NCA
National Crime Agency

SARs IN ACTION

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

Message from the head of the UKFIU

Ian Mynot

Welcome to the eighth edition of the UKFIU magazine. In this issue we focus on law enforcement agencies and their exploitation of SARs data. We hear from the recently formed UKFIU SARs Exploitation Team and its efforts to support end users, while also looking to educate other areas of the law enforcement community as to the value of the information in SARs.

We look at how SARs are being used to help fight County Lines criminality and the work of the National County Lines Coordination Centre, which has a dedicated financial team working to improve our understanding of illicit finance flows and identify opportunities to take action.

We also hear from Ali Peacock, from the Regional Organised Crime Unit (ROCU) network, and who is the National SARs Tactical Coordinator on the new SARs Intelligence Development teams which have been formed to hit serious and organised criminals where it hurts the most – their money and assets.

All of the topics in this issue link in nicely with the latest UKFIU podcast now available online. This podcast, the third in our series, speaks to panellists from the law enforcement community about the value of SARs and the myriad ways they can be used to tackle all forms of crime. Details of the podcast, and the rest of the UKFIU's current digital communications and engagement work, is also explored in this magazine.

The 2020 SARs Annual Report has also been published. We look at some of the headline figures and statistics from this on page 4 of this issue.

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Who is this 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**

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/collaborations.

Previous issues of this magazine are available on the NCA website.

Please send any feedback to **ukfiufeedback@nca.gov.uk**

Updates can also be found on Twitter at NCA_UKFIU and via our LinkedIn page.

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.

UKFIU updates

Support on European project

The UKFIU agreed to support a law enforcement agency (LEA) in service of the European Money Mule Action (EMMA) project, an initiative targeting money mules across Europe. A process was established with the LEA for SAR-derived intelligence of relevance to the EMMA project to be provided to the UKFIU for review, authorisation and dissemination to European Union partners in an efficient and effective manner to target and combat suspected money mule cases in the UK.

UNODC webinar

The UKFIU delivered a video presentation at a three day virtual webinar hosted by the United Nations Office on Drugs and Crime, which included participants from overseas government authorities. The objective was to strengthen the capacity of FIUs, LEAs and prosecutor offices in relation to financial investigations, in particular concerning human trafficking and organised immigration crime. The UKFIU shared its experiences in raising awareness and providing modern slavery/human trafficking (MSHT) guidance to SAR reporters. The collaborative work between the NCA's Modern Slavery and Human Trafficking Unit and UKFIU was illustrated through their support of Project Aidant (a UK wide action against all forms of MSHT). The link between SARs and the provision of investigative opportunities was reinforced by a high level description of Project Aidant's successes.

Legal sector virtual roundtable

In August the UKFIU took part in a legal sector virtual roundtable event chaired by the Law Society of England and Wales and attended by a number of solicitor firms to promote discussion and share knowledge. The UKFIU provided guidance on better quality submissions and delivered best practice along with good news stories regarding legal sector contributions.

The UKFIU's signpost document (indicating our products and upcoming events) was shared along with a SAR Online video on how to submit a good quality Defence Against Money Laundering (DAML) SAR. UKFIU core messages including clarification on new glossary codes and the future use of webinars, podcasts and virtual workshops were also discussed.

Accountancy Affinity Group

The UKFIU contributed to the Accountancy Affinity SAR Group meeting in August. Topics covered included SARs IT Transformation and trends and patterns/case studies reflecting the impact of COVID-19. Feedback from the NCA Cross Sector Forum was shared highlighting the top three areas of interest – terrorist financing, modern slavery/human trafficking and child sexual exploitation.

The UKFIU will use its social media pages (Twitter and LinkedIn) to relay other messages including signposting to guidance documents and future engagement events.

SARs Annual Report 2020

The 2020 SARs Annual Report has been published and is now available on the NCA website. The report highlights the value that the regime continues to bring to tackling money laundering and terrorist financing.

