

SARs IN ACTION

Issue 17 - October 2022

Page 3

Red Alert: Russian elites and enablers

Page 5

Non-fungible tokens and money laundering

Page 13

Trade based money laundering - Hidden in plain sight?

Page 15

Auction houses and money laundering regulations



A United Kingdom Financial Intelligence Unit publication aimed at all stakeholders in the Suspicious Activity Reports regime



Message from the head of the UKFIU



Vince O'Brien Deputy Director

Hello and welcome to the latest, new look edition, of the UKFIU's magazine *SARs In Action*.

In this issue we look at the remit of the Proceeds of Crime

Centre, which delivers training for law enforcement officers regarding financial investigation and asset recovery.

We also hear from the Joint Money Laundering Intelligence Taskforce cell on sanctions facilitators and a recently published red alert on Russian elites and enablers.

We focus on the UKFIU's engagement work regarding the importance of receiving feedback on Suspicious Activity Reports (SARs), and the importance of encouraging dialogue and contact between all stakeholders within the SARs regime. We also speak with the UKFIU's SARs Enquiry and Action Team about the significance of glossary codes within SARs.

Elsewhere in the magazine we look at trade based money laundering (TBML), the threat and the challenges faced by HM Revenue & Customs and the risk indicators that TBML typologies present. We also look at non-fungible tokens and their potential for money laundering.

Finally, I would like to take this opportunity to introduce a new UKFIU video available on the NCA's YouTube channel which looks at the usefulness of SARs.

➔ Who is the magazine aimed at?

- All law enforcement; this includes senior investigating officers, front-line police officers and police staff
- Reporters
- Regulators
- Supervisors
- Trade bodies
- Government partners
- International partners

➔ Contents

Russian elites and enablers	3
Non-fungible tokens	5
Case studies	7
Proceeds of Crime Centre	8
Law enforcement feedback	10
Reporter feedback	12
Trade based money laundering ...	13
Auction houses and MLRs	15
SARs Glossary Codes	17
SARs tactical coordinator	19
How we use SARs video	21

➔ Opinions expressed in articles provided by partners are not necessarily the view of the UKFIU/NCA.

The UKFIU exercises the right to edit submitted articles.


RED ALERT: RUSSIAN ELITES AND ENABLERS

JMLIT+ Sanctions Facilitators Cell

The Joint Money Laundering Intelligence Taskforce (JMLIT+) ¹ cell on sanctions facilitators published a [red alert](#) on Russian elites and enablers in July 2022. The key message is: The suspected criminal evasion of money laundering regulations we have been seeing is not always a complex, transnational laundromat that requires a career in forensic accounting to understand.

Earlier this year, **Russian oligarchs close to President Putin suspected they were about to have sanctions imposed** on them due to the impending invasion of Ukraine. Before and after the invasion, many began transferring their wealth to family members and/or trusted associates, such as long-standing business partners or employees.

This mostly happened either in the run-up to the Ukraine invasion or immediately after, when different jurisdictions moved at different speeds to designate targets. Since then, **the UK has changed its sanction regulations** to allow the Foreign Commonwealth & Development Office to mirror US and EU designations, enabling closer alignment with our allies.



Russian illicit finance threat actors are experts in exploiting the offshore financial system. Frequent use of shell companies within complex corporate structures creates challenges for law enforcement and the regulated sector who are investigating persons of significant control and beneficial owners of assets.

¹JMLIT+ is the new operating model for the National Economic Crime Centre (NECC) Public Private Partnerships which has operated since early 2021, coordinated under the Public Private Operational Board.

The NCA is **actively pursuing the enablers who facilitate the flow of dirty money** through the international financial system by creating these complex multi-jurisdictional arrangements.

Enablers who assist designated persons in breaching or circumventing sanctions regulations may be committing a criminal offence. The Office of Financial Sanctions Implementation should be informed of any breaches or any attempts to breach these regulations.

It is also **important to note that a sanctions breach is a predicate offence** for money laundering, so suspicions of money laundering linked to sanctions evasion can be reported to the UKFIU.

SARs linked to designated entities are being closely monitored by the newly-established Combatting Kleptocracy Cell as well as the UKFIU. These reports may represent opportunities to deny corrupt elites assets obtained from, or intended for use in, unlawful conduct, as well as the identification and disruption of their enablers.

We hope this alert will help you better understand the red flags associated with sanctions evasion and associated money laundering.

SAR reporting has been a crucial component of the evidence base for this alert, which we have combined with other intelligence sources to create this bespoke product to raise awareness and assist with compliance efforts.

Your **diligence is crucial in supporting the UK's efforts to take action against kleptocrats** attempting to circumvent sanctions designed to influence the Russian regime.



