



UKFIU
UK Financial Intelligence Unit



SARs REPORTER BOOKLET

October 2022

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



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Foreword



Welcome to the October 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](#). 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

[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)¹ and other end users 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

An LEA was conducting a fraud investigation into a subject believed to be **defrauding their company of funds close to £1m**. The UKFIU received a SAR in relation to the subject of an ongoing investigation as their account spending did not correlate to their living arrangements. Information in the SAR enabled the LEA to obtain the suspect's bank account details which were previously unknown, as well as to make further detailed searches on the subject, which uncovered multiple SARs relating to them. This advanced the fraud investigation and the suspect was **arrested and subsequently charged**. Enquiries are ongoing.

A reporter submitted a DAML request to pay away funds of over £140,000. This related to a customer whose account turnover was significantly higher than their reported income. The customer stated that these funds were from an unregistered side business; however, due to the high turnover, the reporter suspected that the customer had knowingly avoided declaring additional income and had evaded paying taxes by using a personal account for business activities. This SAR was used in an LEA investigation and **enabled an Account Freezing Order (AFO) to be obtained for over £140,000**.

A SAR was submitted due to suspicions of money laundering around an account mainly funded through excessive cash deposits. The subject received cash deposits of over £100,000 which did not fit their profile. Funds were also deposited through third party payments, then rapidly dispersed, which further raised concern as the origin of the funds was unknown. The reporter submitted a DAML request to pay away funds remaining in the account and to exit the relationship with the subject. This was referred to an LEA who obtained an AFO against the funds remaining in the subject's account, **with the funds subsequently forfeited**.

The UKFIU received a DAML request to pay away over £15,000. The reporter held concerns over account activity not in line with the customer's profile. The customer was a non-UK national, with multiple cash deposits being made at various locations throughout the UK by individuals of the same nationality as the customer. Debits were made to various third parties also of the same nationality. The reporter suspected that the customer was being used as a **money mule to layer and launder the proceeds of crime**. The SAR was referred to an LEA who obtained an AFO and have since applied for forfeiture of the funds. Enquires are ongoing.

A SAR was submitted relating to the use of gambling facilities to conceal the source of funds. The reporter was alerted when the suspect used thousands of pounds in cash to gamble. The suspect's history showed that they had only previously used the facilities on one occasion with much smaller funds. The suspect was unwilling to answer questions around their occupation and earnings and requested that the initial funds be returned in different quantities of cash. This led the reporter to believe that this was an attempt to disguise the source of the funds. **This SAR assisted an LEA in obtaining further information about this suspect who was already under investigation** for other offences. The LEA was able to confidently confirm that there were no additional assets for the suspect and recommended a compensation order as part of the sentencing.



SARs were submitted about a customer whose accounts were indicative of transferring criminal funds, with over £150,000 credited to the customer's account. The customer's occupation did not align with these transactions and the source of these funds could not be identified. Funds were then rapidly dispersed. These SARs were passed to an LEA and assisted in an ongoing investigation around a subject suspected of being involved in malware ransom. After conducting a warranted search the LEA found a number of ID documents. **The SARs assisted the LEA in identifying contact details and addresses of those associated** with these documents and highlighted fraudulent activity. Enquiries are ongoing.



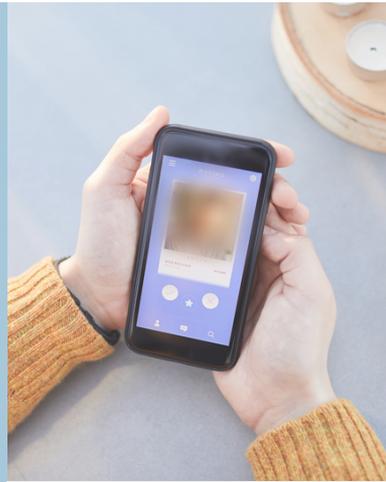
A DAML request was received relating to an ongoing LEA investigation, due to concerns over cash and third party credits received by a customer. A large cash deposit of over £20,000 had raised suspicion with the reporter, with the customer stating that the funds were obtained whilst working overseas. A review of the account showed that transactions had taken place on the customer's account during the period that the customer stated they were overseas. Information contained in this DAML SAR enabled an LEA to establish that funds were transferred via illegal informal value transfer systems (IVTS) from overseas into the UK and were believed to be the proceeds from drug trafficking, laundered via IVTS. This information assisted the LEA in progressing its investigation which concluded with **over £250,000 being forfeited**.

A DAML SAR was received after a reported detected fast movement of excessive funds on a customer's account and external accounts using inconsistent payment references. The customer's account turnover over a period of a few months was over £200,000. The customer stated that the nature of the business was household goods and that the debits seen from their accounts were the profits being transferred to a third party. Media searches found that the customer's company was involved in fraudulent activity. **The case was referred to an LEA who successfully applied for an AFO**, with funds subsequently being forfeited.

Other

A SAR was raised due to concerns over the origins and rapid dispersal of funds in a subject's account. Activity seen on this account, and on accounts that the subject had sent money to, showed signs indicative of layering. A large number of other SARs were retrospectively submitted around this subject, identifying **over 200 victims and over £8m paid to the subject by victims**. The subject was arrested on suspicion of fraud and money laundering with the LEA awaiting a response in respect of an International Letter of Request for an account that the subject claims holds substantial funds. The investigation is ongoing and assets have been identified and are under restraint.

A DAML request was received to pay away over £25,000 from a customer's company and exit the relationship. The account was **funded by large cash deposits from numerous locations around the UK** and contained references that led to suspicions that it was linked to the adult services industry. The turnover seen through the account was significantly higher than expected and no significant online presence was found, despite this being the apparent main form of advertising for the company. An LEA started a civil frozen funds investigation and went on to obtain an initial AFO for the full amount of over £25,000. **A Forfeiture Order was granted for the full balance**. Further intelligence development is being conducted in an attempt to evidence criminal offences by the subject, so that a criminal investigation can be started with regards to the subject and an associate, who is thought to be a professional enabler.



Multiple SARs were submitted relating to a customer who had been reported to have conducted a romance scam **defrauding a victim of over £50,000**. The account used to launder this money had also processed very large amounts of fraudulently obtained funds from a number of other victims across the world over a period of years. The customer was arrested yet claimed that they had also been the victim of romance fraud and had believed they had been transferring funds to another associate for business investments. An LEA used these SARs to determine which of the customer's accounts were suitable for production orders. The production orders showed that a number of of the suspect's bank accounts had benefited from large credit payments from known victims based internationally. There were further high value credits from other individuals which are suspected to originate from as yet unreported incidents of fraud. There was evidence that the credits had been rapidly dispersed between accounts held by the suspect and close associates before being sent to external accounts. Although it was clear from the suspect's living conditions that they were not the final beneficiary of the funds processed through the accounts, there is evidence to suggest that they benefited from relatively small amounts of the credits. **A case has been prepared in order to begin implementing criminal charges.**

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