



Fintel Alliance

An AUSTRAC initiative

Performance Report 2019-20



Australian Government

AUSTRAC



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Year in review



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The past year has seen Fintel Alliance's (the Alliance) innovative approach to combatting complex and emerging crimes play an instrumental role protecting the Australian community from serious and organised crime. The Alliance has worked agilely across a range of crime types and various operations and adapted effectively to changing circumstances.

In the wake of the global COVID-19 pandemic, transnational and serious organised crime groups adapted their operations to seek out new criminal opportunities. Fintel Alliance rapidly mobilised bringing together our public and private partner organisations to work together to identify, report on and disrupt emerging COVID-19 related crime and suspicious behaviour including fraud, cyber-enabled crime, and the exploitation of government stimulus measures.

Harnessing the combined resources of public and private partners ensured greater understanding and insights into new and emerging risks and behaviours to contribute to operational and law enforcement responses. The trust established through Fintel Alliance enabled timely access to key financial data and cooperation to support law enforcement investigations, and resulted in the development and provision of a range of tailored intelligence products, alerts and suspicious matter reporting.

The information and intelligence shared by Fintel Alliance partners has been critical in combatting criminal networks seeking to exploit the pandemic and prey on the most vulnerable.

Fintel Alliance expanded to 29 public and private sector partners, with five new government sector agencies joining in 2019-20 adding to the previous expansion of private sector partners in 2018-19. The additional partners to join the Alliance include the Australian Border Force, the Australian Securities and Investments Commission, Services Australia, Queensland Police Service and the Western Australian Police Force.

Fintel Alliance provided ongoing support to nine major national taskforces and conducted operations across 24 major crime types including money laundering, child exploitation, illicit tobacco and the scamming of Australians.

Throughout the last 12 months, relationships between the public and private partners under the Alliance continued to strengthen, united by a shared interest in fighting financial crime to protect the Australian community from serious and organised crime.

Highlights

- 

Membership expanded from **24** to **29** public and private sector partners



Established projects on trade-based money laundering, financial scams, complex money laundering and national security
- 

Contributed to arrests of offenders for money laundering, child exploitation, illicit tobacco, and scam activity



2,000 COVID-19 related suspicious matter reports from Fintel Alliance collaboration
- 

255 intelligence products issued to law enforcement and intelligence partners, an increase of 190% from 2018-19



Increased the crimes types investigated from **20** to **24**
- 

Released public reports to help combat child exploitation and illegal phoenixing activity and five limited release reports to support the COVID-19 response



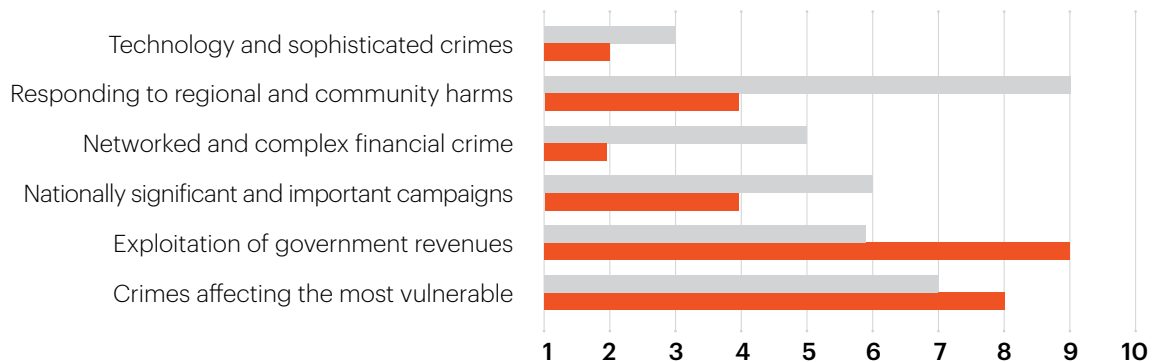
Supported **nine** major national taskforces
- 

A **945%** increase in reporting of suspected child related offending since the establishment of Fintel Alliance

Initiated **79** operations since establishment of Fintel Alliance, with **29** operations commenced in the 2019-20 financial year

Fintel Alliance operations by theme (year-on-year)

● 2018-19 ● 2019-20





Foreword

AUSTRAC CEO



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Nicole Rose PSM

Chief Executive Officer
AUSTRAC

The last 12 months have been a challenging time for Australians affected by catastrophic bushfires and the continuing public health and economic impacts of the COVID-19 global pandemic.

While many in our community have pulled together to help and support each other, we have also seen criminals adapt their behaviour to take advantage of the generosity of Australians when people are at their most vulnerable.

Fintel Alliance is committed to combatting and disrupting this criminal behaviour to protect the Australian community. The public-private partnership quickly responded to rapid changes in the criminal threat environment, to play a critical role in identifying and disrupting suspected fraud and scams against individuals, businesses and government stimulus measures.

Fintel Alliance has demonstrated that by developing frameworks that enable priority intelligence and insights to flow between public and private sectors, it is possible to more effectively disrupt and prevent criminal exploitation of the financial system. Through the COVID-19 pandemic the relationships and commitment between our industry and government partners continued to strengthen and expand our capabilities to better combat serious financial crime.

In addition to responding to unexpected changes in the threat environment, Fintel Alliance has continued to build its collaboration efforts and expand its program of work to combat serious and organised crime. The intelligence and investigative contributions provided to law enforcement agencies continued to deliver significant outcomes.

