

# Anti-Money Laundering Policy 2018



## 1.0 WHAT IS MONEY LAUNDERING?

- 1.1 Money Laundering can be defined as “the crime of moving money that has been obtained illegally through banks and other businesses to make it appear that the money has been obtained legally”.
- 1.2 When the Council (or any of its employees or Members) is accepting or dealing with money or other assets there is a risk that such money or assets could come from a criminal source. In the vast majority of cases this is unlikely, but everyone should bear in mind that they could contravene the law if they become aware of or suspect criminal activity and continue to be involved in the matter without reporting their concerns.

## 2.0 RECOGNISING MONEY LAUNDERING

- 2.1 Possible indicators of money laundering may include:
  - Cash based businesses which are more likely to add criminal funds to legitimate business takings
  - Large cash receipts generally
  - A person who is reluctant to supply evidence of identity or address
  - Large overpayment of fees or money on account
  - Cancelled transactions without good reason, requiring a repayment
  - Requests to forward balances on to a third party
  - Information received about an individual which may reveal criminality or association with criminality
  - The use of over complicated financial systems or funds received from third parties
  - A buyer’s or seller’s financial profile not “fitting” the transaction they are undertaking
  - Unexplained use of an out of area solicitor/agent in relation to a property transaction
- 2.2 This list is not exhaustive but simply gives examples of when employees should consider whether their suspicions should be aroused.
- 2.3 Such circumstances should suggest to the employee that they should be asking themselves questions such as e.g. *Would I expect this individual to have this amount of cash; why do they wish to pay in cash; why is this person offering to pay more than the going rate for this item/service, etc.*

# Anti-Money Laundering Policy 2018



## 3.0 LEGISLATION RELATING TO MONEY LAUNDERING

- 3.1 Legislation concerning money laundering has broadened the definition of money laundering and increased the range of activities caught by the statutory framework. The obligations impact on areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.
- 3.2 There are several pieces of legislation relating to money laundering which include:
- The Terrorism Act 2000 (Amendment) regulations 2007
  - The Anti-Terrorist Crime and Security Act 2001
  - The Proceeds of Crime Act 2002(Amendment) Regulations 2007
  - Serious Organised Crime and Police Act 2005
  - Money Laundering Regulations 2007
- 3.3 This policy needs to be considered in conjunction with the Whistle-blowing and Anti-Fraud and Corruption Policies.

## 4.0 PURPOSE AND SCOPE OF THE POLICY

- 4.1 The policy aims to maintain the high standards of conduct which currently exist within MDDC by preventing criminal activity through money laundering.
- 4.2 The legislative requirements concerning anti-money laundering procedures are extensive and complex. This policy has been written so as to enable the Council to meet the legal requirements in a way which is proportionate to the very low risk to the Council of contravening this legislation.
- 4.3 This policy applies to all employees (including agency staff and contractors) and elected Members. The objective of this policy is to make all employees aware of their responsibilities and the consequences of non compliance. Service Managers must ensure that all employees are aware of this policy.
- 4.4 An employee could potentially be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it – e.g. if they:
- Assist a money launderer
  - Knowingly prejudice a money laundering investigation
  - Fail to disclose knowledge or a suspicion of money laundering
  - Acquire, use or possess criminal property

# Anti-Money Laundering Policy 2018



- 4.5 Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities. Employees contravening the legislation can be faced with imprisonment (up to 14 years), a fine or both.
- 4.6 Failure by an employee to comply with the procedures set out in this policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Procedure.

## 5.0 REPORTING/DISCLOSING INFORMATION

- 5.1 If an employee/Member suspects money laundering then they must report their suspicions to the Group Manager for Performance, Governance and Data Security who is the Council's Money Laundering Reporting Officer (MLRO). In such circumstance, no money may be taken from the suspected person(s) or company until this has been done.
- 5.2 In the event that the Group Manager for Performance, Governance and Data Security is not available then the disclosure must be made to the Director of Finance (Section 151 Officer).
- 5.3 The employee/Member will need to supply as much information as possible to the Group Manager for Performance, Governance and Data Security about the individual or company concerned i.e. name, address and their reasons for suspicion. If any other employees/Members have been involved with the transaction the names of these persons should also be included.
- 5.4 Any disclosures must be reported using the form at the end of this Policy. Upon receiving the completed form the MLRO will consider all of the admissible information in order to determine whether there are grounds to suspect money laundering. If the MLRO determines that the information or matter should be disclosed it will be reported to the National Crime Agency (NCA) that deals with money laundering.
- 5.5 No discussion with colleagues should take place regarding disclosure. Disclosures should be kept confidential. It is important to ensure that the person(s) suspected of money laundering is not "tipped off" regarding the disclosure. It is an offence to prejudice an investigation by informing anyone of the disclosure or by tampering with evidence. If found guilty there is a punishment of up to 5 years in prison.

# Anti-Money Laundering Policy 2018



## 6.0 AFTER DISCLOSURE

- 6.1 Employees/Members making a disclosure report to the Group Manager for Performance, Governance and Data Security as the MLRO of the Council will be informed if a suspicious activity report is made to the NCA.
- 6.2 Where it is suspected that money laundering is involved no transactions can be completed until clearance has been received from the NCA, or seven days have elapsed since the disclosure was made to them and no instructions have been received. Employees must always check the position with the MLRO before taking any action.

# Anti-Money Laundering Policy 2018



## DISCLOSURE FORM TO MONEY LAUNDERING REPORTING OFFICER

Please complete and return to the **Group Manager for Performance, Governance and Data Security**

<b><u>Details of Employee/Member</u></b>	
Date of Disclosure	
Date of Event	
Name of person making the disclosure	
Job title	
Service Area	
Contact details (email address and telephone number)	
<b><u>Details of Suspected Offence</u></b>	
Full name of person(s) subject to inquiry (include title, surname and forename)	
Address	
Date of Birth	
Details of identification (if known)	
<b><u>In the case of a legal entity (Company)</u></b>	
Name of company	
Address of company	
Company Number (if known)	
Type of business	

# Anti-Money Laundering Policy 2018



VAT number (if known)	
Any other details you have about the person(s) or company that may be relevant	
<b>Reason for Disclosure</b>	
Please provide an explanation of the nature of the activity and amounts. If you know or suspect what offence is being committed please provide details	
<b>Have you discussed your suspicions with anyone else? If so, please list</b>	
<b><u>Received by Money Laundering Reporting Officer (MLRO)</u></b>	
Reference	
Date	
Signature	
Print Name	