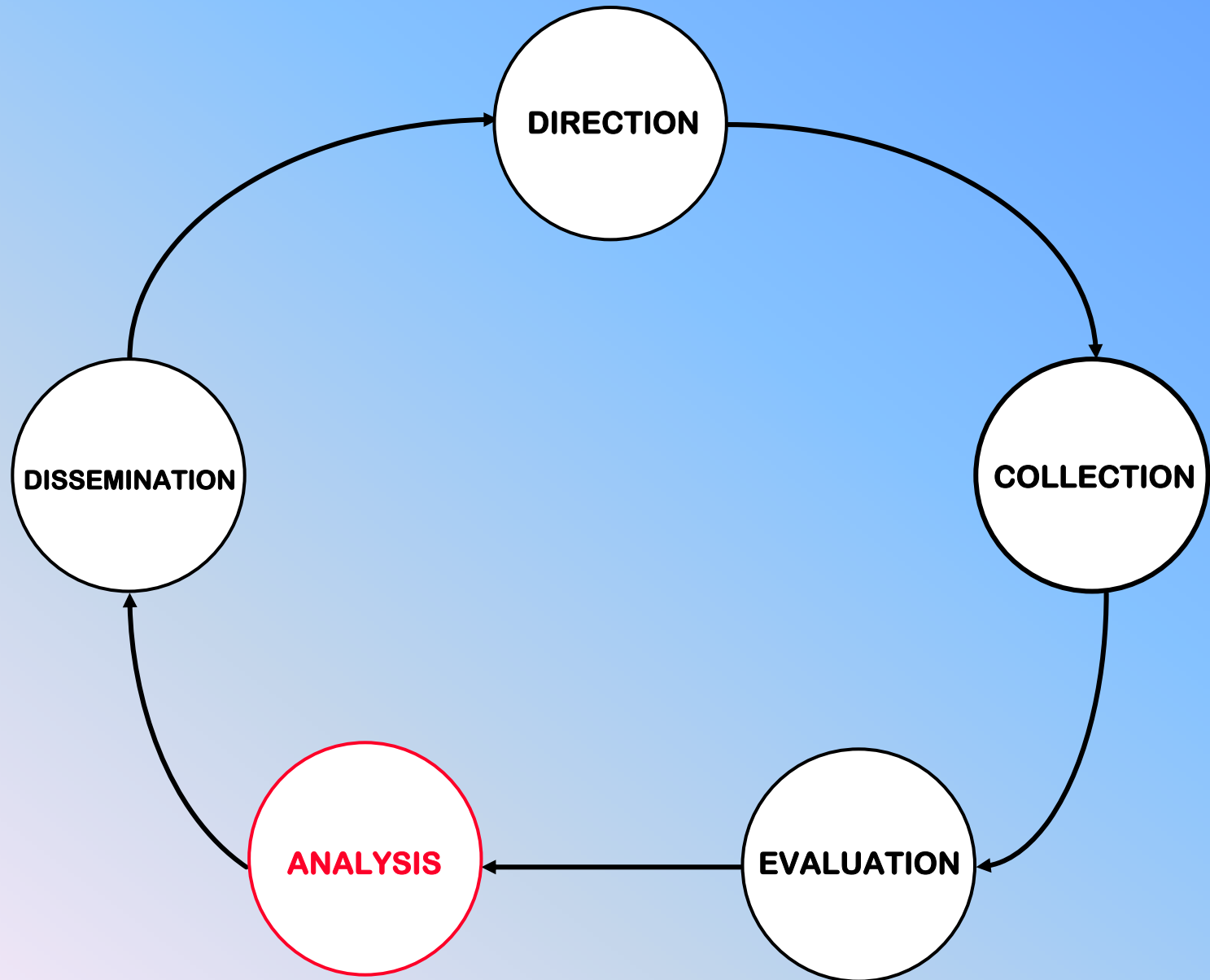


**Statistics
Intelligence,
&
Analysis**

Intelligence, Analysis & Statistics

Questions ?

The Intelligence Cycle



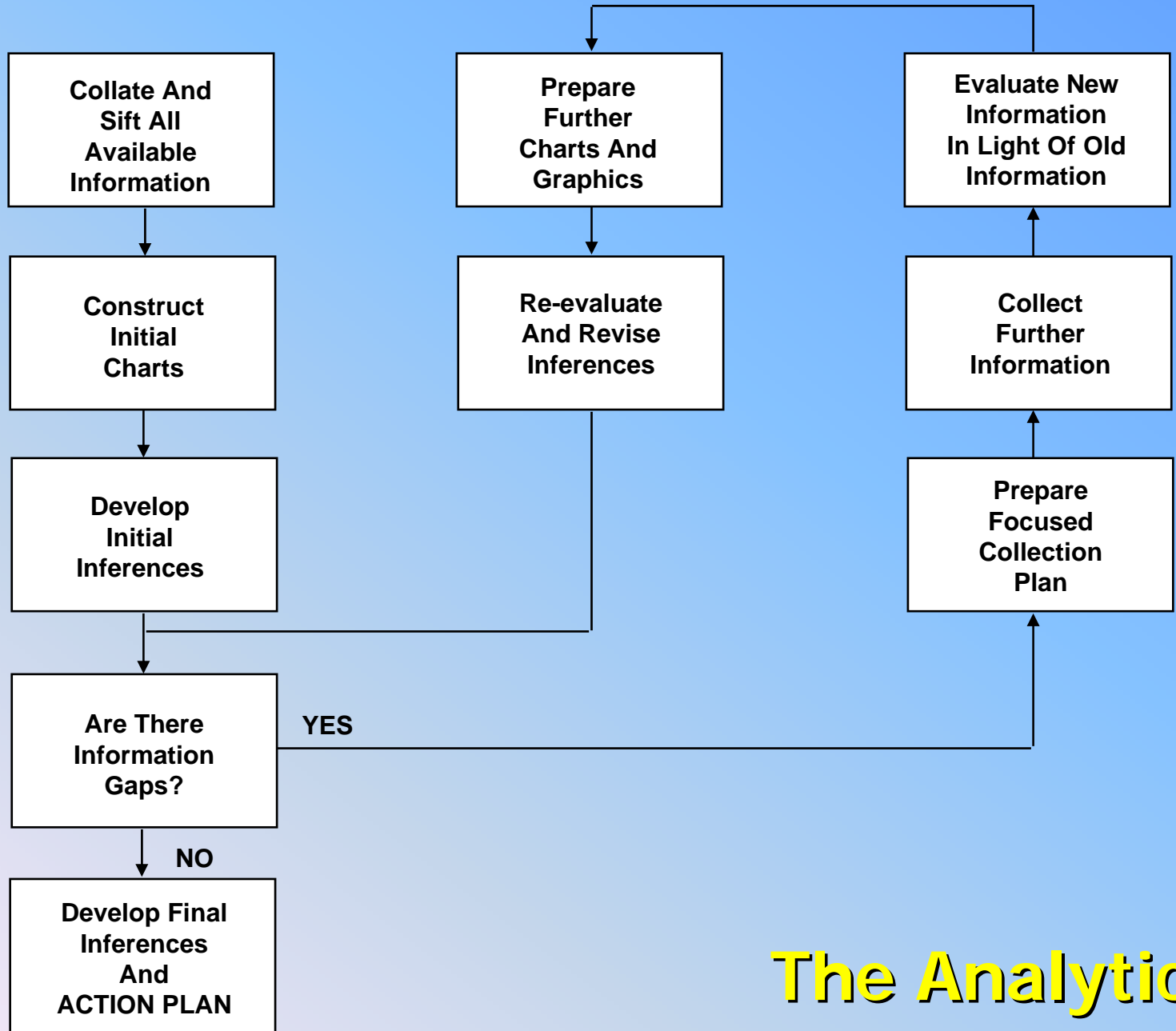
What is Analysis?

Analysis is...

**The assembly of information
from diverse sources to show
pattern and meaning**

Intelligence Analysis: AIMS

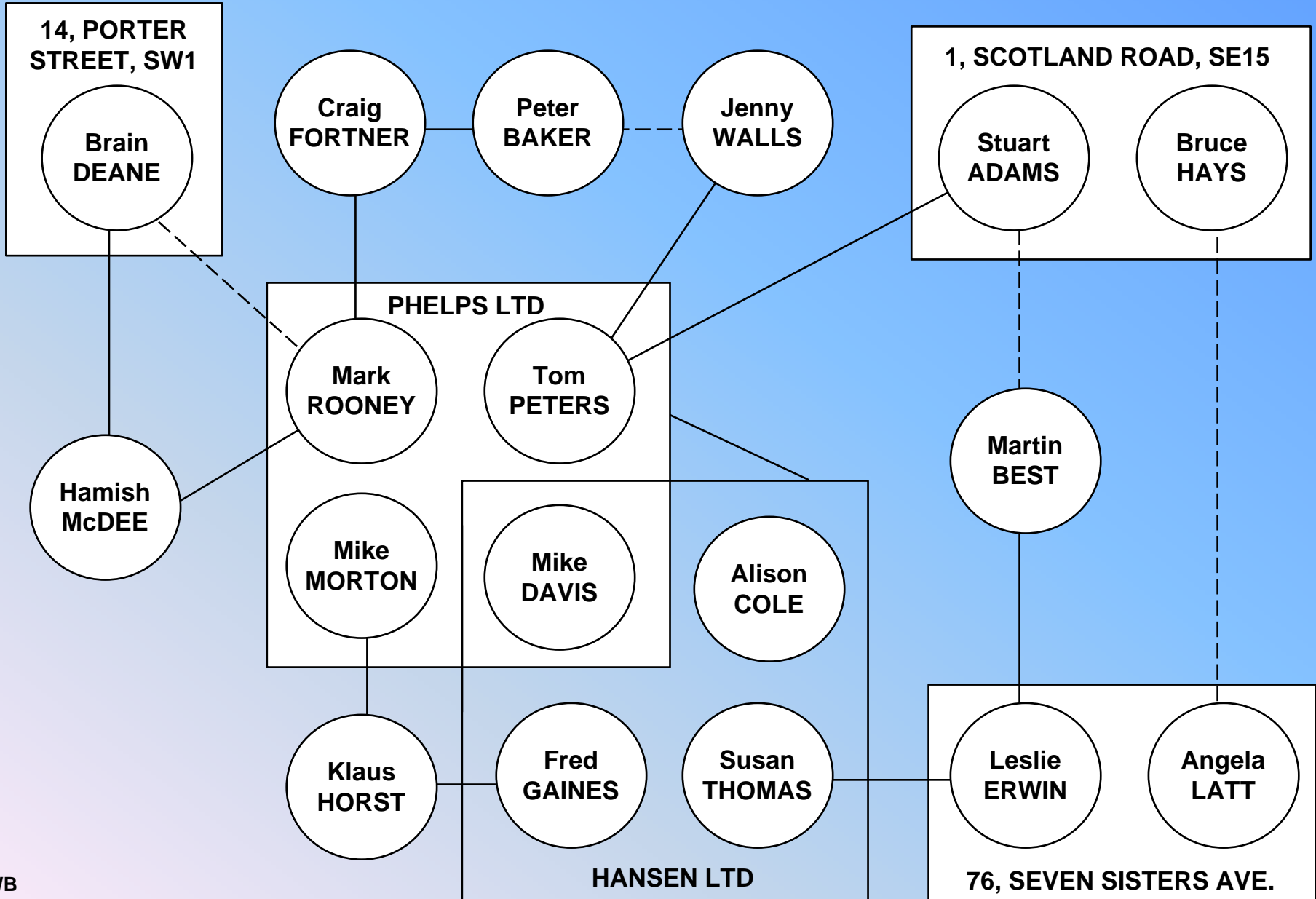
- **To develop and test theories/inferences (which outline the who, what, where, why, when and how) about past, continuing, present or future criminal activities and to describe the nature and scope of groups and organisations involved**
- **To provide senior management with action plans in order to combat crime and criminal activity using existing resources**