In the past 12 months Fintel Alliance continued to target priority crimes to deliver meaningful outcomes for the Australian community by disrupting professional money laundering, targeting the importation of child-like sex dolls, hardening the Australian border to child sex offenders and protecting vulnerable Australians from scams.

These efforts led to significant outcomes including arrests of offenders for money laundering, child exploitation, illicit tobacco, and scam activity, and the release of public reports for industry to use to harden themselves against crime.

AUSTRAC has also contributed to global efforts promoting the value of public-private partnerships, sharing with industry and global law enforcement partners how these partnership can help respond to national security threats. Australia hosted the second "No Money for Terror" conference in November 2019, and Fintel Alliance is recognised as a world leader delivering ongoing benefits to Australia and our international partners.

Looking forward

Fintel Alliance will continue to innovate and provide invaluable intelligence and collaborative contributions to the fight against serious and organised crime.

Over the next three years Fintel Alliance will:

- increase operational resources with the support of government funding
- partner with Australia's leading criminologists and data scientists to build an alerting platform that will enhance our ability to identify and detect suspicious financial patterns while applying privacy enhancing technologies to protect individual's information
- increase our ability to share sensitive information with our private sector partners without being physically located together.

I would like to thank all Fintel Alliance partners for their contribution and efforts, and look forward to the continued success of this partnership.

Nicole Rose PSM

Chief Executive Officer AUSTRAC

Foreword Chair



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Roger Wilkins AO

Chair, Strategic Advisory Board

I have had the privilege of being the Chair of the Fintel Alliance since its inception. Over that time and in the last 12 months in particular, this world-first public-private partnership continues to reaffirm its value in disrupting financial crimes and demonstrate the benefits of this collaboration.

Fintel Alliance has expanded its work program while also showing it can respond flexibly to the unique and unexpected challenges that can arise in the criminal threat environment. The COVID-19 global pandemic caused significant changes to our operating and risk environment in a short period of time. I commend the AUSTRAC CEO and her team for pivoting the Fintel Alliance to respond quickly to these new and unprecedented challenges. The contribution of Fintel Alliance members to intelligence and collaboration efforts shows how the fight against serious and organised crime can benefit from effective information sharing and response arrangements.

I would like to express my ongoing appreciation to efforts and contributions of members of the Board in setting the direction and strategic priorities of Fintel Alliance. Despite the significant headwinds our members and partners have faced due to the global pandemic, Fintel Alliance demonstrated its maturity by maintaining its focus on core strategic and intelligence priorities while also responding to emerging threats. These characteristics are integral to the success of the Fintel Alliance and to why it has achieved so many successful outcomes in a very short period of time.

The Government's investment in Fintel Alliance was of critical importance to enable delivery of strategic priorities discussed and promoted by the Board in its advisory capacity to the AUSTRAC CEO. A major component of this investment is the staged development and application of new technologies to combat financial crime.

The Board recognises that the use of technology in law enforcement and crime prevention is developing rapidly. Accordingly, the Board is pleased to be shepherding the following innovation projects:

- establishing a platform for information sharing and intelligence collaboration
- building an 'alerting' platform that will identify complex financial crimes being committed across multiple businesses while protecting individuals' privacy.

The last 12 months has involved a significant discovery process for these innovations, and we now have a clear pathway for more granular implementation, testing and building of these projects during the coming year. The use of privacy enhancing technologies has and will continue to be at the forefront of global interest and the expertise of the Fintel Alliance gives us the opportunity to provide leadership and direction in this area.

On behalf of the Board, I would like to express my appreciation for the support of the AUSTRAC CEO, Nicole Rose PSM and her team, who remain critical to the continued development and success of the Fintel Alliance.

The next 12 months will no doubt confront us with a new set of challenges. I am confident that the Fintel Alliance has the appropriate resources, framework, capability and capacity to meet those challenges head-on and make significant contributions to preventing and disrupting serious and organised crime.

Roger Wilkins AO

Chair, Strategic Advisory Board

About Fintel Alliance



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Fintel Alliance is an AUSTRAC initiative, established in 2017 as a world first public-private partnership to increase the resilience of the financial sector to prevent it being exploited by criminals and support law enforcement investigations into serious crime and national security matters.

Fintel Alliance brings together experts from financial institutions, state and commonwealth law enforcement and intelligence agencies, as well as academic and research institutions. Each partner provides a unique perspective on the financial sector. Working together, Fintel Alliance develops shared intelligence and delivers innovative solutions to detect, disrupt and prevent money laundering and terrorism financing.

Fintel Alliance has strengthened AUSTRAC's role as Australia's financial intelligence unit and AML/CTF regulator. By harnessing the resources and knowledge of industry, government and international partners, our collective ability to detect crime and share information on the financial sector has increased.

For more information on Fintel Alliance visit <https://www.austrac.gov.au/fintel-alliance>

Operational strategy



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The Fintel Alliance Operational Strategy outlines key initiatives and strategic enablers for the public private partnership, as well as how it will achieve desired outcomes and measure success. The operational strategy is reviewed and updated annually.