NON-FUNGIBLE TOKENS AND MONEY LAUNDERING

Nicola Wilson

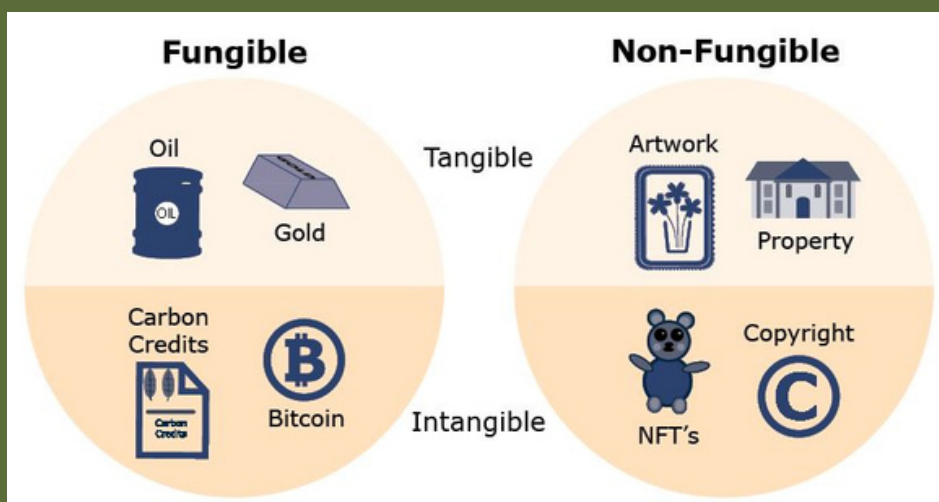
National Assessments Centre Futures Team

National Crime Agency

A growing interest in cryptocurrencies and digital art has recently increased public awareness of Non-Fungible Tokens (NFTs). **An NFT is a digital asset that links ownership to unique physical or digital items, such as works of art, real estate, music or videos.** NFTs are most often based on the Ethereum (ETH) blockchain¹, with unique identification codes and metadata that distinguish them from each other.

Fungibility

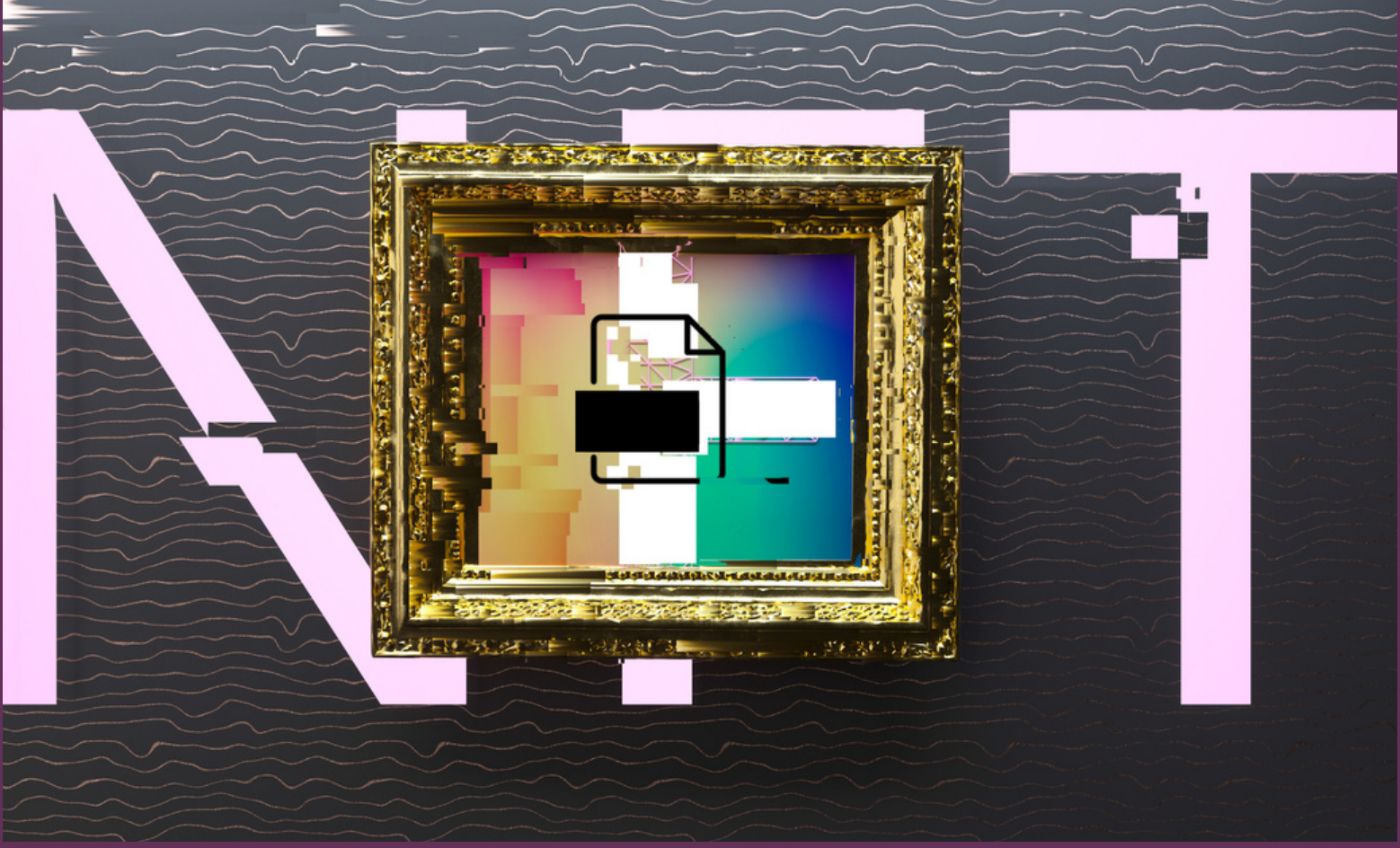
'Fungibility' is the ability of an asset to be interchanged with other individual assets of the same kind; it implies equal value between the assets. For example, one GBP can be exchanged for any other GBP. NFTs, however, are unique digital assets and are not mutually interchangeable – in the same way that a Picasso painting is unique and cannot be exchanged for another.