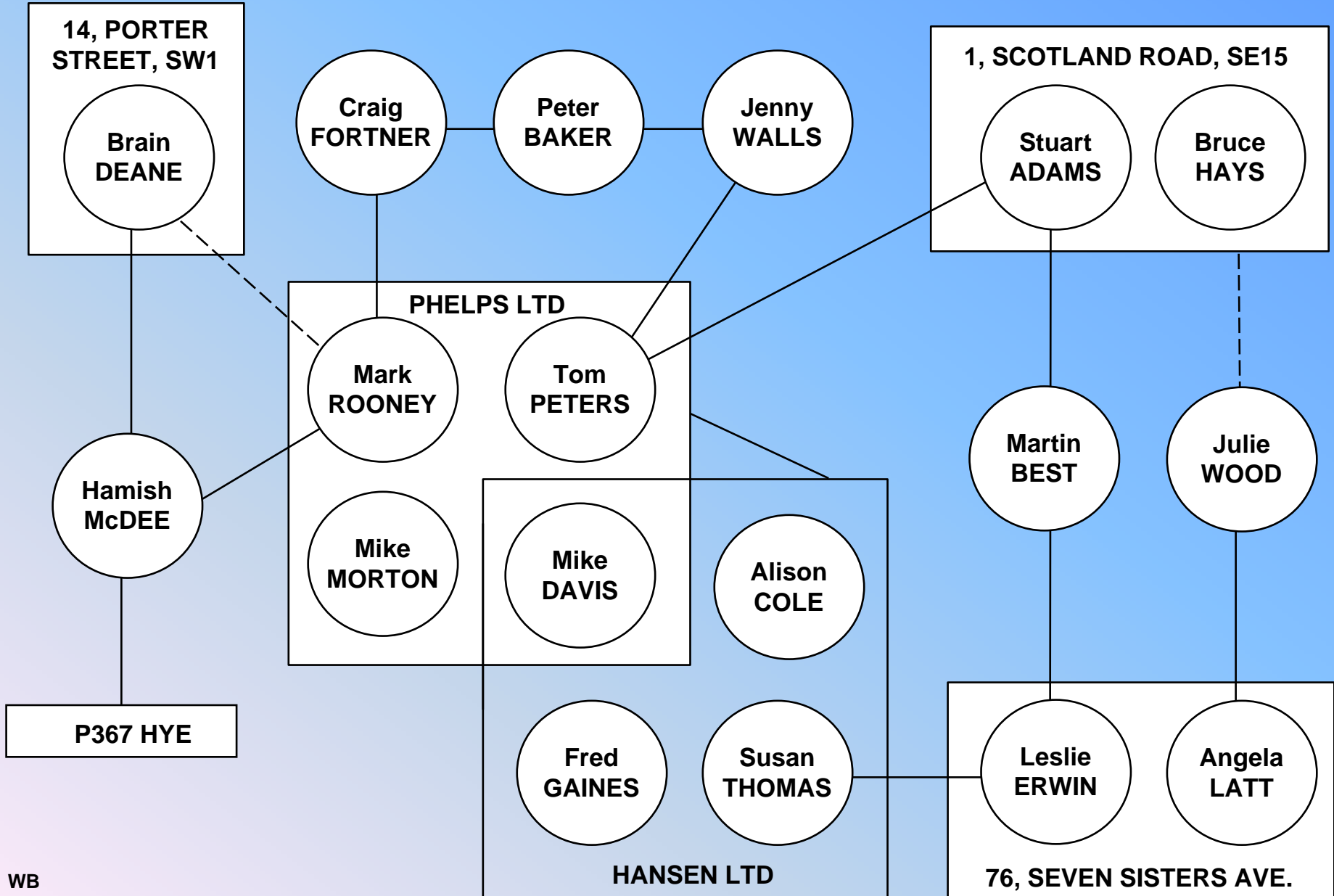
The Analytical Process

Link Charting

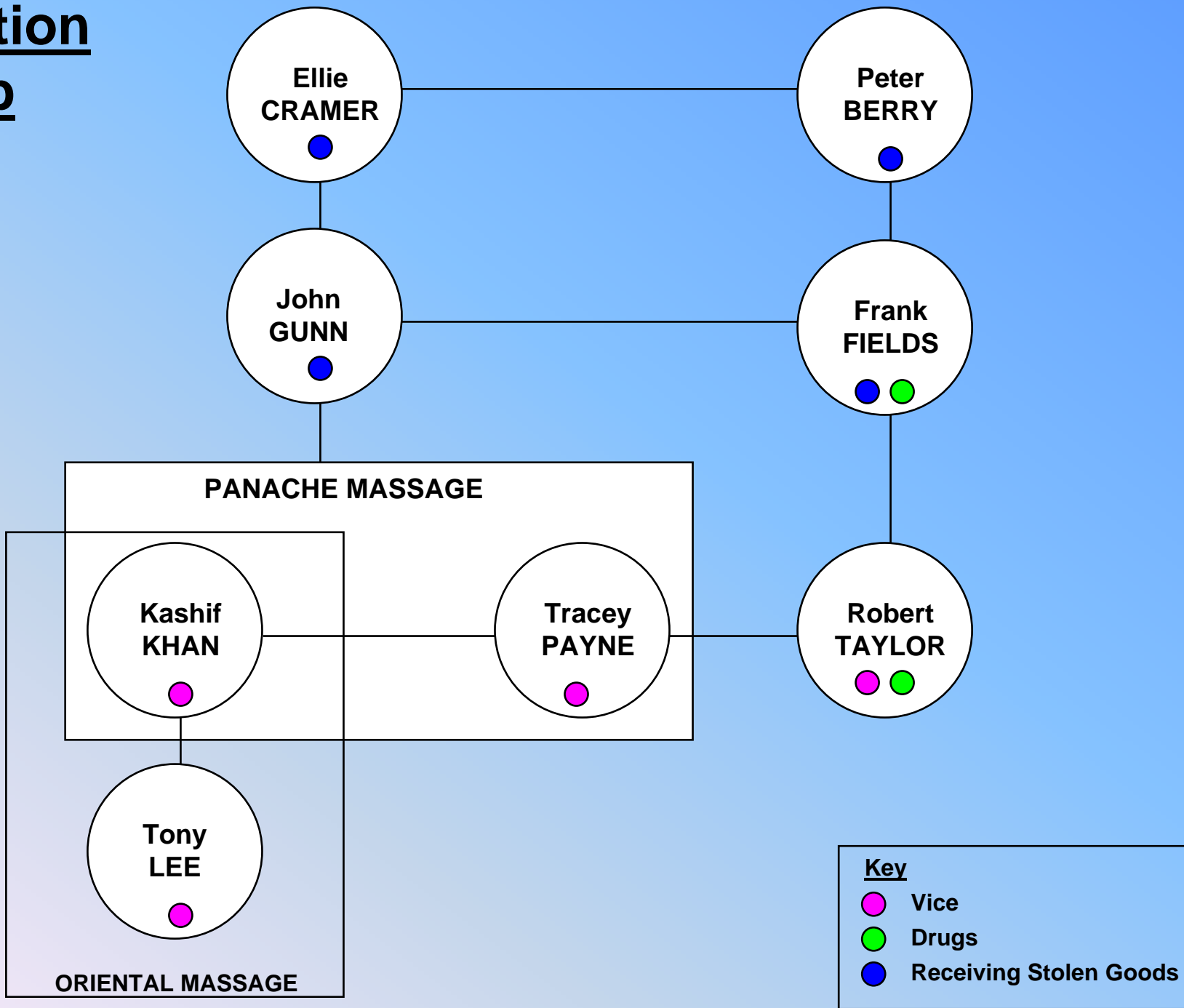
ASSOCIATES OF PHELPS LTD



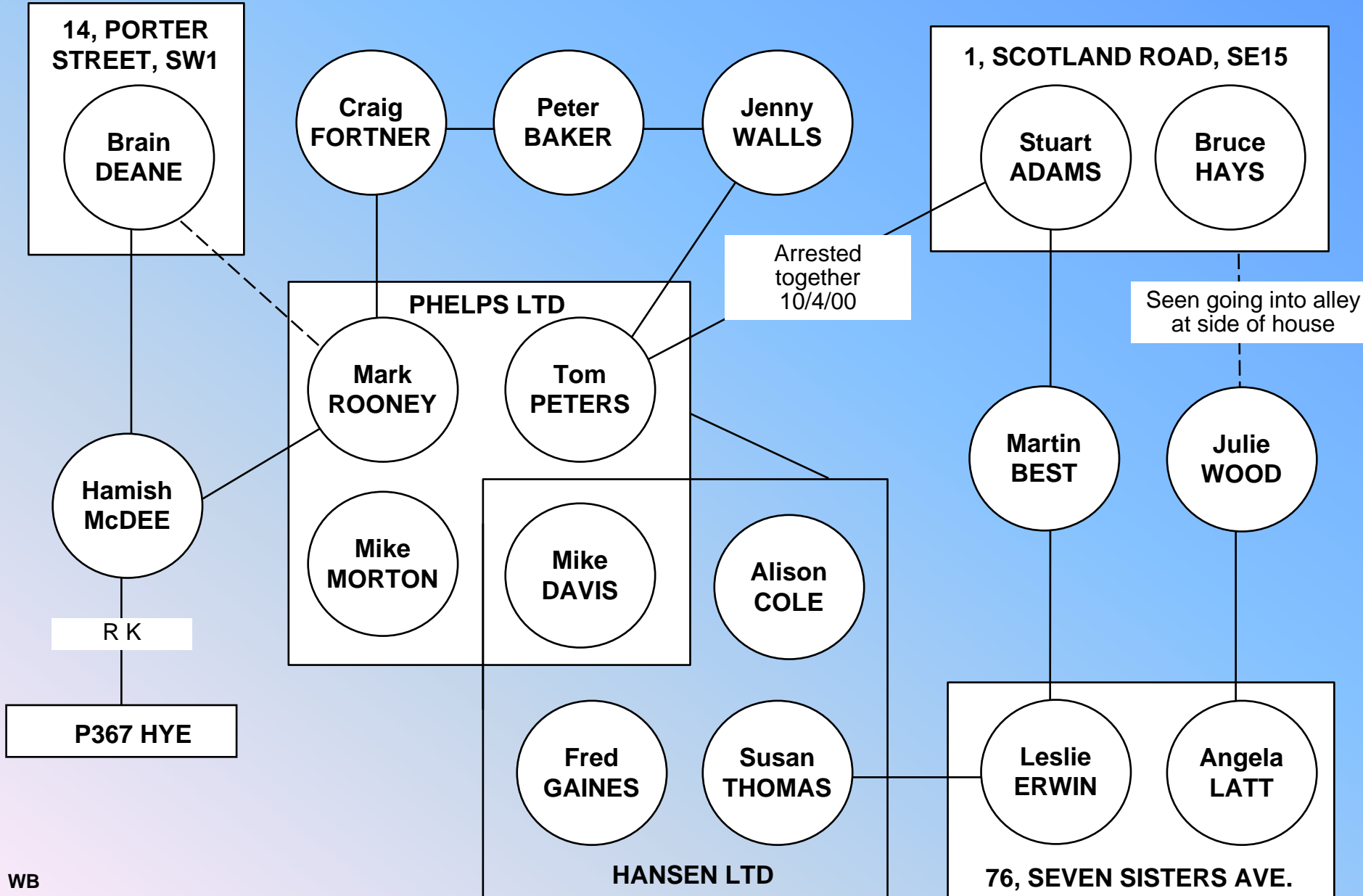
ASSOCIATES OF PHELPS LTD



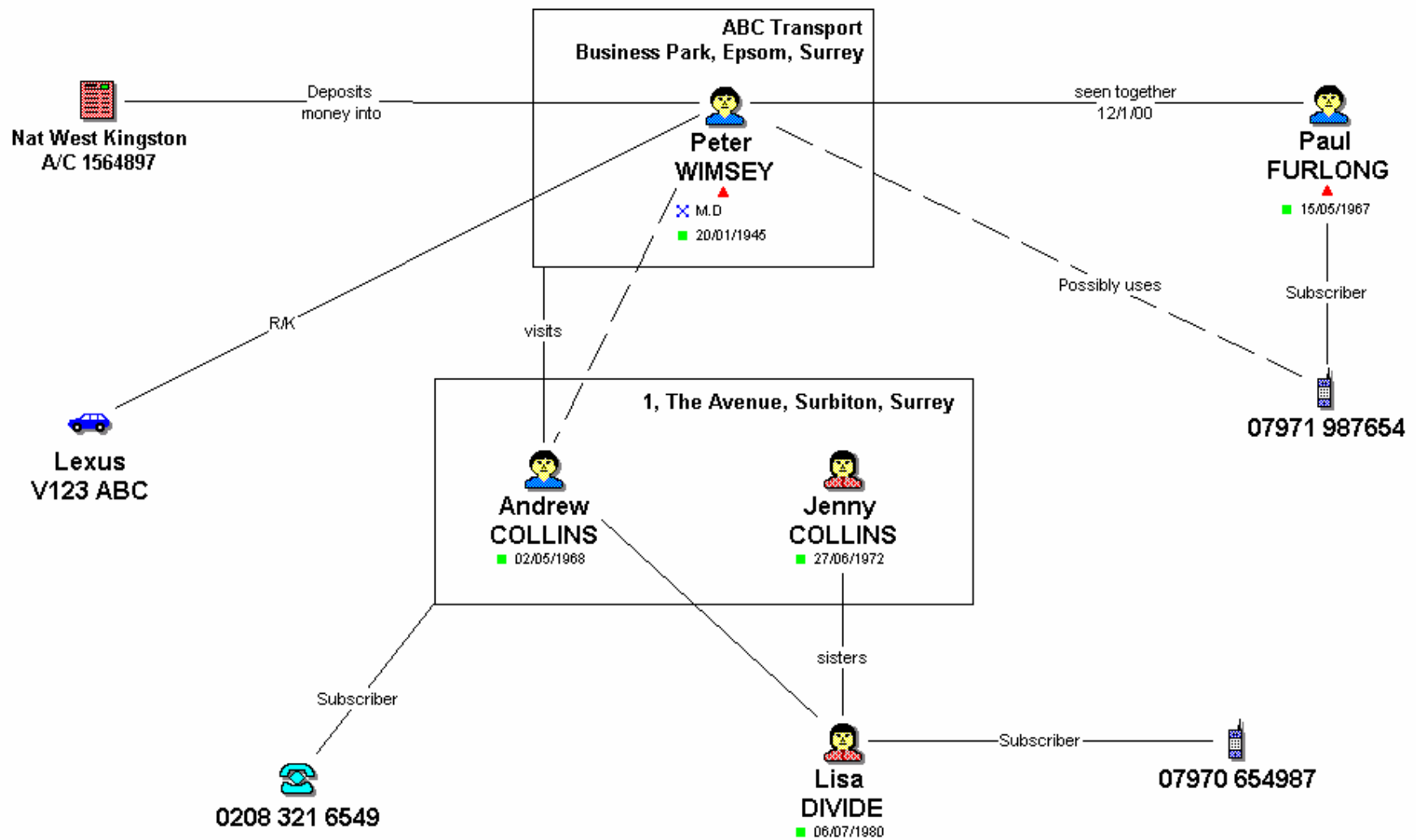
Operation Thumb



ASSOCIATES OF PHELPS LTD



ASSOCIATES OF PETER WIMSEY



Previous Conviction	Date of Birth	Company Position	Confirmed Link	Unconfirmed Link