The 2020-2023 operational strategy identifies the following strategic priorities:

- develop a stronger shared understanding of the threats posed by money laundering, terrorism financing and serious financial crime
- build resilience to serious financial crime through the activities and learnings of Fintel Alliance by enhancing the capabilities of public and private partners and the broader regulated community
- pursue improved sharing and innovative exploration of information including by building supporting infrastructure between public and private partners
- deliver the money laundering and terrorist financing risk assessments program
- identify and pursue operational activities that will deliver broader socio-economic benefits to the Australian community in addition to producing prevention and disruption outcomes
- demonstrate and make visible the value of Fintel Alliance through effective performance reporting and communication of outcomes.

Fintel Alliance activities are subject to the oversight of the AUSTRAC Governance Committee and the AUSTRAC CEO, underpinned by a three-tiered governance structure consisting of the Fintel Alliance Strategic Advisory Board, Experts Group and Working Group.

Funding Fintel Alliance

As part of the 2018 Federal Budget, the Australian Government announced funding of \$28.4 million to enable AUSTRAC to expand and strengthen Fintel Alliance over four years to support commitments by government and industry partners to:

- build resilience in the financial system
- harden industry against criminal threats
- generate better intelligence.

The first year of the funding allocation has supported activity across a range of areas to build an enduring capability within AUSTRAC including:

- expanding Fintel Alliance's intelligence resourcing
- boosting AUSTRAC's money laundering and terrorism financing risk assessment program
- delivering a reporting framework to give feedback to industry on the use of financial reporting information and intelligence
- establishing a platform for information sharing and intelligence development
- commencement of a three year project to build an alerting platform using a world-first privacy preserving algorithm and encryption to detect sophisticated financial crimes, where criminal networks attempt to conceal their activities by distributing them across multiple institutions.

The next three years of the funding allocation will see Fintel Alliance continue to develop as a world leading public private partnership, providing benefit to the wider financial industry as well as international partners.

Outcomes and program of work



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Fintel Alliance has an established program of work based on priority themes including crimes targeting our most vulnerable community members, exploitation of government revenue, disrupting professional money laundering, and crimes and threats to Australia’s domestic and international interests.

Fintel Alliance prioritises operations that require a joint public private approach and access to the capabilities of the public-private partnership such as concentration of resources and rapid access to data, analytical and investigative tools.

Fintel Alliance operations produce a range of outcomes, including:

- intelligence products such as alerts and indicator reports designed for industry to incorporate into their detection capabilities
- targeted intelligence reports to contribute to law enforcement investigations and the broader intelligence knowledge pool about specific crime types or threats, and
- building capability and uplift across AUSTRAC’s wider regulated population to identify, report and respond to money laundering and terrorism financing risks through the transfer of knowledge and insights.

Principle themes of operation

Theme	Types of matters
Crimes affecting our most vulnerable community members	Children, the elderly and disabled members of the community.
Exploitation of government revenues	National disability scheme, education, child and day care services, aged services, other government programs.
Networked and complex financial crime	Criminals exploiting multiple businesses, e.g. money mules, account layering, tax evasion, phoenixing, black economy, trade-based money laundering.
Nationally significant task forces and campaigns	Illicit drugs, transnational crime, firearms and support to other national efforts.
Responding to regional and community harms	Localised crime, regional programs and collaborations with international partners.
Technology and sophistication	Responding to the most complex money laundering efforts through innovative approaches to data and information.

Risk assessment program

AUSTRAC is developing a series of money laundering and terrorism financing (ML/TF) risk assessments funded by the Minister for Home Affairs under the *Proceeds of Crime Act 2002* to assist Australia's largest financial sectors identify, understand and disrupt serious criminal activity.

The program of work will see AUSTRAC deliver eight money laundering and terrorism financing risk assessments focusing on the banking, remittance and gambling services sectors. Given the complexity and scale of Australia's financial system, this year AUSTRAC consulted extensively with financial institutions, industry associations and experts, and partner agencies to provide critical insights on the threats, vulnerabilities and consequences specific to each sector.

All eight risk assessments were commenced in 2019-20 and will be published in the coming years, on the following industries:

- banking – four risk assessments, examining Australia's major banks, Australia's other domestic banks, foreign bank branches in Australia, and foreign subsidiaries in Australia
- remittance – two risk assessments, examining remittance network providers and their affiliates, and independent remittance service providers
- gambling – two risk assessments, examining junket tour operations in Australia, and Australian casinos.

The risk assessments will enable the banking, remittance and gambling sectors to understand, identify, mitigate and manage the ML/TF risks and vulnerabilities in their sectors, enhance their transaction monitoring programs and enterprise risk assessment processes, and strengthen their SMR reporting to AUSTRAC.



Innovation projects



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Alerting project

The objective of the Fintel Alliance alerting project is to deliver a capability to detect sophisticated financial crimes, where criminal networks attempt to conceal their activities by distributing them across multiple bank accounts held at Australia's major financial institutions. This three year project commenced on 1 July 2019 and is scheduled to finish on 30 June 2022.

The first twelve months of the project represented the project 'discovery phase', during which time AUSTRAC developed a world-first algorithm that will enable Fintel Alliance to detect crime while protecting the privacy of the underlying reporting entity data.

Over the next two years the project team will build and implement the alerting platform at AUSTRAC and the participant reporting entities. Once delivered in 2022, Fintel Alliance will be able to trace suspicious funds as they move through the financial system, and identify indirect financial links between different financial institutions. This will represent a significant boost in capabilities for Fintel Alliance.

Information sharing project

The information sharing project involves developing capability uplift to enhance collaboration between public and private sector partners on a single platform. Recognising the increased opportunities presented through operating in a single virtual space, the project is actively seeking to establish multiple collaboration functions to support improved and timelier operational efforts.