UK NFT Regulations

Collectible and non-collectible NFTs will generally **fall into a category classified as unregulated tokens**. Unregulated tokens are virtual currencies that are neither security tokens nor e-money tokens. They are not specified investments under the Financial Services and Markets Act 2000, falling outside the UK regulatory perimeter. **NFT trading platforms and businesses facilitating the exchange of NFTs, however, could be subject to the UK's anti-money laundering (AML) regime** if the NFTs being traded are deemed to be cryptoassets.

¹A decentralised electronic ledger that records all cryptocurrency transactions securely and which cannot be deleted or edited.



Potential for Money Laundering

NFTs are most often purchased with cryptocurrencies on online marketplaces. Cryptocurrencies are routinely exploited for malicious means, such as obfuscating the source of criminal proceeds. As with any new technology, **NFTs are vulnerable to abuse and are highly likely to carry a substantial financial crime risk**. The Financial Action Task Force has recognised that NFTs may create opportunities for money laundering and has called for further regulation.

‘Pump and dump’ activity, also known as ‘wash-trading’, could be used for the purposes of money laundering. Pump and dump schemes refer to groups of fraudsters trading an NFT between themselves, artificially driving demand up. When someone who is not part of the group, and who thinks that the price is real, buys the NFT, the group splits the proceeds between themselves.

The traditional **art market is regulated for AML purposes; however, there is not yet any specific guidance determining whether an NFT is a ‘work of art’**. Creating a digital file, listing it for sale and then buying it at an inflated price (art is subjective and is worth whatever the buyer is willing to pay), is also a method used to launder money.

With the development and implementation of ‘Know Your Customer’ (KYC) policies, ongoing monitoring and strong cyber security measures, many of the money laundering risks of NFTs can be mitigated.

Case Studies

1 A reporter held concerns over suspected tax evasion seen on a customer's personal account. The account had seen over £200,000 pass through it in a short period of time, which appeared to the reporter to be business usage. The reporter determined that there was no reason to use a personal account instead of their business account other than for tax evasion. This was investigated by a law enforcement agency (LEA) and it was determined that large amounts of money were from unexplained origins. Upon further investigation, multiple errors were identified in the customer's accounts. Over £250,000 was subsequently recovered.

2 A number of SARs highlighted high volumes of funds being transferred to accounts from multiple third parties. Multiple reporters questioned these funds as money would leave the accounts swiftly via ATMs and purchases at retail stores, while the third parties sending these funds claimed they were helping a friend with bills. The activity on these accounts was consistent with layering, with it becoming clear that romance scams were taking place against a number of victims. These SARs identified a large number of accounts involved in this scam as well as others involved who had not been previously known. The main suspects have been arrested and enquiries are ongoing.

3 The UKFIU received a Defence Against Money Laundering (DAML) request regarding funds over £15,000 held in a customer account. The reporter had found adverse media stating that the customer had convictions for burglary related offences. The reporter suspected that the funds in the account were the proceeds of crime when the customer was unable to provide evidence of the source of these funds. The DAML was referred to an LEA who commenced a financial investigation and subsequently obtained a restraint order. The funds were made subject of a court order and paid over to the Government.

4 A SAR identified over £100,000 of suspected proceeds of crime in a potentially vulnerable person's account. The reporter raised concerns that the customer's account was receiving excessive funds from a third party located overseas. The funds showed that the personal account name had been falsified into a business in order to receive the funds. Money was then being debited out in quick succession and transferred to their related accounts. These funds were then debited back out and sent to multiple third parties located in various countries. An LEA investigation was initiated and it was discovered that the customer had entered into a perceived romance with someone they had 'met' on social media, who then recruited them as a money mule. The funds were forfeited and the customer was offered safeguarding support and advice.

PROCEEDS OF CRIME CENTRE



Huw Rogers
NCA Officer and POCC Regulator

The Proceeds of Crime Act 2002 (POCA) was introduced to provide new, extensive powers to trace and recover criminal assets. The Proceeds of Crime Centre (POCC) was borne out of the need to fulfil Section 3 of POCA, which requires the NCA Director General to provide a system for the registration, training, accreditation and monitoring of the financial investigation community in England, Wales and Northern Ireland, in accordance with its statutory obligation, associated policies, Codes of Practice and any applicable Service Level Agreements.

The POCC designs, develops, delivers and maintains a broad range of training products for the national law enforcement community to ensure the highest standards in financial investigation and asset recovery. Training, accreditation and monitoring of financial investigators (FIs) is delivered by the network of regionally based regulators and supported by the POCC Business Support Team.

POCC Regulators are **responsible for overseeing approximately 4,000 law enforcement staff from 250 organisations** in England, Wales and Northern Ireland, which are made up of police forces, local authorities, trading standards, HM Revenue & Customs, Department for Work and Pensions and a multitude of other agencies.

