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6th March 2024

[Fiduciary](#), [Financial Crime](#), [Enforcement](#), [Public Statements](#)

The Financial Services Business (Enforcement Powers) (Bailiwick of Guernsey) Law, 2020 (“the Enforcement Powers Law”)

The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2020 (“the Fiduciaries Law”)^[1][\(#_ftn1\)](#)

The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007 (“the Regulations”)^[2][\(#_ftn2\)](#)

The Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (“the Handbook”)

The Code of Practice – Company Directors (“the Company Director Code”)

Ms Ginette Louise Blondel (“Ms Blondel”)

On 1 March 2024 the Guernsey Financial Services Commission (“**the Commission**”) decided:

1. To impose a financial penalty of £210,000 on Ms Blondel under section 39(1) of the Enforcement Powers Law;
2. To make a Prohibition Order under section 33(1) of the Enforcement Powers Law prohibiting Ms Blondel from holding the position of controller, director, partner, manager, money laundering reporting officer and money laundering compliance officer for a period of 9 years and 1 month;
3. Pursuant to section 32 of the Enforcement Powers Law to disapply the exemption set out in section 3(1)(g) of the Fiduciaries Law in respect of Ms Blondel for a period of 9 years and 1 month; and

4. To make this public statement under section 38(1) of the Enforcement Powers Law.

The Commission considered it reasonable, proportionate and necessary to make these decisions having concluded that Ms Blondel breached the Fiduciaries Law by carrying out regulated activities without a licence and failed to fulfil the minimum criteria for licensing as set out in Schedule 1 to the Fiduciaries Law.

BACKGROUND

Ms Blondel, a Guernsey resident, holds an MSc in Corporate Governance and is an Associate of The Chartered Governance Institute. She worked in regulated financial services for fiduciary licensees in Guernsey from July 2000 until January 2013, her last such employment was between 2010 and January 2013.

Upon leaving regulated financial services, Ms Blondel commenced employment with Client 1 (which included related family structures) as his son's Personal Assistant. Client 1 had been a client of her previous employer. Client 1 was a high-risk client, due to being classified as a Politically Exposed Person ("PEP"), an alleged war criminal and kleptocrat; and who, from 2012, was under investigation for money laundering. Her employment as a consultant to Client 1 was subsequently confirmed by way of an agreement between Ms Blondel and a company ultimately owned by Client 1, dated 21 March 2014 (with a commencement date of 5 February 2013). The agreement made no mention of a Personal Assistant role but provided that she would advise and assist Client 1 with its business and administration, including its financial activities.

Ms Blondel was introduced to Client 2's family office at the end of 2014 and she started working for them informally in February 2015. Client 2, which had business relationships with licensees in Guernsey was also a high-risk client, consisting of a PEP family with alleged links to corrupt business practices.

The Commission first became aware, from open-source information, in mid-2021 that Ms Blondel may have been undertaking regulated activities without the requisite licence.

FINDINGS

The Commission commenced an investigation (the "**Investigation**") in September 2021. As a result of the Investigation the Commission identified:

Material Contraventions of the Fiduciaries Law

Section 1 of the Fiduciaries Law prohibits regulated activity from being carried out without the required licence being granted by the Commission. Section 2 of the Fiduciaries Law defines regulated activities. Section 59(3) of the Fiduciaries Law states that a person is deemed to be carrying on activity "*by way of business*" where they receive any income, fee, emolument or other consideration in money or money's worth for doing so. Ms Blondel was found to have carried out the following activities, by way of business, without a licence:

the management and administration of trusts, and the provision of advice in relation to the management and administration of trusts including being willing to act as protector for trusts (section 2(1)(a) of the Fiduciaries Law); and

the management and administration of companies and the provision of advice in relation to the management and administration of companies, and acting as company secretary and director of companies (section 2(1)(b) of the Fiduciaries Law).

Ms Blondel would not have been permitted to undertake the activities of trust and corporate administration, even if she had held a personal fiduciary licence, which she did not, as such activities can only be carried out by a Bailiwick body (not an individual) holding a fiduciary licence.

Breaches of the Regulations and the Handbook

Despite holding Customer Due Diligence and a certain amount of Enhanced Customer Due Diligence information on her clients, Ms Blondel did not have any Anti-Money Laundering/Countering the Financing of Terrorism policies, procedures or controls in place, as are required under the Regulations and the Handbook, when undertaking regulated activities.