The first twelve months of the project have focused on developing a blueprint of requirements for both government and industry partners reflecting their collaboration needs. These insights have fed into the development of a roadmap to deliver technologies to support an enhanced collaboration and secure sharing platform for Fintel Alliance.

Over the next two years, the project team will identify and implement a platform to enable all partners to engage, co-author and share information in a single location to support operational efforts.

Participation in the Future of Financial Intelligence Sharing project

In August 2020, the Royal United Services Institute (RUSI), a UK-based think tank, published the findings of a survey of public-private partnerships that share financial information to disrupt crime. The survey took place between April and June 2020.

This report provides summaries of 23 national and transnational financial information-sharing partnerships, including Fintel Alliance. The report provides new insights into the impact of these partnerships in tackling financial crime, including their role in responding to COVID-19. It concludes public-private partnerships have produced a range of promising results and outcomes, reflecting a new approach to AML/CTF regulation that does not rely on a 'tick-the-box' approach.

The report found that Fintel Alliance model has proven to be successful, with more than 320 investigations completed between July 2018 to June 2019. In that same period, Fintel Alliance contributed to 108 arrests and the closure of 90 accounts linked to high-risk customers.

On 20 August 2020, commenting on the release of the RUSI report, the Wall Street Journal observed the following:

Some partnerships focus on generalized strategic information, such as a pattern of transactions or indicators associated with certain crimes, to the financial sector. Others emphasize tactical information—including the names of individuals and companies and other sensitive information tied to specific transactions, bank accounts or law enforcement cases.

The most innovative programs, those of Australia and the Netherlands in particular, place analysts from the government and private sectors side-by-side in dedicated offices. The partnerships are voluntary, and financial institutions that participate must do so while continuing to meet their other, mandated anti-money-laundering obligations.

- Maxwell NJ (2020) *Five Years of Growth of Public-Private Partnerships To Fight Financial Crime: a Future of Financial Intelligence Sharing Survey Report*, Royal United Services Institute



Responding to the impacts of the COVID-19 pandemic



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The global COVID-19 pandemic has had unprecedented impacts on the financial industry and the global criminal threat environment. The establishment of a dedicated Fintel Alliance COVID-19 response project enabled government and industry partners to work closely together to respond rapidly, and enabled information to flow to the wider financial industry to respond to emerging risks and protect Australians from fraud.

COVID-19 criminal threat environment

On 4 May 2020, the Financial Action Task Force (FATF), the global inter-governmental body responsible for setting the money laundering and terrorism financing standards, released a report highlighting an increase in money laundering and terrorism financing risks arising from COVID-19-related crime.¹ The report identified trends that have increased the risks of money laundering and terrorism financing that are directly relevant to Australia, including:

- deliberate attempts to bypass customer due diligence measures
- increased misuse of online financial services and virtual assets to move and conceal illicit funds
- misuse and misappropriation of domestic and international financial aid and emergency funding, and
- increased use of the unregulated financial sector, creating additional opportunities for criminals to launder illicit funds.

Fintel Alliance partners have also observed significant changes in the way criminals target the Australian financial system as a result of the changing environment. The pandemic has shown that organised crime groups are resilient, but they are also vulnerable which presents opportunities for targeting and disruption.

Working in partnership, Fintel Alliance identified the following changes to the way organised crime operate:

- due to challenges with the movement of physical cash through the financial system, large amounts of illicitly obtained cash have been stockpiled
- the limitations on the movement of physical cash, has led organised crime to target cryptocurrency and in some instance gold bullion to move the proceeds of crime
- criminal groups have used the COVID-19 theme to target vulnerable Australians through a range of scams
- obtaining the identity of a victim has become a primary focus with phishing scams used to obtain personal details for use in fraudulent applications against stimulus measures
- organised crime has exploited the increase in online activity to target vulnerable Australians including the elderly and children.

1

FATF (2020) *COVID-19-related Money Laundering and Terrorist Financing: Risk and Policy Responses*, FATF, Paris, France.

Responding to COVID-19 threats

Fintel Alliance provided a crucial mechanism between the public and private sectors to detect and combat suspected fraud against the Australian Government's economic stimulus measures, and in particular, the early release of superannuation and the JobKeeper schemes.

AUSTRAC shared information with Fintel Alliance partners at the outset of the pandemic that provided guidance on fraud methodologies to monitor and report on. The timeliness of this information enabled industry partners to closely monitor financial activity and submit actionable and targeted suspicious matter reports.

In March 2020, Fintel Alliance industry partners were advised of the following areas of criminal exploitation identified by AUSTRAC where the financial system may be more vulnerable during the COVID-19 pandemic to monitor and report on:

- movement of large amounts of cash following the purchase or sale of illegal or stockpiled goods
- targeting of government assistance programs through fraudulent applications and phishing scams
- purchases of precious metals and gold bullion out of character in the current circumstances
- exploitation of workers or trafficking of vulnerable persons in the community
- an increase in the risk of online child exploitation following restrictions on travel
- a rise in extremist views either against members of the community or the government.

From 1 January to 30 June 2020, AUSTRAC received approximately 5,000 COVID-19 related suspicious matter reports (SMRs) of which approximately forty percent (or 2,000 SMRs) were from Fintel Alliance partners. Reports received from industry provided valuable insights into how individuals and organised criminals attempted to exploit the pandemic, targeting vulnerable Australians and the government for financial gain. Enhanced reporting also identified linkages between offenders for law enforcement to target and disrupt illegal activity.

