



Amber ALERT

Euro banknotes misappropriated from Central Bank of Libya

Date: **December 2019**

Reference: **0596-NECC**

This Amber Alert is issued by the United Kingdom's National Crime Agency (NCA), a member of the National Economic Crime Centre (NECC), working in conjunction with law enforcement and financial sector partners as part of the Joint Money Laundering Intelligence Taskforce (JMLIT). The JMLIT was established to ensure a more collaborative approach between law enforcement and the banking sector.

This alert is devised with the aim of promoting awareness and bringing about preventative action. We recommend you use this Alert to complement existing knowledge and support on-going improvements to your business processes and procedures.

Overview

This alert is issued by the JMLIT to credit institutions and banking associations on behalf of the Bank of England and the European Central Bank's Directorate Banknotes.

Its purpose is to assist financial institutions in identifying a substantial volume of bank notes that were misappropriated from the Benghazi branch of the Central Bank of Libya (CBL) at the end of 2017. These bank notes are now being channelled back to Europe for exchange.

What We Would Like You to Do

The National Crime Agency (NCA) is a national law-enforcement agency which leads the UK's fight to cut serious and organised crime. The NCA Alerts process is the way in which we provide information to non-law enforcement bodies including the private sector to combat and disrupt serious crime. To help us to improve this service, we would welcome any feedback you have on both the Alert itself and the information provided to you. Please email all feedback to alerts@nca.gov.uk and include the reference **0596 -NECC** in the subject line.

If you identify activity which may be indicative of the activity detailed in this report, and your business falls under the regulated sector, you may wish to make a Suspicious Activity Report [SAR]. If you decide to make a report in this way you should adopt the usual mechanism for doing so, and it will help our analysis if you would include **XXJMLXX** within the text and the reference **0596-NECC** for this alert.

The NCA would also welcome any information identified as a result of this alert which does not constitute a SAR. Please email all such information to jmlit@nca.gov.uk. Any information received in this way will be treated in confidence and will be handled in line with the data protection principles.

Information Report

During the recent civil war in Libya, a substantial volume of EUR 100 and EUR 200 banknotes were misappropriated from the Benghazi branch of the Central Bank of Libya (CBL).

According to the UN Panel of Experts report S/2018/812, this attack was conducted in late 2017 by Libyan National Army (LNA) Brigade 106, under the command of Saddam Khalifa Haftar.¹ Substantial quantities of silver and cash were transferred to an unidentified location. The contents seized included EUR 159.7mn, USD 1.9mn and 5,869 silver coins. According to the UN report, credible sources indicated that expropriated funds have been shared among senior LNA commanders following their transfer from the bank branch.

A significant share of the misappropriated banknotes exhibit characteristic physical damages, which apparently were caused by sewage water entering the bank's vaults and subsequent attempts to clean these banknotes.

Possessors of such damaged misappropriated banknotes have sought to exchange or lodge them at commercial banks and central banks within the Eurosystem and Switzerland.

The banknotes in questions belong to the following serial number ranges:

- ES1 €100: notes with Serial Number: X10005... , X10033... and X10206...
- ES1 €200: notes with Serial Number: X039..., X0398... and X0399...

The distinctive damages of the banknotes, together with the first characters of their serial number, may assist in identifying these notes.



Figure 1: Damaged euro bank notes from the safe of the Central Bank of Libya in Benghazi

According to the applicable ECB regime for the exchange of damaged euro banknotes, as laid down in Article 3 of Decision ECB/2013/10, Eurosystem national central banks must refuse to exchange and must withhold damaged euro

¹ Final report from the UN Panel of Experts on Libya, S/2018/812, accessed at <https://www.securitycouncilreport.org/un-documents/document/s2018812.php>

banknotes, if there is sufficient reason to believe that these banknotes have been obtained through criminal activity.

In those circumstances, the person presenting the banknotes has to provide evidence of being the lawful owner of the banknotes and that they have not been derived from criminal activity. Such banknotes will be presented as evidence to the competent authorities for further criminal investigation.

Banknotes that have been withheld for the purposes of initiating or supporting a criminal investigation only qualify for exchange, unless otherwise decided by the competent authorities, at the end of the investigations.

Accordingly, where doubt exists as to the legal title of the applicant presenting such euro banknotes for exchange or lodgement, financial institutions should immediately, in line with the applicable national anti-money laundering legal framework, notify the Bank of England and the competent national authorities of the specific background of the request for exchange, including references to the Libyan case, for them to further investigate the case.