As a consequence, there was no formal risk assessment of either of the two high-risk clients, demonstrating that the risks associated with the relationship had been identified and relevant measures implemented to mitigate the risks identified such as taking reasonable measures to establish their source of wealth.

Ms Blondel did not have the required policies, procedures and controls in place to manage or mitigate the risk of providing services to these high-risk clients (including PEPs). She did not have measures in place to establish the source of funds and source of wealth of the clients or to review their activities, or monitor their transactions, which Ms Blondel was closely involved in. Such measures are required of licensed financial services businesses which are subject to supervision by the Commission. Ms Blondel was therefore in breach of Regulations 3, 5, 11 and 15 of the Regulations and the associated Rules within the Handbook.

Failure to comply with the Company Director Code

In failing to ensure that she, and the companies of which she was a director, complied with the Regulations and the Handbook, Ms Blondel was also in breach of Principle 7 of the Company Director Code.

Carrying out of regulated activity

Client 1

Client 1 had been a major client of Ms Blondel's when she was employed as a Trust Manager at a previous Guernsey licensed fiduciary, where she stated she spent 99% of her full-time role working on Client 1 and all the related client trust and company structures.

Following her resignation in 2013, Client 1's trust and company structures began migration to a Corporate Service Provider outside of the Bailiwick in mid-2014. Ms Blondel commenced employment directly for Client 1 in February 2013.

Client 1 was a PEP from a high-risk jurisdiction and an alleged war criminal and kleptocrat who, since 2012, Ms Blondel had known was under investigation for money laundering. In addition, there were several credible adverse media articles on Client 1, which Ms Blondel was fully aware of.

Appointment to Director positions for companies owned by Client 1

As part of her employment for Client 1, Ms Blondel accepted her first 2 directorships for client entities in May 2013, only 3 months after her employment commenced. Subsequently Ms Blondel went on to hold a total of 11 directorships for this client with the maximum number at any one point in time amounting to 8 for this client, which constitutes a breach of Section 1 of the Fiduciaries Law.

The Commission considers the provision of client directorships as evidence that her employment went far beyond that of a Personal Assistant, with the holding of such roles constituting an integral part of the services provided for her clients.

During the course of the Investigation the Commission identified numerous examples where Ms Blondel not only carried out trust and company administration but also, by way of her intimate knowledge of Client 1, provided advice to other service providers in relation to Client 1's business. The Commission consider these activities to have amounted to regulated activity as defined in the Fiduciaries Law. These examples are in addition to the directorships she provided to client entities, and are detailed below:

- Provision of advice in relation to the transfer of Client 1 entities from a Guernsey regulated licensee to the new financial services provider;

- Assisting new trustees in monitoring the payments on one of the companies in the structure which she would later become director of;

- Advising the new trustees on how to manage loan positions between Client 1 family structures;

- Giving instructions to a senior trust administrator, an employee of the new trustee, and providing draft wording for them to send to the previous trustees; and

- Planning and advising on the closure of trusts.

The use of Ms Blondel's personal bank account to facilitate payments on behalf of Client 1

During the course of the Investigation the Commission identified that Ms Blondel received an amount of €1m into her personal bank account on 23 October 2015 as advance fees in respect of a proposed Guernsey Trust company that Ms Blondel and another person were planning to establish. These funds were provided through a company owned by Client 1 following the sale of an asset belonging to the family structure.

Although the proposed venture did not proceed, Ms Blondel did not return these funds to the Client. Instead, Ms Blondel used the funds to make in excess of 150 payments to multiple third parties, on behalf of Client 1. The Commission considers these payments led to a very real risk that Ms Blondel may have been used to launder the proceeds of crime, a risk which Ms Blondel has consistently failed to recognise.

Ms Blondel worked for Client 1 for a period of 7 years from 2013 to March 2020. In June 2020, Client 1 was convicted of money laundering and aggravated tax fraud in a European court and sentenced to 4 years in prison. Ms Blondel, and Guernsey as a jurisdiction, were named in a media article reporting this conviction, and therefore the reputation of the Bailiwick as an international financial centre has been materially damaged. Client 1 is currently subject to an international arrest warrant, which was issued in August 2022, in connection with alleged war crimes.

Client 2

Client 2's family office was introduced to Ms Blondel in late 2014.

