

Lincolnshire Police

Policy Document



Lincolnshire
**POLICE & CRIME
COMMISSIONER**

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Anti-money laundering policy PD 220

Policy document information

Reference number:	PD 220
Policy sponsor:	DCC
Policy owner:	Director of Finance and Corporate Services – Sharon Clark
Author:	Finance Business Partner – Samantha Gell
Publication date:	October 2023
Review date:	October 2025

Version history

Version	Date	Reason for issue
2	April 2017	Review
3	October 2019	Biennial Review
4	October 2021	Biennial Review
5	October 2023	Biennial Review

Code of Ethics

All staff involved in carrying out functions under this policy and associated procedures and appendices will do so in accordance with the principles of the Code of Ethics. The aim of the Code of Ethics is to support each member of the policing profession to deliver the highest professional standards in their service to the public.

Legislative compliance

This document has been drafted to comply with the principles of the Human Rights Act. Proportionality has been identified as the key to Human Rights compliance, this means striking a fair balance between the rights of the staff and those of the rest of the community. There must be a reasonable relationship between the aim to be achieved and the means used.

Equality and Diversity issues have also been considered to ensure compliance with the Equality Act 2010 and meet our legal obligation in relation to the equality duty. In addition, Data Protection, Freedom of Information and Health and Safety Issues have been considered. Adherence to this policy or procedure will therefore ensure compliance with all relevant legislation and internal policies.

Other legislation/law which this policy has been drafted to comply with:

- [Human Rights Act 1998 \(in particular A.14 – Prohibition of discrimination\)](#)

- [Equality Act 2010](#)
- [Crime and Disorder Act 1998](#)
- [H&S legislation](#)
- [Data Protection Act 2018](#)
- [Freedom Of Information Act 2000](#)

Security classification

Policy to be published on Intranet: Yes

Policy to be published on Force Website: Yes

Authorised Professional Practice (APP)

This Policy has been checked against APP. Lincolnshire Police has adopted the APP provisions, with supplementary information contained herein, which reflects local practice and the needs of the communities served by Lincolnshire Police.

Those provisions are shown in the links below and can be accessed via the home page of the APP website (www.app.college.police.uk):

[Money Laundering on APP website](#)

1. Policy aims (Purpose)

- 1.1. The aim of the policy is to ensure the PCCs compliance with anti-money laundering laws and regulations, to assist law enforcement in combating illegal money laundering and to minimise the risk of PCC resources being used for improper purposes.
- 1.2. This policy serves to protect PCC and CC employees by making them aware of their personal obligations and to provide them with a mechanism to raise any concerns.
- 1.3. The Police and Crime Commissioner (PCC) is committed to prevent the PCC and its employees being exposed to money laundering, to identify the

risks where it may occur, and to comply with legal and regulatory requirements, especially with regard to reporting suspected cases.

Key points:

- The PCC is committed to the prevention, detection and reporting of money laundering;
- All employees should be vigilant for signs of money laundering;
- An employee who suspects money laundering activity should report this promptly to the Anti-Corruption Unit (ACU);
- The PCC will not accept payments in cash that exceed £1,000 in a single transaction.

- 1.4. This Policy covers all PCC activities and applies to all PCC and Chief Constable (CC) employees, committee members, temporary and agency staff, volunteers, contractors, agents, consultants and partners acting on the PCCs behalf, all of whom could potentially contravene the money laundering regulations. This policy sets out the required procedures which should be followed for reporting suspicions of money laundering activity to enable the PCC to comply with its legal obligations.
- 1.5. This Policy is consistent with all other PCC policies including the Anti-Fraud and Corruption Policy.
- 1.6. Failure by an employee to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them.

2. Policy statement (Key information)

- 2.1. Money laundering is the process where criminals attempt to hide and change the true identity of the proceeds of their crime so that they appear legitimate.
- 2.2. The substantive money laundering offences are set out in the Proceeds of Crime Act (POCA) 2002. These serious criminal offences are designed to prevent criminals dealing in any way with the proceeds of criminal conduct.
- 2.3. Primary Substantive Offences

There are three primary offences which any person may commit:

- Concealing, disguising, converting, transferring the proceeds of crime or removing the proceeds of crime from the jurisdiction
- Entering in to or becoming concerned in an arrangement which a person knows or suspects facilitates (by whatever means) the acquisition, retention, use or control of the proceeds of crime; and
- Acquiring, using or possessing the proceeds of crime

2.4. POCA applies to all legal persons, individual and corporate, irrespective of the nature of their business or whether they are engaged in business at all. Offences of money laundering can attract prison sentences of up to 14 years.

2.5. The meaning of proceeds of crime or “criminal property” is any benefit (monetary or otherwise) from criminal conduct, or any property representing the same (in whole or part and whether directly or indirectly) provided the alleged offender knows or suspects the property is such a benefit.