The timely access to financial data obtained through the well-established processes implemented under the Fintel Alliance cooperation framework, resulted in:

- reporting of suspicious matter reports identifying suspected criminal and fraudulent activity
- contributions to existing investigations led by law enforcement and revenue protection agencies, and
- the identification and disruption of organised criminal networks committing fraud against the Australian Government.

Key outcomes

The response to the rapidly changing criminal threat environment demonstrated the flexibility and agility of Fintel Alliance, enabling the following outcomes:

- rapid notification of key risks and emerging trends to partners
- collaboration between public and private sector partners to identify indicators of offending
- preparation and distribution of risk indicators to partners in a timely manner
- enhanced quality and relevance of suspicious matter reporting by industry
- focus of industry in identifying and reporting suspicious movement of funds through the financial system where there was limited touch points
- preparedness and responsiveness of partners building on the established trust of Fintel Alliance.

Fintel Alliance information was instrumental in detecting a number of fraud networks seeking to exploit government assistance programs and the quality of suspicious activity reported and follow-up assistance has led to several arrests in Australia.

The COVID 19 pandemic has seen Fintel Alliance realise its objectives of government, law enforcement and financial institutions working closely to protect Australians while preventing and disrupting organised crime.



Fintel Alliance operations



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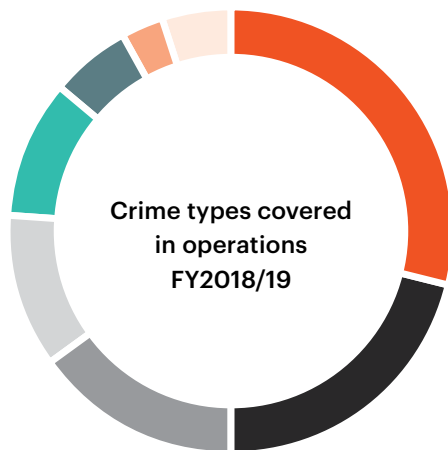
Fintel Alliance focusses the efforts of government, law enforcement and industry partners on projects requiring a public private partnership approach. In most instances, this can be due to an emerging crime type requiring greater understanding or a complex crime type.

AUSTRAC has a dedicated team to lead and support the operational efforts of Fintel Alliance. The Fintel Alliance Operations team is responsible for leveraging the public private partnership to develop actionable intelligence for government, law enforcement and industry partners, as well as the broader financial industry.

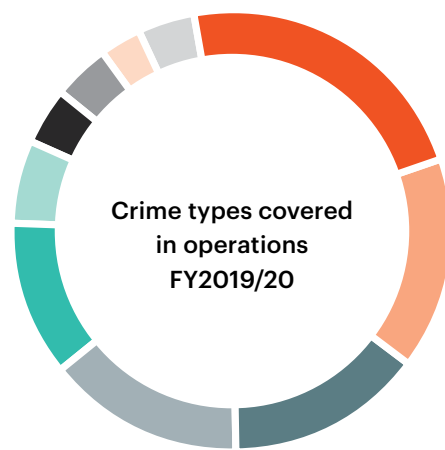
Fintel Alliance projects operate for a period of time allowing for the greater understanding of a crime type, identification and targeting of suspected offenders and the sharing of learnings with a wider audience to assist in hardening the environment. At the closure of a project, an evaluation is undertaken to capture learnings before the effort is transitioned into standard operational activity.

Fintel Alliance operations at a glance

36 operations 2018-19 | 29 operations 2019-20



- 29%** Child exploitation
- 21%** Financial fraud (various)
- 15%** Serious financial crime
- 11%** Drug trafficking
- 10%** Money laundering
- 6%** Tax and excise related fraud
- 3%** Serious and organised crime
- 4.8%** Other (firearms, scams, corruption, welfare fraud, human trafficking)



- 22%** Child exploitation
- 15%** Wildlife smuggling
- 14%** Tax and excise related fraud
- 14%** Welfare fraud
- 11%** Money laundering
- 6%** Scams
- 4%** Financial fraud
- 4%** Serious financial crime
- 3%** COVID stimulus fraud & profiteering
- 3%** Other (drug trafficking, serious organised crime, corruption, firearms)

Operational highlights by theme and project



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Crimes against the most vulnerable

 Operations undertaken: 8

 Intelligence products produced: 68

Projects undertaken to:

- combat child exploitation
- target child-like sex dolls
- protect Australians from scams.

Combating child exploitation project

The purpose of this Fintel Alliance project was to identify new investigative leads, harden the Australian financial system from child exploitation related transactions, and further refine partners' understanding of the financial aspects of child exploitation.

Highlights

- » This project directly led to the arrest of individuals in Australia and the rescue of children from harm overseas.
- » A number of individuals in Australia were identified and arrested who were not previously known for offending against children.
- » Since the establishment of Fintel Alliance there has been a 945% increase in reporting of suspected child related offending.
- » The project significantly improved the quality of reporting received by financial institutions and the application of financial intelligence to the targeting and disruption of child exploitation in Australia and internationally.

Project report:

Combating child exploitation

On 30 June 2020, Fintel Alliance transitioned its work on combating and disrupting child exploitation to standard operations following a dedicated project to improve capability to detect and disrupt this heinous crime.

