



Home Office

Exploring the Role of the Financial Investigator

Research brief

Eleanor Gale and Jessica Kelly

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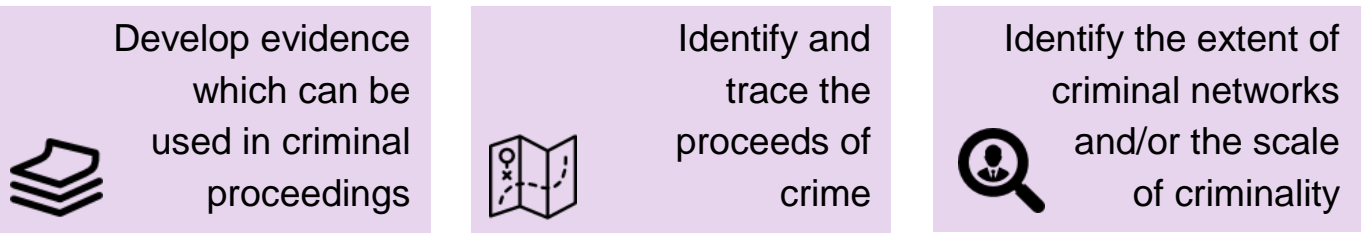
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Summary of research

This research sought to broaden the evidence base for the use of financial investigation by exploring how it is used and how it can benefit criminal investigations. Financial investigation is an investigative discipline concerned with exploring the finances that relate to criminal activity and can be used to:¹



The research aimed to answer the following questions:

- When and why is financial investigation used in a criminal investigation?
- What are the types of criminal investigation where financial investigation has been used? What were the outcomes? What was the perceived impact?
- What are the perceptions of financial investigation among those with whom FIs work?
- What tools are used by FIs, and how do they select tools for use in their investigations?

Semi-structured interviews were conducted with 15 financial investigators (FIs) and four non-FIs, who were a mixture of warranted police, customs and immigration officers and civilians drawn from a range of different public sector organisations. The interviews were analysed using thematic analysis.

The findings indicate that financial investigation is an important tool for the disruption of serious and organised crime. However, they also illustrate that there is a need to address the challenges facing financial investigation, to ensure it is used to maximum effect during criminal investigations.

Financial investigation was perceived as impactful by both the FIs and the non-FIs.	Collaboration with key partners was identified by the FIs as a challenge, although the use and understanding of financial investigation was identified as having improved over time.
The FIs supported a wide range of criminal investigations, whilst mainly investigating economic crime and undertaking asset recovery.	The FIs successfully carried out most of their investigations using a small set of tools.

¹ Financial Action Task Force (2012). *Operational issues: Financial investigations guidance*.

Findings

Financial investigation was perceived as impactful by both the FIs and the non-FIs.

The FIs believed that their work had impact by:



- Providing value for money.
- Extending the scope of criminal investigations.
- Protecting the communities in which they worked.
- Disrupting future criminal activity.

The non-FIs also believed that financial investigation was very impactful, for similar reasons.



They reported that it was more challenging to use in investigations where offenders had fewer assets.

Case Study: *Informing a murder investigation*

A cash forfeiture after two individuals were stopped with cash concealed in their vehicle was recorded on the Joint Asset Recovery Database (JARD). There was no criminal prosecution as a predicate offence could not be determined.

Years later, the information on JARD was of use in a murder enquiry. The same two individuals were being investigated, and denied knowing each other. However, they had previously admitted their association in interview following the cash forfeiture.

The FIs supported a wide range of criminal investigations, while mainly investigating economic crime and undertaking asset recovery.

Case Study: *Discovering a professional enabler*

A financial advisor, who had sold a drug dealer a mortgage, appeared to have no assets to their name – despite living in a high-value property and earning a large salary. This seemed suspicious to the investigating FI, so they made some further enquiries.

The financial advisor had opened fraudulent bank accounts, trusts and offshore accounts in family members' names without permission and owned 13 properties in London. They had laundered millions of pounds. They were convicted of money laundering and fraud, and a confiscation order was made for over £4 million.



