



UKFIU

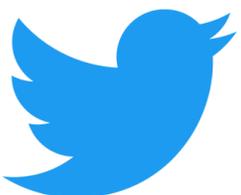
UK Financial Intelligence Unit



SARs REPORTER BOOKLET

February 2023

THIS IS A UK FINANCIAL INTELLIGENCE UNIT (UKFIU) product for reporters of Suspicious Activity Reports (SARs), produced in line with the National Crime Agency's commitment to share perspectives on the SARs regime.



NCA

National Crime Agency



Overview



This document is produced by the UKFIU which has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the SARs regime.

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.

This booklet is aimed at:

- sharing perspectives on the use of SARs with regime participants
- sharing and encouraging best practice amongst 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 LinkedIn and 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



While every effort is made to ensure the accuracy of any information or other material contained in this document, it is provided on the basis that the NCA and its officers, either individually or collectively, accept no responsibility for any loss, damage, cost or expense of whatever kind arising directly or indirectly from or in connection with the use by any person, whomsoever, of any information or other material contained herein.

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Foreword

Welcome to the February 2023 edition of the UKFIU's Reporter Booklet aimed at all SAR reporters.



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, 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 features instead in the UKFIU magazine, *SARs In Action*, available via the [NCA website](#). The most recent issue of the magazine was published in December 2022.

Don't forget to also subscribe to the UKFIU podcast – this is available on a number of streaming sites including Spotify, Apple Podcasts, Amazon Music and Audible.



Vince O'Brien,
Head of the UKFIU

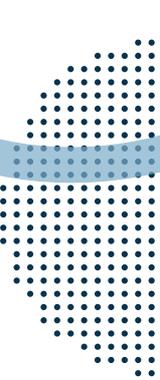
[CLICK HERE](#)

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.

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. NB: post is 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.

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 please email DAML@nca.gov.uk.



Case Studies

A review of case studies provided by law enforcement agencies (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.

Drugs

A DAML SAR was submitted after a reporter became aware that the **subject had been transacting with multiple third parties believed to be involved in illegal drug supply**, and closely connected to an individual currently imprisoned for drug offences. The UKFIU refused the DAML request and disseminated intelligence to the relevant LEA, whose enquiries found that the subject had been involved in supplying illicit items to prisoners. **An account freezing order (AFO) was obtained for over £7,000 and a joint investigation is underway.**



A DAML SAR was submitted after a reporter became suspicious that the subject's account turnover vastly exceeded their salary. The subject's account had been funded by third parties for unexplained purposes. The UKFIU refused the DAML request, and the investigating LEA determined that the account had been funded by relatives that were involved in illegal drug supply. **An AFO was obtained for almost £200,000 and the investigation is ongoing.**

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

Money Laundering

The UKFIU received a DAML request after a reporter became suspicious that the subject was engaged in **trade-based money laundering**. The subject appeared to have entered into a large number of fabricated product sales deals with multiple connected businesses. The UKFIU refused the DAML request enabling the investigating **LEA to obtain an AFO for over £100,000**. The LEA further established that the subject had been illegally trading in cryptocurrencies, the possible proceeds of crime. This case is pending a forfeiture hearing.



A DAML SAR was submitted by a reporter to return funds to a suspect due to suspicions of fraud and the layering of funds. Further enquiries by the reporter led to the identification of a business which was being used to launder these proceeds of crime. The DAML request was granted by the UKFIU and **intelligence disseminated, allowing an LEA to covertly investigate the suspect**. Intelligence within this DAML SAR and subsequent investigation allowed the LEA to uncover connected subjects and identify an organised crime group (OCG). The case is ongoing.

