up to the collapse of the bank, there were no less than thirteen clear amber flags. To see them in this case required no more than open internet access, a search engine like Google (preferably with auto-translate installed), a decent understanding of *Boolean logic* to set up the necessary search algorithms, and a good understanding of how to conduct a 'structured search'.

One of the most important amber flags in this case came from Angola; not a place often associated with breaking a bank. Monitoring the periphery for actionable intelligence is a key way to find amber flags; systems like *Reuters* and *Bloomberg* don't monitor outliers, and in this case, nor were the risk teams of the investment banks paying any attention either. In late April 2014, a local blogger ran an article saying the bank's Angolan subsidiary (BES Angola) had a \$6.5bn hole in its balance sheet – \$5bn of non-performing loans and \$1.5bn of unpaid interest. He also said that the crisis was so serious that the Angolan authorities had had to extend a state guarantee to the bank. But who was this 'MakaAngola' blogger? Was he for real? Was anyone reading his blog? Was the information verifiable? What did the senior management have to say? Could the bank survive? What other amber flags were out there or had already passed unnoticed?

The next day, the reaction in the Portuguese press was non-existent, despite the fact that the blog republished the article, and this time in English. Not all warnings are peripheral; sometimes they are as clear as glass, yet stay unrecognized because either no one is watching, or because no one is connecting the dots. Indeed earlier that year, the bank had postponed its Annual General Meeting three times and had announced a provision against client risk of €700mn. Yet the share price had barely blinked.

Over the following weeks, the bank raised a billion euros through a 'rights issue', yet its long term joint partner, Credit Agricole, decided not only not to invest, but specifically terminated its shareholder's agreement with the Espírito Santo family. Again no-one blinked. Flag #6 happened when a formal audit by the Portuguese regulator uncovered "significant accounting anomalies" at the bank's ultimate parent company. Still the banks were happy to throw money (their own and their clients') at the owners, with Goldman Sachs organizing an \$800mn loan.

Prior to any bank underwriting a capital increase or a syndicated loan, the deal has to go through an internal due diligence process. If these analysts relied solely on systems such as *Reuters* and *Bloomberg*, then the Angolan article would never have hit their radar. Yet the article was perfectly 'discoverable' through a simple Google search. What wasn't so visible was the balance sheet details of BES Angola, for this information, one had to take an excursion into the 'Deep Web'.

It is estimated that the 'Surface Web' (i.e., what you can get to via a simple Google search) is just 4–5% of the total content accessible via the web, with the rest living somewhere in the Deep Web. Knowing where "somewhere" is, matters. In this case, "somewhere" was the Central Bank of Angola's database on the country's banks. This is a perfectly open site (once discovered), but somewhat antiquated and in Portuguese. The relevant information showed that in Angola the bank's subsidiary had the equivalent of \$2bn in deposits, yet it had lent out \$5bn in easy loans without security. But how?

Searching across local Angolan press, as well as international press, it became all too clear that the bank had never issued any bonds, and that meant the other \$3bn needed to reach the \$5bn that had been lent out could only have come from one place – the parent bank in Portugal. A \$3bn hole in the parent bank meant that essentially the bank was bust, which was the ultimate truth. It was the *New York Times* that finally discovered the Angolan hole and ran an article about it; however, it wasn't until July the 29th, which turned out to be the last day the bank's shares ever traded. It was too late for anyone to do anything about it, except for one large global bank, which pulled a \$100mn line of credit it had to the bank. Luckily for them, they were listening to the right people and received all the amber flag warnings as they appeared.

That information had been discoverable for anyone with the necessary OSINT skills four months before the bank was nationalized. Four months in financial markets is an eternity; enough time to sell a shareholding, reduce credit exposure, analyze counterparty risk, and ultimately, ensure you and your clients don't lose any money.

These skills (and many more) are precisely what we will be focusing on in the new online course, [Open Source Intelligence for Financial Investigators](#), being launched this coming September. To ensure it is all about "learning by doing", we

will use real case studies, similar to that of Banco Espírito Santo, to get everyone up to speed on early detection of warning signals.



Robert Maxwell has spent over twenty-five years working in European capital markets as a financial analyst and portfolio manager. Six years ago, he shifted his focus across to the potential use of OSINT techniques in the financial services sector, specializing in monitoring FCPA and OFAC cases, and in building out systems to ingest, filter, and distribute relevant content for clients.

Robert now splits his time between working as a Senior External Advisor on investigating complex international frauds and opaque offshore structures for K2 Intelligence in Madrid, undertaking enhanced due diligence cases for clients, and training banks and regulators in OSINT methods and techniques for their financial crime units.

Learn more about Robert and his work [here](#).