The FIs reported supporting a wide range of criminal investigations including of drugs offences, sex offences and human trafficking.



The focus on investigating economic crime and undertaking asset recovery seemed to arise from their clear links with financial investigation. These links are more obvious than for non-economic crime.



The FIs perceived a tension between contributing to investigations of non-economic crime and maintaining their accreditation.

Collaboration with key partners was identified by the FIs as a challenge, although the use and understanding of financial investigation was identified as having improved over time.



The FIs reported that there was a lack of understanding of financial investigation among key partners: non-FI colleagues in their organisations as well as external partners in the criminal justice system (such as judges, barristers and representatives of the Crown Prosecution Service) and other organisations.



The FIs perceived this lack of understanding to have a detrimental effect on the success and efficiency of the investigations they undertook.



The FIs thought that offering training input to key partners and better integrating FIs with the investigative teams that they assisted would help to build a better understanding of financial investigation.

Case Study: *Uncovering the true extent of criminality*

An FI was investigating what seemed to be a small-scale counterfeiting operation. They obtained production orders and liaised with the Joint Money Laundering Intelligence Taskforce (JMLIT) to get further information.

The offender had over 50 bank accounts and over 100 PayPal accounts, into which the proceeds of crime from selling counterfeit items was being paid from six Amazon accounts. They received a custodial sentence and confiscation is being pursued. Without the financial investigation discovering the true extent of the counterfeiting operation, they would have only received a fine.

The FIs successfully carried out most of their investigations using a small set of tools.

Case Study: *Protecting the vulnerable*

An elderly person with significant health problems had travelled abroad, and had subsequently become too unwell to identify where they were or how to get home.

They were reported missing. As they were outside the UK, the usual tools for locating missing persons could not be used due to differences between the UK system and that of the country they were in. The only tool that could be used was financial investigation.

The financial investigator was able to examine the locations where purchases were made using their bank card to find them. They were subsequently safely returned home.



The FIs reported that their most commonly used tools were production orders, credit reference checks and Suspicious Activity Reports (SARs).



There were some systemic influences on tool use, including:

- Those with oversight being unwilling to sanction the use of particular tools
- Expense of accessing or using particular tools
- Concerns about intelligence quality.



The FIs reported limited use of powers from the Serious Crime Act 2015.* This may be partly due to the way that it amended more widely used existing powers.

Conclusions and recommendations

The current research sought to broaden the evidence base for the use of financial investigation by exploring how it is used and how it can benefit criminal investigations. The findings indicate that financial investigation is an important tool for the disruption of serious and organised crime.

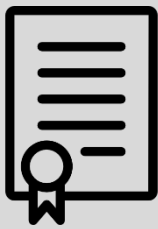
It also became apparent that there were challenges to the effective use of financial investigation. Often, these were systemic in nature. These challenges were perceived by the FIs to prevent financial investigation being deployed to maximum effect during criminal investigations. This research suggests a number of recommendations to address these challenges.

Advocate for financial investigation



- Continue to communicate the value that financial investigation can add when used during investigations of non-economic crime.
- Publicise positive outcomes that result from the use of financial investigation during criminal investigations.
- Consider conducting research to quantify the impact of financial investigation.

Clarify accreditation and the use of financial investigation



- Ensure that FIs, their managers and the key partners they work with receive guidance as to the appropriate use of financial investigation during criminal investigations.
- Create and disseminate guidance for FIs and those who manage them, explaining how FIs maintain their accreditation.

Encourage collaborative working



- Consider where to locate FIs to ensure that they can build relationships and understanding of financial investigation among non-FI colleagues.
- Provide training on the use of financial investigation to key partners: non-FI colleagues as well as partners in the criminal justice system (such as judges, barristers and representatives of the CPS) and other organisations.
- Encourage information sharing on national systems such as the Joint Asset Recovery Database (JARD), to reduce duplication of work and to promote collaboration.

Future-proof financial investigation



- Ensure that the legislation, training and technology available to FIs reflect the evolving threat from serious and organised crime.
- Improve the mentoring system for FIs, making use of existing good practice to create a system which FIs feel benefits their professional development.

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