



# WHAT KEEPS FINANCIAL CRIME PROFESSIONALS AWAKE AT NIGHT?

Phil Rolfe, Chief Executive Officer, P2 FinCrime

Webinar

Monday, 22 March 2021, 16:00 GMT



**P2 FINCRIME**

# A Word From Today's Chairman



**Professor Michael Mainelli**

Executive Chairman

Z/Yen Group



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# Today's Agenda



- 16:00 – 16:05 Chairman's Introduction
- 16:05 – 16:25 Keynote Address - Phil Rolfe, Chief Executive Officer, P2 FinCrime
- 16:25 – 16:45 Questions & Answers

# Today's Speaker



**Phil Rolfe**

Chief Executive Officer

P2 FinCrime



**P2 CONSULTING**

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What keeps financial crime professionals awake at night?

Hosted by Michael Mainelli and Phil Rolfe

Tuesday 16<sup>th</sup> March

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# What keeps financial crime professionals awake at night?

- Personal concerns
- Corporate challenges
- Scam Wars
- What is on the horizon
- 'No regrets' actions



**BBC NEWS**

Home | Brexit | Coronavirus | UK | World | Business | Politics | Tech | Science | Health | Family & Education

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## Westpac bank to pay record Australian fine over laundering breaches

© 24 September 2020



Australia's Westpac bank has negotiated to pay a record A\$1.3bn (£0.7bn; \$0.9bn) fine for the nation's biggest breach of money laundering laws.

Last year, Australia's financial crime watchdog said the bank had failed to adequately report over 19 million international transactions.



**The Guardian**

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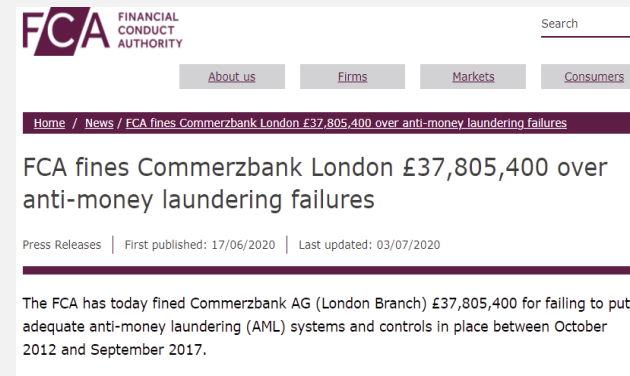


## NatWest Group FCA launches proceedings against NatWest over alleged money laundering

Regulator says bank failed to exercise controls over £264m in cash allegedly paid into customer's accounts

## New Report Shows Banks Were Fined Over £2.6 Billion for AML Related Violations in 2020

- In total 28 financial institutions were issued fines for AML related violations in 2020.
- Regulators from 14 countries issued AML related fines in 2020.
- In total, these financial institutions were fined roughly \$3,224,875, 355 billion USD and £2,615,333,831 GBP.
- Q3 2020 saw the highest total of fines with \$1,196,499,200 USD and £863,106,109 GBP.
- US regulators were the most aggressive, penalising banks \$1,557,521,256 USD and £1,141,050,882 GBP in fines.
- Australian regulators were closely behind with \$946,563,168 USD and £765,709,861 GBP in fines.



**FCA FINANCIAL CONDUCT AUTHORITY**

About us | Firms | Markets | Consumers

Home / News / **FCA fines Commerzbank London £37,805,400 over anti-money laundering failures**

Press Releases | First published: 17/06/2020 | Last updated: 03/07/2020

The FCA has today fined Commerzbank AG (London Branch) £37,805,400 for failing to put adequate anti-money laundering (AML) systems and controls in place between October 2012 and September 2017.



**Daily Record**

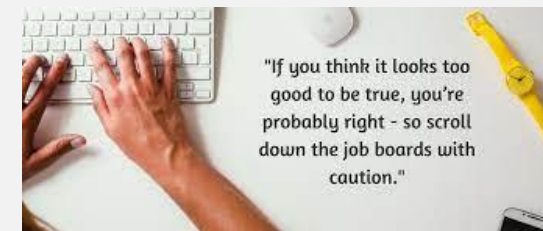
PRIDE OF SCOTLAND AWARDS CLICK HERE TO NOMINATE YOUR HERO TODAY

## Money mule recruiters using fake online job adverts to target young adults

More than 17,000 suspected money mule cases involving 21 to 30 year olds were recorded in 2020.