The UKFIU continued to see a record number of SARs, receiving and processing 573,085, with an 80.67% increase in defence requests (62,408).

In the face of these increases, £171,986,930 was denied to criminals as a result of DAML requests – up 30.62% on the previous year's £131,667,477. This is where law enforcement obtained restraint or used civil powers under the Criminal Finances Act 2017 to freeze an account. An additional £50,623 was restrained or forfeited following interventions arising from refused Defence Against Terrorist Financing (DATF) requests.

There continued to be a large increase in the number of SARs assessed by the UKFIU and fast-tracked to law enforcement agencies, thereby ensuring that the maximum value of SARs intelligence is exploited. Over the year the UKFIU expedited the dissemination of 11,406 vulnerable person SARs, up 41.56% on the previous year.

There were also 1,897 SARs pro-actively identified and disseminated to the Counter Terrorism Policing (CTP) network. This process involved the targeted review of 23,303 SARs, identified from all SARs received.

Analytical output this year increased in quantity and impact. The UKFIU delivered an increase in operational intelligence development and a greater cross matching of SARs, providing value to law enforcement teams. For example,

in March 2020 the UKFIU began producing a regular bulletin outlining the themes and trends relating to COVID 19-related crime, drawn from our analysis of SAR reporting. This has enabled collaboration with law enforcement, reporters and government departments to combat harmful crime and raise awareness.

This year the UKFIU has also focused on international work and analysis, for the first time co-leading on an Egmont Group project. The project was co-led with AUSTRAC (the Australian FIU) and the Anti-Money Laundering Council (the Philippines FIU) and focused on the financial flows associated with online child exploitation and abuse. This has been covered extensively in previous editions of this magazine.

UKFIU digital communications

In line with the National Police Chief Council's 2025 vision relating to the changing risks and opportunities of the digital world, there has been a recognised need for the UKFIU to adapt and promote its online presence.

Since Spring 2020 the UKFIU has been creating its own podcasts (the first in the NCA) and hosting its own webinars, aimed at improving the quality of SARs, promoting the work of the UKFIU and the value of the SARs regime, and providing guidance to all stakeholders in the regime i.e. reporters, regulators/supervisors/trade bodies, law enforcement agencies, international partners, government partners and the general public.

This has enabled the UKFIU to embrace the rapid development of technology, adapt to the new threats and opportunities it presents for 21st century law enforcement and improve UKFIU capabilities in step with our law enforcement partners and SAR reporters. This has been essential engagement, especially in light of the restrictions placed on physical engagement due to COVID-19.

The podcast and webinar capability have evidenced themselves as being must-have tools to best equip the UKFIU for the future and they align with the wider SARs IT Transformation project and SARs Reform Programme vision, to which the UKFIU has contributed significantly. The podcasts and webinars are contributing to delivering a smarter approach to fighting crime, in line with our priorities of reducing harm, protecting the integrity of the UK economy and ensuring that there are no safe spaces for economic crime or terrorism financing. Both the webinar and podcasts are also strongly supporting the Prevent aspect of the 'Four P' programme, promoting UKFIU good guidance, red flag indicators etc. (The 'Four P' approach to tackling serious organised crime includes Prepare, Prevent, Pursue and Protect).

By building and maintaining our podcast and webinar facility, promoted extensively on social media using the UKFIU and NCA's own channels, the UKFIU has been able to target, as well as the major reporters, the small, hard to reach firms, the one person businesses, solicitors and estate agents etc. which physically, due to resources and location, are impossible to fully reach. These are likely to be the most vulnerable to money laundering.

Such technological capabilities are leading to improved UKFIU visibility, awareness and sharing of knowledge and best practice, driving up the standard of the reports. This has been evidenced by the increase in traffic on the UKFIU Twitter account, used to promote such events – for instance, in just six months, the UKFIU's impressions (the total tally of all the times a Tweet is seen/interacted with) has increased by over 700%.

