



NCA

National Crime Agency

SARs Reporter Booklet

July 2020

This is a UK Financial Intelligence Unit (UKFIU) product for reporters of Suspicious Activity Reports, produced in line with the National Crime Agency's commitment to share perspectives on the SARs regime.



@NCA_UKFIU

Overview

This document is produced by the United Kingdom Financial Intelligence Unit (UKFIU) which has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the Suspicious Activity Reports (SARs) regime. The UKFIU sits within the National Crime Agency (NCA) and receives over 570,000 SARs a year.

This booklet contains a sanitised summary of feedback from law enforcement agencies (LEAs) on their use of SARs and includes pertinent information and updates from the UKFIU.

The contents of this booklet are aimed at:

- sharing perspectives on the use of SARs with participants of the regime
- sharing and encouraging best practice among reporters
- providing a feedback mechanism to the UKFIU about the operation of the regime.

More information about the UKFIU, the SARs regime and further guidance notes can be found at the NCA website www.nationalcrimeagency.gov.uk.

Don't forget to also follow us on Twitter – NCA_UKFIU.

We would appreciate your feedback on the effectiveness and format of this document. Please email any comments to ukfiufeedback@nca.gov.uk

Disclaimer

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Foreword

Welcome to the July 2020 edition of the UKFIU's Reporter Booklet aimed at all SAR submitters.

With this publication we aim to provide a snapshot of some of the excellent examples we receive highlighting the work of law enforcement agencies in utilising SAR intelligence to initiate investigations and informing existing ones. While it is impossible for us to provide feedback on every SAR that we receive (in the 2019-20 financial year we received over 570,000), I do hope that that this booklet – as well as other UKFIU products – go some way in indicating the value of SARs.

SARs are a critical intelligence resource for law enforcement – they provide information like phone numbers, addresses, company details, investment activity, bank accounts and details of other assets. They have been instrumental in identifying sex offenders, fraud victims, murder suspects, missing persons, people traffickers, fugitives and terrorist financing.

These Reporter Booklets focus predominantly on sanitised case studies. News relating to the UKFIU/SARs regime now feature instead in the UKFIU magazine, *SARs In Action*, available via the NCA website – www.nationalcrimeagency.gov.uk. The most recent issue of the magazine was published in July 2020 looking at international working; the 2019 SARs Annual Report is also available from the website and the 2020 one will be released later in the year. Our very first podcast is also now available on ukfiu.podbean.com looking at better quality SARs.

Ian Mynot,
Head of the UKFIU

UKFIU assistance

For information or assistance with submitting SARs or SAR Online enquiries, please visit www.nationalcrimeagency.gov.uk or contact the UKFIU on 020 7238 8282:

Press '2' – General SAR enquiries
Press '3' – SAR Online helpdesk

When contacting the UKFIU please have available your SAR reference number if applicable. If you wish to make a SAR by post you should address your SAR to UKFIU, PO Box 8000, London, SE11 5EN or by fax on 0207 283 8286. **NB:** post and fax are slower than SAR Online and therefore it will take longer for your SAR to be processed. You will not receive an acknowledgement if you use post or fax.

General UKFIU matters may be emailed to ukfiusars@nca.gov.uk

All defence against money laundering (DAML) request queries are only dealt with via email. Should you have any queries email DAML@nca.gov.uk

Case studies

A review of case studies provided by LEAs and other end users¹ of SARs demonstrates how they continue to be instrumental in instigating and supporting investigations to tackle a wide range of the highest priority threats identified by the National Strategic Assessment of Serious and Organised Crime (NSA).

Money laundering

A number of Defence Against Money Laundering (DAML) requests were received in relation to a subject who had been changing their name and opening multiple business bank accounts. These accounts had seen millions of pounds deposited, sometimes quickly transferred out to third parties. Account freezing orders (AFOs) have been put in place for over £60,000. This is considered significant as this activity has had a key disruptive effect on organised criminality moving funds. Enquiries are ongoing.

Research conducted via moneyweb identified several SARs for members of an organised crime group (OCG) under investigation for money laundering and firearms offences. From the detailed information provided, and by correlation to other known bank account transaction history and information/intelligence already held, it was established that the account holder was in fact a principal member of the OCG and had used false identification documents to open accounts. The investigation identified numerous financial transactions overseas and also other persons associated to the OCG. Enquiries are ongoing.

Numerous SARs were identified by the UKFIU and fast-tracked to a law enforcement agency (LEA) for potential investigation. The SARs related to vulnerable youths being targeted via social media to pass their account details on to others and to allow fraudulent funds to pass through their accounts. The case is complex due to the volume and vulnerability of mules targeted and the high volumes of cash passing through these accounts. There is clear evidence of sophisticated and organised criminality via a complex network of mules, accounts and withdrawal locations. Enquiries are ongoing.

An investigation was underway into an OCG placing cash sums into the banking system. From there it was moved around various bank accounts and then paid into cryptocurrency. DAML SARs have assisted in securing AFOs totalling more than £50,000. A huge number of SARs were reviewed to help in law enforcement enquiries and the investigating financial investigator praised the work of the UKFIU for its assistance, particularly in relation to the DAML requests and SARs being fast-tracked to the investigating team for review. Enquiries are ongoing.

¹ A current or potential user of SARs such as an LEA or relevant government body.

SARs identified a case whereby a subject was involved in obtaining substantial amounts of cash through an account using an illegal money service business (MSB). The volume of cash activity was excessively high and out of line with the customer's anticipated means. The explanation to the reporter from the customer of the account activity had raised suspicions further. The UKFIU allocated the SARs to an LEA for investigation which enabled over £50,000 of the funds to be forfeited.