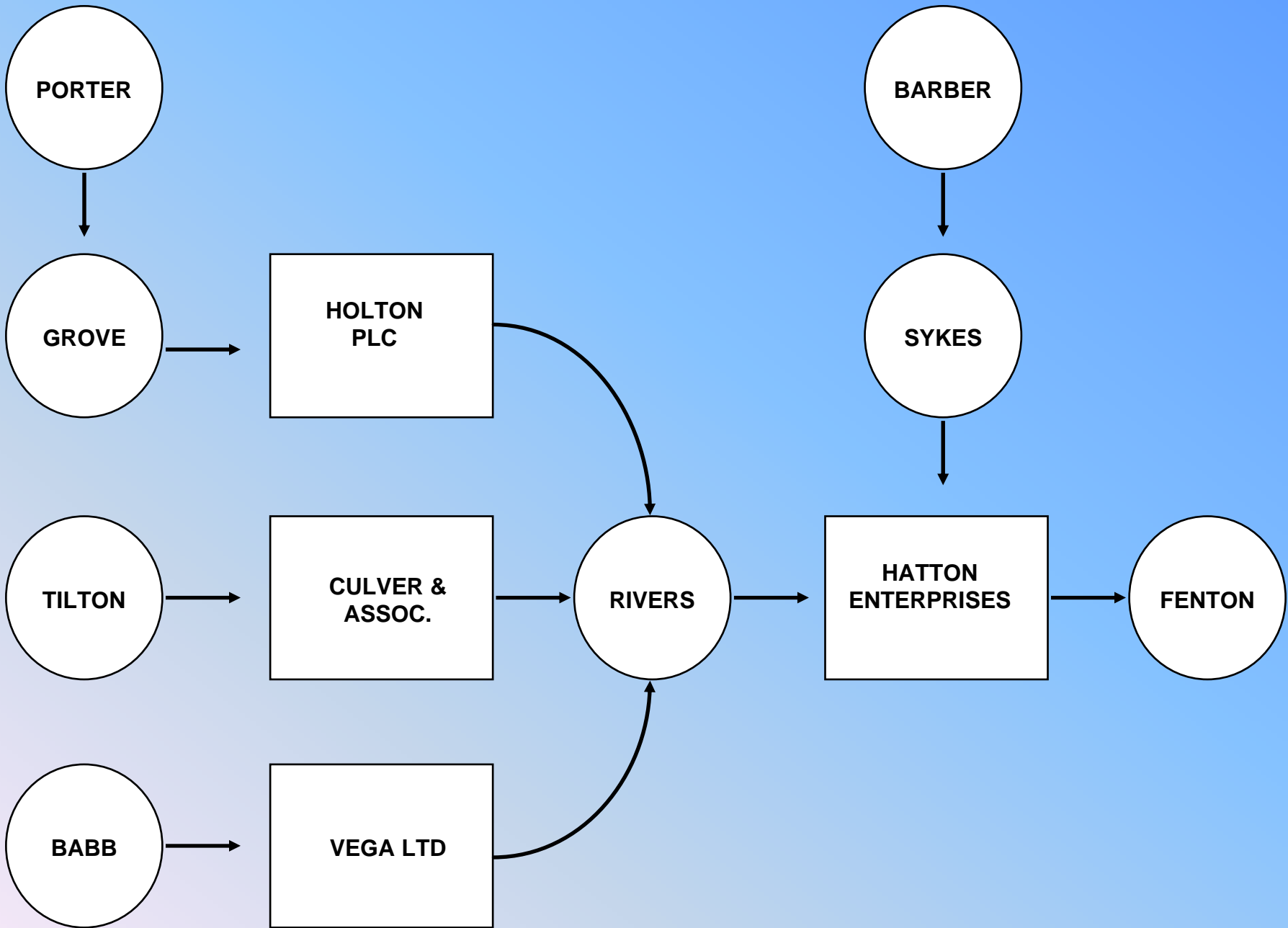
Flow charting

Commodity flow charts

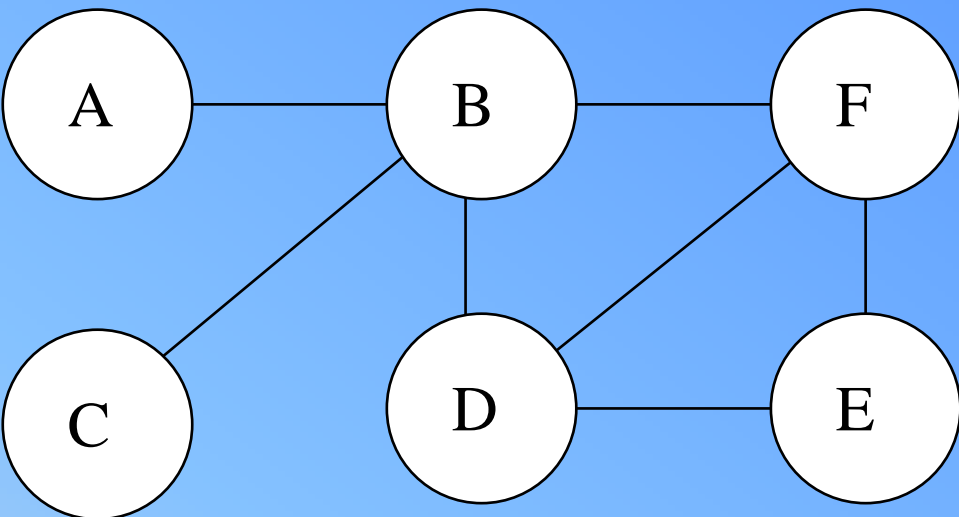
- **show the movement of goods through a criminal network**