In October the UKFIU launched its own LinkedIn page and plans are afoot to revamp the UKFIU pages on the NCA website, so that all guidance and communication products are in one easy to locate location.

Law enforcement and SARs exploitation

The latest UKFIU podcast – available now on streaming sites such as ukfiu.podbean.com, Google Podcasts, Apple Podcasts and Amazon Music – focuses on the value of SARs from the perspective of LEAs and how they exploit the data in SARs intelligence to assist with investigations into all kinds of criminality, not just money laundering and terrorism financing.

SARs are a critical intelligence resource as they contain personal details that can assist in any enquiry – for instance names, addresses, telephone numbers, bank accounts, email addresses etc. They can provide immediate opportunities to stop crime, arrest offenders, locate individuals and can help safeguard vulnerable members of society.

In this article Detective Inspector Lynden James of the North West Regional Organised Crime Unit, Matthew Clarke, a Senior Investigation Officer with HM Revenue & Customs and Alex McWilliams, a Financial Investigator with the Police Service of Northern Ireland, share their thoughts on the wide ranging benefits of the SARs regime.

"I think the importance of SARs is best illustrated by the fact that they provide the ability to report and then intervene on matters with such a wide range of impacts. This might be a vulnerable member of society being defrauded of their life savings, placing their savings/money into investments that don't exist, or perhaps a romance fraud, through to the million pound Ponzi schemes that swallow up people's pensions/savings in huge numbers," said Lynden.

"As the financial world has become more complex, and with ever more diverse means for transferring money or other assets of value, it can be really difficult for LEAs to keep up with that shifting picture. SARs take account of the fact that the people who work within industries like cryptocurrency and other recent financial developments are often the people who are best placed to flag up concerns about their customers.

"Without that reporting interface between the private business and law enforcement that the SARs regime represents, we would only be aware of a far smaller percentage of financial crime and vulnerability. More financial harm would be done to those individuals and companies and even the UK economy."

To ensure that the maximum value of SARs intelligence is exploited, the UKFIU screens and analyses SARs on a daily basis for opportunities to prevent and detect crime. Through key word searching and analysis of the SAR glossary codes the UKFIU is able to identify new SARs containing information on potential financial crimes that target vulnerable members of society. These SARs are fast-tracked to law enforcement partners providing them with opportunities to act early, usually by offering advice to prevent further crime occurring or to thwart further losses. This is done while maintaining SAR confidentiality.

"Each fast-tracked SAR we receive from the UKFIU gets our immediate attention," said Alex.

"They go to the top of our priority list. We have a dedicated a member in our economic crime unit who is tasked with making contact with the victim by telephone and providing safeguarding advice. If the victim wishes to disclose a crime it is noted on the operational log and tasked back to our assessments and outcome team to take the matter forward. We have dealt with a number of SARs related to vulnerable victims which have produced investigations."

According to HMRC's Matthew Clarke, enhancing communication and dialogue between all stakeholders in the SARs regime is crucial in maximising the benefits of SARs.

Regarding the information to include in a SAR, Matthew said: "As a law enforcement officer, the answer is simple; who, what, why, when, where, how. This is the essence of what all law enforcement practitioners are looking for. For me, the underlying message to reporters is clear: if the prevailing circumstances that you see raise suspicions of money laundering – report it.

"The legal purpose of a SAR is to report suspicions of money laundering and/or terrorist financing. Reporters' commentary of their own assessment of criminal activity, whether that's tax evasion, drug trafficking, corruption/bribery and the use of SAR glossary codes is promoted as good practice; however, we should collectively remember that money laundering and terrorist financing are criminal offences in their own right and it is important that reporters focus attention on articulating the suspicion around money laundering and terrorist financing.

"The SARs regime is only as good as the relationship that exists between the reporter, the UKFIU and the SAR-using community.

