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Introduction to Money Laundering

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What Is Money Laundering?

The Financial Action Task Force (FATF) defines Money Laundering as “the processing of criminal proceeds / property to disguise their illegal origins in order to legitimise the ill-gotten gains of crime”

Put simply, Money Laundering is the process of turning dirty money into clean money.



Money Laundering in the UK And What We See In HMRC Cases



£100 billion: Estimated value of ML in and through the UK per annum

Vehicles, Property & Listed Assets



£12 billion: Estimated value of UK- linked cash-based money laundering

Cash & IVTS



£10 billion: Estimated value of UK-linked trade-based money laundering

Abuse of Markets & Corporate Structures



£2.5 billion: Estimated value of laundering via UK MSBs

Money Mules & Cash Couriers



£0.75 billion: Estimated value of funds laundered by PMLs

Professional Enablers and Networks



£0.5 billion: Estimated value of funds laundered via cryptoassets

Cryptoassets, NFT's & EMI's

Syndicate Exercise

In your groups, discuss the following briefings and present your ideas to the class.

Presentations should last approx 5 mins.



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Group A – UK based Cigarette Smuggling OCG

You are an Organised Crime Group based in London, UK, and are involved in the importation and distribution of non-UK duty paid cigarettes which are smuggled in containers via the Port of Dover.

You have received £1,000,000 (GBP) in cash and instructions to pay “Mr Domokos” in Kaposvár, Hungary for your next shipments of cigarettes. You have been warned *“do not under any circumstances pay this money into a bank”*.

Your previous shipment was intercepted at the UK border, and you suspect that law enforcement authorities might be watching.

What considerations do you need to make??

How do you get the money to him?????



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Group B – Criminal Money Service Business (MSB)

You are responsible for operating a regulated MSB based in Hamburg, Germany. However, you also offer money laundering services to the criminal underworld.

A gang involved in human trafficking have given you €1,000,000 (Euros) in cash which you are holding in a concealed floor safe inside your business premises.

You have received instructions to move the funds to a Credit Suisse bank account (32165498) held in the name of “Ines Müller”.

What considerations do you need to make?

How will you deposit the funds without alerting the authorities?



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Group C – Value Added Tax (VAT) Fraudsters

You are the company directors of a construction company based in Bruges, Belgium. Using fictitious invoices to support your illicit VAT claims, you have successfully reclaimed €1,000,000 (Euros) in VAT repayments that your company was not entitled to.

You want to use the funds to purchase a villa in Izmir, Turkey, which you have reserved in your own name for the purchase price of 33,800,000 TRY (Turkish Lira).

What considerations so you need to make?

How do you move the funds from your company bank account to pay the property developer in Turkey?



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Group D – Professional Enablers

You are team of accountants based in Miami, USA and have been employed by an criminal concerned in COVID-19 furlough fraud.

You have been given access to a Chase bank account in the name of “TYC Holdings LLC” that contains \$1,000,000 (USD) and you have received instructions to move the value of \$1,000,000 to a safety deposit box situated at “818 Vault” in Dubai, United Arab Emirates.

What obstacles might you have?

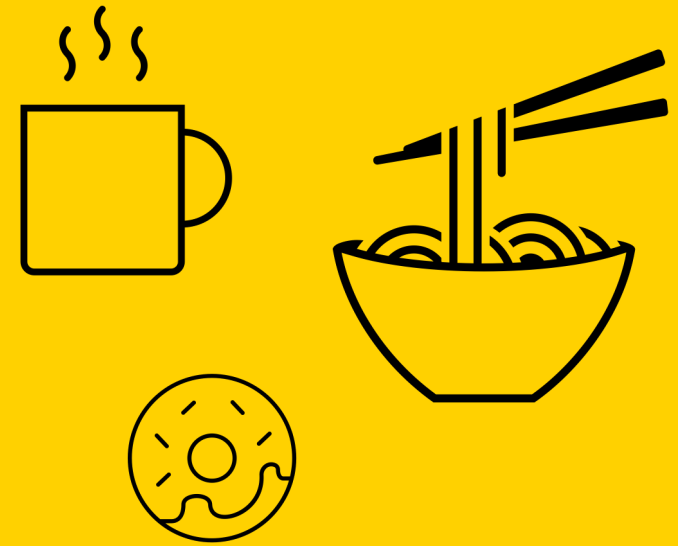
How do you move the funds without being caught?



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Break Time



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Syndicate Exercise - PART TWO.....

Case A - Cigarette Smugglers	Investigation Team D
Case B - Illicit MSB	Investigation Team C
Case C – VAT Fraudsters	Investigation Team B
Case D – Professional Enablers	Investigation Team A



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Syndicate Exercise - PART TWO....

You are part of a financial investigation team and have received intelligence containing the plans made by the criminals involved in your case.

Using the previous briefing, the criminal plans, your own experiences and knowledge of powers/procedures in your home country, discuss with your group and present to the class;

- What action could you take?
- Are there any obstacles? If so, how might you overcome them?
 - What evidence would you want to obtain?
- What measures are available to mitigate the risks of these crimes?
 - Presentations should take approx 5 minutes.



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Any Questions

