

Thurrock Council

Counter-money laundering policy and strategy

Version control sheet

Title	Counter-Money Laundering Policy and Strategy
Purpose	To advise council workers and suppliers on what money laundering is, how to identify it and report it.
Owner	Counter Fraud and Investigation Department
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Date	Change details	Approved by
May 2017	Inclusion of 4th Money Laundering Directive	Sean Clark, Director of Finance and IT
December 2022	Consequential amendments of internal departments.	Director of Public Realm

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1. Introduction

- 1.1. An overriding responsibility of public sector organisations is the provision of effective and efficient services to our residents in a manner that seeks to ensure the best possible protection of the public purse in our delivery arrangements.
- 1.2. This policy sets out the action we will take to mitigate the risk that money could be laundered through our systems.
- 1.3. The legislative requirements concerning anti-money laundering procedures are lengthy and complex. Whilst the risk to the council of contravening the legislation is relatively low, it is extremely important that all council and schools' workers are familiar with their legal responsibilities. Serious criminal sanctions may be imposed for breaches of the legislation, including imprisonment.
- 1.4. As a responsible public body we expect all of our suppliers and contractors to follow to our strong stance and not tolerate any criminality attempting to affect our services or staff.

2. Money laundering

- 2.1. **Money laundering** is the process where 'criminal property' – that is, a person's benefit from 'criminal conduct' – is given the appearance of having originated from a legitimate source.
- 2.2. **Criminal conduct** is anything that is a criminal offence in the United Kingdom. It could be fraud, theft, drug dealing, prostitution, terrorism and includes offences such as breaching building planning law and trademark offences.
- 2.3. **Criminal property** is defined as anything which is a person's benefit from their criminal conduct. That could be money, real and personal property – for example, houses, buildings, boats, cars, horses, watches – or 'things in action' and other intangible or incorporeal property, such as debts, intellectual property such as copyright, designs and patents

3. Money laundering criminal offences

Proceeds of Crime offences

- 3.1. The criminal offences of money laundering are contained in the Proceeds of Crime Act 2002. They are committed when 'criminal property' is transferred, concealed, disguised, converted or removed by a person from England, Wales, Scotland and Northern Ireland.
- 3.2. A person also commits the offence of 'money laundering' if they enter into or becomes concerned in an arrangement which they know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- 3.3. A person commits a criminal offence when they do something that might prejudice 'a money laundering investigation', for example, falsifying or concealing a document or 'tipping off' ("telling") a person who is suspected of being involved in money laundering.

Terrorist financing offences

- 3.4. The Terrorism Act 2000 also creates money laundering offences where a person enters in to or becomes concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property ("money"), either:
- by concealment
 - by removal from the United Kingdom
 - by transfer to nominees
 - by any other means
- 3.5. It should be understood that 'terrorist property' covers not only the money stolen in, say, a terrorist robbery, but also any money paid in connection with the commission of terrorist acts. Any resources of a proscribed organisation are also covered – not only the resources they use for bomb-making, arms purchase, and so on, but also money they have set aside for non- violent purposes such as paying their rent.
- 3.6. A proscribed organisation is defined under Schedule 2 of the Terrorism Act 2000. The Counter Fraud and Investigation Department is responsible for monitoring these organisations and responding appropriately.
- 3.7. A person also commits a criminal offence if they fail to disclose to a constable that they believe a person has committed a terrorism money laundering offence.

Criminal law defences

- 3.8. A person does not commit a criminal offence where they can demonstrate that **"his employer has established a procedure for the making of disclosures of the matters specified"** and they follow that procedure.

4. How to identify suspected money laundering

- 4.1. All council workers should be alert to the possibility of someone trying to launder criminal proceeds through the council. Some indications of suspicious activity are:
- large cash payments – for example, paying business rates in cash
 - overpayments by a person or company in any way
 - duplicate payments by a person or company in any way
 - regular requests for refunds of payments
 - regular 'chargebacks' for card payments
 - someone paying on behalf of a third party
 - cash buyers purchasing land or property – for example, Right to Buy properties
- 4.2. Any council workers with concerns about money laundering should contact a member of the Counter Fraud and Investigation team (CF&I) on **01375 652 157** for advice.
- 4.3. CF&I regularly provides training to council services on identifying and reporting suspected money laundering.

5. How to report suspected money laundering

- 5.1. The Counter Fraud and Investigation Department (CF&I) is responsible for managing any cases of suspected money laundering.
- 5.2. It is the responsibility of every council worker to look for and report any possible money laundering taking place. You **do not** have to speak to a manager before reporting your suspicions.
- 5.3. If you see any of the suspicious activity linked to money laundering you should:
 - not tell the person that you have any suspicions about them
 - take all the records (and any cash) from the person to a secure location
 - phone a member of the CF&I team right away on **01375 652 157**
 - follow the instructions given by the CF&I team
- 5.4. **Remember: failure to report your suspicions to CF&I could expose you to criminal prosecution.**

6. What the council does about money laundering

- 6.1. The Counter Fraud and Investigation team is accredited by the National Crime Agency to conduct money laundering investigations. The Accredited Financial Investigators in the team can obtain court Production Orders to access bank accounts, seize any cash and restrain a person's assets in a money laundering investigation.
- 6.2. In cases where money laundering is proven the council will prosecute those offenders and use the Proceeds of Crime Act 2002 to take their ill-gotten gains. Any money confiscated is paid back into the council to fight crime.
- 6.3. The CF&I team works with business areas and Internal Audit to ensure that the controls in place prevent and identify potential money laundering. The council's policy is that the CF&I team must be involved in the provision of new services, systems or contracts to ensure compliance with money laundering legislation.

7. Monitoring delivery

- 7.1. The Counter Fraud and Investigation team leads the council's fight against fraud and economic crime, including money laundering. The team reports quarterly to the council's Standards & Audit Committee on its work to tackle the problem.
- 7.2. The service also reports regularly on its performance to the council's Corporate Management Team.

8. Relevant legislation

- 8.1. The Terrorism Act 2000 as amended by the Anti-Terrorist Crime and Security Act 2001.
- 8.2. The Proceeds of Crime Act 2002 (POCA).
- 8.3. Serious Organised Crime and Police Act 2005.

- 8.4. The Money Laundering Regulations 2007.
- 8.5. Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (known as the EU 4th Money Laundering Directive).