# Reason one: personal concerns

- Maslow's 'Hierarchy of Needs puts personal security in the second block after food, water, shelter, sleep etc
- Protecting ourselves and our families is often at the forefront of our mind
- Partners, friends, parents, kids, brothers, sisters, aunts and uncles to name but a few are all exposed to criminal risk
- How do we share our knowledge and insights without overwhelming them and causing fear and anxiety?
- Students are targeted as Money Mules and lured into toxic and frightening situations where they feel there is nowhere to turn
  - It will be the student who loses account access and ends up with a fraud marker next to their name on CIFAS
  - The criminal has multiple people in their net and just moves on
- Fake job ads are despicable and target those who want to work and are willing to hope they are lucky enough to find a job – that turns out to be a money laundering scheme
- Fake property ads are another angle, with fast paced market it is easy to trick people into handing over money to secure a flat before anyone else gets in





# Poll #1

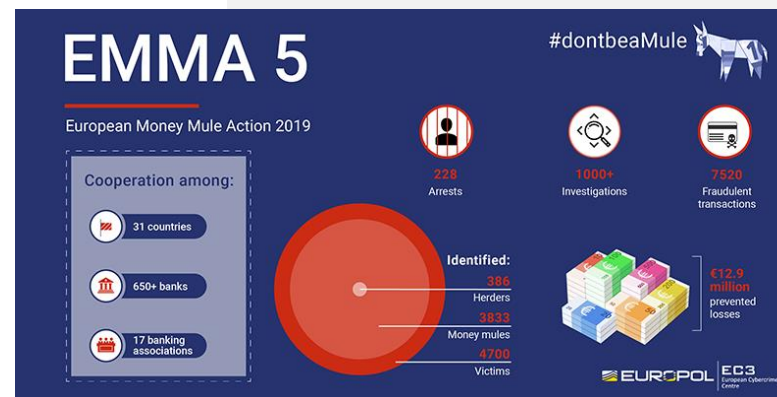
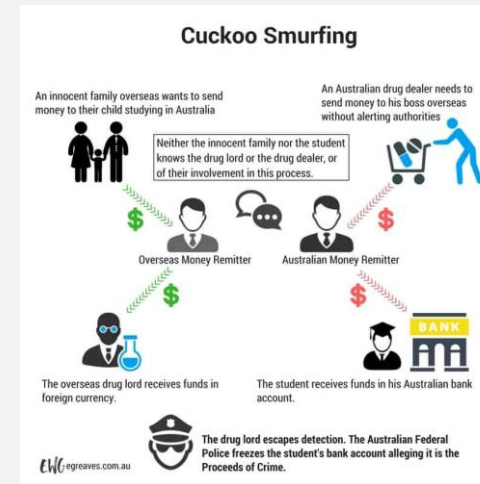
Have you received a scam attempt?

- Yes - by text
- Yes - by email
- Yes - by phone
- Yes - to all three above
- No

# Reason one: personal concerns/cont

Statistics on cloned investment fraud:

- **Action Fraud** received over 17,000 reports of investment fraud between September 2019 and September 2020, totalling £657.4m, an uplift of 28% compared to the year before.
- Over 90% of fraud Aviva has witnessed during the pandemic has been cloned investment fraud.
- The Financial Conduct Authority (FCA) reports that throughout 2020, consumers lost just over £45k each on average when investing with fraudsters imitating genuine investment firms.
- My view for what it is worth
  - Do share headlines
  - Do encourage onward cascade
  - Use pictures / animations if you find them
  - Your share might be the one that makes a difference



## DO YOU REALLY KNOW... HOW MONEY MÜLING WORKS?

A money mule is someone that's recruited, sometimes unwittingly, by criminals to transfer illegally obtained money between different bank accounts. Money mules receive the stolen funds into their account, they are then asked to withdraw it and wire the money to a different account, often one overseas, keeping some of the money for themselves. Even if you're unaware that the money you're transferring was illegally obtained, you have played an important role in fraud and money laundering, and can still be prosecuted. Criminals will often use fake job adverts, or create social media posts about opportunities to make money quickly, in order to lure potential money mule recruits.