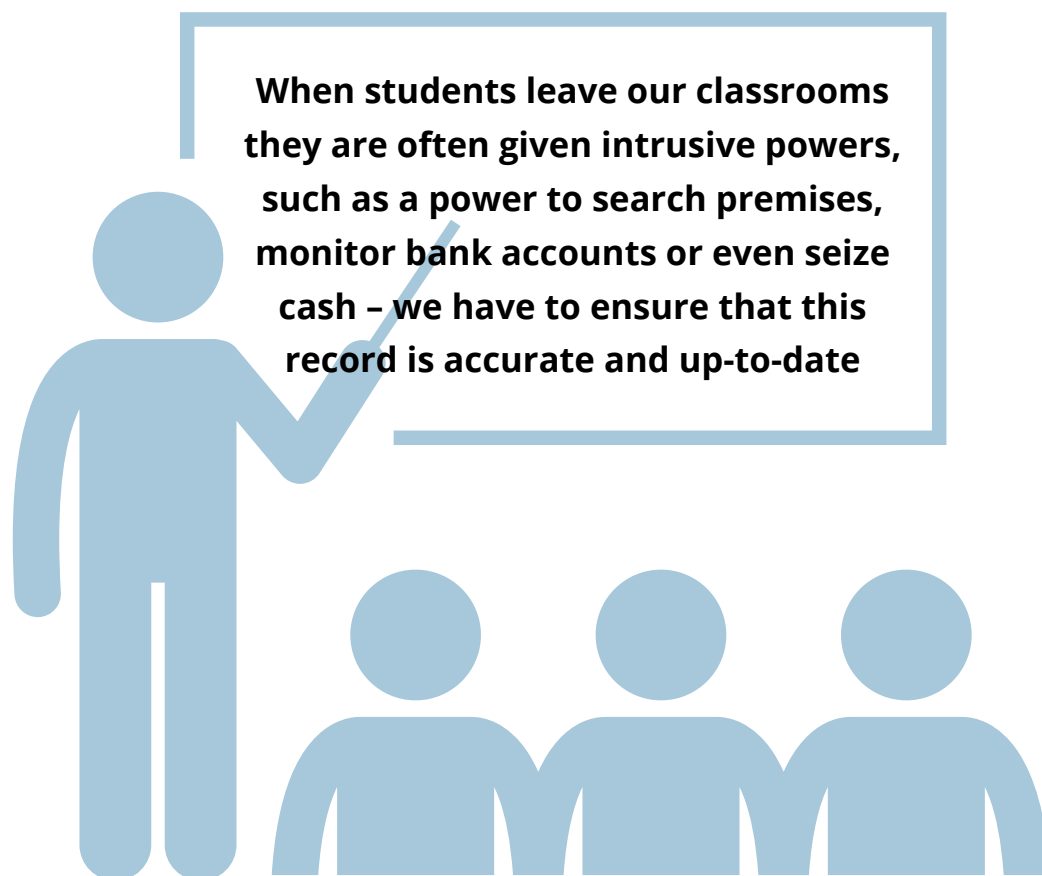
Regulators are **experienced practitioners who are able to share their knowledge and understanding of POCA, supporting the financial investigation community** both in the classroom and workplace.

A typical day can vary; some days are working from home or the office, others are in the classroom or speaking at conferences either in person or via MS Teams.

The day normally begins with emails and phone calls from law enforcement, which range from simple course queries to complex legal questions or advice on criminal investigations. I come from a police background so love to chat over crime and POCA issues with my organisations.

Once the emails and calls are dealt with, I then log into the first meeting of the day. Today we are discussing general workload and course updates; we each own a course and are responsible for keeping it accurate, interesting and up-to-date. During and post COVID, the team is making use of technology to deliver training alongside the classroom environment.

Meetings done and I am back on the phone reviewing the course I delivered last week. We ensure all learners' assessments are uploaded and the correct details are added to the Financial Investigation Support System that records everyone's accreditation.



Then it's onto planning a work based assessment in police headquarters. This is often a trip down memory lane and a chance to get to know the teams you regulate.

Final task of the day is the nervy test call for an online training course. Next week I am running a confiscation course; this course teaches experienced FIs how to confiscate a criminal's ill-gotten gain. Since COVID the course has been run exclusively on MS Teams over a two week period. The POCC still runs most courses in both the classroom and MS Teams.

Because of the complex security arrangements of the NCA and our organisations, we run this 'test call' to the students, getting them all online the week before the course, checking connectivity and bandwidth.

That's it for the day, I hope it's been interesting.

IMPORTANCE OF LAW ENFORCEMENT FEEDBACK



Steve Longshaw
Senior Officer
UKFIU SARs Exploitation Team

The UKFIU SARs Exploitation Team (SET) has recently devolved to a regionalised approach in delivery functions within the UK and I have the SET lead currently for three regional areas.

A key reason for devolving in this way is to allow a more bespoke UKFIU delivery to address SET issues and create, develop, maintain and encourage external relationships with LEAs.