This dedicated project was initiated by Fintel Alliance in 2017 and resulted in enhanced outcomes from the use and application of financial intelligence to target and disrupt child exploitation in Australia and internationally.

Actionable financial intelligence developed under the Fintel Alliance combating child exploitation project has directly led to the arrest of individuals in Australia and the rescue of children from harm in foreign countries.

A number of targets identified through the project remain under active investigation by law enforcement agencies in Australia and overseas. The project has led to a number of individuals in Australia being identified and arrested who were not previously known for offending against children.

This project achieved success by:

- bringing together crime experts and representatives of financial institutions to better identify opportunities for financial intelligence to influence investigations
- developing guidance and indicators for financial institutions to enhance transaction monitoring and reporting of suspicious behaviour
- utilising data analytical tools and keywords to rapidly identify activity warranting investigation

- matching data sets to develop a more complete picture of suspected offenders for targeting
- establishing relationships with partners in foreign countries and not-for-profit organisations to collaborate on shared goals.

In November 2019, Fintel Alliance released the *Combating the sexual exploitation of children for financial gain activity* indicators report to a public audience. The report reflected the learnings of the Fintel Alliance combating child exploitation project, and has been recognised by international partners as a leading resource in the fight against the financial aspects of child exploitation.

In the six months since release, the report has been used extensively by financial institutions to better understand the movement of funds involved in the sexual exploitation of children, enhance transaction monitoring systems and report suspicious activity. The report has also been shared with international financial intelligence units and partners to support efforts to develop capabilities in other countries.

The number of suspicious matter reports received by AUSTRAC since 2017 has grown steadily as the project progressed, with spikes identified where additional guidance was developed and released.

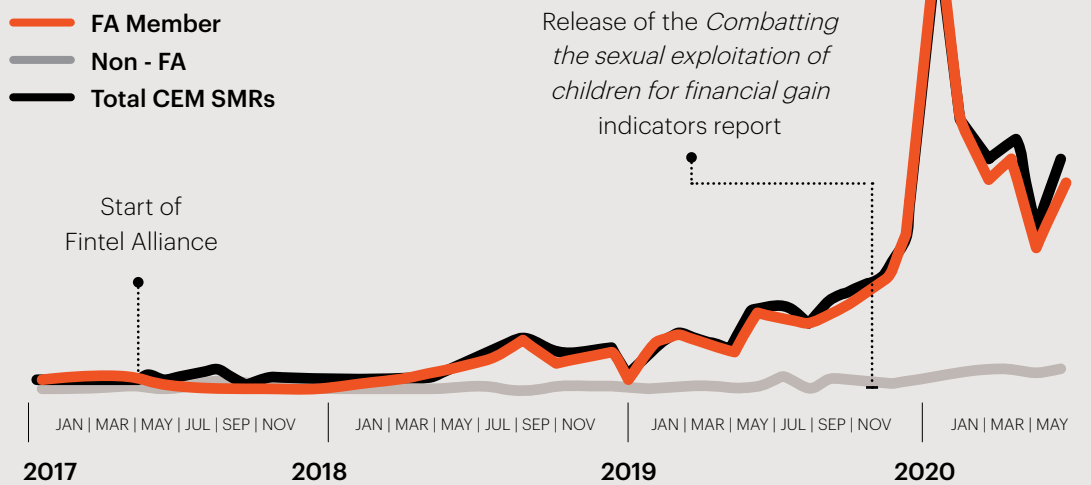
The release of the financial indicators report resulted in significant increases in reporting by both Fintel Alliance partners and the wider reporting entity population, with AUSTRAC receiving over 740 suspicious matter reports in the month of December 2019. Importantly, the increase in reporting and efforts to target this crime type are being seen across the financial industry.

Since the establishment of Fintel Alliance, overall there has been a 945% increase in reporting of suspected child related offending.

There has also been an improvement in the quality of reporting received with many financial institutions referring to multiple indicators in forming their suspicion of suspected offending. The inclusion of transactions statements, identification documentation and analysis of additional customers sending to the same beneficiaries has greatly supported the analysis of suspected offenders and targeting of entities in support of law enforcement investigations.

Combating child exploitation remains a priority of the Australian Government and AUSTRAC, with AUSTRAC and Fintel Alliance partners continuing to support whole of law enforcement efforts as part of ongoing operational activity.

CEM SMRs - report count by reported month



Case study: Hardening the border to child offenders

Recognising the value of the financial intelligence being generated through the project to combat child exploitation, Fintel Alliance worked closely with the Department of Home Affairs to develop data-based profiling to identify offenders moving across the border that may be committing child exploitation offences.

The collaboration and sharing of information resulted in 25 detections of child exploitation material at the border and the arrest of ten individuals for child related offending. The collaborative approach of all partners has improved intelligence holdings, increased capabilities among law enforcement in the detection of offenders and has led to the rescue of children from harm.



Targeting child-like sex dolls project

Fintel Alliance commenced a new project into the importation of child-like sex dolls to identify financial transactions and indicators of offending.

The Fintel Alliance project has achieved successful operational outcomes, developing timely, relevant and actionable intelligence enabling law enforcement partners to target identified purchasers, leading to arrests and serving as a strong deterrent to other offenders.

Case study: Targeting the importation of child-like sex dolls

Fintel Alliance worked closely with the New South Wales Police Force and PayPal Australia to identify financial transactions and offender indicators relating to the purchase of a child-like sex doll.