2.6. Secondary Substantive Offences

Secondary offences are concerned not with the primary money laundering conduct but with a person’s action or failure to act upon suspecting potential money laundering;

- Prejudicing an investigation (S342 of POCA); is committed where a person knows or suspects that an investigation in connection with alleged money laundering has or is about to be commenced in respect of another person but nonetheless makes a disclosure to any other person which is likely to prejudice any such investigation or interferes with material which is likely to be relevant to such investigation.

2.7. Terrorism Act Offences

The Terrorism Act applies to dealings with funds used to finance or otherwise support terrorism. The primary terrorist finance offences are set out in sections 15-18 of the act and are similar to those in POCA;

- S15 & 16 – Inviting, receiving, providing or possessing money or other property intending or having reasonable cause to suspect that it may be used for the purposes of terrorism.
- S17 – Entering in to or becoming concerned in an arrangement as a result of which money or other property is made available or is to be made available to another and which the alleged offender knows or has reasonable cause to suspect will or may be used for the purposes of terrorism.
- S18 – Entering into or becoming concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property by concealment, removal from jurisdiction, transfer to nominees or in any other way.

2.8. Secondary Offences

- S39 – Prejudicing an investigation offence is committed where a person knows or has reasonable cause to suspect that another person's suspected involvement with terrorist financing has been disclosed to the relevant UK investigatory authorities, or that an investigation in connection with alleged terrorist finance offences has or is about to be commenced in respect of another person, but nonetheless makes a further disclosure to another person which is likely to prejudice any investigation which might be conducted in light of that original disclosure or interferes with material which is likely to be relevant to such investigation.
- S19 – Failure to disclose offences arise if a person acting in the course of a trade, profession, business or employment outside the regulated sector believes or suspects that another person has committed, or has attempted to commit, a primary terrorist finance offence but fails to disclose that belief or suspicion to a relevant officer (ACU).

- 2.9. It is impossible to provide a definitive list of ways in which to spot money laundering. At all times staff should;
- Be wary of unusually large cash transactions
 - Be wary of the absence of an obvious legitimate source of funds
 - Be wary of receipt of funds in excess of those invoiced and thus requiring a substantial refund
 - Be alert to the possibility of money laundering by trading partners or prospective trading partners
- 2.10. The various stages of money laundering are termed placement, layering and integration:
- Placement – ‘dirty money’ is placed directly into the financial system.
 - Layering – the proceeds are then moved through a series of financial transactions, making it harder to establish their origin.
 - Integration – the money launderer creates a legitimate explanation for the source of the funds allowing them to be retained, invested into the legitimate economy or to acquire assets.
- 2.11. Appendix 2 gives a list of some possible signs of money laundering that may be helpful to staff to enable them to spot money laundering.
- 2.12. The money laundering offences are aimed by legislators at criminals and their associates but any person can be caught by the offences if they suspect money laundering and either become involved with it in some way or do nothing about it. It is not necessary to have benefitted in any way to be guilty of the offences.
- 2.13. Potentially any member of staff could be caught by the money laundering provisions and this Policy sets out how any concerns should be raised.
- 2.14. The key requirement for PCC and CC employees is to promptly report any suspected money laundering activity to ACU.
- 2.15. The reporting procedures are given in Appendix 1.

- 2.16. While the risk to the PCC of contravening the legislation is low, it is important that all employees are familiar with their responsibilities; as serious criminal sanctions can be imposed for breaches of the legislation with potentially heavy penalties, including imprisonment, for those who are convicted of breaking the law.
- 2.17. The Proceeds of Crime Act 2002 and the Terrorism Act 2000 place obligations on the PCC and its employees to establish internal procedures to prevent the use of their services for money laundering. Procedures for cash payments and client due diligence can be found at Appendix 3.
- 2.18. The PCC does not have a statutory duty to comply with these regulations. However, the PCC is committed to following best practice and will therefore establish internal procedures to prevent money laundering in all of its dealings and relationships.
- 2.19. Other sources of reference can be found at Appendix 4.

3. Other related documents and appendices

3.1. Appendices:

- Appendix A – Reporting Procedures
- Appendix B – Possible Signs of Money Laundering
- Appendix C – Procedures for Cash Payments and Client Due Diligence
- Appendix D – Further Information

4. Monitoring and review

4.1 Approval of this policy

This policy is a requirement of the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption 2014.

- 4.2. This policy will be subject to review to ensure it remains current and monitored annually. The Director of Finance and Corporate Services will do this. The Force Risk Management Board maintains oversight of all policies.

5. Who to contact about this policy

- 5.1. This policy is owned by the Director of Finance and Corporate Services. Any enquires about this policy should be directed to the Director of Finance and Corporate Services on Ext 47468.