This means **encouraging dialogue and contact between all parties concerned, particularly with the Subject Matter Experts (SMEs)** who are embedded within the respective regions. This approach seeks to encourage **'a two way street'** partnership process in developing an effective investigative platform to support any criminal or civil investigation and importantly, not just those investigations of a financial disposition.

A performance measure used by the UKFIU involves monitoring the feedback from all those who use SARs. From the LEAs using the information in the SAR, to the reporters who initiate the process, we seek to facilitate and **deliver consistent high quality reports**, for the benefit of all.

LEAs are requested to submit twice yearly reports (the LEA Feedback Questionnaire), summarising their experiences. These **submissions are closely reviewed** to identify any requirement need or opportunity to further improve on quality and delivery.



LEA feedback is key to providing consistency and maintaining high quality reports. This feedback denotes both good and poor reporting activity. After all, recognition of good work is always a sound motivator in any profession. It is vital that all LEAs participate and engagement in this area is actively sought and encouraged.

It is critical that **all** those individuals using SARs for investigative purposes **participate and contribute** in this process, highlighting issues that might be deemed as being a positive indication – for instance, a good quality SAR that has been helpful to an outcome, or a negative indication or, conversely, a poor quality SAR that indicates areas that suggest there may be a training or awareness need.

This might be, for example, a SAR that doesn't provide a comprehensive overview or leaves unanswered queries for the reader with insufficient detail. This is a SAR that might **benefit from an intervention awareness measure**.



As a career detective officer and investigator, I can only endorse the professional benefits of ongoing engagement from LEAs and I would welcome any follow up that LEAs may have in regards to this article.

IMPORTANCE OF REPORTER FEEDBACK

Michael Jones

Banking Sector Portfolio Manager

UKFIU Reporter Engagement Team

The UKFIU Reporter Engagement Team (RET) is divided into sub-sections, with Portfolio Managers responsible for delivering the UKFIU's strategic objectives through engagement with their own section of the regulated sector. I am the Portfolio Manager for the banking sector.

To echo Steve's message (pages 10 -11), **feedback from LEAs is extremely important** to the RET. Over the last year I've been travelling the UK and meeting virtually with thousands of staff in the banking world. Positions range from directors, money laundering reporting officers, nominated officers, complex case teams, bulk reporting teams, FinCrime managers and firstline customer facing teams; there really is nobody I won't sit down and preach the importance of SARs to! From these interactions, I can see there are **two driving factors** behind the value of feedback:

1 To help reporters to write more useful SARs

We hold approximately three to four million SARs at any given moment on the SARs database. But what is the point in holding vast quantities of SARs if law enforcement cannot exploit them to generate lines of enquiry or parallel information in investigations? If LEAs have used SARs in an investigation but felt there was information lacking, be it customer due diligence information or more narrative around suspicious behaviour, we encourage you to report it to the SET. From here, RET will endeavour to diagnose the SARs, speak to the reporter and ensure that they provide the most valuable intelligence possible next time around.

2 To encourage a unified front against crime

Without feedback, reporting teams can feel a little removed from the positive actions LEAs are making in their investigations. Feeding back successes like prosecutions, victim safeguarding and asset freezing motivates staff and promotes a unified ethos between the reporter and LEAs. Reporting teams are particularly interested in what was it about that SAR that generated a lead or unlocked a piece of the puzzle.

To address both these points I have been delivering RET's 'Bringing SARs to Life' presentation to reporting teams nationwide (see [Issue 16 of SARs In Action](#)). I'm always looking out for updated success stories to share at these sessions. The **LEAs' feedback programme is the main source of feedback** I have for this, and so its value to the RET is of the upmost importance.

TRADE BASED MONEY LAUNDERING – HIDDEN IN PLAIN SIGHT?

James Leader
Trade Based Money Laundering Team
Economic Crime Strategy Unit
Fraud Investigation Service
HMRC

Trade Based Money Laundering (TBML) is a serious and **growing threat with an estimated UK value in the tens of billions** – if we assume the United Nations Office of Drugs and Crime assessment that law enforcement agencies detect less than one percent of money laundering is correct.

The international anti-money laundering standard setter, the Financial Action Taskforce (FATF), has identified TBML as **one of the three main types of money laundering activity and their definition** is probably the most widely known:

“ The process of disguising the proceeds of crime and moving value through the use of trade transactions in an attempt to legitimise their illegal origin or finance their activities¹ ”

However, despite the significant size and scale of the threat, detection of **TBML is notoriously difficult**. This is primarily due to its complexity and the fact that it can share similarities with other types of money laundering and predicate offences. The effect of this difficulty in identifying TBML is that you do not see the volume of cases you would expect given the estimated scale of the problem.





The challenge HMRC has is ensuring that we correctly identify all TBML cases where it is present. At present, TBML can be overlooked as less complex criminality can be easier to identify.

The **risk indicators that TBML typologies present are numerous**, too numerous to list in an article of this length, and many of them are shared with other money laundering methodologies or criminality such as illicit commodity smuggling or Missing Trader Intra Community fraud.² Our operational and intelligence colleagues are already adept at spotting these types of criminality, but **we want to further upskill them to look beyond those predicates and better encompass the TBML that often sits behind them.**

HMRC is developing **a strategic action plan to significantly degrade the ability of organised crime groups to use TBML**, with improving capability at its core. We will do this not only through creating and delivering TBML-focussed training products, but by better engagement with stakeholders, both domestically and internationally, and with partners in the public and private sector. To that end we hope to host a TBML summit with our partners in early 2023/24.