"Mechanisms that bring these components together, like the UKFIU webinars and podcasts, have to be a good thing – it's a way of driving up SARs exploitation. The UKFIU magazine also provides us with a valuable insight into SAR reporters and is an opportunity for reporters to raise, with law enforcement, awareness of their operating environment."

UKFIU SARs Exploitation Team

If setting up an engagement team whose specific role is to support all UK law enforcement in exploiting the information in SARs is a difficult hill to climb, setting up an engagement team during an international pandemic might be considered an insurmountable mountain. Mike Hindes, the manager of the UKFIU's SARs Exploitation Team (SET), however, sees it differently.

"I started my role as manager of SET in February 2020 with a clear vision for what I wanted us to do," said Mike. "This included lots of face-to-face meetings and training sessions to help UK law enforcement better tap into the wealth of information that resides in SARs. Then lockdown started and all the plans were suddenly up in the air. However, you have to adapt and use the current situation as an opportunity to evaluate if you can do things differently."

COVID-19 has necessitated a re-thinking of how the SET can fulfil its objectives this financial year. The team's remit revolves around helping UK law enforcement use the information in SARs more efficiently, intelligently and effectively to drive and support law enforcement positive outcomes. These outcomes can be financial, as in the use of account monitoring orders or restraints and confiscations, but it may also relate to the protection of vulnerable people or victims of crime.

In addition to supporting the current law enforcement users of SARs, Mike's team is also looking to educate other areas of the law enforcement community as to the value of the information in SARs. Mike added: "A key objective for me is to demonstrate the myriad of investigations that SAR information can support – whether it's an IP address for a cyber investigation or a telephone number for a murder enquiry. A lot of people think SARs are only valuable for financial investigations but it is the metadata in SARs, unrelated to the financial transaction, that is sometimes the most valuable."

Despite the current limitations due to COVID-19, SET officers are continuing to do as much they can within government guidelines. Providing remote training is difficult because of the sensitivity of the information in SARs. However, the team is exploring new ways in which they can achieve this ensuring engagement activity does not come to a halt.

SET initiated a pilot project to produce a nationally approved list of key words and phrases to identify County Lines activity in SARs. This pilot has been a combined effort working in partnership with the UKFIU SARs Enquiry & Action Team, the National County Lines Coordination Centre (NCLCC) and more than 30 individual forces. The aim of the pilot is twofold; first it provides a standardised list of terms which means that an officer in the north east can now have confidence that they are doing the same search as an officer in the south west; and secondly, it is a living document which means, as knowledge about County Lines continues to improve, search terms can be changed/adapted as necessary to make the searches more relevant and targeted.

Married to national projects such as the one above, SET has started to work closely with the national SARs Tactical Coordination and Support Officer and the network of regional SARs Intelligence Development officers.

"This is an excellent opportunity for police officers to receive a sustained level of regional support in the exploitation of SARs," said Mike. "However, SARs are also used outside the police community so we will also be looking to provide similar support to the myriad of other organisations that exploit SARs."

SET is also assessing its engagement model at individual organisation level. For many years organisations were given a generic type of training model by the UKFIU. Whist this provided a consistent basic level of competency, it didn't really cater for individual needs within those organisations. Steve Longshaw, a former Metropolitan Police Service officer with more than 30 years' experience and now a SET officer, explains: "Different departments within the same organisation may have completely different needs for how they want to

data mine SAR information. If I am an analyst in an intelligence department, the way I look for and manipulate SAR information may be completely different to what a financial investigator in an Economic Crime Unit may do."

In the next financial year SET is looking to take a small sample of users from a single organisation and provide training and support catered to their specific role needs. If this shows clear benefits, this model may then be expanded as and when restrictions on COVID allow.

These are difficult times but SET is trying to do as much as it can within the restrictions faced and is trying to lay groundwork and show the proven benefits of new working practices on a small scale which can be rolled out to a wider audience once restrictions lift.