**£24bn** The annual cost of serious and organised crime in the UK.

**14 yrs** Money muling carries a prison sentence of up to 14 years.

**93%** Of residents in a money muling hotspot area didn't know what a money mule is.

### BEHAVIOURS THAT PUT YOU AT RISK..

- ✗ Responding to job adverts, or social media posts that promise large amounts of money for very little work.
- ✗ Failing to research a potential employer, particularly one based overseas, before handing over your personal or financial details to them.
- ✗ Allowing an employer, or someone you don't know and trust, to use your bank account to transfer money.

### HOW TO PROTECT YOURSELF..

- ✓ Be extremely cautious about offers or opportunities to make easy money, and never give your financial details to anyone you don't know and trust.
- ✓ Legitimate employers won't ask you to use your own bank account to transfer their money. Don't accept any job offers that ask you to do this.
- ✓ Be especially wary of job offers from people or companies overseas, as it will be harder for you to find out if they're really legitimate.

**ActionFraud** National Fraud & Cyber Crime Reporting Centre 0300 123 2040

**GET SAFE ONLINE** Free expert advice

**CITY OF LONDON POLICE** National Policing Lead For Fraud

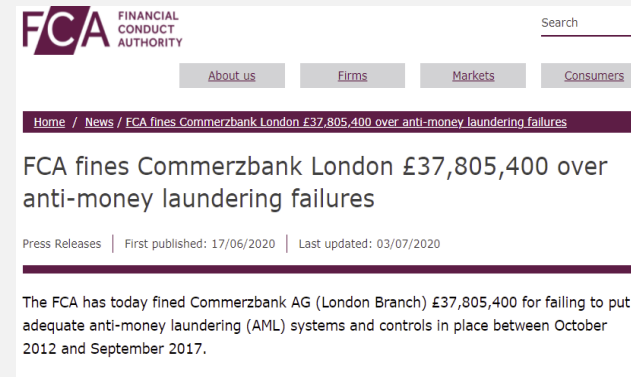
# Reason two: corporate challenges

- Have we identified the key financial crime risks relevant to our business?
- Do we understand the drivers of risk ?
- Have we been clear on our risk appetite?
- Have we been clear where we are risks are within and outside risk appetite?
- Do we have mitigating actions in place where necessary ?
- Do we have investment plans in place to manage risks that are outside appetite ?
- Do all stakeholders understand the role they need to play in managing financial crime risk ?



## New Report Shows Banks Were Fined Over £2.6 Billion for AML Related Violations in 2020

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## Reason three: scam wars

- How do we protect our customers from the new waves of financial crime?
- How do we make sophisticated detection tools easy to use and transparent?
- What is the banks' / building societies' / wealth managers' role in protecting customers?
- How many hurdles can be put in place to support customers without making it hard to do business?
- What is the bank responsible for vs the customer when a fraud takes place
- There have been signs of progress here as in late Feb, Google wrote to the FCA to update them on progress being made to tackle scam Google Ads – link to letter below:
- <https://www.fca.org.uk/publication/correspondence/google-letter-fca-february-2021.pdf>

**AVIVA** Insurance Investments Retirement Health

Protect yourself from fraud

### Beware of fake bond and ISA sites

Watch out for websites posing as us

With interest rates currently so low, people are on the lookout for a better return on their money. So fraudsters are using bonds and ISAs – popular savings and investment products – to promote too-good-to-be-true deals, often with supposedly high returns, to lure in their victims.

### Investment scam warning as bank says customers handed over £18m to fraudsters

Fraudsters are offering often huge returns on fake bonds and ISAs



People are being warned to watch out for investment scams as the end of the tax year approaches, as HSBC UK said just over £18 million was taken from its customers by fraudsters posing as legitimate providers in 2020.



Google UK  
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London  
WC2H 8AG

Charles Randell CBE  
Nikhil Rathi  
Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

February 26 2021

Dear Charles and Nikhil,

Many thanks for your time earlier this week. We very much value our continued constructive engagement on the issue of tackling scam ads for financial services. The safety of our users is of utmost importance to us and we are committed to constantly improving user protection on our platforms.



