

# **SARs Reporter Booklet**

United Kingdom Financial Intelligence Unit (UKFIU)

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

**August 2022**



## Overview

This document is produced by the United Kingdom Financial Intelligence Unit (UKFIU) which has national responsibility for receiving, analysing and disseminating financial intelligence submitted through the Suspicious Activity Reports (SARs) regime.

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

The contents of this booklet are aimed at:

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

More information about the UKFIU, the SARs regime and further guidance notes can be found at the NCA website [www.nationalcrimeagency.gov.uk](http://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](mailto: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. Any use by you or by any third party of information or other material contained in or associated with this document signifies agreement by you or them to these conditions.

## Foreward

Welcome to the August 2022 edition of the UKFIU's Reporter Booklet aimed at all SAR submitters.

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

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

These Reporter Booklets focus predominantly on sanitised case studies. News relating to the UKFIU/SARs regime now features instead in the UKFIU magazine, SARs In Action, available via the NCA website – [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk) The most recent issue of the magazine was published in July 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

## UKFIU assistance

For information or assistance with submitting SARs or SAR Online enquiries, please visit [www.nationalcrimeagency.gov.uk](http://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](mailto:ukfiusars@nca.gov.uk)

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

## Case studies

A review of case studies provided by law enforcement agencies (LEAs) and other end users<sup>1</sup> of SARs demonstrates how they continue to be instrumental in instigating and supporting investigations to tackle a wide range of the highest priority threats identified by the National Strategic Assessment of Serious and Organised Crime (NSA).

### Money Laundering

A reporter raised a SAR as they had identified that one of their customer's accounts was funded by frequent high value cash deposits, well beyond the amount expected from the customer's occupation. Over £1m had been deposited into the customer's account and moved into cryptocurrency assets. As a result of the information in this SAR, the LEA identified a wider organised crime group (OCG), laundering through a number of banks and exchanging funds into cryptocurrency assets. The LEA investigation resulted in the arrest of a number of subjects as well as the seizure of suspected criminal funds and high value assets. Enquires are ongoing.

A SAR enabled an LEA to obtain production orders which resulted in the arrest of a subject under investigation for money laundering. The reporter held concerns over large cash deposits and withdrawals being made out of the subject's account over a few months to a large number of recipients. Foreign currency was being used in deposits which led to suspicions from the reporter as to the source of these funds. An LEA investigation was already underway into this subject for money laundering. Information from this SAR enabled the LEA to progress their investigation and secure an arrest. The investigation is ongoing.

A number of SARs were submitted due to high value funds being deposited in a customer's account that did not match their stated earnings. These payments were deposited from multiple third parties and high value purchases were made from this account. Funds were also being transferred between the customer's own accounts. These SARs enabled an LEA to confirm account details and intelligence in an ongoing investigation and helped secure a confiscation order for over £80,000

A reporter submitted DAML request due to suspicions about a subject's account being funded by unexplained cash deposits. The turnover on this account was far higher than the amount expected for this subject. There were a large number of transactions to various third parties and companies despite no evidence of a salary being paid into the account. This SAR was allocated to an LEA who obtained an account freezing order (AFO) against the remaining funds in the subject's account. The investigation was successfully concluded with a forfeiture order being granted by the court for the full amount.

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



## Fraud

A SAR was submitted reporting what appeared to be an illegal lottery being conducted on social media. The reporter identified a subject's account which had been funded almost exclusively from hundreds of third party credits with no relevant references to explain the payments. The subject of the SAR was a repeat offender, having been previously identified as running illegal lotteries. The subject was sent a cease and desist letter by the Gambling Commission advising them that they were committing a Gambling Act offence. The Gambling Commission also liaised with the social media platform and had the relevant posts/pages removed. The SAR included details of relevant transactions amounts time period and details of named individuals involved which assisted the investigation.

SARs raised concerns about accounts being utilised to facilitate investment fraud, with activity bearing the hallmarks of a Ponzi scam. The DAML SARs were refused enabling the investigating LEA to secure an AFO of over £1m. A substantial portion of that has been repaid to innocent investors duped into investing.

A reporter submitted a SAR after receiving information that fraudulent funds had entered a subject's account. Enquiries established that the subject committed impersonation fraud, acting as law enforcement to gain a vulnerable victim's trust. The subject then took control of the victim's finances, transferring funds to their own account and making multiple cash withdrawals in order to disperse the funds. Multiple further suspects were identified as part of a wider OCG and were interviewed over conspiracy to commit fraud. All suspects have since been charged and enquiries are ongoing.

SARs were raised involving a subject with no declared income. The subject's account showed over £150,000 had been credited from a number of sources across the UK which the reporter believed to be business related. An overview of the account found no evidence of tax payments and it was determined that a personal account was being used to fraudulently avoid tax payments. An LEA investigated the details of these SARs and found the subject had omitted sales and made deliberate errors in their tax returns across a number of years. This led to over £150,000 being recovered by the LEA.