The project examined information and data provided by partner financial institutions that included indicators of the purchase of a child-like sex doll or associated materials. In January 2020, the project led to the arrest of a South Australian man who became the first person in Australia to be charged by the Australian Federal Police with possession of a child-like sex doll.

While still in operation, the project has contributed to over 20 different intelligence investigations and the arrest of four Australians for suspected child-like sex doll related offending. In a number of instances, the individuals identified and targeted as part of the project were not previously known for offending against children, demonstrating the role financial intelligence plays in detecting this type of offending, when combined with other forms of investigation information.

Case study: Protecting vulnerable Australians from scams

In early 2019, Fintel Alliance established a scams working group to share information on emerging and complex scams and disrupt this crime targeting vulnerable members of the Australian community. Through the working group a vulnerable elderly male was identified as a victim of several telephone scams over a short period of time. The crime syndicate had defrauded the male of \$20,000 and had made further attempts to steal funds but was stopped by bank controls.

Fintel Alliance banking partners collaborated with the New South Wales Police Force to conduct financial analysis and investigate a criminal syndicate targeting vulnerable Australians. Investigation identified members of the syndicate were spending the stolen funds to fund their lifestyle and undertake gambling activities.

Fintel Alliance partners worked closely with the New South Wales Police Force to identify members of the syndicate, methodologies being used and criminal offences being committed.

The syndicate used a variety of methods to gain access to the financial accounts of vulnerable Australians, with the most common scam involving the syndicate “cold calling” victims and asserting to be technicians employed by the National Broadband Network. The syndicate gained access to the victim’s bank accounts and proceeded to transfer money out of the victim’s accounts.

Following investigation, the head of the syndicate was arrested and charged with dealing with the proceeds of crime. The court found the syndicate head guilty and sentenced to an 18 months Community Service Order and 150 hours Community Service. The collaborative effort of Fintel Alliance partners helped to identify, target and dismantle the syndicate, protecting vulnerable members of the Australian community.

Protecting Australians from scams project

The Fintel Alliance project to protect Australians from scams focuses on sharing information between partners on emerging and known scams targeting the Australian community.

The establishment of a scams working group has increased information sharing between government, law enforcement and industry partners to protect Australians from scams. Efforts have particularly focused on understanding and disrupting remote access scams resulting in successful operational outcomes.

Exploitation of government revenues

Q Operations undertaken: 9

|||| Intelligence products produced: 93

📄 Limited release reports produced: 5

Projects undertaken to:

- target and combat fraud against the National Disability Insurance Scheme
- respond to COVID-19 emerging threats
- target illegal phoenixing activity.

Supporting the National Disability Insurance Scheme project

Fintel Alliance is working in partnership with the National Disability Insurance Agency to identify, target and disrupt fraud against the National Disability Insurance Scheme (NDIS).

Financial intelligence is being used to support active investigations and identify additional fraud against the NDIS for investigation. Learnings from this work are being collated to share with the financial industry.

Provide support on the response to COVID-19 project

Fintel Alliance established a new project to provide a mechanism between the public and private sectors to enable an agile response to the COVID-19 environment.

The establishment of a dedicated COVID-19 response project enabled government and industry partners to work close together to respond to rapid changes in the financial industry as a result of the pandemic. This collaborative approach enabled information to flow to the wider financial industry to respond to emerging risks and protect Australians from fraud.

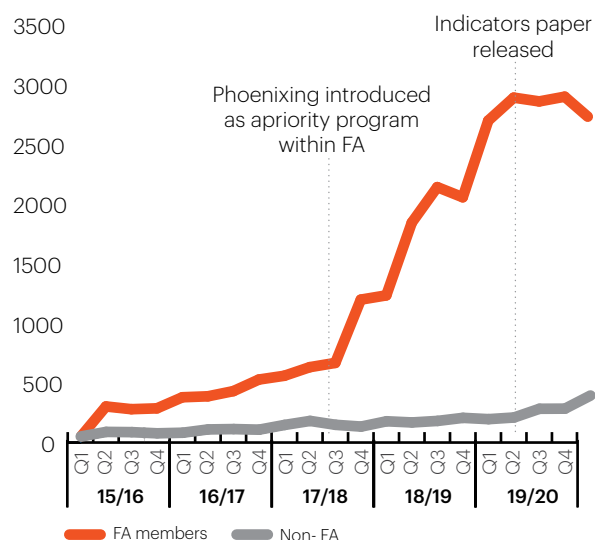
Targeting illegal phoenixing activity project

The Fintel Alliance targeting illegal phoenixing activity project focused on improving understanding of complex illegal phoenixing activity. In addition to better understanding this crime type, the project aimed to improve intelligence.


Fintel Alliance provided valuable intelligence to an ongoing investigation including information to understand how a criminal network operated. The project assisted to track the flow of funds and investigate links to syndicate controllers.

This assisted in the raising of \$22 million of tax liabilities. Fintel Alliance also released an indicators report to support financial institutions to identify, report and disrupt illegal phoenixing activity.


The following graph demonstrates the change in reporting behaviour following Fintel Alliance engagement and release of the indicators report.



Networked and complex financial crime

 Operations undertaken: 2

 Intelligence products produced: 47

 Project to disrupt money laundering through third party cash deposits

Disrupting money laundering through third party cash deposits project

Fintel Alliance established a new project to support state law enforcement partners to better understand and disrupt an organised crime group engaged in the movement of funds attributed to the proceeds of crime.