Data Protection Act

The NCA reminds you of your legal obligations in respect of the management of this information, including under the Data Protection Act 2018

Article 5(1) requires that personal data shall be:

1. Processed lawfully, fairly and in a transparent manner;
2. Collected for a specified, explicit and legitimate purpose and not further processed in a manner that's incompatible with these purposes;
3. Adequate, relevant and limited to what's necessary in relation to the purpose for which they are processed;
4. Accurate and where necessary kept up to date;
5. Kept in a form which permits identification of data subjects for no longer than is necessary for the purpose for which the personal data are processed;
6. Processed in a manner that ensures appropriate security of the personal data.

Suspicious Activity Reporting [SARs]

If you know or suspect that there has been money laundering or terrorist financing activity (including as a result of information provided to you by the NCA) and your business falls within the regulated sector, then you are reminded of the obligations to make reports to the NCA under Part 7 Proceeds of Crime Act 2002 and the Terrorism Act 2000. If you decide to make a report in this way you should adopt the usual mechanism for doing so, and it will help our analysis if you would include the reference **0596-NECC** within the text. This reference is specific to the Alerts process; where appropriate, we would ask that this is used *in addition* to the ongoing use of the Glossary of Terms. Guidance on making suspicious activity reports is available at www.nationalcrimeagency.gov.uk.

Disclaimer

While every effort is made to ensure the accuracy of any information or other material contained in or associated with this document, it is provided on the basis that the NCA and its staff, either individually or collectively, accept no responsibility for any loss, damage, cost or expense of whatever kind arising directly or indirectly from or in connection with the use by any person, whomsoever, of any such information or material.

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Alert Markings

NCA Alerts are marked either Red or Amber. This is designed to indicate the urgency of the warning. Red may indicate a more immediate or specific threat, whilst those marked Amber will provide more general information that may complement existing knowledge.

NCA Alerts Team

Recognising that the private sector is often the victim of serious organised crime and is engaged in its own efforts to prevent, deter and frustrate criminal activity, the NCA seeks to forge new relationships with business and commerce that will be to our mutual benefit – and to the criminals' cost. By issuing Alerts that warn of criminal dangers and threats, NCA seeks to arm the private sector with information and advice it can use to protect itself and the public. For further information about this NCA Alert, please contact the NCA Alerts team by email alerts@nca.gov.uk or by telephoning 020 7238 8624. For more information about the National Crime Agency go to www.nationalcrimeagency.gov.uk.

Protecting the Public – Providing information back to the NCA

Section 7(1) of the Crime and Courts Act 2013 allows you to disclose information to the NCA, provided the disclosure is made for the purposes of discharging the NCA's functions of combating serious, organised and other kinds of crime. The disclosure of such information to the NCA will not breach any obligation of confidence you may owe to a third party or any other restrictions (however imposed) on the disclosure of this information. The disclosure of personal information about a living individual by you to the NCA must still comply with the provisions of the Data Protection Act 2018 (DPA). However, you may be satisfied that the disclosure by you of such personal information to the NCA in order to assist the NCA in carrying out its functions may be permitted by Schedule 2, Part 1 of the DPA 2018. This allows a data controller to be exempt (by means of a restriction or adaption) from provisions of the GDPR, if the personal data is processed for the following purposes:

- a) the prevention or detection of crime,*
- b) the apprehension or prosecution of offenders, or*
- c) the assessment or collection of a tax or duty or an imposition of a similar nature,*

to the extent that the application of those provisions of the GDPR would be likely to prejudice any of the matters mentioned in paragraphs (a) to (c).
(DPA 2018, Schedule 2, Part 1).

Any Section 7(1) information should be submitted to alerts@nca.gov.uk.

The NCA's Information Charter is published on our external website at www.nca.gov.uk

Handling advice – Legal information

This information is supplied by the UK's NCA under Section 7(4) of the Crime and Courts Act 2013. It is exempt from disclosure under the Freedom of Information Act 2000. It may be subject to exemptions under other UK legislation. Except where permitted by any accompanying handling instructions, this information must not be further disclosed without the NCA's prior consent, pursuant to schedule 7, Part 3, of the Crime and Courts Act 2013.

This report may contain 'Sensitive Material' as defined in the Attorney General's guidelines for the disclosure of 'Unused Material' to the defence. Any sensitive material contained in this report may be subject to the concept

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of Public Interest Immunity. No part of this report should be disclosed to the defence without prior consultation with the originator.

Requests for further disclosure which are not permitted by any handling instructions or handling code must be referred to the NCA originator from whom you received this information, save that requests for disclosure to third parties under the provisions of the Data Protection Act 2018 or the Freedom of Information Act 2000 and equivalent legislation must be referred to the NCA's Public Information Compliance Unit by e-mail on picuquiries@nca.gov.uk