

Summary of relevant output on Money Laundering and Financial Crime for the Period: 01/07/2009 to 30/09/2009

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
Insurance fraud bureau www.insurancefraudbureau.org/
Joint Money Laundering Steering Group (JMLSG) www.jmlsg.org.uk
Lloyd's website <http://www.lloyds.com/>
Reuters www.reuters.com/
Serious Organised Crime Agency (SOCA) www.soca.gov.uk
Transparency International (TI) www.transparency.org.uk

ABI

Deception, Exaggeration, and Invention - ABI publishes report on the rising cost of insurance fraud

The tough approach taken by insurers to protect honest customers means that they are detecting more of the fraud committed. Closer scrutiny of proposal forms and claims, as well as the exchange of information through industry-wide databases, is tightening the net on the cheats.

<http://www.abi.org.uk/Media/Releases/2009/07/.aspx>

BBC

Complex fraud 'going unpunished'

Lawyers and former SFO officials claim the Serious Fraud Office is shying away from prosecuting complex cases. It is claimed a lack of resources and a change in policy are reducing the chances of convicting those guilty of serious financial crime.

<http://news.bbc.co.uk/1/hi/business/8159207.stm>

Passwords stolen for tax returns

HM Revenue and Customs has issued a warning that gangs are stealing taxpayers' passwords and submitting claims for tax refunds to be paid to them. A number of attempted fraudulent claims through the self-assessment repayments system have been discovered. Passwords must be kept secure and should be treated with as carefully as bank account details.

<http://news.bbc.co.uk/1/hi/business/8186509.stm>

Woman, 60, arrested in £30m "boiler room" fraud

A 60 year-old woman from Cornwall has been arrested on suspicion of conspiracy to defraud and money laundering in connection with a nationwide fraud case worth about £30m. The woman was the ninth person questioned in connection with a so-called "boiler room" fraud. The FSA estimates up to 30,000 people a year are losing hundreds of millions of pounds to these share schemes. It happens when criminals call potential investors attempting to sell shares which are effectively worthless.

<http://news.bbc.co.uk/1/hi/england/cornwall/8208183.stm>

Europol

Seven arrests in the UK for carbon credit fraud

HMCR officers arrested six men and one woman in connection with a £38m suspected VAT fraud which involved the trading of emissions allowances. Those arrested are believed to be part of an organised crime group operating a network of companies trading large volumes of high-value carbon credits. Carbon credits are purchased from overseas VAT free sources and then sold on to business in the UK at a VAT inclusive price. The VAT charged by the fraudulent companies is never paid to HMRC.

<http://www.europol.europa.eu/index.asp?page=news&news=pr090819.htm>

FATF

Money Laundering through the Football Sector

FATF report which examines the football sector in economic and social terms and determines why it is attractive to criminals. Case examples are provided identifying areas that could be exploited by those who want to invest illegal money into football.

http://www.fatf-gafi.org/document/20/0,3343,en_32250379_32237202_43216660_1_1_1_1,00.html

The fight against money laundering and terrorist financing in low capacity countries

FATF president speech illustrating why fighting illicit financial activities should be part of a development agenda. Active input from countries around the world can help make the global effort against money laundering and terrorist financing richer and stronger.

http://www.fatf-gafi.org/document/16/0,3343,en_32250379_32236879_43576016_1_1_1_1,00.html

FSA

HSBC firms fined over £3m for information security failings

Three HSBC firms have been fined over £3 million by the FSA for not having adequate systems and controls in place to protect their customers' confidential details from being lost or stolen. Despite increased awareness of the need to protect people's confidential information, large amounts of unencrypted customer details had been

sent via post or courier to third parties and confidential information about customers was left on open shelves or in unlocked cabinets.

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/099.shtml>

FSA bankrupts fraudulent mortgage broker for non-payment of financial penalty

The FSA has secured a bankruptcy order in the High Court against former East London mortgage broker Sadia Nasir for non-payment of a £129,000 financial penalty levied on her by the FSA for mortgage fraud. This is the first time the FSA has taken bankruptcy proceedings for an unpaid financial penalty levied on an Approved Person. Margaret Cole, FSA director of enforcement, said: 'this bankruptcy action shows our determination to achieve credible deterrence in this area. We are determined to pursue recovery of our penalties by all means available to us.'

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/093.shtml>

FSA bans Cornwall mortgage broker for fraud

Stephen Sanders has been banned for submitting at least three mortgage applications on behalf of customers which he knew contained false and misleading income information. Sanders also failed to disclose to the FSA that he was subject to an ongoing disciplinary investigation into his conduct by his former employer when applying to the FSA to perform a controlled function. The FSA stated that: "Approved persons must be open and honest with the FSA and prospective employers about their circumstances. Behaviour which shows lack of honesty and integrity will result in a ban".

<http://www.fsa.gov.uk/pages/Library/Communication/PR/2009/106.shtml>

Scale and Impact of Financial Crime Project: Critical Analysis

Research paper examining the literature on measuring financial crime. Explores: 1) the methods and concepts currently used in the literature to measure the scale and impact of financial crime; and 2) likely fitness for purpose of these methods/concepts for the FSA's risk assessment needs.

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

Impacts of Financial Crimes and Amenability to Control by the FSA: proposed framework for generating data in a comparative manner

Draft final report driven by the FSA's Scale and Impact Project, which aims to derive ways for the FSA to allocate its resources against a range of financial crimes in an evidence-based and intellectually defensible manner.

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