### How do you spot a 'clone' scam? Financial sharks are masquerading as real firms to trick people and known copycats are up by a THIRD this year

- 'Sophisticated organised criminals' are impersonating reputable firms
- 'Clone' firm alerts from the regulator have jumped 34% to 401 this year
- What checks can you make to avoid being fooled? Find out below

By TANYA JEFFERIES FOR THISISMONEY.CO.UK  
PUBLISHED: 08:57, 14 November 2020 | UPDATED: 08:57, 14 November 2020



# Reason three: scam wars cont...

- Is this really a serious issue?
- Aviva thinks so and has a dedicated fraud site which is a linked directory off their Home Page

This is the list of Fake / Scam websites currently listed on the Aviva Fraud hub

- avivagroupplc.com
- aviva-groupplc.com
- avivagroup-uk.com
- avivaholdings.com
- aviva-inv.com
- aviva-investors.group
- avivainvestorsplc.com
- avivainvestorholding.co.uk
- avivainvestorholding.com
- avivainvestorholdings.co.uk
- avivainvestorholdings.com
- avivainvestors-act.com
- avivainvestors-cmp.com
- avivainvestors-en.com
- avivainvestors-enq.com
- avivainvestors-uk.com
- avivainvestorsholding.co.uk
- avivainvestorsholdings.co.uk
- avivainvestorsholdings.com
- avivaisuk.com
- aviva-isuk.com
- aviva-lifeandpensions.com
- avivalifeandpensions.co.uk
- aviva-lifeandpensionsuk.com
- avivalifeandpensions-uk.com
- avivalifeandpensions-ukltd.com
- avivalifeandpensionsukltd.com
- aviva-lifeandpensionsukltd.com
- avivafixedincome.com
- avivafixedinvestments.com
- avivafixedmanagement.com
- aviva-fxtrading.com
- aviva-arb.com
- investment-products.in
- invitation.avivagroupplc.com
- invitation.aviva-groupplc.com
- invitation.avivamanagement.com
- myaviva-onboarding.com
- myaviva-onboard-screening.com
- myavivapolicy.com
- myavivaregistration.com
- myaviva-screening.com
- myaviva-uk-onboarding.com
- myinvestmentportal.aviva-onlineuk.com
- myinvestor-portal.com
- offer.bondsaccount.com
- openmyaviva.com
- openmyavivapolicy.com
- private-av.com
- retail-av.com
- secure.avivagroupplc.com
- secure.aviva-groupplc.com
- secure.avivamanagement.com
- tescobondregister.com
- thebestbondrates.com
- uk-firm-aviva-bonds.best
- webportal-av.com
- edfinvestors.com
- avivabondoffering.com
- avivabondselect.com
- avivabondsplc.com
- avivaclientaccess.com
- aviva.co.uk.investment-products.in
- aviva.co.uk.investment-products.in/bond-offer
- avivafixedcapital.com
- aviva-am.com
- avivalifepensions.com
- avivalifepensions.co.uk
- avivalifepensionsltd.co.uk
- avivaltd.com
- avivamanagement.com
- aviva.myinvestment-portal.com
- aviva.myinvestmentportal.co.uk
- avivaonlineservices.com
- avivaonlineuk.com
- aviva-onlineuk.com
- avivaportfolioservices.com
- avivapremiumbond.com
- avivaprotectedbonds.com
- avivaukdigital.com
- avivauk-digital.com
- avivaukdigital.co.uk
- aviva-uk-onboarding.com
- avivaukplc.com
- aviva-wealthmanagement.co.uk
- avivawm-online.com
- aviva-wm.com
- aviva-wm-online.com
- avivawm-online-account.com
- create-new.cc
- currentbonds.com
- document-av.com
- documents-av.com
- general-tradings.com
- global-avivafundslimited.com
- globalavivainvestors.com
- gtr.holdings
- highyieldinvestmentbond.net
- avivabondclient.com
- avivabondoffer.com

Stay a step – or two – ahead of the criminals

### What to do if your device is infected and your information's stolen

Malware can cause a whole lot of trouble if it finds its way on to your device.

[Clean it up](#)

### Enjoy the sales – without getting scammed

Here are some ways to avoid getting duped when you're trying to get a discount.

[Stay scam savvy](#)

### What happens when you report fraud to us

Get a behind-the-scenes look at some of the action we're taking to keep your money secure.