Client 2 comprised a PEP family from a high-risk Central Asian jurisdiction. Media sources from at least 2010 allege that the PEP family were involved in a monopolistic business empire, had close ties with the ruling family of the said jurisdiction; and had been allegedly involved in corrupt practices.

Ms Blondel was therefore aware of the very high-risk nature of this client family, and the risks she was taking on in providing services to them. Ms Blondel had been providing services independently to Client 1 for approximately 2 years at the time she took on the additional roles and responsibilities of Client 2.

Ms Blondel commenced her role with Client 2 in February 2015, which included providing directorships to 7 non-Guernsey companies and undertaking the associated company management and administration, by way of business. By August 2015 she was providing these services to 12 companies on behalf of Client 2. At the time Ms Blondel took on the last of these 12 directorships for Client 2 she was already holding 5 directorships for Client 1, meaning she simultaneously held a total of 17 directorships.

After resigning from the 12 directorships in February 2016, Ms Blondel entered into a Consultancy Agreement with the family office of Client 2 in September 2016. Under this Consultancy Agreement Ms Blondel provided services to the family office. The Agreement noted the consultancy services as being *"Any and all such services as directed by the Directors of the Company; The Consultant shall conduct the Services in accordance with specifications set by the Company"*. Under this agreement Ms Blondel continued to provide company administration services by, inter alia, managing property assets and reporting to the owners. This arrangement was in place until January 2018.

The family office of Client 2 subsequently moved to an alternative jurisdiction due to adverse media surrounding the family. At that point, Ms Blondel entered into a new Consulting Agreement with a different company (still owned by the family office) in the new jurisdiction and continued to provide company administration services, including providing a directorship of a European company in which Client 2 had an ownership interest.

In October 2018, Ms Blondel took on two Company Secretarial positions for some non-Guernsey registered entities related to Client 2 and continued these positions until June 2021. Acting as Company Secretary is a regulated activity under the Fiduciaries Law; and the Commission viewed this as a further example of Ms Blondel assuming positions without complying with the legal and regulatory requirements.

The Commission's Investigation found that Ms Blondel carried out regulated activities by way of business to Client 1 under the job title of a Personal Assistant to Client 1's son; and as a Consultant to Client 2's family office.

The Commission views carrying out regulated activity without a licence as a serious matter. Ms Blondel's actions demonstrate that, despite her extensive trust and company administration experience, she was not aware of her legal and regulatory obligations and demonstrated a lack of soundness of judgement allowing significant breaches to occur.

Aggravating Factors

Ms Blondel has consistently failed to understand the gravity and consequences of her actions.

Ms Blondel continued to provide services (for which she was remunerated until March 2020) for Client 1 and their family when she knew that Client 1, was under investigation for money laundering and was an alleged war criminal and kleptocrat.

Ms Blondel was aware of the regulated fiduciary regime. She also received legal advice which advised on several aspects of regulated activities. Despite this, she materially contravened the requirements of the Fiduciaries Law.

Given the high-risk nature of the clients she serviced, in particular in relation to Client 1 (who was ultimately convicted of organised money laundering of state funds of a high-risk country and aggravated tax fraud), Ms Blondel caused, (due to a media article naming Guernsey), reputational damage the Bailiwick as an International Finance Centre.

Ms Blondel failed to spontaneously disclose serious matters to the Commission, such as the conviction of Client 1.

Furthermore, the subsequent money laundering conviction of Client 1, demonstrates the serious risk caused by an individual providing services to such high-risk clients, including the provision of directorships, outside of the regulated environment and control frameworks that licensed fiduciaries are necessitated to employ.

Mitigating Factors

Ms Blondel brought to the Commission's attention early on that she had contravened the Fiduciaries Law with her appointment to 12 companies for 12 months between February 2015 and February 2016, and apologised for this contravention.

Ms Blondel has cooperated with the Commission's Investigation and has provided a considerable amount of information and documents to the Commission when requested to do so.

Ms Blondel agreed to settle at an early stage of the process and this has been taken into account by applying a discount in setting the financial penalty and the duration of Ms Blondel's prohibition.

End

[1].([#_ftnref1](#)) Which replaced The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000 with effect from 1 November 2021

[2].([#_ftnref2](#)) The Regulations were repealed and replaced by Schedule 3 to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 on 31 March 2019.