Two Types

- **Tangible = Goods**
- **Intangible = Power**

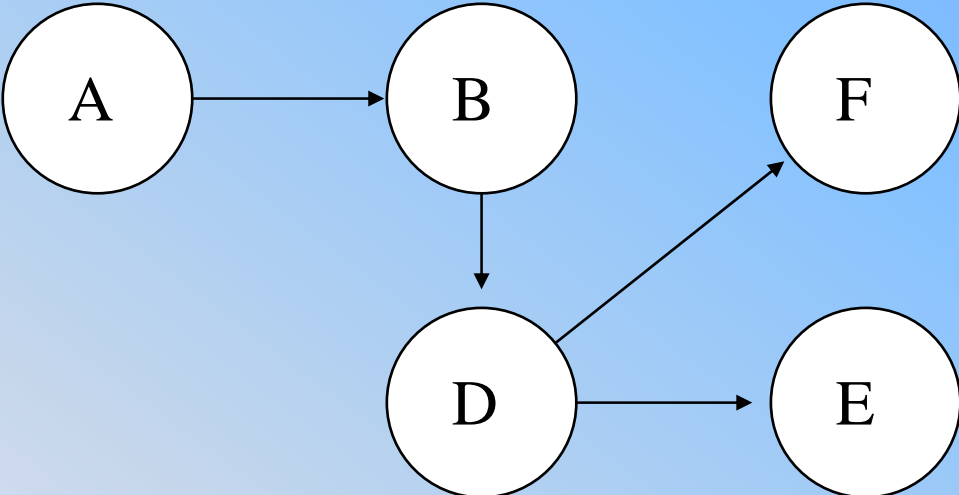


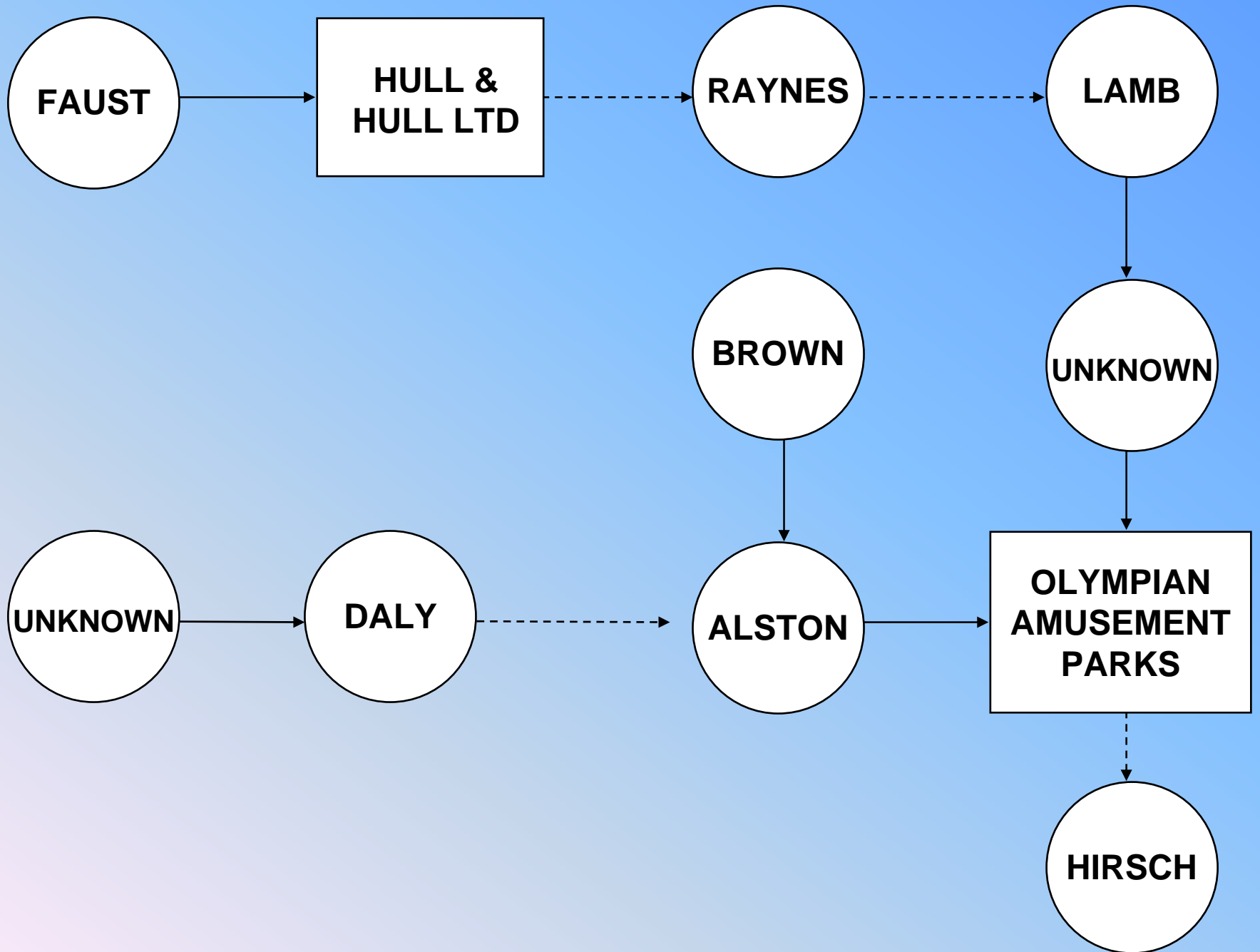
Existing Link Diagram



Identify the flow through the organisation

Create Flow Chart





**Event charts show the
relationship in time
between potentially
linked events**

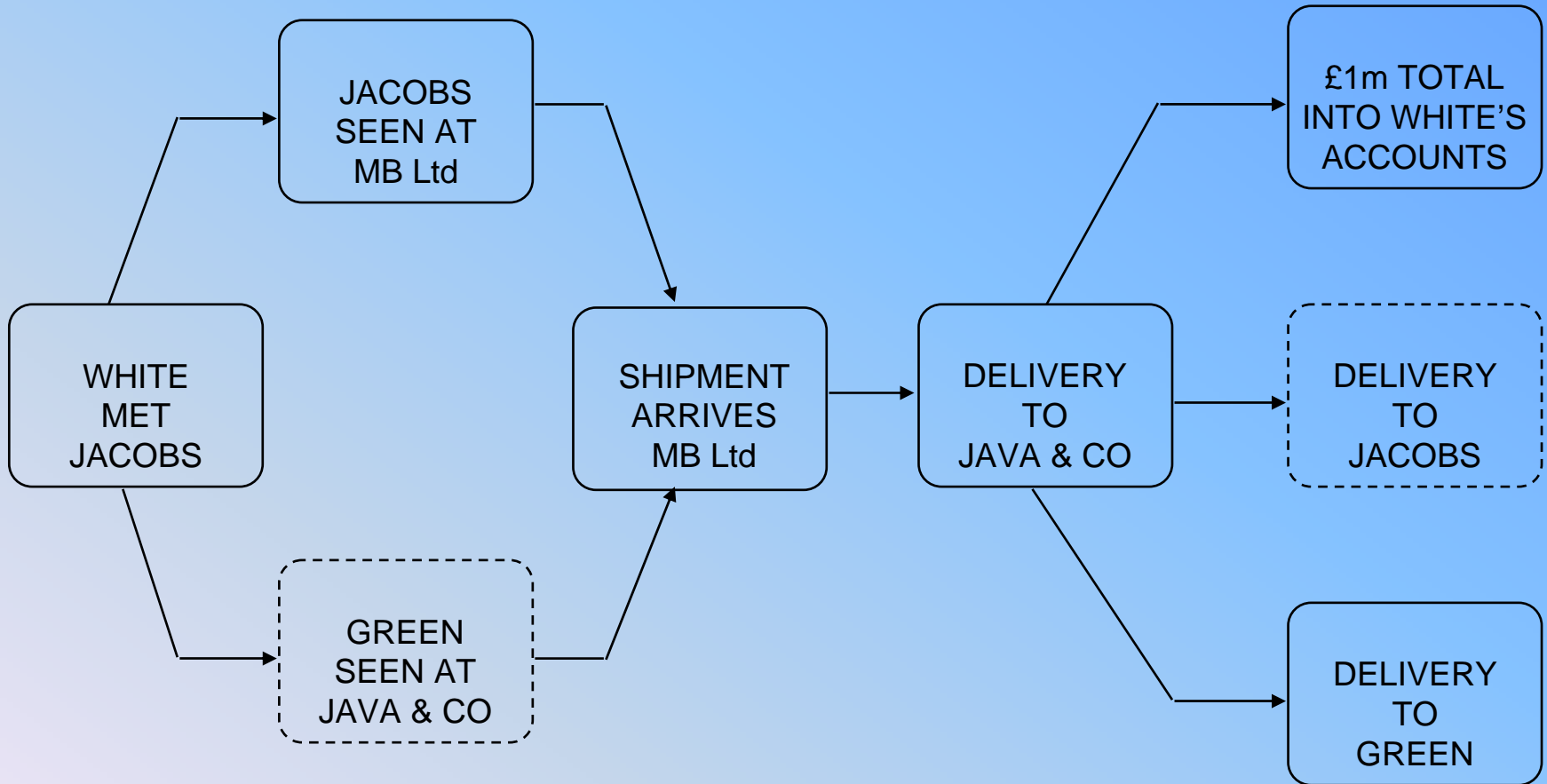
MARCH 15

MARCH 18

MARCH 22

MARCH 26

MARCH 30



Mon 01/05/2000
- Sun 07/05/2000

Sun 07/05/2000
- Sun 14/05/2000

Sun 14/05/2000
- Sun 21/05/2000

Sun 28/05/2000
