



# ANTI MONEY LAUNDERING POLICY

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**Executive Summary:**

Money laundering is the process by which the proceeds of crime, which can include cash or assets, is given the appearance of being legitimately earned. The most common kind of money laundering is the process by which criminals transfer high volumes of cash into the banking system. For RBH the most likely way in which this may be done is via the rents system where small amounts of cash could be paid over a period of time to create a surplus after which a refund is requested in the form of a cheque or bank transfer. More widely colleagues may become aware of unexplained wealth or assets such as high value cars. RBH has a zero tolerance to any type of fraud or malpractice.

<b>Policy Grouping/Directorate(s)</b>	Resources	
<b>Author Name / Job Title</b>	Stephen Wigley	
<b>EIA Completed</b>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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<b>Notes:</b>		

## 1 Introduction

- 1.1 This policy outlines Rochdale Boroughwide Housings approach to money laundering. Rochdale Boroughwide Housing (RBH) has a commitment to high legal, ethical and moral standards. All colleagues are expected to share this commitment. This policy is established to facilitate the development of procedures, which will aid in the prevention and investigation money laundering and related offences.

## 2 Context

- 2.1 RBH is committed to countering money laundering. This includes procedures covering the creation of a wider anti-fraud culture; deterrence, prevention and detection of such activities; investigation of suspicions which arise; the application of appropriate sanctions; and the seeking of redress in respect of monies obtained by such activities.
- 2.2 The Board already has controls in place that reduce the likelihood of money laundering occurring. These include documented procedures, and documented systems of internal control and risk assessment. RBH also carries out regular audits and has a whistleblowing hotline so that cases can be detected after the event. In addition, the Board is committed to ensuring that a risk (and fraud) awareness culture exists across the organisation.
- 2.3 **All Board members, colleagues, customers, contractors and suppliers should be in no doubt that RBH as an organisation has a zero-tolerance approach to any illegal activity including money laundering.**

## 3 Aims & Objectives

- 3.1 The aim of the policy is to reduce the likelihood of RBH being used as a vehicle to launder money by raising awareness with colleagues.
- 3.2 The introduction of the Proceeds of Crime Act 2002 (POCA) and the Money Laundering Regulations 2007 broadened the definition of money laundering and increased the range of activities caught by the statutory framework. As a result, all businesses are required to establish internal procedures to prevent the use of their services for money laundering.
- 3.3 The policy fits with the mutual values of RBH:  
**Responsibility** - We take responsibility for ensuring that we comply with the legislation in place and that any attempts to use RBH as a vehicle to launder criminal funds are identified and reported.

## 4 Policy Statement

- 4.1 Money laundering is simply the process of concealing the illegal source or existence of income derived from criminal activity in an attempt to make that income appear legitimate.

#### 4.2 Examples of money laundering can include:

**Concealing, disguising, converting, transferring criminal property or removing it from the UK.** For example setting up a sham business which traditionally deals in high volumes of cash to give cover for regular cash payments into a legitimate bank account, or an unexplained large cash payment on a rent account claimed to be from the death of a relative or lottery win.

**Entering into or becoming concerned in an arrangement which you know, or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.** This is the actual involvement in helping to cover up an act – e.g. a Housing Officer becoming suspicious that a tenant on benefits is buying valuable items when they are on limited income and failing to report this).

**Acquiring, using or possessing criminal property, accepting stolen items knowingly or knowingly taking advantage of them or accepting items paid for by the proceeds of crime** - This could be paying significantly less than the value of an item with the suspicion or knowledge that it may be stolen.

**Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorism property** - hiding income or other items which are being used to fund or carry out terrorist activities.

There are also two 'third party' offences:

- Failing to disclose one of the primary offences outlined above.
- *'Tipping-off'* - where someone informs a person or people who are, or are suspected of being, involved in money laundering, so as to reduce the likelihood of their being investigated, or prejudice an ongoing investigation.

#### 4.3 **The Money Laundering Reporting Officer (MLRO)**

The role of the Money Laundering Reporting Officer (MLRO) is to act as a point of contact to receive and investigate reports of suspected and known instances of money laundering activity involving RBH, our partners or the services we provide. RBH's nominated MLRO is:

**Stephen Wigley - Head of Legal and Compliance Tel 07580 930898**

In the absence of the MLRO the following officer will act as deputy:

**Jenny Sinclair - Head of Finance and Procurement Tel 07866 896151**

#### 4.4 **Requirements of Colleagues and RBH**

Individuals can be found to be criminally liable for failing to report money laundering activity where it is known or suspected. This could result in serious criminal charges and/or sanctions being imposed on RBH and/or its staff.

It is therefore important that policies and procedures exist to establish internal reporting arrangements and ensure compliance with the guidance and the law.

#### 4.5 **Whistleblowing**

- 4.5.1 RBH's Whistle-blowing Policy is designed to protect individuals when making a disclosure from any fear of victimisation or harassment.

