Example A: An expensive lunch for Mr B

Ms Y is looking forward to lunch with her mother when a customer, Mr B, enters the jewellery shop in which she works. Ms Y offers to help Mr B, who advises her that he is on a cruise with his wife. He advises her that his wife owns little jewellery and that he wants to buy something expensive for her fortieth birthday. He and his wife are travelling alone on the holiday of a lifetime – a round the world cruise. He was not very forthcoming about the sights of the destinations the cruise ship had visited.

Mr B spends almost an hour making a decision and eventually decides to buy a highly expensive, collectable, limited edition pendant. As the pendant is being wrapped Mr B advises Ms Y that his wife will "break his legs" if she becomes aware of the true cost of the pendant. As a result, he proposes to purchase the pendant partly by cheque and partly by cash. This is acceptable to the shop manager, who makes a point of assisting her staff when dealing with customers looking at expensive items.

Ms Y's mother treats her to lunch at a good restaurant. Ms Y is surprised to see Mr B also having lunch. He is in the company of a man and a woman. The woman is some way from her fortieth birthday and is wearing a few items of expensive jewellery. Ms Y sees that carrier bags from her own shop and another jewellery shop are on the floor next to the woman.

Immediately after lunch Ms Y discusses with the shop manager what she had seen in the restaurant and how the story provided by Mr B differed from her experience. Ms Y and the shop manager become suspicious and make a report to the financial intelligence unit. It transpired that Mr B and his two colleagues were the founders of an advertising agency and trafficked drugs at social occasions. They had been on the cruise ship for only two weeks and had used the cash proceeds from their trafficking to help buy expensive goods at most of the destinations they had visited.

Example B: Limited edition jewellery

Expensive Jewellery Limited (EJL), a foreign firm active in a small jurisdiction, had noted that it was attracting an increasing number of very affluent customers. The owners of EJL considered that, in the same way there was a market in the jurisdiction for prestige, limited edition cars, there was also a market for very expensive, limited edition jewellery. As a consequence, EJL forged business links with a small number of leading London, Paris and New York firms to market high value jewellery.

Occasionally, selected customers were invited to the jurisdiction to attend viewings. Two years after it developed this new business line, EJL auctioned a necklace in which were set a number of diamonds. The necklace was sold for a sum in excess of £1 million to a buyer who was represented at the auction by his agent. It was agreed that the funds would be transferred to the account of the auctioneer the next day and once the funds had been received the necklace would be given to the agent.

The following morning the auctioneer telephoned his bank to ensure that the £1million had been transferred to his account. He was advised that the money had been received but payment had been made from different companies via three different banks in different jurisdictions. This information led the auctioneer to think that all was not quite right with this purchase.

The auctioneer made a disclosure to the local financial investigation unit. The unit reacted swiftly and the development of the intelligence in the disclosure uncovered that the agent and his client had drug trafficking convictions and were suspected of several frauds and laundering the proceeds of their and other frauds. When the auctioneer arrived at the hotel later in the day to meet with the agent he was accompanied by two police officers who arrested the agent.