Pro-forma for the initial assessment

This screening document is the first stage in a two-stage process to take a systematic approach to assessing the impact of an activity on equality. An activity may mean a:

- policy or policy review
- a business case
- a business plan
- a project initiation
- a decision to implement a service
- a decision to decommission a service.

This screening should be completed by the lead person for the activity with assistance from any of the following departments:

- Human Resources (where appropriate)
- Equality and Diversity

Department:	Force Finance Department	Section:		Person responsible for initial assessment:	FCFO
Policy being assessed:	Anti-money Laundering Policy	Date of assessment:	October 2023	Is this a new or existing policy?	Existing

Question	Answer
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<p>1. Briefly describe the aims, objectives and purpose of the policy.</p>	<p>The aim of the policy is to ensure the PCCs compliance with anti-money laundering laws and regulations, to assist law enforcement in combating illegal money laundering and to minimise the risk of PCC resources being used for improper purposes.</p>
<p>2. Are there any associated objectives of the policy? Please explain.</p>	<p>This policy serves to protect PCC and CC employees by making them aware of their personal obligations and to provide them with a mechanism to raise any concerns.</p>
<p>3. Who is intended to benefit from the policy and in what way?</p>	<p>The PCC and CC employees by making them aware of their personal obligations and to provide them with a mechanism to raise any concerns. POCA applies to all legal persons, individual and corporate, irrespective of the nature of their business or whether they are engaged in business at all.</p>
<p>4. What outcomes are wanted from this policy?</p>	<p>The Police and Crime Commissioner (PCC) is committed to prevent the PCC and its employees being exposed to money laundering, to identify the risks where it may occur, and to comply with legal and regulatory requirements, especially with regard to reporting suspected cases.</p>
<p>5. What factors/forces could contribute/detract from the outcomes?</p>	<p>The PCC does not have a statutory duty to comply with these regulations. However, the PCC is committed to following best practice and will therefore establish internal procedures to prevent money laundering in all of its dealings and relationships.</p>

6. Who are the main stakeholders in relation to the Policy?	The PCC and all employees of Lincolnshire Police
7. Who implements the policy and who is responsible for the activity?	The DCC and DFCS implements the policy .Together with inputs from PSD.
8. Is there any likelihood the policy could have a differential impact on racial groups? (Including Gypsies and Travellers)	No This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.
What existing evidence (either presumed or otherwise) do you have for this?	Please see the attached policy.
9. Is there any likelihood the policy could have a differential impact due to gender?	No This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.
What existing evidence (either presumed or otherwise) do you have for this?	Please see the attached policy.
10. Is there any likelihood the policy could have a differential impact on due disability?	No
What existing evidence (either presumed or otherwise) do you have for this?	Please see the attached policy.

<p>11. Is there any likelihood the policy could have a differential impact on people due to sexual orientation?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>Please see the attached policy.</p>
<p>12. Is there any likelihood the policy could have a differential impact on people due to their age?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>12a. Is there any likelihood the policy could have a differential impact on Young People and Children?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>Please see the attached policy.</p>
<p>12b. Is there any likelihood the policy could have a differential impact on Older People?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>Please see the attached policy.</p>

<p>13. Is there any likelihood the policy could have a differential impact on people due to their religious belief?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>Please see the attached policy.</p>
<p>14. Is there any likelihood the policy could have a differential impact on people due to them having dependants/caring responsibilities?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>Please see the attached policy.</p>
<p>15. Is there any likelihood the activity could have a differential impact on people due to Marriage or Civil partnership?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>
<p>What existing evidence (either presumed or otherwise) do you have for this?</p>	<p>Please see the attached policy.</p>
<p>16. Is there any likelihood the policy could have a differential impact on people due to them being Transgender or Transsexual?</p>	<p>No</p> <p>This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.</p>

What existing evidence (either presumed or otherwise) do you have for this?	Please see the attached policy.
17. If a differential impact has been identified in 8-16, will this amount to there being the potential for an adverse impact in this policy?	No This policy is mainly directed towards the employees of the OPCC and Lincolnshire police staff.
18. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?	No
19. If Yes, is there enough evidence to proceed to a full EIA?	No
20. Date on which Full impact assessment to be completed by.	N/A

Signed (completing officer): Sharon Clark

Signed (Lead officer): FCFO Sharon Clark

Groups affected

Please identify the anticipated impact this activity will have on the following population groups.

- Tick the appropriate box and give explanation if so required,
- Please note that there are both likely benefits and adverse impact within the same group
- Any groups highlighted as likely to be adversely affected should be consulted in the second stage Full Impact Assessment if one has been identified as being needed.

	Likely to Benefit	No Impact	Adverse Impact
Disability: Physical, Sensory, Learning Disability, Mental Health, Carers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender: Male, Female	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transgender	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race: Traveller and Gypsy etc	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual Orientation: Lesbian, Gay, Bisexual	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion and Belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Age: Young and Old	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage and Civil Partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>