SARs were received highlighting funds being sent from the UK to various countries overseas. SARs showed a current account being funded by multiple third party credits and cash lodgements. When questioned, the subject's rationale for the activity did not correspond with what was being seen in the accounts. An AFO was obtained for over £20,000. Enquiries are ongoing.

A number of SARs identified unusual fund activity in an account despite the subject stating they were in receipt of benefits. The SARs enabled AFOs to be obtained which successfully disrupted the subject's available funds which were believed to represent the proceeds of criminality and would have facilitated the continuation of such activity. The subject was unable to show that the funds were derived from a legitimate income and over £20,000 was forfeited.

Fraud

A DAML SAR was received requesting to release funds held in an online account. The reporter was suspicious of payments being made into the subject's personal account from a business account. In total, the subject was found, following an LEA investigation, to have transferred over £2m in unauthorised credits. A significant amount of this amount was subsequently returned. Enquiries are ongoing.

The UKFIU received a DAML request from a reporter who had suspicions of proceeds of crime relating to a subject seeking to withdraw over £50,000 due to the subject having previous convictions linked to fraud. The UKFIU allocated the DAML to an LEA whose further investigations revealed others assets. A restraint order has been put in place for over £200,000. The investigation is ongoing.

A series of SARs were instrumental in identifying an OCG conspiring to defraud victims and the various mechanisms being used, including hi-jacking social media accounts, intercepting emails and providing bank account details for funds to be paid into. Victims have been identified throughout the UK and globally, and there is evidence of monies being sent overseas. The investigation is ongoing.

An internal review by a reporter led to them submitting a DAML request relating to a subject's account activity not correlating with their background and also due to the subject having previous convictions linked to embezzlement. LEA further enquiries revealed other assets. A restraint order has been put in place for over £70,000. The investigation is ongoing.

Other

A SAR was submitted outlining concerns about the unknown origin of funds entering an account, indicative of fraudulent activity. The investigating LEA visited the account holder who had no knowledge of the funds being paid into their account. It was established that over £200,000 had been fraudulently withdrawn by a relative. Enquiries are ongoing.

A case was underway into a prolific offender. SARs alerted the investigating LEA that the subject had opened/attempted to open bank accounts in false names. The SARs also showed that the subject had access to false ID documents and that there were a number of active bank accounts with credit balances on them. This resulted in the successful application for a restraint order for over £10,000 whilst the investigation continues. The case is complex in terms of the number of bank accounts that are/have been owned by the subject, with substantial amounts of money passing through them.

A SAR played an integral part in an investigation into a subject who was found to be linked to a multi-million pound online crime operation. The SAR highlighted that activity on the business account had spiked suddenly and was not consistent with the reasons given for opening the account; it was also invaluable in highlighting a particularly lucrative type of criminality involving identity fraud. The ensuing investigation uncovered a link to a convicted fraudster. As a result, an AFO application for over £70,000 was successful and the investigation is ongoing. This is a good example of disruption as a significant amount of money which was funding a highly profitable criminal operation has been frozen.

Drugs

An investigation was underway into an OCG involved in the supply of controlled drugs. SARs provided additional information identifying potential tax evasion as well as identifying relevant addresses, telephone numbers and bank accounts that law enforcement were previously unaware of. A number of defendants have received prison sentences and confiscation proceedings are underway.

An OCG involved in drugs importation and supply was disrupted by a law enforcement investigation which saw the main subject imprisoned and a number of significant members charged. SARs have assisted the investigation in tracing criminal assets believed to have been hidden by the main subject. A number of properties have been restrained and confiscation proceedings are ongoing.

SAR glossary codes (as of May 2020)

Request for a defence under POCA/TACT	
XXS99XX	Request for a defence under POCA
XXGVTXX	Request for a defence under POCA for £3,000 or less
Tick 'Consent' and submit under TACT	Request for a defence under TACT
Money laundering	
XXPRFXX	Relates to person(s) providing professional services or specialist knowledge that wittingly or unwittingly facilitates money laundering
XXTBMLXX	Trade-based money laundering
XXPROPXX	Relates to purchases and rental of real estate property
XXVAXX	Virtual assets
XXILTXX	Illegal lotteries – operating or facilitating illegal lotteries
Predicate offences - economic crimes	
XXTEOSXX	Tax evasion offshore
XXTEUKXX	Tax evasion UK-based
XXF1XX	Proceeds from benefit fraud
XXF2XX	Excise evasion (duty on alcohol, tobacco, fuel etc.)
XXF3XX	Corporate tax evasion (tax evasion by businesses, corporations)
XXF4XX	Personal tax evasion (tax evasion by individuals e.g. income tax)
XXF5XX	VAT fraud e.g. carousel – Missing Trader Intra-Community (MTIC) fraud
XXF9XX	Frauds against private sector
XXD9XX	Bribery and corruption
Politically Exposed Persons (PEPs)	
XXD7XX	International PEPs
XXD8XX	Domestic PEPs
Money laundering/terrorist financing relating to vulnerable persons	
XXV2XX	Risk to vulnerable adults
XXV3XX	Risk to children – including sexual abuse and exploitation
Other predicate offences	
XXFIREXX	Firearms
XXOICXX	Organised immigration crime
XXMSHTXX	Modern slavery and human trafficking
XXDRUXX	Illegal supply of drugs
Projects/other	
XXPCPXX	Counter-proliferation
XXVICTXX	Where the purpose of the activity is to return money to a victim of crime
XXSATXX	Relating to suspected fraudulent use of the HMRC Self-Assessment Tax Refunds system
XXGPSXX	Relating to suspected fraudulent use of Government Priority Schemes established as a result of COVID-19
XXCVDXX	Relating to any suspicious activity connected to COVID-19