

Practice Name:  
**National Agency  
for the  
Management of  
Seized Assets**

Country:  
**Romania**

Practice category:  
• Sanction mechanisms



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### **Fraud risk(s) countered**

- Others

### **Context and objective(s)**

The EU Directive 2014/42 of the European Parliament and the EU Council on the freezing and confiscation of proceeds of crime in the European Union urges Member States to adopt measures to allow confiscated assets to be used for public interest or social objectives. For Romania in particular, the European Commission issued recommendations in 2014 as part of the Cooperation Verification Mechanism (CVM) to improve the enforcement of confiscation orders. Recovery is a challenge, especially in cross-border cases.

The recovery and management of assets was the responsibility of different actors in Romania. The first being the police, followed by prosecution or by involving courts and the Ministry of Justice (via the Asset Recovery Office) and the latter traditionally being solely the police.

Romania included the creation of an agency linking asset recovery and asset management in its National Anti-Corruption Strategy 2012-2015 and passed a Law for the creation of the National Agency for the Management of Seized Assets (Agenția Națională de Administrare a Bunurilor Indisponibilizate—ANABI) in 2015.

Operational since December 2016, seized assets are distributed to the Agency by prosecutors and judges to be sold or managed. When cases are concluded, confiscated immovable assets may be subject to social reuse. ANABI promotes cooperation and is developing an online platform for the management of proceeds of crime, which shall increase the national institutional capacity to identify, manage and potentially sell the seized assets by providing detailed and up-to-date information on the whereabouts of these assets. In addition, ANABI is meant to increase transparency in the debt recovery process by providing open data to the public and generating reliable statistics for tracking the debt recovery process.

The overall objective is to increase the income brought to the state budget, as well as income through which victim compensation is ensured.

### **Description of the practice**

The Agency was created based on discussions with different stakeholders, the involved national authorities and practitioners (e.g. Ministry of Justice, prosecutors, police) and built on the experience of similar agencies in France, Belgium and the Netherlands. Since Romania did not have either a national agency for asset recovery or for asset management, ANABI was created to combine both.

ANABI is especially tasked with:

- a) facilitating the tracing and identification of proceeds from crime that could be subject to freezing, seizure or confiscation orders;

- b) securing management of movable assets seized in criminal proceedings;
- c) selling movable assets subject to seizure in criminal proceedings;
- d) publishing updated information on its website about each immovable asset confiscated in criminal proceedings, by including its legal status, its location, pictures, the date when it was transferred to the state's private ownership, as well as other relevant data.
- e) overseeing the reuse of confiscated immovable assets, i.e. the free-of-charge transfer to public institutions, to territorial-administrative authorities or to non-governmental organisations for social or public interest objectives.
- f) managing the national integrated electronic system of criminal assets that ensures access of public institutions from the judiciary to information regarding the management of proceeds of crimes.

The monies from the sale of movable and immovable confiscated assets, are allocated between Ministries and associations and foundations that have their scope of activity in the social area.

Concerning the reuse of immovable property, the Ministry of Finance, at the Agency's proposal, initiated a draft government decision whereby confiscated immovable assets can be transferred for free to associations and foundations that have their scope of activity in the social area.

In order to fulfil these tasks, the Agency is organised into 5 departments:

- 1) Asset recovery/tracing: charged with the initial identification of confiscated assets
- 2) Asset management: the biggest department charged with the management of assets, e.g. selling assets
- 3) Legal department: responsible for the representation in courts in order to seize assets
- 4) Internal organisation: taking care of the internal processes, incl. HR, procurement and finance
- 5) Treasury: responsible for payments and thus independent from the finance and procurement staff

ANABI was set up with the aim to employ 50 FTEs and recruited employees from various relevant backgrounds, incl. financial investigators, prosecutors, accountants and lawyers.

The key feature of ANABI is the inter-agency cooperation – all the agencies with responsibilities in the area of confiscated assets are involved throughout the entire criminal proceedings, including for instance the Ministry of Public Finances, National Agency for Fiscal Administration, Financial Supervisory Authority, National Office for Prevention and Fight against Money Laundering and the Department for the Fight against Fraud. ANABI organises regular conferences and seminars with representatives of these agencies in order to build and strengthen cooperation among them.