It is essential to improve the intelligence picture by **making better use of the data available to us, including SARs** which contain TBML specific identifiers. We can feed these findings back to firms across the regulated sector, to help deepen understanding of how and where they might be exposed to or be at the vanguard of detecting TBML e.g. accountancy service providers who might see their client settling invoices using a previously unknown third party, based in jurisdictions with known beneficial ownership transparency issues.

By its very nature **TBML is a multi-sector, cross border threat that requires a co-ordinated response**, or we run the risk of continuing to miss the TBML wood hidden amongst the trees in the illicit finance forest.

¹ 2006 FATF report on trade-based money laundering.

² FATF TBML Risk Indicators <https://www.fatf-gafi.org/media/fatf/content/images/Trade-Based-Money-Laundering-Risk-Indicators.pdf>

AUCTION HOUSES AND MONEY LAUNDERING REGULATIONS



Dr Stephen Strickland
Senior Director
Sotheby's

In June 2022 the UKFIU hosted the first Art Market and Auction House SARs Working Group meeting with attendees from Christie's, Sotheby's, Bonhams and Phillips.

The focus of this working group is to **encourage and share best practices** of the major auction houses, communicate new risks and how to address them whilst supporting law enforcement through continued and improved SAR reporting.

Leading auction houses implemented Anti-Money Laundering (AML) measures seeking to mirror those of banks over a decade ago. These measures were initially introduced to ensure compliance with the Proceeds of Crime Act (POCA); however, auction houses, along with all Art Market Participants (AMPs), have recently been brought within the regulatory regime of the Money Laundering Regulations (MLRs).

MLRs define an AMP as a firm or sole practitioner who trades in or acts as an intermediary in selling or purchasing works of art (as defined by the VAT Act 1994) valued at €10,000 for a single transaction or a series of linked transactions.


When people think about the art market they can be forgiven for thinking that sales are limited to fine art and antiquities. Auction houses have diversified offering an extensive range of collectables. Some recent highlights are:

- Pablo Picasso's *Femme Assise Près d'Une Fenêtre* **sold for \$103.4M** at Christie's
- the final text of the United States Constitution **sold for \$43.2M** at Sotheby's
- the revolver used to kill Billy the Kid **sold for \$6.0M** at Bonhams.

From these highlights, **only Pablo Picasso's *Femme Assise Près d'Une Fenêtre* was a 'regulated' sale** – all of the others fall outside of the definition of 'works of art' and are therefore not captured under the MLRs. Reassuringly, most AMPs apply a common standard for complying with the MLRs regardless of whether the regulations capture the activity.

There have been concerns expressed that art could be attractive to money launderers due to the ease with which items can be transported (although a recent review by the US Department of Treasury concluded that the art market was no more of an AML risk than any other industry).

The **key to staying one step ahead is by ensuring that controls evolve** to keep pace with the evolution of the marketplace; a topical example is that of Non-Fungible Tokens (digital assets that link ownership to unique physical or digital items, such as works of art, real estate, music or videos). **Digital assets can be transported across borders without border controls; if paid for with cryptocurrency, the sale will also avoid the scrutiny of traditional financial systems and controls** that have been refined over the last three decades. AML measures applied across the industry, regardless of category, ensure that there are no weak links in our application of compliance controls.



Many AMPs operate internationally, and a client's physical location may not reflect where they transact, buying in sales regardless of location and selling where their collection is in highest demand.

The challenge here is that the art market is only regulated in the UK and Europe, although the MLRs require international art businesses registered in the UK to apply the MLR standards globally.

Some AMPs have in-house financial services businesses, offering financial products for clients who require liquidity using art as collateral. **Whilst the structure of the financial products offered by AMPs usually falls outside of regulations, the sector has established strict controls** to mirror those of the financial sector. The lenders behind these AMP financial services businesses mandate a level of systems and controls commensurate with their own. Increasingly payment service providers are also looking for higher levels of controls to create reliance agreements with AMPs to facilitate transactions. **Upskilling internal gatekeeper functions remains a priority to create an effective and robust compliance framework.**

Major auction houses have worked hard over the last decade to build robust compliance functions, but as a sector, we have only been regulated for two and a half years. Our warning to those who attempt to launder illicit funds through art, luxury goods or collectables is that the sector as a whole is rapidly becoming a hostile environment for bad actors. Through the combined actions of the Art Market and Auction House SARs Working Group, we will strive to enhance standards further. Increased reporting will enable more effective interventions by the NCA, UK/international law enforcement and FIUs.

We welcome engagement and collaboration from government agencies and law enforcement partners.

USE OF GLOSSARY CODES



Denise Napper
Operations Manager
UKFIU SARs Enquiry and Action Team

The SARs Enquiry and Action Team (SEA) assesses and actions all SARs related to vulnerable persons, modern slavery, human trafficking (MSHT), organised immigration crime (OIC) and child exploitation on a daily basis.