A force's perspectives

Cassie Wilson
SARs Investigator
Durham Constabulary

I'm based in the force's economic crime unit, which provides support to teams across the force, as well as seeking to maximise the use of financial intelligence to disrupt criminals and protect victims. During my time working with SARs I've seen their numbers, quality and usefulness increase greatly.

One of my main aims is to identify and exploit those SARs that are linked to the force priorities, particularly protecting vulnerable people from exploitation.

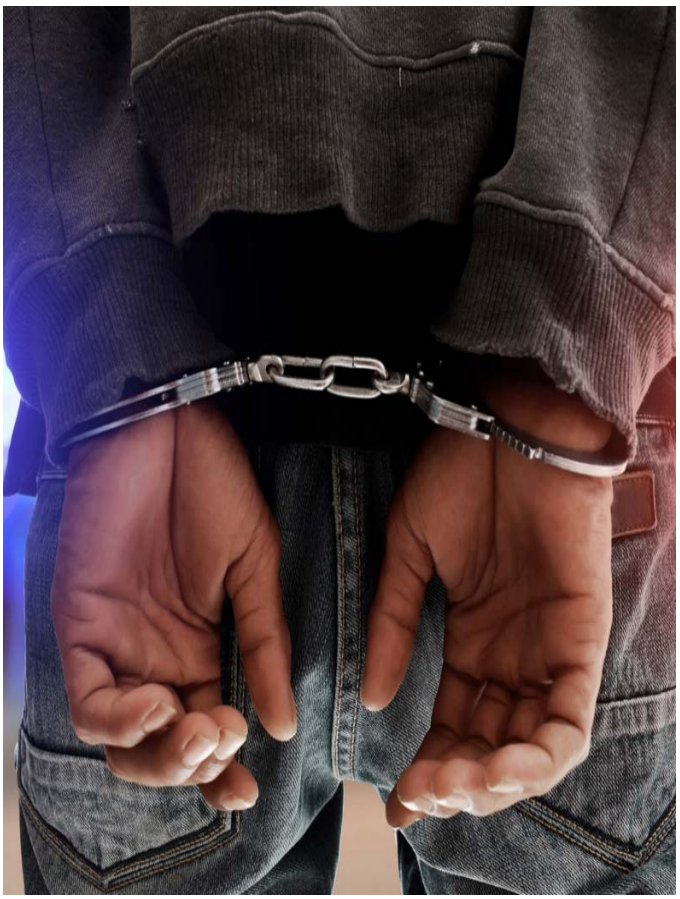
I use batches of key words (referred to as palettes) to search across the whole SARs database using the Arena platform (an analysis tool for SARs end users). The key words are designed to identify SARs linked to the priority areas. They include the names of high risk and wanted individuals and organised criminals, as well as terms frequently found in reports highlighting exploitation.

During the past few months I've found intelligence in SARs which has helped to locate several individuals wanted on warrant and to provide new addresses linked to high harm offenders including sex offenders. This has built close links with teams within Durham Constabulary such as the Public Protection Unit and Safeguarding Team.

I regularly adapt search terms to the changing criminal landscape. For instance, I recently built a palette designed to find SARs linked to COVID-19 loan fraud. This has enabled the force to work together with partner agencies to disrupt those seeking to undermine the scheme for their own gain.

To enhance awareness and access to SARs across the force, I have also organised training delivered by the UKFIU to intelligence staff. I've also delivered presentations to the force's Organised Crime Disruption Team and Specialist Crime Operations Unit with the aim of bringing SARs right into the centre of the fight against serious and organised crime.

Recently I've worked alongside the UKFIU to provide an input on SARs relating to County Lines and to share ideas on key wording. I am very keen to get the message out to other police forces that, by adapting the NCA Arena palettes, every police force will improve the way financial teams deal with SARs, having more streamlined information to work with.