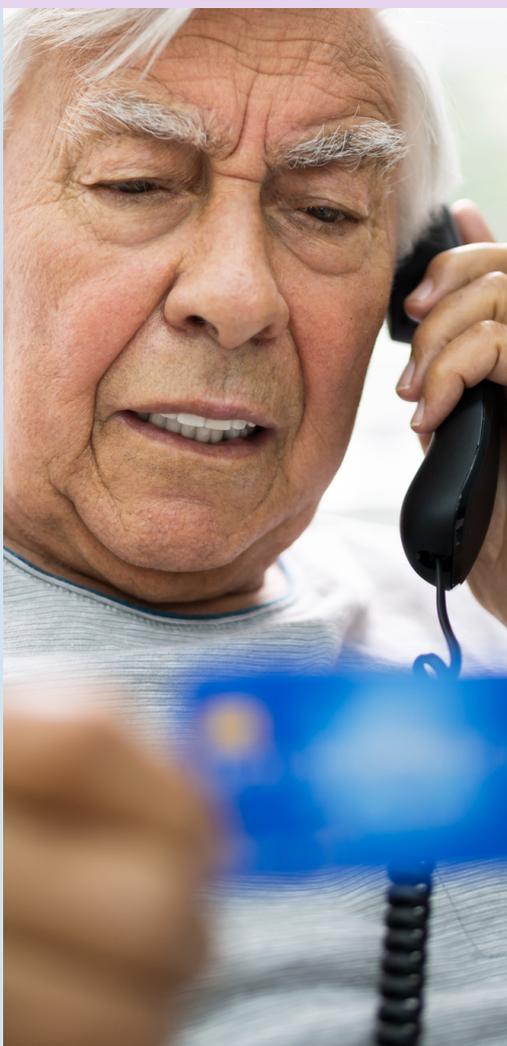


Following suspicions of money laundering, a reporter submitted a DAML SAR seeking consent to return funds in excess of £10,000 to a suspect. The DAML SAR was fast-tracked by the UKFIU to an LEA, who uncovered intelligence on the suspect which led the LEA to carry out a covert investigation into money laundering committed by the suspect. This resulted in the **suspect being charged and the seizure of over £1m in assets**. The UKFIU provided additional intelligence which identified further significant assets that are the subject of a restraint order. The case is ongoing.

Vulnerable Persons

A SAR was submitted by a reporter after funds from a **victim of a cryptocurrency scam** were traced to an account held by one of their customers. Over £80,000 had been transferred through this account within a few months. This money had then been sent to other accounts which had links to a cryptocurrency fraud. The customer's account was deactivated and related accounts were blocked by the reporter. Law enforcement officers visited the customer and established that the customer had also been a victim of the scam, and had lost over £25,000 of their own money. **The case has been reported to Action Fraud for further investigation.**

A reporter submitted a SAR following suspicions of money laundering on the account of a vulnerable elderly customer. **The UKFIU was alerted to the SAR via a daily keyword search, allowing the SAR to be fast-tracked** to the relevant LEA. The LEA provided a safeguarding visit to the customer, which revealed that the customer was the victim of an international romance fraud, losing significant funds to the fraud. **The LEA provided safeguarding advice to the customer** and successfully encouraged the customer to cut off contact with the suspect to prevent further loss.



The UKFIU received a DAML request after a reporter sought to close a customer's account. The reporter observed similar transaction patterns in the account to those seen with OCG's operating fraudulently from overseas. LEA enquiries established that the customer was in fact a vulnerable person with disabilities. **The UKFIU fast-tracked the DAML SAR to an LEA who provided safeguarding advice** to the customer and referred the case to various support agencies to assist.

A SAR was submitted after a reporter suspected that **funds were being taken from a nonagenarian vulnerable customer's account by a relative** who had Power of Attorney over the customer's property and financial affairs and had taken significant funds from the vulnerable customer's account for their own and others' benefit. The SAR was fast-tracked by the UKFIU to the relevant LEA, resulting in a welfare check on the vulnerable customer. **Safeguarding measures have been put in place, and a report has been submitted to the Office of the Public Guardian** for potential abuse of position by the Power of Attorney.

Fraud

The UKFIU received multiple DAML SARs connected to an ongoing investigation by international LEAs into a huge multinational fraud case impacting countries overseas and the UK. The UKFIU was able to fast-track the SARs, which identified accounts, associates and companies of interest related to the case, to the investigating LEA within the UK. Information within **these SARs revealed details of individuals and companies** who were suspected of being **part of a money laundering network at the centre of the ongoing international investigation** and assisted with the compilation and submission of a restraint application to the Crown Prosecution Service. **Funds in excess of \$90m have been seized** relating to the investigation with further enquiries still ongoing.

A DAML request was submitted after the reporter decided to exit a relationship with a customer who had been subject to inquiries by an LEA that had resulted in allegations of fraud. The funds were believed to have originated from fraud outside of the UK. The UKFIU denied the DAML request and the case was forwarded to the relevant LEA who obtained an AFO for funds in excess of £10,000, which were subsequently forfeited.



A DAML request alerted law enforcement to a suspected large scale fraud in which thousands of victims had unwittingly authorised payments from their bank accounts. **The DAML request was refused enabling an LEA to obtain an AFO for funds exceeding £1m** which are in the process of being forfeited. Enquiries are ongoing.

SAR Glossary Codes (as of June 2022)



| 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 |
| XXSNEXX | Money laundering and linked to sanctioned entities |
| 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 |
| XXMLTMXX | Money laundering through markets |
| Predicate Offences | |
| 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) |

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|--|---|
| 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 |