

Summary of relevant output on Money Laundering and Financial Crime for the Period: 01/7/2008 to 30/9/2008

Sites Reviewed

Association of British Insurers (ABI) www.abi.org.uk
British Bankers' Association (BBA) www.bba.org.uk
BBC News www.bbc.co.uk/news
Committee of European Securities Regulators (CESR) www.cesr-eu.org
Commodities Futures Trading Commission (CFTC) www.cftc.gov
Council of Mortgage Lenders www.cml.org.uk
Europol www.europol.europa.eu
Financial Action Task Force (FATF) www.fatf-gafi.org
Financial Services Authority (FSA) www.fsa.gov.uk
HM Treasury (HMT) www.hm-treasury.gov.uk
Joint Money Laundering Steering Group (JMLSG) www.jmlsg.org.uk
Reuters www.reuters.com/
Serious Organised Crime Agency (SOCA) www.soca.gov.uk
Transparency International (TI) www.transparency.org.uk

ABI

Insurers detect record amounts of motor frauds

Last year insurers uncovered 24,000 fraudulent motor insurance claims worth £260 million, or £5 million every week. "Anyone committing insurance fraud is more likely to get caught, risks a criminal record, and will find future insurance and credit harder to obtain and more expensive"

<http://www.abi.org.uk/Newsreleases/viewNewsRelease.asp?nrid=16375>

BBA

Fight against money laundering goes online

Publication of the British Bankers' Association's latest *Reporting Officer's Reference Guide* which explains the complexities of the international standards, directives and regulations set up to defeat money laundering and terrorist financing.

<http://www.bba.org.uk/bba/jsp/polopoly.jsp?d=145&a=14178>

EUROPOL

International payment card fraud network dismantled in Italy

Payment card fraud has become an increasing criminal phenomenon in Europe. An international criminal network of card forgers was smashed by the Italian Carabinieri. Skimmed and cloned credit cards were utilised to produce counterfeit payment cards which were subsequently used for illegal cash withdrawals and payments.

<http://www.europol.europa.eu/index.asp?page=news&news=pr080711.htm>

CML

The FSA information from lenders scheme

The CML financial crime panel has been in discussion with the FSA about the Information from Lenders scheme (IFL), a process in which lenders can report, on a voluntary basis, cases of proven or suspected mortgage fraud where there is strong suspicion of intermediary involvement.

<http://www.cml.org.uk/cml/policy/issues/3997>

FATF

Study on money laundering and terrorist financing vulnerability of commercial websites and internet payment systems

Vulnerabilities of commercial websites and Internet payment systems: non face-to-face registration, possible anonymity of the users, speed of transactions, limited human intervention, high number of transactions, international presence, limited jurisdictional competences, difficulties for traditional financial institutions to monitor and detect suspicious financial transactions with the consequence that their abilities in the detection of suspicious financial transactions, when an Internet payment service provider is used, could be affected.

<http://www.fatf-gafi.org/dataoecd/57/21/40997818.pdf>

FATF 2007-2008 Annual Report

The FATF finalised a comprehensive study on terrorist financing aiming to identify the range of methods used by terrorists to move funds through the financial sector, by physical transportation and through the commercial trade system.

A new surveillance process has been developed aimed at identifying and working with vulnerable jurisdictions that are failing to implement effective AML/CFT systems.

<http://www.fatf-gafi.org/dataoecd/58/0/41141361.pdf>

FSA

Boiler room scams alert

Many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments.

http://www.fsa.gov.uk/pubs/other/scams_leaflet.pdf

FSA concludes HBOS rumors investigation

FSA staff from Enforcement, Markets, Supervision and Intelligence began to analyse trading in HBOS and to contact market participants and news organisations to determine whether a person or persons might have spread misleading, false or deceptive information regarding HBOS to profit from a reduction in its share price.

Many market commentators speculated that the fall in the HBOS share price was the result of unscrupulous traders who spread false rumors to make unjustified profits.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/086.shtml>

FSA fines Credit Suisse £5.6m

On 19 February 2008, Credit Suisse announced that it had identified mismarking and pricing errors by a small number of traders and that it was repricing certain asset-backed securities.

Systems and controls were not put in place by the subsidiaries which meant that they failed to recognise that certain asset-backed positions were wrongly valued.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2008/092.shtml>

Financial crime and market stability

Tackling market abuse is one of the FSA's top priorities: this year FSA have brought three criminal prosecutions for insider dealing.

FSA have the statutory objective to reduce the extent to which a business could be used for a purpose connected with financial crime.

Easy credit conditions and streamlined application processes have prompted fraudsters to target the mortgage sector. Mortgage fraud can also be bound up with forms of criminality such as money laundering and people trafficking.

http://www.fsa.gov.uk/pages/Library/Communication/Speeches/2008/0903_pr.shtml