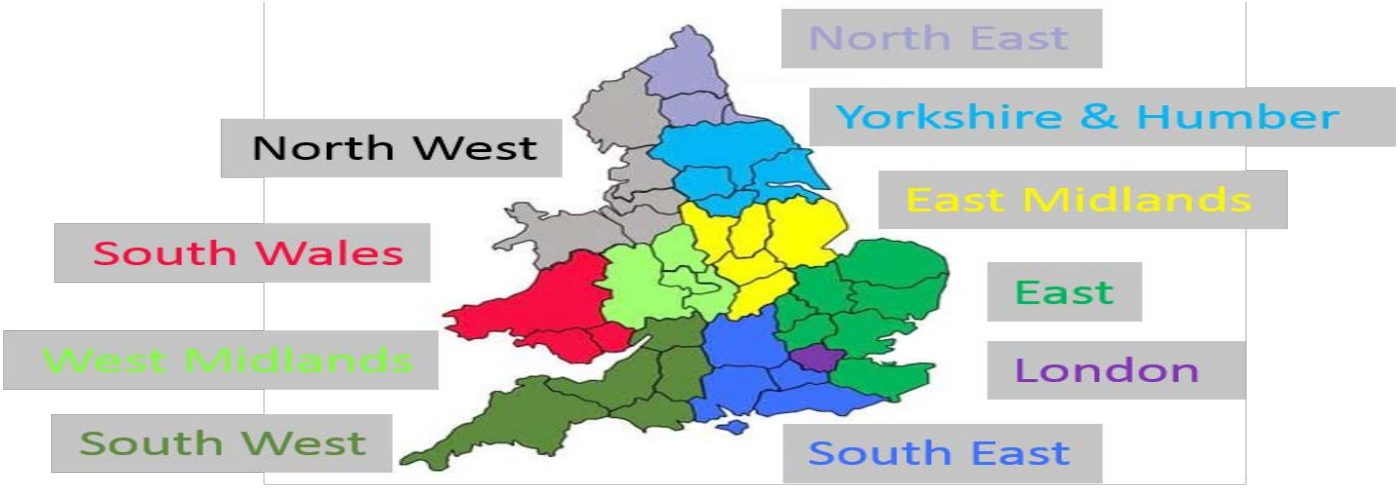
It's all about the money

Ali Peacock
National SARs Tactical Coordinator
ROCU Network

According to Detective Chief Superintendent Emily Higham, the Regional Organised Crime Unit (ROCU) network lead for economic crime, "it's all about the money" – and in the majority of criminality this is true. From a policing perspective, prison sentences handed down to serious and organised criminals often appear to have a limited impact. But start seizing assets or freezing the bank accounts of these criminals or linked to their criminality and their reaction changes.

The new SARs Intelligence Development (SID) teams have been formed to hit serious and organised criminals where it hurts them most – their money and assets. Formed by the National Police Chiefs' Council, utilising funds from the Home Office-led SARs Reform Programme, the teams are a new initiative aimed at using the ROCU network to target SARs intelligence. Alongside existing ROCU capabilities, the new teams will proactively put financial intelligence at the forefront of all police investigations, ensuring that criminal investigation and the targeting of the proceeds of crime go hand in hand. Every police force has a ROCU providing specialist capabilities to tackle serious and organised crime by identifying, disrupting and dismantling organised crime groups. This is where the new SID teams will be based, one in each of the 10 ROCU areas covering the whole of England and Wales.

The teams will work closely with constituent forces and ROCU capabilities, proactively analysing SARs intelligence to identify records relating to not only those directly involved in criminality, but any individual suspected of laundering the proceeds of said criminality, whether that be family members or trusted associates. They will utilise criminal and civil powers under the Proceeds of Crime Act 2002 to investigate illicit finance and, where required, will obtain Account Freezing Orders at court to detain and forfeit the proceeds of crime. Taking an innovative approach to SARs intelligence we will work closely with external partner agencies and private industry on ground breaking projects, encouraging a whole systems approach to targeting the proceeds of crime. SID teams will also work together and in conjunction with the UKFIU to provide support and specialist advice via working groups, highlighting emerging issues and promoting best practice throughout policing.