[See what we do](#)

### Here's how to spot a romance scam

Being able to tell a romance scam could save you a lot more than just heartache.

[Learn the telltale signs](#)

### Is that number really for your car insurer?

If you search your insurer's number after an accident, be sure you're really calling them.

[Check who you're speaking to](#)

### Are you speaking to an insurance scammer?

Protect yourself by learning what an insurance scammer might say to lure you in.

[Here's what to listen out for](#)

### Your family's guide to staying safe online

See our top tips on keeping your family – young and old – safe in the digital world.

[Keep your loved ones safe](#)

### How to spot fraud to stop fraud

Learn the telltale signs of a fraudster and what threats look out for to keep your money safe.

[Get to know the signs](#)

### Learn how to avoid being scammed

A few simple things you can do to make things harder for fraudsters – and protect your money.

[See what you can do](#)



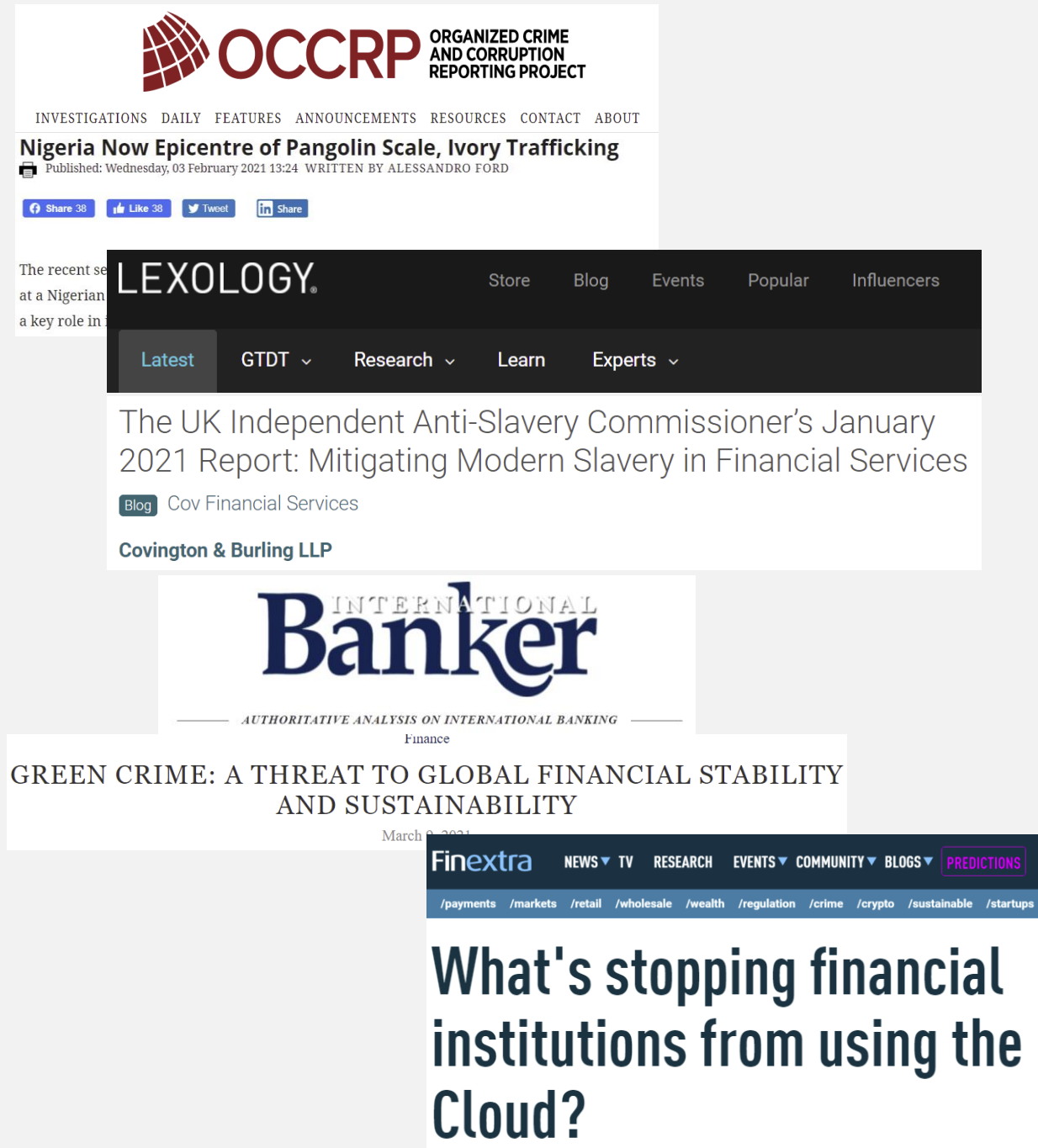
## Poll #2

Has your bank / investment manager made you aware of potential spoof / fake web sites that you might fall victim to?

