



SARs REPORTER BOOKLET

November 2022

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
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



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Foreword



Welcome to the November 2022 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](https://www.nca.gov.uk). The most recent issue of the magazine was published in October 2022.

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

Vince O'Brien,
Head of the UKFIU



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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 (NSA).

Fraud

Multiple Defence Against Money Laundering (DAML) SARs were submitted in relation to money laundering suspicions of a number of linked businesses which appeared to be operating as unlicensed money services businesses and not in line with the nature of these businesses. There were significant discrepancies between the subjects' activities and the stated business model. Multiple large value overseas transactions were made through the subjects' accounts into these business accounts. **These DAML SARs prompted a Law Enforcement Agency (LEA) investigation and two accounts freezing orders were issued for over £120,000.** The LEA pursued this investigation further, resulting in the subjects disclaiming interest in the funds, enabling the LEA to obtain a frozen funds forfeiture order for over £120,000.

A fraud investigation commenced after a reporter requested a DAML relating to suspicious activity on a subject's account. The subject's account had minor prior activity and high value purchases were made following the receipt of a **large amount of money from a cryptocurrency platform with no proof of investment**. The DAML request was refused, leading to an LEA investigation. An LEA successfully obtained an **account freezing order (AFO) for over £3.5m** and is currently pursuing for these funds to be forfeited.

A SAR was submitted around a subject who was the recipient of over £75,000 into their bank account, which was believed to have come from fraudulent activity. This SAR was identified in an **investigation around a victim being defrauded of over £75,000** due to a company's email being compromised. The victim was in the process of purchasing a property when the company they were dealing with requested an expected payment. The email had been sent by fraudsters who had gained access, and funds were sent to their bank account. The investigation has been transferred to an LEA and enquiries are ongoing.

The UKFIU received multiple SARs reporting suspicions of several subjects' involvement in claiming multiple tax repayments fraudulently and money laundering. There were concerns due to the subjects' accounts being primarily funded by tax repayments to newly incorporated entities. Investigations conducted by an LEA showed the subjects fraudulently obtained grants funding they were not entitled to. **The UKFIU refused the DAML requests and the investigating LEA was able to obtain several AFOs for over £5m.** The LEA set up a direct indemnity process with the reporter, allowing these funds to be directly returned.

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

Drugs

An LEA contacted a reporter as part of an ongoing investigation related to drugs and money laundering. The subject of the investigation held an account with the reporter. The reporter submitted a DAML request as it appeared that the subject had been receiving funds and then forwarding them on to another associate who had previously been charged with drug offences. It was suspected that **the subject and associate transferring the funds were involved in money mule activities**. The DAML request was refused and an AFO obtained. The SAR was able to assist in the investigation by providing intelligence to investigators which was previously unknown.

Multiple SARs were submitted by a reporter due to suspicions of tax evasion. Over £2m in cash had been paid into a subject's personal account and then transferred to a business account over a short period of time. **These SARs prompted an LEA investigation, resulting in warrants being issued** to search the subject's premises. The search uncovered a large amount of a psychoactive substance, leading to suspicions of the subject being involved in drugs trafficking offences and money laundering. **The subject was arrested** at the scene. Enquiries are ongoing.



A reporter submitted a SAR due to suspicions of money laundering. A subject's account was identified due to an alert being triggered by the reporter's transaction monitoring system. After investigating the account, the reporter determined that the account was being used to deposit cash in order to transfer funds to third parties, which was indicative of **money muling**. Further review of the account highlighted that the subject had had a previous SAR reported on them, in which the subject had been complicit in layering funds to a prisoner. Further intelligence was developed and transactional links were made to a modern slavery victim. **The subject has been arrested** for immigration offences and enquiries are ongoing.

Other



Concerns were raised by a reporter that one of their customers may be involved in the sexual exploitation of females. This was due to unusual activity in the customer's account and also the customer's telephone number being found linked to adult sites offering sexual services. There had also been multiple payments from the customer's account to websites offering such services.

As a result of the SAR, an AFO for over £20,000 was secured.

A reporter submitted a SAR indicating that one of their customers was using an investment fund to make payments into their own bank account. The reporter was aware that their customer has been convicted of fraud. The relevant LEA was contacted who acknowledged that the customer actually had an outstanding confiscation order against them for over £600,000. The LEA successfully **obtained a restraint order, resulting in over £85,000 being forfeited.**



A DAML SAR was submitted requesting to return the funds in a customer's account (over £40,000) as the reporter was exiting the relationship. The reporter was suspicious of activity in the account. The investigating LEA identified that the customer was an elderly woman and the victim of an impersonation scam. Due to the LEA's proactive enquiries the **DAML request was refused so that the funds could be returned to the victim.**



The UKFIU identified a SAR indicating a potential vulnerable person and fast-tracked this to the appropriate LEA for action. The reporter had raised concerns that their customer has potentially been the victim of a scam and was sending large amounts of money to a friend. The reporter could also see that funds received from external accounts were being immediately dispersed. Over £250,000 had been sent to the suspect's multiple accounts. **The LEA visited the customer, providing safeguarding and support. Some of the money has been refunded back to the victim** and enquiries are ongoing.

A SAR was fast-tracked to an LEA by the UKFIU due to concerns that a reporter's elderly customer was vulnerable and was maybe being financially exploited. Payments had been coming in from the customer's other accounts as well as credits from third parties. There were concerns that the account had been set up fraudulently without the victim's knowledge and that they were being exploited. Financial checks by the investigating LEA identified a potential subject who may have been involved in financially exploiting the victim. Enquiries revealed that **a friend of the victim had been moving the monies**. The victim was unaware of the banking activity and was shocked that other accounts had been set up. **The victim was safeguarded**, their family advised and Action Fraud liaised with to support the victim.

A DAML SAR was received from a reporter concerned about a **large transfer (over £200,000)** being paid into one of their customer's accounts. They were informed by an LEA that the customer was being investigated in connection with drugs and firearms offences. The DAML request was refused leading to the **funds being restrained**.

SAR Glossary Codes (as of August 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)

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