Colleagues are an important element in our stance on any form of criminal activity. All colleagues are positively encouraged to raise any concerns that they may have on these issues where they are associated with RBH's activity. All such concerns will be treated in confidence, wherever possible, and properly investigated.

4.5.2 If an employee has reason to suspect a colleague, contractor or other person of an illegal activity including money laundering or an infringement of RBH rules, they have a responsibility to inform their manager or raise this directly with the Head of Legal and Compliance or via the whistleblowing process. In the first instance they should raise their concerns verbally either in person or by phone, however, this can also be done confidentially if preferred. How to report any money-laundering is laid out in **appendix one**.

4.5.3 If an employee is concerned that their involvement in itself could amount to a prohibited act under the guidance, i.e. that further actions could make them complicit in the illegal act being undertaken, then they will need consent from the National Crime Agency (NCA) to take any further part in the transaction. They should, therefore, make it clear whether there are any such issues and the deadlines when reporting the issue and all such cases should be reported to the Head of Legal and Compliance without delay so that they can liaise with NCA to obtain this authority. Examples could include a pending right to buy completion date, or processing a bank transfer or refund.

**Managers or colleagues should NOT seek to initiate enquiries or investigations, and once reported they must NOT make any further enquiries into the matter themselves.**

4.5.4 The overt investigation of all actual or suspected instances of fraud and the prosecution of offenders provides an effective deterrent. Therefore, all known or suspected incidences of fraud will be thoroughly and impartially investigated.

#### 4.6 **Seeking Financial Redress**

4.6.1 The seeking of financial redress or recovery of losses will always be considered in cases of fraud or corruption that are investigated by the society where a loss is identified. As a rule, recovery of the loss caused by the perpetrator will always be sought. The decisions must be taken in the light of the circumstances of each case. Financial redress allows resources that are lost to fraud and corruption to be returned for use as intended.

4.6.2 In cases of serious fraud and corruption, it is recommended that parallel sanctions are applied. For example: disciplinary action relating to the status of the employee; use of civil law to recover lost funds, use of criminal law to apply an appropriate criminal penalty upon the individual(s).

How RBH may seek financial redress is laid out in **Appendix two**.

## 5 **Monitoring**

5.1 The policy will be monitored by the Audit Committee and Board who will receive notification of all reported or identified instances of fraud whether these are successful or not.

## **6 Review**

- 6.1 All RBH strategies, policies, service standards and procedures are reviewed on a regular basis to ensure that they are 'fit for purpose' and comply with all relevant legislation and statutory regulations.
- 6.2 This policy will go through the full policy approval process every 3 years and will undergo a desktop review annually. This is to ensure that it is fit for purpose and complies with all relevant and statutory regulations.

## **7 Links with Other RBH Documents**

- 7.1 This policy links to the following policies and strategies:
- Anti Bribery Policy
  - Anti Money Laundering Policy
  - Tenancy Fraud Policy
  - Fraud Response Plan
  - Code of Conduct (including Whistleblowing Policy)
  - Disciplinary Policy

## **Appendix one – reporting suspected money laundering**

The report must include as much detail as possible, for example:

- Full details of the people involved (including yourself, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc.
- Full details of the nature of their/your involvement.
- The types of fraudulent activity involved. The Head of Legal and Compliance can help identify this.
- The dates of such activities, including whether the transactions have happened, are ongoing or are imminent.
- Where they took place.
- How they were undertaken.
- The (likely) amount of money/assets involved.

A completed report should be returned to The Money Laundering Reporting Officer (MLRO) (see 4.3)

## **Appendix two – Seeking Financial Redress**

Actions which may be taken when considering seeking redress include:

- No further action
- Penalty charges
- Criminal investigation
- Civil recovery
- Disciplinary action
- Confiscation order under Proceeds of Crime Act (POCA)
- Recovery sought from ongoing salary payments or pensions.

In some cases (taking into consideration all the facts of a case), it may be that the society decides that no further recovery action is taken.

Criminal investigations are primarily used for dealing with any criminal activity. The main purpose is to determine if activity was undertaken with criminal intent. Following such an investigation, it may be necessary to bring this activity to the attention of the criminal courts (Magistrates' court and Crown court). Depending on the extent of the loss and the proceedings in the case, it may be suitable for the recovery of losses to be considered under POCA.

The civil recovery route is also available to the society if this is cost-effective and/or desirable for deterrence purposes. This could involve a number of options such as applying through the Small Claims Court and/or recovery through debt collection agencies.

The appropriate senior manager, in conjunction with the People & Culture department, will be responsible for initiating any necessary disciplinary action in accordance with the society's Discipline, Grievance and Capability policy. Arrangements may be made to recover losses via payroll if the subject is still employed by the society. In all cases, current legislation will be complied with.

Action to recover losses will be commenced as soon as practicable after the loss has been identified. Given the various options open to the Society, it may be necessary for various departments to liaise about the most appropriate option.

In order to provide assurance that the policy is adhered to, the Head of Legal and Compliance will maintain a record highlighting when recovery action was required and issued and when the action was taken. This will be reviewed and updated upon the conclusion of each case.