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Agencies 'failing to co-operate' on money laundering

Britain is dangerously exposed to money launderers as fraud investigators are failing to work with other agencies to gather evidence against foreign criminals, an international think tank claimed yesterday.

The Serious Fraud Office and the financial intelligence unit at the National Crime Agency are criticised for not co-operating and sharing information that could bring foreign money launderers to trial.

A report from the Organisation for Co-operation and Economic Development points out that fraud investigators are allowed in principle to have access to suspicious activity reports — alerts made by professionals such as lawyers, accountants and financial advisers — that are submitted to the NCA.

However, the OECD report claims that "there is no record of any SFO foreign bribery investigation" being generated by information provided by the NCA's unit. While charging both agencies with not co-operating over the exchange of potential evidence of money laundering, the OECD report provides the SFO with some succour. It calls on ministers to maintain adequate core funding for the SFO amid "long-standing concern" that the British government is not allocating sufficient resources to the fraud investigators.

The OECD report says "the question of independence of law enforcement is ... raised when resources are dependent on authorisation of the executive in specific cases. Blockbuster funding of the SFO raises concerns since this extra funding is subject to HM's Treasury's approval."

The OECD concern came a day after it emerged from a Freedom of Information Act request that prosecutors had obtained only five convictions for money laundering since the rules were tightened in 2007.

More broadly, the OECD called on the British government to improve anti-bribery enforcement in Scotland, as it said that the jurisdiction was home to "companies operating in corruption-sensitive sectors". It also advised ministers to strengthen detection and enforcement of foreign bribery in the crown dependencies and overseas territories.

Specialist lawyers described the overall tenor of the OECD's criticisms as worrying. "The report registers great concern at the failure of the existing anti-

money laundering regime to detect foreign bribery," Khawar Qureshi, QC, told The Times. "The message is clear – much more needs to be done."
Mr Qureshi called for the SFO's position to be "strengthened by provision of greater resources as well as expertise, and the serious deficiencies in the existing regime have to be rectified".