- Yes
- No
- I don't know

## Reason four: what's on the horizon

- How do we improve our organisation's awareness of global issues and reflect them in our policies / procedures and operations
- Improving platforms so they can detect issues that are moving higher up the corporate agenda
  - Human rights / modern slavery
  - Wildlife exploitation
  - Green Issues (investments / affiliations)
- Geopolitical issues are now more complex and the detection instruments are less blunt and more refined
- Global vs Regional vs Country views are pulling back from one global size fits all, to a more tailored country-centric approach
- Cloudy outlook – whilst the move to cloud has delivered cost savings and operational resilience, there is an emerging concern that US based cloud operators may lead to data privacy issues and some companies/countries are pushing back on cloud as the way forward



The collage features several articles and logos:

- OCCRP (Organized Crime and Corruption Reporting Project)** logo at the top.
- Article: **Nigeria Now Epicentre of Pangolin Scale, Ivory Trafficking** (Published: Wednesday, 03 February 2021 13:24 WRITTEN BY ALESSANDRO FORD). Includes social sharing buttons for Facebook (38), Like (38), Tweet, and LinkedIn Share.
- LEXOLOGY** logo with navigation links: Store, Blog, Events, Popular, Influencers. Sub-navigation: Latest, GTDT, Research, Learn, Experts.
- Article: **The UK Independent Anti-Slavery Commissioner's January 2021 Report: Mitigating Modern Slavery in Financial Services**. Tagged as **Blog** and **Cov Financial Services**. Author: **Covington & Burling LLP**.
- INTERNATIONAL Banker** logo with tagline: *AUTHORITATIVE ANALYSIS ON INTERNATIONAL BANKING*. Sub-tagline: *Finance*.
- Article: **GREEN CRIME: A THREAT TO GLOBAL FINANCIAL STABILITY AND SUSTAINABILITY**. Date: *March 9, 2021*.
- Finextra** logo with navigation links: NEWS, TV, RESEARCH, EVENTS, COMMUNITY, BLOGS, PREDICTIONS. Sub-navigation: /payments, /markets, /retail, /wholesale, /wealth, /regulation, /crime, /crypto, /sustainable, /startups.
- Large text overlay: **What's stopping financial institutions from using the Cloud?**

## Reason four: what's on the horizon cont...

- **Detecting Modern Slavery in Supply Chains**

**Extract from [www.gov.uk/government/collections/modern-slavery](http://www.gov.uk/government/collections/modern-slavery)**

Certain commercial organisations must publish an annual statement setting out the steps they need to take to prevent modern slavery in their business and supply chains. This is a requirement under Section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015.

**News on gov.uk - 22<sup>nd</sup> September 2020**

The government is introducing powerful new measures to strengthen the landmark Modern Slavery Act 2015 and ensure that large businesses and public bodies tackle modern slavery risks in supply chains.

In a world first, public bodies which have a budget of £36 million or more, including local authorities in England and Wales, will be required to regularly report on the steps they have taken to prevent modern slavery in their supply chains.

**News reported 20 Jan 2021**

Speaking in Parliament last week, [Raab confirmed](#) the UK government's intentions to "introduce fines for businesses that do not comply with their transparency obligations". Raab said the level of potential fines will be outlined in legislation. He said UK Home Secretary Priti Patel would introduce the new laws "as soon as parliamentary time allows".

'Modern slavery' is an umbrella term, which includes the offences of human trafficking, slavery, servitude and forced or compulsory labour, including sexual or criminal exploitation.

## Online retailer Boohoo 'not aware' of any investigation after slave labour allegations

By [Rhona Shennan](#)

Tuesday, 2nd March 2021, 3:07 pm

Updated Tuesday, 2nd March 2021, 3:07 pm

Online fashion retailer Boohoo has stated that it is "not aware of any investigation" being undertaken by US Customs and Border Protection, following reports that it could face a US import ban over labour abuse allegations.