- Thu 01/06/2000

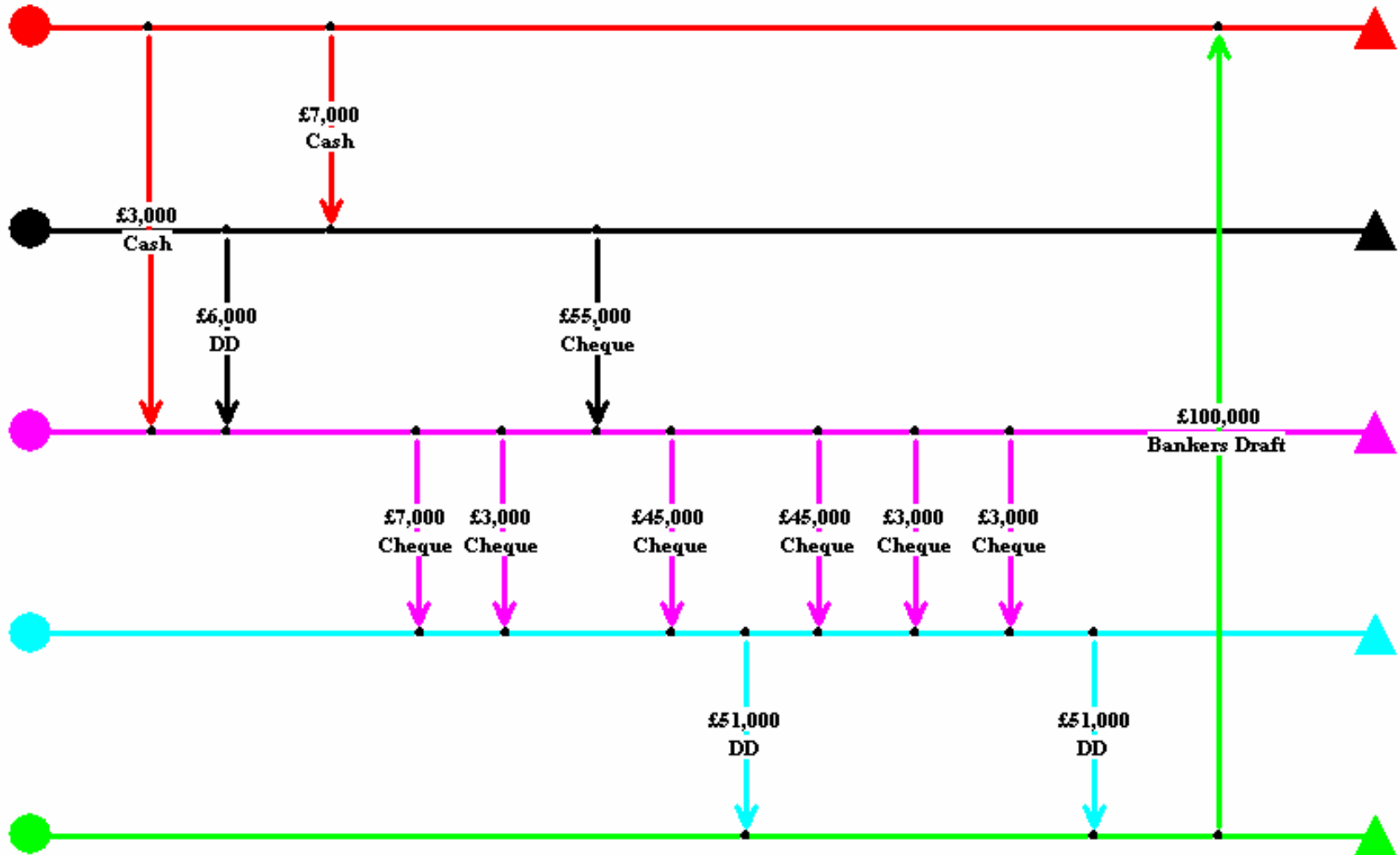
A. TWIZZLE

A. TWIZZLE
Nat West:
669568578

A. TWIZZLE
Halifax:
46586598

T SMITH
Nat West:
6895321

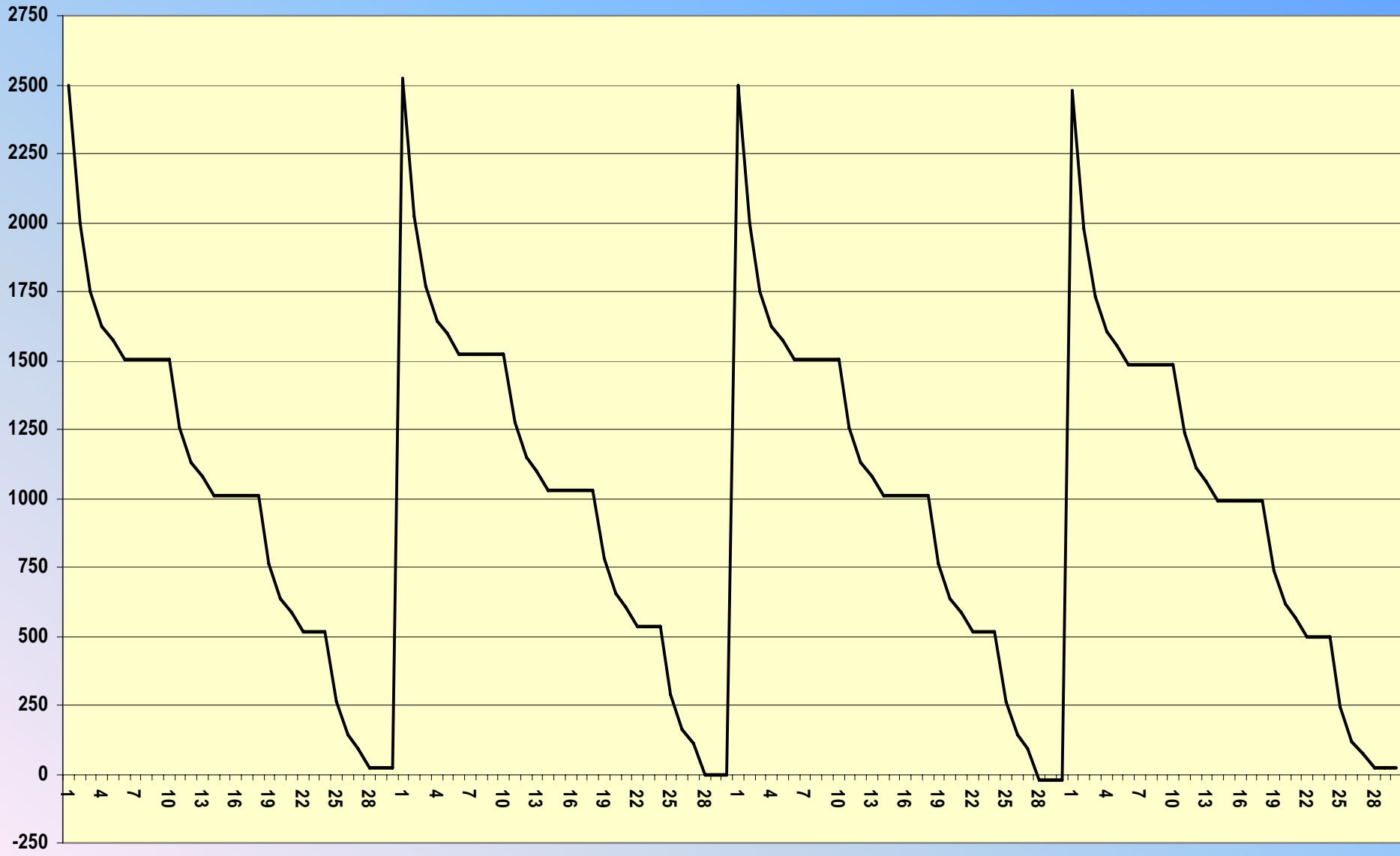
HART
MOTORS
HSBC:
332211445



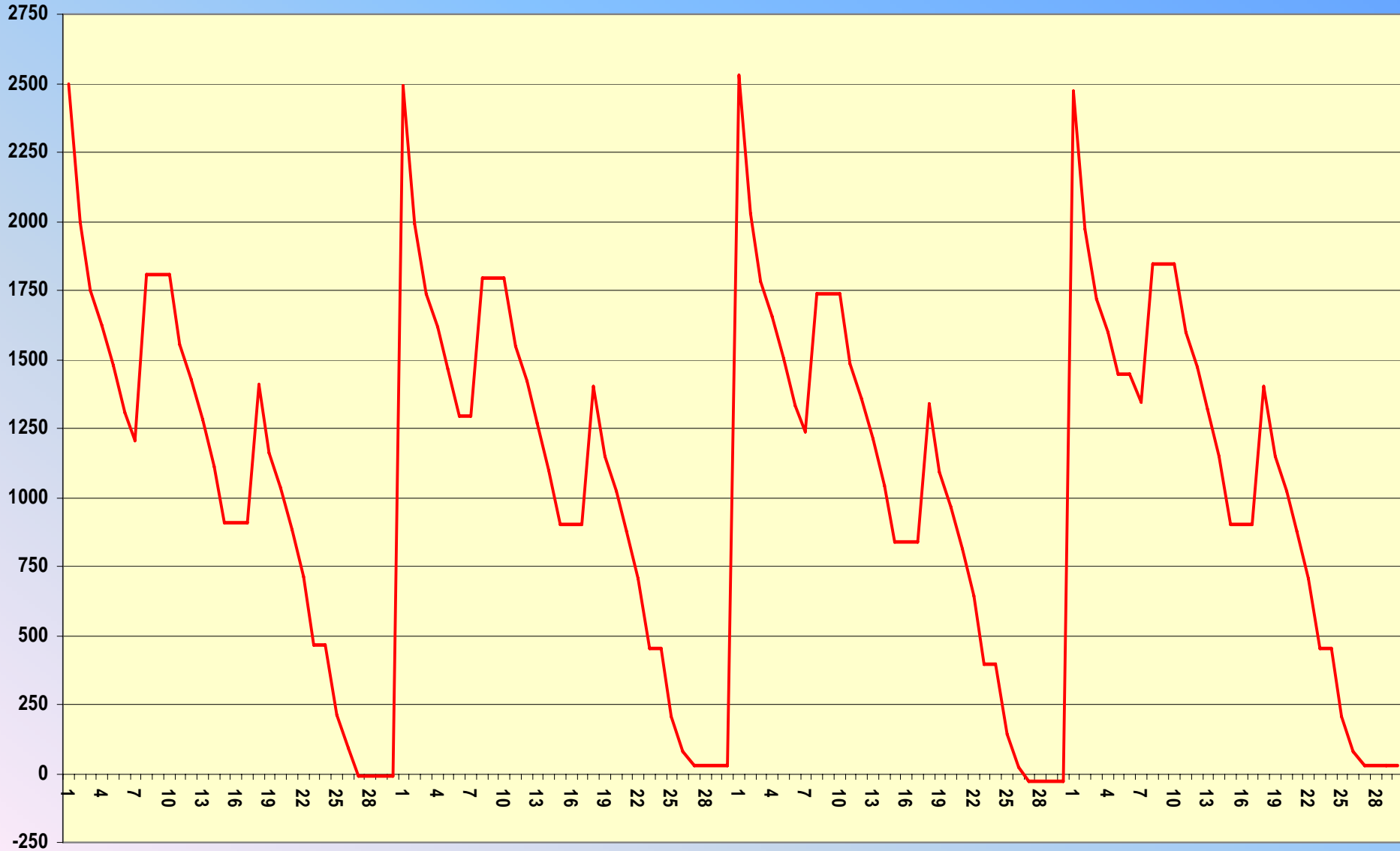
Understanding money flows

Martin Comley

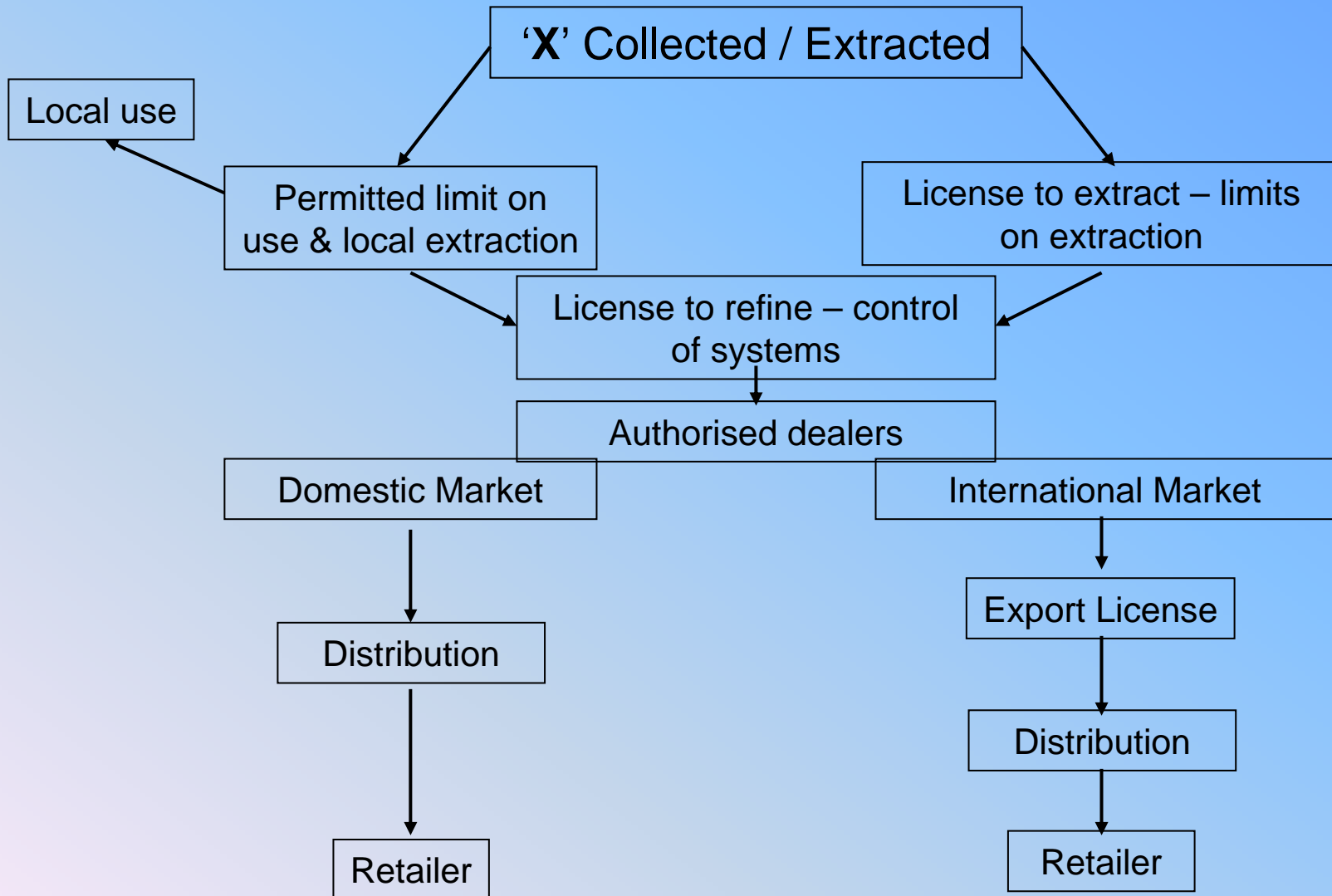
KYB Expected Income / Expenditure



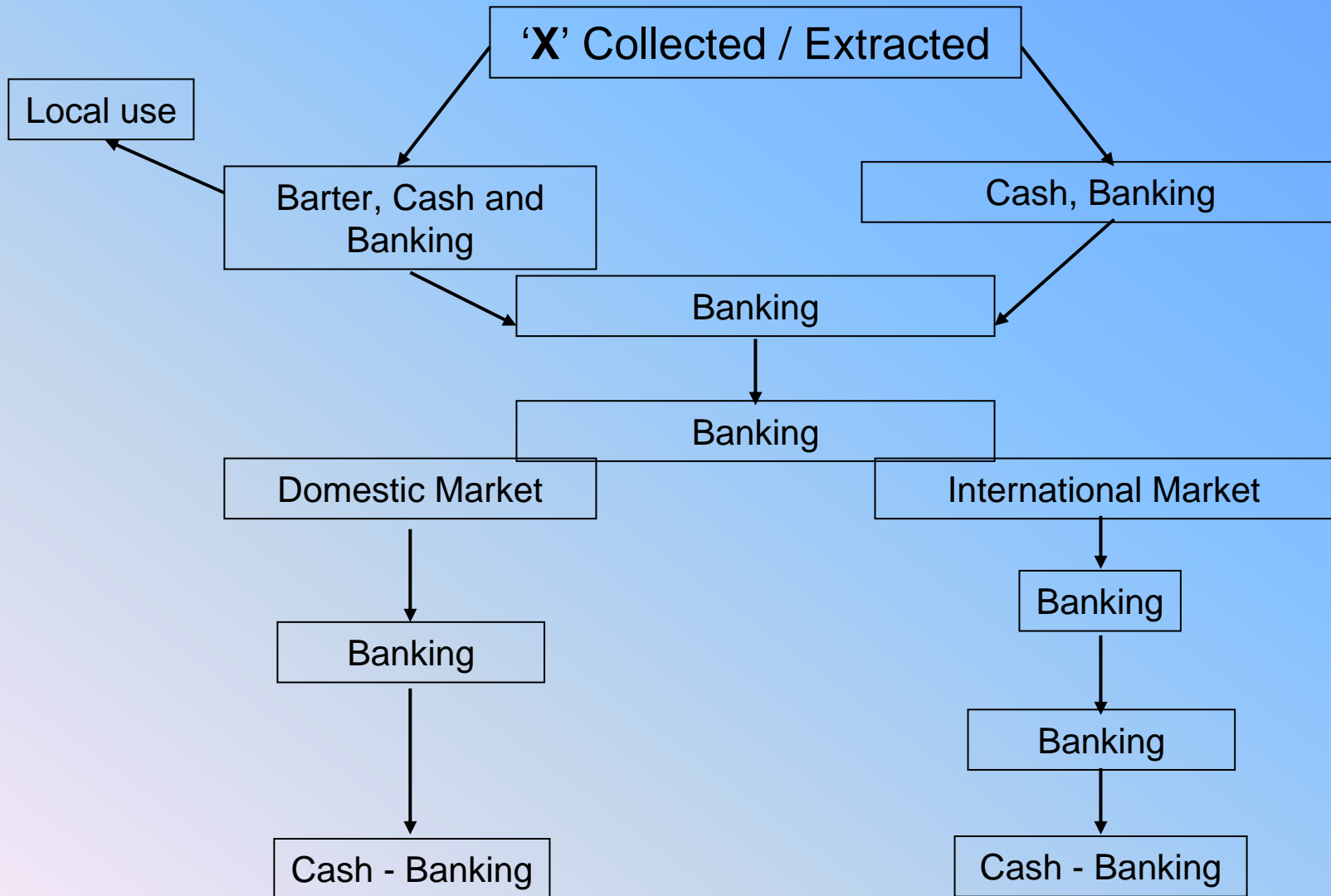
KYB Real Income / Expenditure



Who has controls over this?

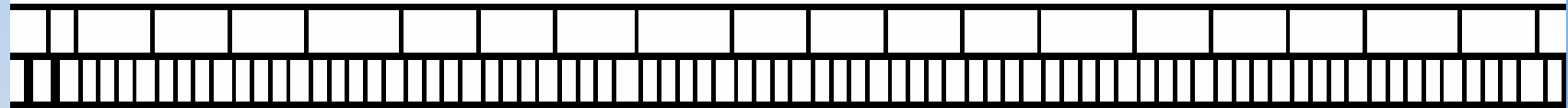