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Resources:

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<https://pipl.com> – People search by name, email, username or number

<https://tweeterid.com> – Convert a Twitter handle to a Twitter ID

<http://www.online-translator.com> – PROMT online translator

<https://www.mywot.com> – ‘Web of Trust’; check websites for safety

<http://unfurlr.com> – Discover “what’s behind that short link”

<http://www.instantstreetview.com> – Enter a location for instant Google Maps ‘Street View’

<http://www.instya.com> – Meta search tool; search Google, Bing, Yahoo, DuckDuckGo, Wolfram Alpha and more

<http://www.mypicsmap.com> – View Flickr postings for a user displayed on a Google map

<https://twitrss.me> – Turn a Twitter user’s feed into an RSS feed

<https://www.textise.net> – Convert any webpage to a text-only printer-friendly version

<http://seotoolstation.com/bulk-facebook-id-finder> – Bulk Facebook ID finder

<http://www.talkwalker.com/alerts> – Monitor the web for keywords or mentions of a topic using this free alternative to Google Alerts

<https://lv.eosda.com> – ‘Land Viewer’ satellite and aerial imagery search tool, with ability to filter data by location and time

<http://socialmention.com> – Real-time social media search

<http://andrewmohawk.com/pasteLert> – Search pastebins and setup alerts

<https://unshorten.it> – View the original URL for a shortened link, along with a screen shot and safety rating by Web of Trust

Want more? Visit our continually updated, FREE [online research resources page](#) featuring hundreds of links, cheat sheets, investigative guidelines, and more!

Comprehensive E-Learning Program:

"Using the Internet as an Investigative Research Tool™"



E-Learning: *"Using the Internet as an Investigative Research Tool™"*

Take your Online Research and Intelligence Skills to New Levels

The most comprehensive and up-to-date Internet research and investigation e-learning program available anywhere, *"Using the Internet as an Investigative Research Tool™"* is designed to enable investigators, researchers, and intelligence personnel to *find better online information, in less time, at less cost, with less risk™*.

For a fraction of the cost of classroom-based training, our flexible and interactive virtual classroom environment allows candidates to progress at their own pace and competency level, with a qualified personal instructor on hand at all times to ensure success. Initially launched in 1998, this highly-acclaimed and continually updated online course has been successfully completed by well over six thousand investigators and knowledge workers around the world.

Enrollment takes only a few moments; online credit card payments are accepted, group discounts and licensing options are available for five or more registrants. Visit the [course page](#) to find out more and instantly register, or [contact us](#) directly with any questions.

Bonus: Tuition fee includes a one-year subscription to the newly revised and updated TII Premium Resource Knowledge Base, a premium resource of some 4,000 deep web resources and sites (an additional \$299 value)!

As a HRSDC certified educational institution, TII provides Canadian students with a T2202A Tuition Tax Receipt.

More Online Training

Open Source Intelligence for Financial Investigators 40-Hour E-Learning Program

Essential for all financial institutions and corporations required to comply with the *European Union Fourth Anti-Money Laundering (AML) Directive* and similar legislation, or otherwise engaging in enhanced due diligence activities, this comprehensive training provides financial and business professionals with the latest tools and techniques required to effectively gather online OSINT, with the aim of enhancing compliance activities and minimizing potentially detrimental risks to an organization — both quickly and accurately. Available September 1, 2017. **Sign up at our reduced early registration fee or learn more [here](#).**

Introduction to Intelligence Analysis 40-Hour E-Learning Program

This program provides a rich and interesting opportunity to explore the key concepts and intellectual foundations which inform intelligence analysis activity. Students will develop awareness of, and experience in, using common tools and methodologies to conduct analysis assignments, as well as learn how to fashion one's insights and ideas in a way that communicates effectively to clients and other intelligence consumers. **Sign up or learn more [here](#).**

Criminal Intelligence Analysis 40-Hour E-Learning Program

This program is designed to equip aspiring and inexperienced analysts, as well as other interested law enforcement and investigative professionals, with the knowledge and skills required to undertake criminal intelligence analysis work, and to understand criminal intelligence analysis products when encountered.

Sign up or learn more [here](#).

Strategic Intelligence Analysis 40-Hour E-Learning Program

This program is intended for professionals working in public sector enforcement, intelligence, national security, and regulatory compliance roles, or those aspiring to do so. Students will be equipped with the skills and knowledge required to effectively conceive, plan, and implement strategic analysis projects, and deliver impactful strategic advice to clients and other end users. **Sign up or learn more** [here](#).

Also of Interest to the OSINT Professional

[How to research the competition using Instagram](#)

[How to see what's behind a shortened URL](#)

[Four ways to use Google Translate](#)

[Using an RSS reader to follow a Twitter feed](#)

[Google Image Search \(for mobile\) adds new search filters](#)

[New social network 'Mastodon': Everything you need to know](#)

[WhatsApp encrypts iCloud backups](#)

[The UK is exploring measures to hold tech firms accountable for extremist content](#)

["Hackers Hide Cyberattacks in Social Media Posts"](#)

[Bitcoin alternative 'Ethereum' continues to gain traction in the digital currency marketplace](#)

['WannaCry' ransomware: Finally a wake-up call?](#)

[Bell Canada data breach of 1.9 million customers](#)

[Choosing secure passwords just got more difficult with new 'password meter'](#)

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[Social media: The new battleground for Hong Kong's politics](#)

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