

Prove It or Lose It: Lost It! NCA Uses New Powers to Freeze Accounts and Secure Substantial Asset Forfeiture

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On 7 February 2019, the [UK's National Crime Agency \(NCA\)](#) [confirmed that it had obtained account forfeiture orders](#) over money held in bank accounts in the name of the former Moldovan prime minister's son, Vlad Luca Filat.

[Part III of our 'Prove It or Lose It' series](#) anticipated the use of these draconian new powers of UK law enforcement authorities to obtain orders to freeze bank accounts and to apply for the forfeiture of money held in those accounts, where there are reasonable grounds to suspect that the money constitutes recoverable property. These powers, which lack historically enshrined safeguards, were introduced as part of the Criminal Finances Act 2017, which substantially amends the Proceeds of Crime Act 2002.

Until now, these new powers had been given little publicity, although we predict the controversial new account freezing and forfeiture powers will be widely used. The order against Mr. Filat is a high-profile example of the NCA's intentions and has attracted a considerable amount of media attention.

Freezing orders over the accounts of Mr Filat were obtained in May 2018 after the NCA became suspicious that the funds held in the accounts were derived from the illegal activity of his father, who is currently serving a nine-year prison sentence after being convicted in June 2016 for his part in the disappearance of \$1 billion from three Moldovan banks.

Following the grant of a freezing order, the City of London Magistrates Court (a lower, mostly criminal court) granted an order requiring the forfeiture of £466,321.72 held in the accounts of Mr. Filat. In making the order, District Judge Michael Snow remarked, 'I am satisfied on the balance of probabilities that the cash was derived from his father's criminal conduct in Moldova'.

It is not clear to what extent Mr. Filat, a 22-year-old student who reportedly paid £390,000 in rent up-front for a Knightsbridge apartment, contested the proceedings. He has 30 days from the date the order was made to appeal to the Crown Court.

Capitalising on the resultant fanfare, the NCA released a [two-minute video](#) outlining and explaining its powers to obtain unexplained wealth orders and account freezing orders as well as new powers allowing the agency to seize and apply for the forfeiture of certain 'listed assets' including precious metals and stones, watches, artistic works, face value vouchers, and postage stamps.

The Filat case and the NCA's publicity push is a reminder that the authorities are intent on using the new powers available to them. Anyone who finds themselves subject to such proceedings should seek legal advice immediately.

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