County Lines

Maximising SAR intelligence to its fullest potential

Identifying County Lines SAR activity

Steve Longshaw
Senior Officer
UKFIU SARs Exploitation Team

For those that travel on the London Underground regularly 'mind the gap' is an announcement that is somewhat familiar. It warns passengers to be careful of the physical gap between the platform and the tube carriage. This regular announcement reminds passengers to board the Tube with care in an untroubled manner.

Like Tube travel, SAR end users have to use key word or phrase searches in analytical systems, such as the UKFIU Arena search platform, to cross the gap from the information contained within a SAR to supporting or instigating investigations.

As with the Tube announcement a methodical focus helps to ensure that the imaginary gap is appropriately assessed, considered and managed to arrive at the correct destination all in a timely manner, a key component to any transport provider just as it is for any LEA engaged in SARs research.

In September 2020 the SET, following several months of collecting research information, initiated a virtual dial in presentation to LEA participants in an exercise to implement and establish a national key words and phrases Arena template created to detect activity associated with or connected to County Lines activity in SARs. Like the criminal enterprises involved in this activity the dial-in transcended force and regional boundaries to bring together individuals engaged at the operational delivery end of County Lines investigation.

County Lines activity is notoriously difficult to recognise in SARs due to the complexities involved and often requires a professional understanding of the tactics and activities used by the criminals to read the giveaway signs that can be seen by an astute investigator to determine it. Unlike clear cut suspicious activity that can pinpoint a specific activity, a reporter, although suspicious, often has no concept that what they are reporting is County Lines activity; this is just one of the reasons why there is no defined SAR glossary code for this activity.

In partnership with UKFIU SARs Enquiry & Action Team (SEA Team) and the NCLCC, the SET delivered a template of key words relevant to County Lines to 26 police forces in England and Wales and six regional areas with over 60 participants engaging on the dial in. The template will be managed and updated by the NCLCC as trends and activities are identified to ensure it remains a fresh and effective tool.

The SEA Team, together with the NCLCC, provided useful outlines of their particular roles and methods in key word searching in delivering objectives to providing LEAs with a better understanding of the UKFIU/NCA intelligence structure.

While no search in SARs can ever be considered completely comprehensive, there is no doubt that the doors are closing in on criminals engaged in County Lines.

National County Lines coordination

Amy Wiedeman
Senior Manager
National County Lines Coordination Centre

The NCLCC is hosted jointly between the NCA and National Police Chiefs Council and was set up to tackle the threat of County Lines. The Serious Violence Strategy (2018) defines County Lines as:

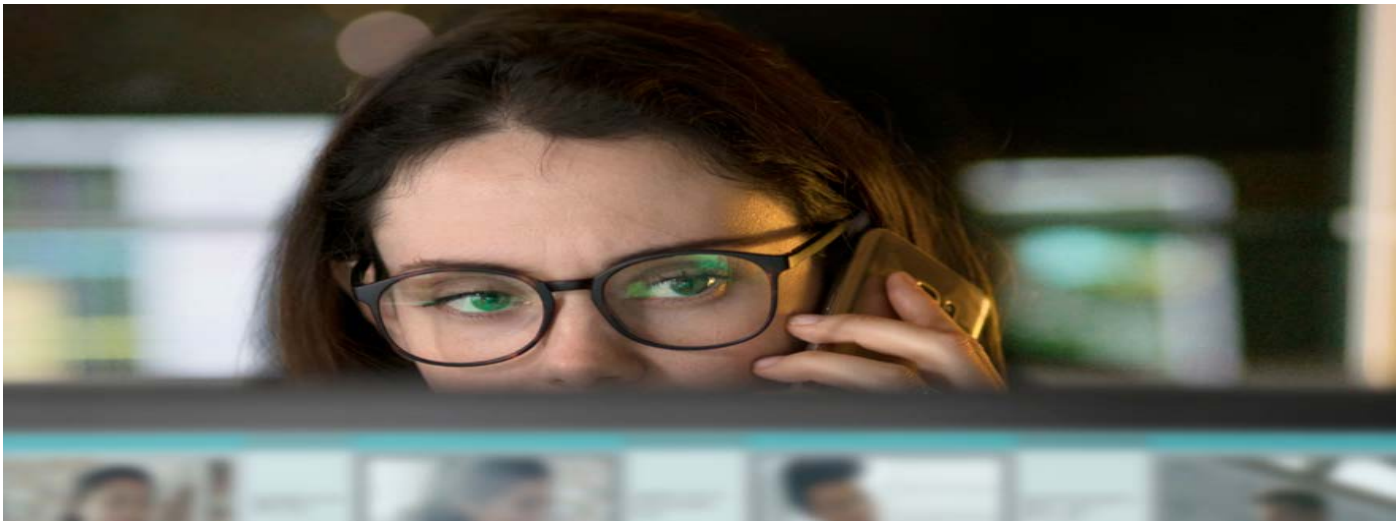
> *"… a term used to describe gangs and organised criminal networks involved in exporting illegal drugs into one or more importing areas (within the UK), using dedicated mobile phone lines or other form of 'deal line.' They are likely to exploit children and vulnerable adults to move (and store) the drugs and money and they will often use coercion, intimidation, violence (including sexual violence) and weapons."*

Within the NCLCC we have a dedicated financial team which is working hard to improve our understanding of illicit finance flows within County Lines and identify opportunities for us to take action in partnership with forces, ROCUs, the NCA and other key stakeholders.

The illicit finance flows within County Lines are an intelligence gap; we want to improve our understanding of how the money moves within County Lines.

On a basic level we know that cash gets passed from users to street dealers and generally dealers at this level will use the money to buy designer clothes, nice watches and other more expensive lifestyle items. As we move up the chain from these dealers our understanding is less clear; where does the money go? How does it move? What methods are being used to launder and reinvest profits from the criminality?

Our financial team works closely with the UKFIU to make best use of SARs, the information and opportunities they provide to us are valuable. We want to do more to exploit SAR material in assisting in our overall understanding and identifying opportunities for action.



We have a County Lines Taskforce set up with Joint Money Laundering Intelligence Taskforce (JMLIT) members who are currently involved in a project to review a number of case studies. These case studies relate to County Line investigations where there is an illicit finance element and we are looking at whether there is a typical financial profile or positive indicators that suggest County Lines activity. It is hoped that through this work we can share with you what these indicators look like; it may be that there isn't a 'typical' profile - however, it will also be a benefit to show this, as it will provide us with further opportunities to explore how we can better work together to ensure illicit finance activity in County Lines is being reported.

The NCLCC and UKFIU have worked closely in trying to identify SARs relating to County Line Organised Crime Groups (OCGs). This proved problematic due to the relatively low value of the transactions at this level of the drugs trade. Engagement with partners in the financial sector has improved awareness of County Lines issues resulting in more focussed County Line/vulnerabilities being reported. Not only have SARs been used to assist in identifying individuals involved in County Lines, and County Lines typologies, they have also been used to assist to identify potential vulnerable victims either as money mules or as victims of exploitation by the OCGs. Safeguarding issues have been dealt with by forces.

The NCLCC and UKFIU have also engaged with wider law enforcement to support and encourage their use of Moneyweb as a tool to assist in identifying County Line targets/vulnerable victims within a force region. This has been well received and has resulted in increased cooperation and understanding. Development work is now being undertaken to seek financial opportunities for upstream disruption, this involves joint working with the banking sector through the Task Force.

A UKFIU podcast on County Lines and SARs exploitation is planned for broadcast in the New Year. Keep an eye on the UKFIU's social media pages for updates.

Missed an issue?

You can download previous copies of the SARs IN ACTION magazine from the National Crime Agency's website

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