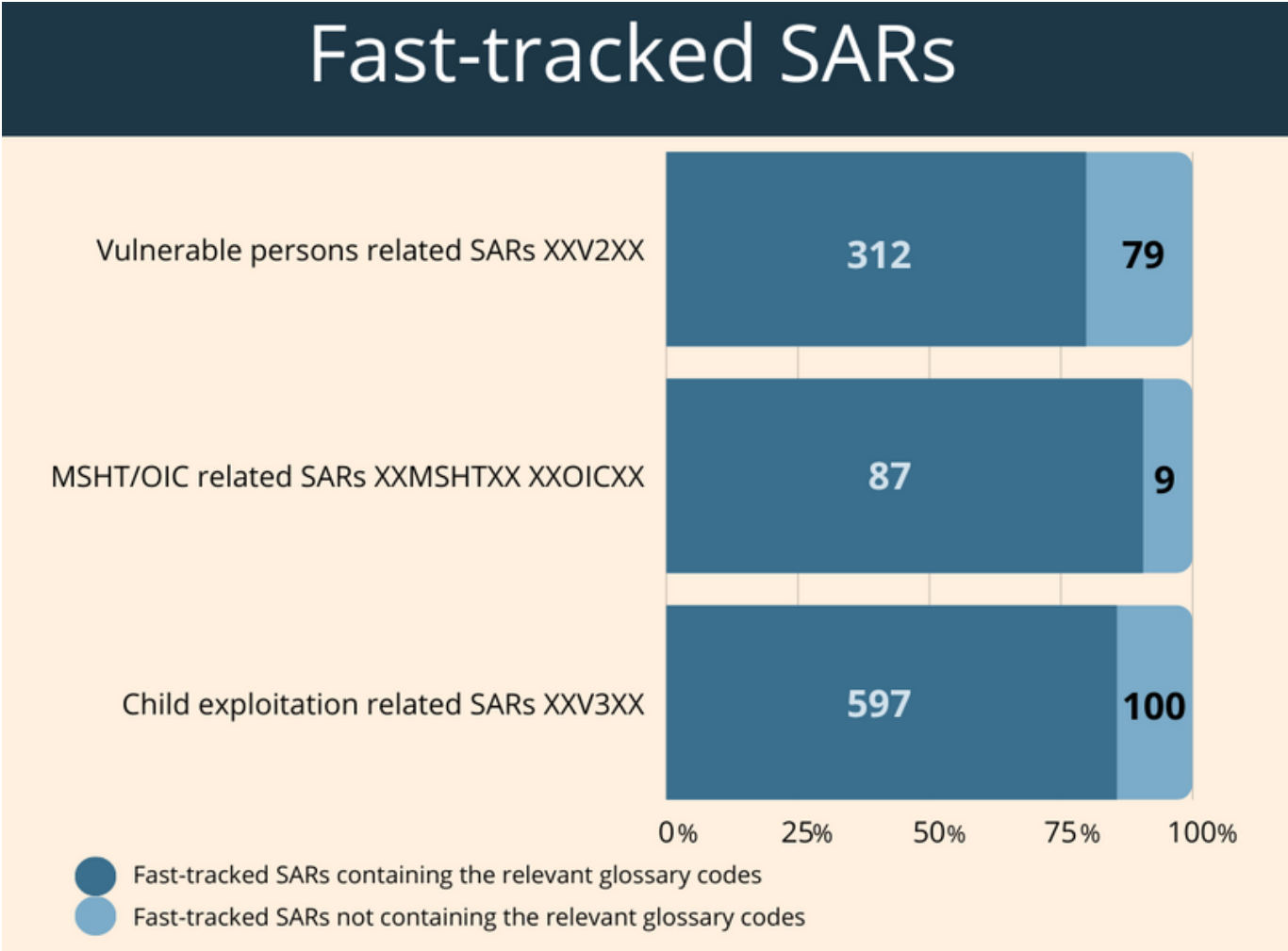
Information within these **SARs often relate to high risk opportunities to protect the public** and are therefore triaged as a priority. A course of action is followed to ensure that our law enforcement partners view the

information where it has been deemed as time sensitive and/or urgent. The process of highlighting SARs that require urgent review by law enforcement is referred to as 'fast-tracking'.

Glossary codes are short codes that highlight the type of criminality within a SAR. The use of the glossary codes is central to SARs being identified and reviewed within 24 hours of receipt into the UKFIU. Using glossary codes is deemed as being good practice when compiling SARs. The codes allow the SEA Team (and wider law enforcement partners) to carry out analysis, align feedback and identify urgency in the submissions.

Glossary codes and guidance concerning their usage can be found in the updated SAR [Glossary Codes and Reporting Routes booklet](#) published on the NCA website in June 2022. **Reporters are encouraged to continue to use the relevant glossary codes** where it is deemed appropriate.

The below depicts how many **SARs were fast-tracked by the SEA Team** between 1st April 2022 and 31st May 2022. This highlights that 84% of high risk priority SARs contain the relevant glossary code:



It would be of **operational benefit to the UKFIU and law enforcement partners to be made aware of SARs and DAML requests if the Banking Protocol has been utilised.**¹ This will prevent duplication of resource allocation in order to best protect any suspected victims.