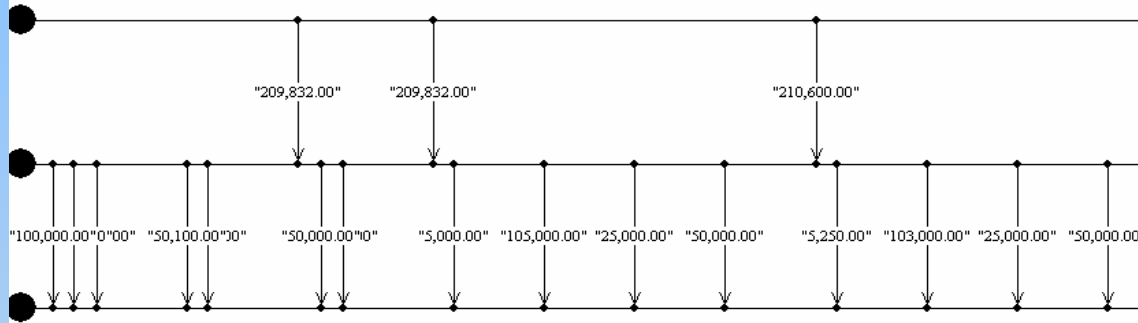


How do the finances work?

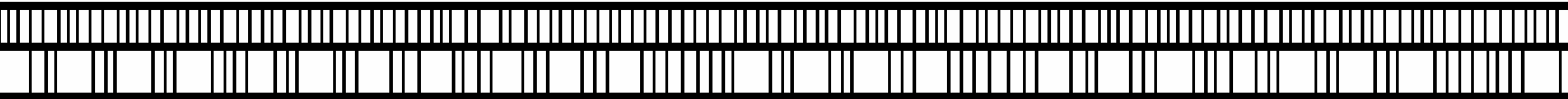
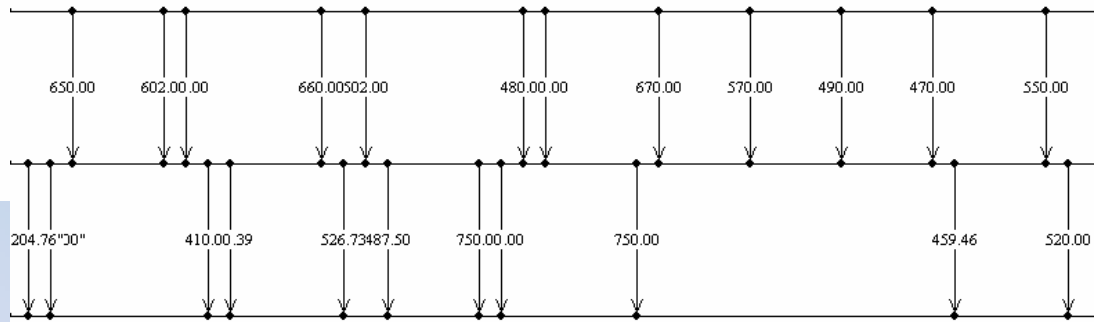


Expected patterns of financial behaviour

Refinery



Retail



Expected patterns of financial behaviour

- Suspicious behaviour will only be found if someone is looking for it!
 - To look for it you need to have an original expectation and measure against it.
 - You need to measure the result not only against your expectation but against those in a similar peer group.