ANABI is in the process of being constantly improved, e.g. through the recent setup of a single account for the management of all the seized money nationwide, an online platform for ongoing auctions for selling seized assets in criminal procedures online (a process introduced during the COVID-19 health crisis) and asset recovery relating to virtual currencies.

On the 13th of May 2020, ANABI was granted funds to implement the development of an integrated national IT system (ROARMIS) for tracking seized and confiscated assets. This project is related to the whole judiciary system as it will bring together all the institutions and authorities involved in the procedures of seizing, managing and selling assets originating from the offenses committed. ROARMIS will be administered by ANABI and updated based on information added into the system by the competent authorities. It will provide direct access to all courts, prosecutors, judicial police units, the National Agency for Fiscal Administration and the Ministry of Justice as the central authority for international cooperation in criminal matters.

ANABI is also active in international cooperation networks and held the Camden Asset Recovery Inter-Agency Network (CARIN) Presidency in 2019. A set of recommendations for policies in the area of asset recovery were submitted to European Commission in April 2020. Main topics covered were the tracing and recovering of criminal assets from corporate structures/entities, asset return and reuse, tracing and recovering virtual currencies, with an emphasis on addressing cooperation with off-shore jurisdictions.

In order to increase transparency, the agency publishes the monies from the sale of confiscated movable and immovable assets and information about the reuse of immovable property on monthly basis.

## Unique features

- Combination of asset recovery and asset management within one agency;
- Cooperation with national and international prosecuting bodies;
- Multi-disciplinary staff, incl. legal and economic backgrounds;
- ANABI is one of only 3 public entities in the country that, in addition to internal control and audit are carried out by the Minister of Justice, is also subject to an annual external audit;

## Outcomes and results

The combination of asset recovery and asset management within one agency has proven to be effective and since its creation in 2015 (status May 2020), ANABI has seized assets with a combined value of approximately EUR 200 Mio. They reused immovable assets and sold moveable assets for approximately EUR 6 Mio. The discrepancy stems from the fact that seized assets do not only refer to physical assets but also include money that has been lost, for example damages due to tax evasion.

According to the annual activity report for 2019, relevant recent evolutions include:

- after establishing a track record of selling regular assets, the Agency managed to conclude the first sales of atypical and complex goods, e.g. shares, large deposits, industrial equipment and construction materials.
- ANABI manages virtual currency accounts in international organised crime cases;
- A building worth 3.000.000 Euros, confiscated in an organised crime and money laundering case, was proposed by ANABI to be reused as headquarters for a public institution.
- Following the first cases of sharing agreements of confiscated sums with EU and other jurisdictions a new sharing agreement was concluded with USA. 173.802,35 USD were transferred to Romania.

The asset management aspect of the agency ensures that, in some cases, seized assets can already be sold or reused before a final judgment. This avoids the loss in value and the cost for storing or maintaining the asset during the often-lengthy judicial processes. For instance, houses do not remain unused during long periods.

## Key success factors

For the creation of the Agency, it was key to build on the expertise from other countries without copying their setup but adapting it to the needs of Romania and its institutional landscape. The creation of the Agency was not hurried, and the process allowed a fitting setup for Romania.

Furthermore, the selection of staff with different skill sets ensured the fulfilment of the tasks of the Agency. Following its creation, it was also crucial to build the trust of the cooperating authorities and to show that the Agency was able to act and react fast and according to international standards, e.g. by providing information on seized assets within 8 hours, if required.

The mandate of the Agency is clearly stated in law and the Agency ensures to act within that mandate. Cooperation is not mandatory but built on trust in the proven competences of the Agency.

## Challenges encountered & lessons learned

One of the particular challenges in Romania was the political situation and pushback following its creation. Public belief was that an agency with only 50 people could not work effectively.

However, ANABI has proven that the right internal organisation and experienced staff can fulfil the tasks of such an agency with seemingly little financial and human resources.

## Potential for the transferability

Like Romania, other countries should build on the existence of such agencies but adapt the organisation and responsibilities according to the already existing national institutions and networks. The Romanian example might indeed be more relatable for countries that have a similar past to Romania.

As ANABI shows, such an agency can be set up with very limited financial and human resources while having significant effects, incl. the effect of deterring crimes and changing cultural beliefs about the non-existence of appropriate sanctions in case of crimes such as fraud.