A SAR was submitted about suspicious activity on a customer's account. The customer appeared to have been the beneficiary of over £200,000 of fraudulent funds that were immediately withdrawn as cash and transferred to the customer's external accounts. The LEA used this SAR in an ongoing investigation regarding the fraudulent sale of a property. The funds highlighted in this SAR were funds from a sale of the property engineered by the customer, who falsely acted as the owner of the property. This SAR provided details of a previously unknown account to the LEA, and assisted in gathering information for a production order application.

Multiple SARs were submitted regarding large amounts of funds passing through a customer's accounts, originating from known members of an international criminal group (ICG). The funds were believed to be the possible proceeds of crime being laundered through UK accounts. These funds were used to support high end spending along with distribution to third parties and companies associated with the ICG. Following enquiries by an LEA, AFOs were obtained for funds held within accounts of connected parties. Additionally, the SARs highlighted further connected entities such as family members and other linked businesses. Investigations are ongoing.

The UKFIU received multiple SARs in relation to a customer's account that was funded by third parties and external accounts. The reporter held concerns regarding the origin and legitimacy of funds, totalling over £200,000. The reporter's concerns arose because the funds came from multiple sources, the customer didn't appear to be making tax payments and appeared to be using their personal account for business purposes. The customer stated that these payments were from tenants of their rental properties and not business related, however, the customer was inconsistent when confirming their income. This led to an investigation resulting in the recovery of unpaid tax totalling over £350,000.

A DAML was submitted to pay away over £350,000 to a customer's company with a history of diversion fraud. The remaining funds in this account were believed to be the proceeds of crime, as it was previously ascertained that the account appeared to serve no purpose other than to conceal and move funds. The remaining funds in the account were credited by an international bank, although the customer's company had no declared interest in this country. In response to an International Letter of Request from the international prosecutor, an AFO was obtained with UK LEAs and the reporter facilitating the return of the funds to the victim.

A reporter submitted a DAML to pay away over £80,000 due to concerns held over a large transaction that had been credited to the customer's account. The customer stated that the funds were received from the sale of high value vehicles, however the reporter held concerns as to whether the customer was able to purchase these legitimately. Sales receipts provided by the customer were also suspected to have been altered. The UKFIU refused the DAML, enabling the LEA investigation to conclude with over £90,000 being forfeited and over £150,000 being returned to victims.

A SAR was made in respect of an individual who was working whilst receiving a means tested Social Security benefit. The subsequent investigation established that the subject was working and claiming benefits, resulting in overpayments being recouped and a suspended prison sentence for the subject.

## Drugs

A drug trafficking and money laundering investigation was underway by an LEA. The principal subject had been arrested and charged with drug conspiracy offences. SARs assisted the LEA in the compilation of a financial profile for the principal subject, which in turn led to production orders and disclosure orders being obtained. Over £20,000 was seized on arrest and enquiries are ongoing.

An investigation was underway into an OCG involved in the supply of controlled drugs. SARs assisted by identifying potential tax evasion as well as identifying relevant addresses, telephone numbers and bank accounts that law enforcement were previously unaware of. A number of defendants subsequently received prison sentences with confiscation orders granted identifying that the OCG had benefited from its criminality to the tune of over £800,000.

Following an investigation into a major drugs supply conspiracy, a financial investigation developed the profile of one of the suspects who was later convicted of drug supply offences and received a substantial prison sentence. The financial profile had indicated the presence of a business account. A DAML SAR provided full details of this account and as a result, the investigating LEA was able to include it in their restraint application, increasing its value by over £50,000. The confiscation case is ongoing.

## Vulnerable Persons

The UKFIU identified a SAR via keyword searching which raised suspicion that a potentially vulnerable octogenarian was the victim of repeated fraud. The customer had attempted to transfer funds to third parties but had appeared confused in branch as to the name of the recipient. On another occasion the customer had been contacted by someone purporting to be from the reporter, asking them to send money. The UKFIU fast-tracked the SAR to the nearest LEA. When officers attended the customer's home to conduct a welfare check, they found the customer on the telephone to the scammer. Safeguarding measures were put in place.

Multiple SARs were submitted around suspected romance scams against elderly victims. Claims were made against a suspect's account which alerted reporters to potential fraud. The scams involved victims being informed they had won an international lottery and were persuaded to send funds to the suspect in order to receive their winnings. These SARs enabled an LEA to identify a large number of accounts being used by multiple suspects to carry out this fraud. This information was not available through normal credit checks. The SARs were valuable in locating accounts and creating a money trail and assisted the investigation, which has since led to the main two suspects being arrested and released under investigation.