- These expectations would be easy to monitor IF the finances were undertaken within one financial institution.
 - Do the funds from account 1 correspond with activity in account 2?
 - How do you do this if they are not in the same institution?
 - How do you do this when you have thousands of accounts, undertaking thousands of transactions per day?
- To do this in today's environment we must look at technological solutions.

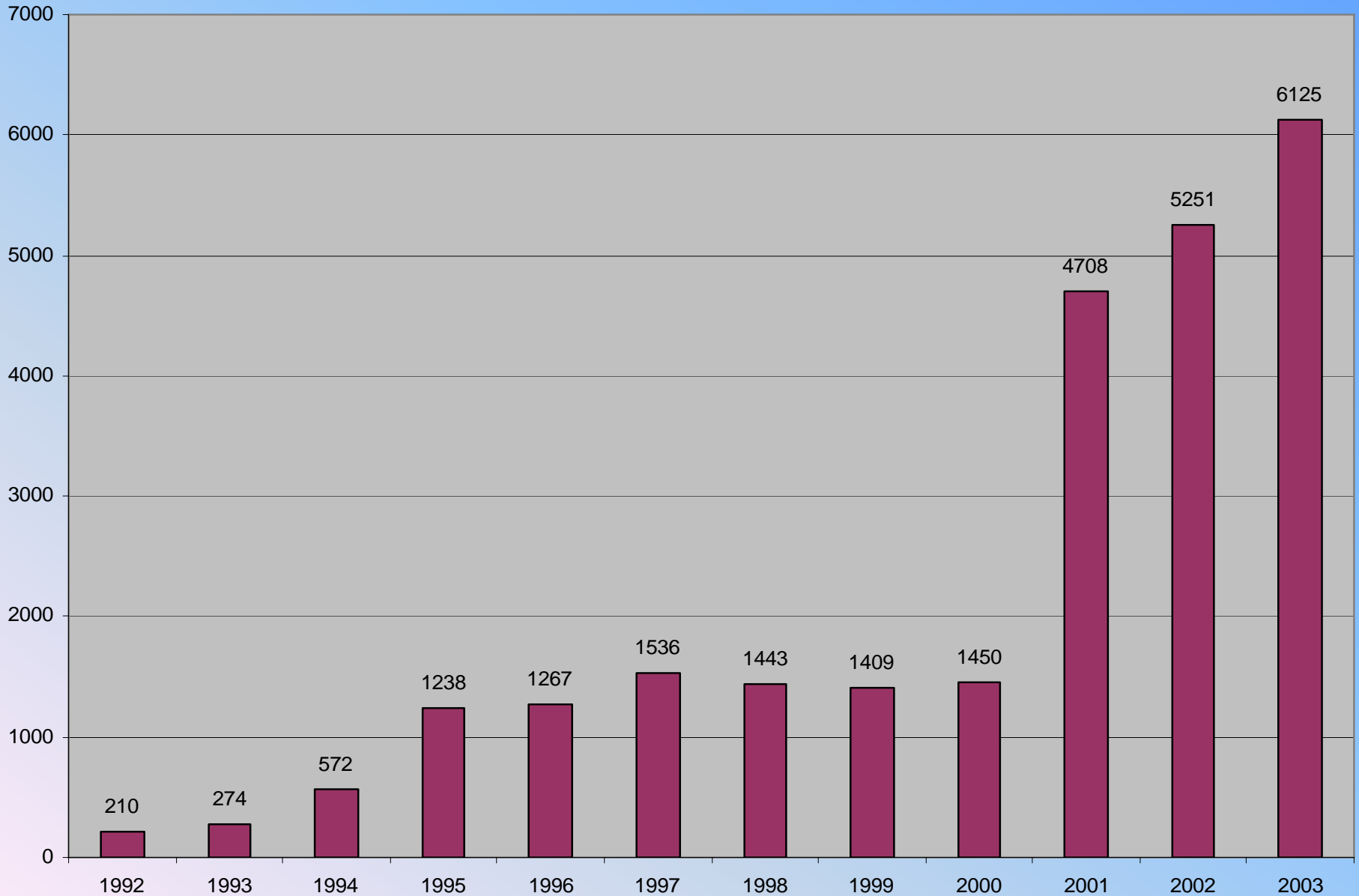
What's needed to make this work?