Boohoo told investors in a stock market announcement that it is confident with the actions it has taken to ensure that its products pass US customs criteria, amid a crackdown on items made using forced labour.



## Met police hails success in county lines drugs crackdown

**Vikram Dodd** *Police and crime correspondent*

Wed 24 Feb 2021 07:00 GMT

Police have used modern slavery and trafficking laws against dealers who have **targeted children and the vulnerable**, with some as young as 14 years old. Police have brought prosecutions against them without needing the cooperation of those pressed into drug dealing, so-called "victimless prosecutions".

Cybersecurity

## Suspected Russian Hackers Target Frail U.S. Supply Chain

By [Jordan Robertson](#) and [William Turton](#)

16 December 2020, 17:38 GMT Updated on 17 December 2020, 11:00 GMT

**Bloomberg**

Last year, for instance, the Cybersecurity and Infrastructure Security Agency, known as CISA, reported that federal agencies faced about 180 different threats from the digital supply chain, the hardware and software that goes into making up a computer network. CISA's parent, the [Department of Homeland Security](#), was among those agencies breached in the recent attack.

# Reason five: 'no regrets' actions

What can you do in your business world that will lay foundations for future change ?

- Data Data Data
  - Get it all in one place
  - Clean it up
    - Define Key Data Elements (KDE's)
    - Fill in gaps in KDE's
    - Look for error patterns and fix (01.01.01)
    - Fix as new data stacks are added (ETL)
  - Ensure new data (clients / customers) are added with good key data attributes (stop the bleed)
  - Add agile tools and make them work for their fees
- Copy the big guys but do not fall into the Big-Name Big-Box traps – seek Agile/Flexible partners and run POCs (which might fail)

OPINION  
**Tesla, the data company**  
Tesla is harnessing artificial intelligence and machine learning to build one of the most innovative neural networks in the world.

BILL & MELINDA  
GATES foundation


— How We Work —  
INFORMATION SHARING APPROACH

Around the world, institutions are maximizing their impact by becoming increasingly transparent. This follows a fundamental truth: that **access to information and data fosters effective collaboration**. At the foundation, we are

... it's all about **DATA**



**It's All About Data**

 **Shankar Kambhampaty** Forbes Councils Member  
Forbes Technology Council COUNCIL POST | Membership (fee-based)  
Innovation

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POST WRITTEN BY  
**Shankar Kambhampaty**

Shankar Kambhampaty is Director and CTO for major financial services account at **DXC.technology** (formerly CSC).



## Ask the expert

Watch Phil talk to Peter Hazlewood, Group Financial Crime Risk Director at Aviva about financial crime trends, investment frauds, cloned websites and much more.

Visit [p2fincrim.com/ask-the-expert](https://p2fincrim.com/ask-the-expert) to get started.



Phil Rolfe



Peter Hazlewood

## Why P2 FinCrime?



We have “been there and done that”, working on the front line solving regulatory issues



We bring regulatory experts to help you, rather than graduates to learn on the job



Our approach is not based on theory, but on hard-fought practical experience



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Our services are designed to help your business through the challenges of an ever-changing regulatory environment and financial crime prevention.

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- Client Risk Assessment
- Supporting Regulatory Challenges
- Platform Replacement & Tuning

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[phil@p2fincrim.com](mailto:phil@p2fincrim.com)

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High Street  
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European Tier  
One Bank

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Challenger  
Bank

Large  
European  
Investment  
Bank

Global  
Asset  
Manager

UK  
Tier Two  
Bank

Global  
Reinsurer

Large  
UK-based  
Islamic Bank



# Questions And Answers





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# Thank You For Listening



## Forthcoming Events

- Tue-Thu, 23-25 Mar (08:00-18:00) British Isles Employee Share Ownership Symposium 2021
- Fri, 26 Mar (15:00-15:45) Did The Market Move For You? Artificial Intelligence & Financial And Commodity Trading
- Mon, 29 Mar (10:00-10:45) The Time Is Now – The Financial Impact Of The Energy Transition

Visit <https://fsclub.zyen.com/events/forthcoming-events/>



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