A reporter submitted a SAR raising concerns that a potentially vulnerable customer had sent thousands of pounds to a foreign account, which was out of character. The UKFIU fast-tracked the SAR to a local LEA who visited the customer and established that this was a romance fraud, whereby the customer had been told by the fraudster to send funds to help release a significant amount of money. The customer realised that they had been the victim of fraud and would not be sending any further money.

A reporter submitted a SAR raising concerns that one of its customers had possibly fallen foul of an online dating website scam, with the customer having sent approximately £20,000 to someone abroad which they had 'met' on the website. Law enforcement officers visited the customer as part of a welfare check and the customer agreed to not send any further funds.

## Other

The UKFIU received a number of DAMLs requesting to pay away funds of over \$60m to companies believed to be conducting business with multiple shell companies. These companies were seen to be linked to a wider money laundering network in relation to an ongoing international fraud investigation. These DAMLs were refused, enabling the investigating LEA to secure over \$60m via a restraint order pending a decision in court.

A DAML SAR was submitted to pay away over £500,000 due to suspicions of fraud around large payments being made into a company believed to be for stolen recycled mechanical parts. The information contained in the DAML SAR provided sufficient evidence to obtain a search warrant around an ongoing investigation. The account had seen large payments to individuals referencing these parts and believed that the company and director knowingly dealt in these parts in high volume. This information enabled an LEA to expand their enquiries. The LEA was successful in obtaining an AFO for over £500,000. An enforcement day was held by LEAs and a container of recycled parts as well as other high valued items and cash were seized. The investigation is ongoing.

The UKFIU received a DAML request to pay away over £9,000 to a customer due to concerns these funds represented criminal property. A review of the account showed credits in excess of £70,000 over a few months which was not in line with the customer's stated occupation. The case was referred to LEAs whose enquiries led to the identification of two victims of modern slavery. An account forfeiture order was subsequently obtained for funds totalling over £15,000.

A reporter submitted a DAML due to suspicions of money laundering on a customer's account and requested to pay away a sum of over £20,000 on the and exit the relationship. Significant funds had passed through the customer's account, including over £50,000 in cash deposits, which far exceeded the customer's expected income. Funds were then rapidly dispersed into cryptocurrency assets. The account activity also suggested the customer was committing benefit fraud. Following an LEA enquiry an AFO for the full amount was obtained.



## SAR glossary code (as of August 2022)

### Request for a defence under POCA/TACT

<b>XXS99XX</b>	Request for a defence under POCA
<b>XXGVTXX</b>	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

<b>XXPRFXX</b>	Relates to person(s) providing professional services or specialist knowledge that wittingly or unwittingly facilitates money laundering
<b>XXSNEXX</b>	Money laundering and linked to sanctioned entities
<b>XXTBMLXX</b>	Trade-based money laundering
<b>XXPROPXX</b>	Relates to purchases and rental of real estate property
<b>XXVAXX</b>	Virtual assets
<b>XXILTXX</b>	Illegal lotteries – operating or facilitating illegal lotteries
<b>XXMLTMXX</b>	Money laundering through markets

### Predicate offences

<b>XXTEOSXX</b>	Tax evasion offshore
<b>XXTEUKXX</b>	Tax evasion UK-based
<b>XXF1XX</b>	Proceeds from benefit fraud
<b>XXF2XX</b>	Excise evasion (duty on alcohol, tobacco, fuel etc.)
<b>XXF3XX</b>	Corporate tax evasion (tax evasion by businesses, corporations)
<b>XXF4XX</b>	Personal tax evasion (tax evasion by individuals e.g. income tax)
<b>XXF5XX</b>	VAT fraud e.g. carousel – Missing Trader Intra-Community (MTIC) fraud
<b>XXF9XX</b>	Frauds against private sector
<b>XXD9XX</b>	Bribery and corruption

### Politically Exposed Persons (PEPs)

<b>XXD7XX</b>	International PEPs
<b>XXD8XX</b>	Domestic PEPs

### Money laundering/terrorist financing relating to vulnerable persons

<b>XXV2XX</b>	Risk to vulnerable adults
<b>XXV3XX</b>	Risk to children – including sexual abuse and exploitation

<b>Other predicate offences</b>	
<b>XXFIREXX</b>	Firearms
<b>XXOICXX</b>	Organised immigration crime
<b>XXMSHTXX</b>	Modern slavery and human trafficking
<b>XXDRUXX</b>	Illegal supply of drugs
<b>Projects/other</b>	
<b>XXPCPXX</b>	Counter-proliferation
<b>XXVICTXX</b>	Where the purpose of the activity is to return money to a victim of crime
<b>XXSATXX</b>	Relating to suspected fraudulent use of the HMRC Self-Assessment Tax Refunds system
<b>XXGPSXX</b>	Relating to suspected fraudulent use of Government Priority Schemes established as a result of COVID-19
<b>XXCVDXX</b>	Relating to any suspicious activity connected to COVID-19