- For any technological solution to work there must be an infrastructure that supports it.
 - What are the rules for the system to work to?
 - These will need to be renewed as experience grows
 - Who will be responsible for overseeing the data the system produces?
 - Do you rely solely on that data or does it need further human intervention?
 - Does this human intervention help you redefine the rules?
- What will you do with the information once it has been deemed suspicious
 - Is there an anti-corruption unit to deal with possible cases of corruption
 - Is there a unit to deal with other suspicious behaviour

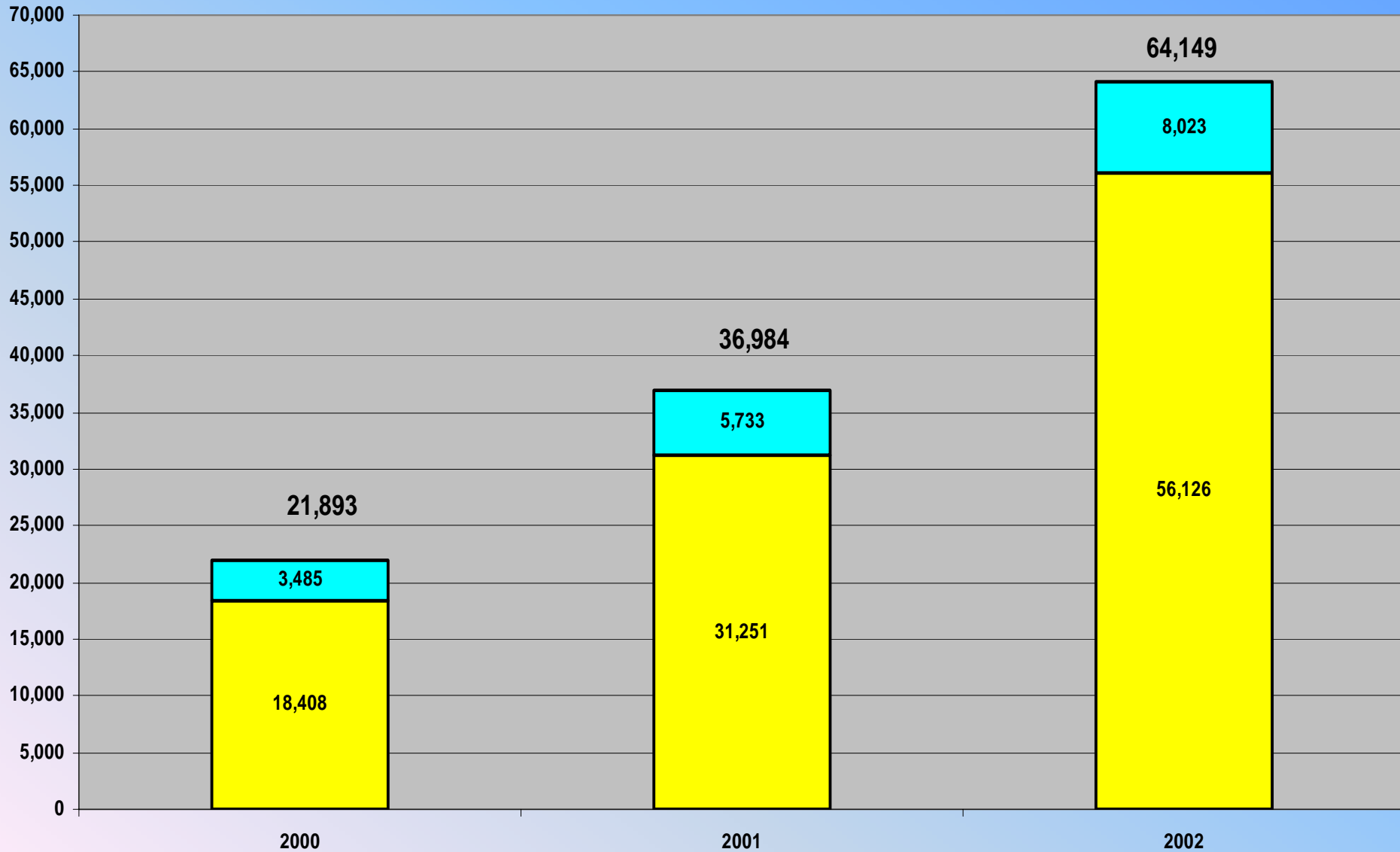
In summary

- Financial Institutions need to know their customer and their customers business
 - [the first part of the expectation]
- Financial Institutions must keep records
 - [to compare the expectation against the know result and as possible evidence]
- Financial Institutions must appoint an individual to be responsible for such a system
 - [the Human intervention]
- Financial Institutions must have systems to prevent and detect criminal funds.
 - [Human and or technological]
- There must be suitable bodies appointed to deal with reports of suspicious and corrupt behaviour
 - [Which are supported by suitable laws]

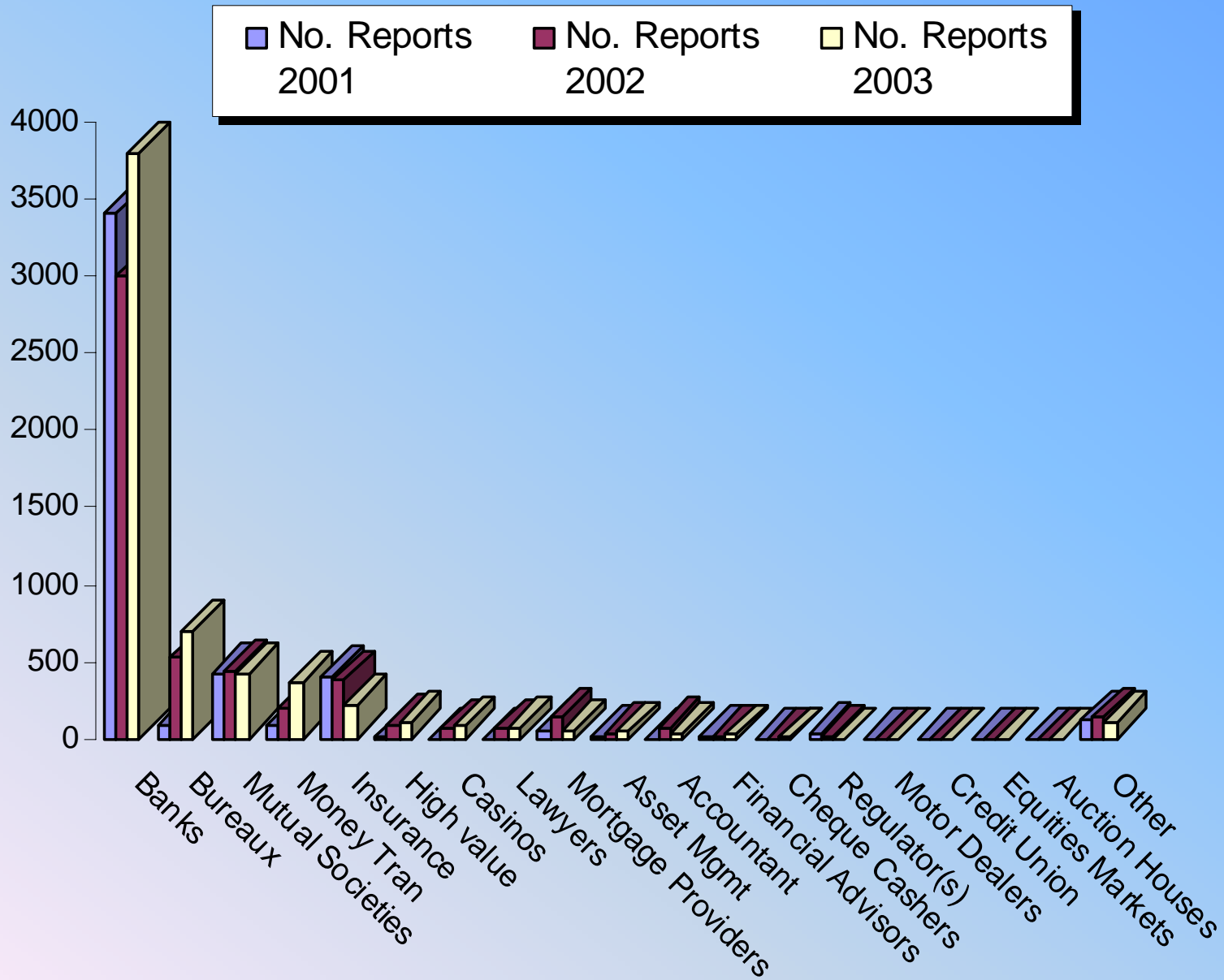
Number of STR Reported, why the changes?



SAR's + Law Enforcement Enquiries



Why such the movement?



What do these figures / changes mean?

Sector	No. Reports 2001	No. Inst reporting in sector	No. Reports 2002	No. Inst reporting in sector	No. Reports 2003	No. Inst reporting in sector	Total No. Institutions in Sector 2001 - 3
Banks	3401	17	2997	12	3790	13	50
Bureaux	98	3	527	12	699	7	17
Mutual Societies	425	19	442	20	430	19	23
Money Tran	98	1	201	4	372	5	8
Insurance	406	7	379	7	222	7	10
High value	12	4	99	7	119	9	102
Casinos	1	1	71	1	85	1	4
Lawyers	2	1	68	21	77	26	274
Mortgage Providers	58	5	142	10	64	6	14
Asset Mgmt	21	1	44	1	50	1	6
Accountant	7	2	78	5	40	4	359
Financial Advisors	17	1	21	2	29	2	421
Cheque Cashers	0	0	4	1	10	1	4
Regulator (s)	37	3	24	3	9	3	3
Motor Dealers	0	0	5	5	7	7	1378
Credit Union	2	1	3	1	4	1	326
Equities Markets	1	1	1	1	1	1	2
Auction Houses	0	0	0	0	1	1	29
Other STR	122	x	145	x	117	x	x
STR Number by year =	4708		5251		6125		

Why the displacement?

Analysis (by Branch) of STR Reporting by 'Y' Bank