¹The Banking Protocol is a partnership between financial institutions, the police, Trading Standards and victim support charities/organisations. The scheme trains bank employees to identify when a customer is likely to be a victim of a fraud. They are trained to implement prevention measures to stop cash withdrawals as well as requesting an immediate police response to the branch. Further information can be found at ukfinance.org.uk.

NATIONAL SARs TACTICAL COORDINATOR

Ali Peacock
National SARs Tactical Coordinator
ROCU Network



They say time flies when you're having fun and I was recently reminded it's been almost two years since my first article in the [eighth edition](#) of the *SARs in Action* magazine!

Working as part of the Home Office SARs Reform Programme, the SARs Intelligence Development Team was **established to push financial intelligence to the forefront of Regional Organised Crime Unit (ROCU) investigations and specialist capabilities**. We were also tasked with targeting serious and organised criminality by pursuing the proceeds of crime to forfeiture and disrupting those who harbour it.

Since then, the SARs Intelligence Development Team has been extremely busy, doubling in size and reaching out to all police forces in England and Wales as well as our colleagues in Police Scotland and Northern Ireland. **Today we have staff in all 10 ROCU areas who have been collectively working hard to develop internal and external agency relationships, as well as build a network of SARs professionals throughout law enforcement.** Alongside the UKFIU SARs Exploitation Team we are developing and supporting the UK's growing SARs community through regular working groups and an online knowledge hub where we share best practice and discuss emerging issues.

We continue to work in partnership with other law enforcement agencies including the National Crime Agency on Modern Slavery and Human Trafficking, the Financial Conduct Authority on fraudulent cryptocurrency traders and with Border Force on financial intelligence linked to activity at and through various air and sea ports.

Through our work analysing SARs intelligence, **we have instigated a total of 17 arrests for a variety of criminality including labour exploitation and running brothels**. We have also provided significantly important intelligence to a wide range of investigations including **one kidnapping and several cannabis production cases**. The team support numerous ongoing investigations which commenced due to financial intelligence provided on SARs and I hope to be able to report on the outcome of those soon.

To pursue the proceeds of crime, the team has also achieved a significant amount of asset recovery through targeted cash seizures and account freezing orders (AFOs).

In our first AFO investigation, **we identified an individual receiving fraudulent funds linked to stolen credit card details.** In liaison with the financial institution, we froze the balance of the account and commenced an investigation. Despite numerous attempts to liaise with the account owner, they did not engage with the investigation. Evidence was obtained which further supported our suspicions around the source of the funds and, following a court hearing, **a total of over £200,000 was forfeited.**

In another investigation, **a family member of a serving prisoner was identified as laundering the proceeds of drug supply** through their current account. The account was frozen and the family member was approached in order to provide an explanation for the activity. No viable justification was received, **further evidence was obtained against the activity on the account and the whole balance was forfeited at court.**



In our **largest completed case to date, a total of over £200,000 was forfeited** from a number of linked business accounts suspected to be involved in payroll fraud and money laundering. The investigation identified that activity on the accounts did not correlate with the expected business profile, with funds layered numerous times between businesses in order to build a history for the income. In this case, those listed as directors on Companies House and various account holders refused to liaise with the investigation team, failing to provide accounts to show the legitimacy of the funds. **With assistance from partner agencies, the case went to court and Judges ordered the funds to be forfeited.**

In total the team is **responsible for over £680,000 being removed from criminality and placed back in the public purse.** Currently we are investigating assets to the value of £2.6 million including seized cash, listed assets and cryptocurrency.

Next up for the SARs Intelligence Development Team is an intensification into the illegal wildlife trade (IWT) which previously featured in the thirteenth edition of *SARs in Action*. We'll be working in conjunction with the National Wildlife Crime Unit to share intelligence on those responsible, target their criminality and build on intelligence around money laundering within the IWT.

HOW WE USE SARs



Over **900,000 SARs were received** in the last financial year, but do you know exactly how they are used by the UKFIU to combat serious and organised crimes?

Did you know for instance that **over £300m was denied to suspected criminals in 2021/22 as a result of SARs DAML** intelligence?

The UKFIU has created **a new video entitled “How we use SARs”** in which the head of the UKFIU, Vince O’Brien, highlights how important SARs information is to **safeguarding victims, arresting criminals and seizing criminal funds and assets.**

Vince talks through the process of **using SARs in order to identify links to threats** of all crime types, and how these are used to disrupt criminality. Even if no criminal investigation is conducted, a **SAR may still have information that contributes to painting a picture on current trends or patterns.** This helps reporters and law enforcement to plan and prevent against new crime trends. A single SAR can also be used several times by several different users for different purposes, demonstrating that the value of SARs reporting is wide ranging and not limited to just criminal outcomes.

The **video also contains a number of statistics** that demonstrate how SARs are used to take positive action against all crime types, and includes several examples of how SARs have been used in this way.

This video is available both on the NCA website at <https://bit.ly/3E46ijt> and the NCA YouTube channel at <https://bit.ly/3dZ4lDz>.

Missed an issue?

You can download previous copies of the SARs IN ACTION magazine from the National Crime Agency's website www.nca.gov.uk



“

We'd love to hear what you think of the publication, what topics you'd like us to consider and we're always open for possible articles and collaborations. Please send any feedback to ukfiufeedback@nca.gov.uk

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