In particular, the project involved understanding the risk of third party cash deposits with a particular focus on deposits conducted through Automatic Teller Machines (ATMs).

Fintel Alliance collected and analysed transactional data to determine the size and frequency of third party cash deposits, before applying data analysis techniques to identify suspicious patterns in activity. Identified activity was referred to law enforcements partners and contributed to significant operational outcomes.

Findings and outcomes arising from this project were used by industry partners to enhance transaction monitoring processes and system controls.

Case study: Targeting professional money launderers

Fintel Alliance partnered with the Western Australia Police Force to support an investigation into a money laundering syndicate involved in large-scale cash deposits into bank accounts in Western Australia.

Through the development of a detection methodology focusing on cash deposits through ATMs, Fintel Alliance industry partners identified and linked syndicate members operating across the suburbs of Perth laundering the proceeds of crime.

Participating Fintel Alliance banking partners shared knowledge of the money laundering methodology during a week of action to support police efforts. This included the exchange of real time intelligence between police and industry partners facilitated by the Fintel Alliance to identify offending behaviour.

Using knowledge of the cuckoo smurfing methodology, Fintel Alliance partners worked with the Western Australia Police and identified a money laundering syndicate attempting to move \$5.4 million over a six week period. Fintel Alliance undertook predictive analysis to identify hot spot locations to enable operational arrangements to be in place to respond to offending as it happened. The offending included 1,879 cash deposits into 167 different bank accounts with 87 deposits recorded on a single day at ATMs in Perth totalling \$193,500.

The partnership between Fintel Alliance and Western Australia Police contributed to significant operational outcomes including the arrest of five individuals, the seizure of cash, drugs and firearms and a community awareness campaign educating the public about the risks of third party cash deposits.

The close partnership has allowed law enforcement and financial institutions to focus on prevention and deterrence, with intelligence generated from the investigation leading to the arrest of additional offenders and the seizure of an additional \$4 million.

Nationally significant task forces and campaigns

 Operations undertaken: 4

 Intelligence products produced: 29

 Project to target illicit tobacco

Targeting illicit tobacco project

Fintel Alliance established a project to support the Illicit Tobacco Task Force with a focus on disrupting illicit tobacco related crime through a joint partnership approach. The aim of the project is to identify financial flows, and to target and disrupt facilitators colluding with organised criminals to move the proceeds of crime.

Fintel Alliance worked together in real time to exchange information between public and private industry to better understand and target criminal networks. The partnership approach has provided increased financial understanding of targets and provided greater insight into how targets acquire funds and liquidate assets.

Responding to regional and community harms

 Operations undertaken: 4

 Intelligence products produced: 13


 Project to disrupt the trafficking of Australian wildlife

Disrupting the trafficking of Australian wildlife project


Fintel Alliance established a new project to work in partnership with the Department of Agriculture, Water and the Environment to build knowledge about illegal wildlife trafficking through information sharing and improving the quality of targeted reporting. The focus of the project is to increase understanding of the trafficking of Australian wildlife as a financial and environmental crime, to target and disrupt this crime.

Fintel Alliance worked in close partnership with the Department of Agriculture, Water and the Environment to support current investigations and identify additional offending. The project has led to increased understanding of how criminal networks operate and move illicit funds from the trafficking of Australian animals.

Technology and sophistication

 Operations undertaken: 2

 Intelligence products produced: 5

 Project to target secure communications

Targeting secure communications project

The targeting secure communications project aimed to assist with understanding the size and operation of a secure communications platform. The focus of the project was on serious and organised crime groups using secure communications to further their criminal enterprises in Australia, in particular to facilitate large-scale drug importations, associated money laundering and other offences.

Fintel Alliance provided insight into the purchase and use of secure communications by organised crime groups. This provided opportunities for law enforcement targeting and disruption in Australia and overseas. Fintel Alliance partners improved their knowledge of serious and organised crime offending for application to additional targets.



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1 <!DOCTYPE html>
2 <html>
3 <head>
4 <meta http-equiv="Content-Type" content="text/html; charset=utf-8" />
5 <meta name="viewport" content="width=device-width, initial-scale=1, maximum-scale=1" />
6 <title>Christopher Garber | Portfolio</title>
7 <link rel="stylesheet" type="text/css" href="style.css" />
8 </head>
9 <body>
10 <div id="wrapper">
11 <div id="header">
12 <div id="logo">
13 <a href="#">About</a> />
14 <a href="#">Our Products</a> />
15 <a href="#">Contact</a> />
16 <a href="#">Login</a> />
17 </div>
18 <div class="header">
19 <div class="content">
20 <div class="banner" style="background-image: url(images/headerimg01.jpg); background-size: 100%; background-size: cover;" />
21 <div class="name">Hello, my name is Chris!</div>
22 <div class="text">I'm a full stack developer, and I'm passionate about building web applications. I've worked with a variety of clients and technologies, and I've learned a lot from the process. I'm currently looking for new challenges and opportunities to grow my skills and contribute to a team.
23 </div>
24 </div>
25 <div class="container">
26 <div class="row">
27 <div class="col-8">
28 <div class="text">
29 <p>Nullam quisquam sit amet. Sed euismod lacus tempus. Donec nunc tortor, ultricies ac est sitam, ultricies tuncur magna. Pellentesque ut rhoncus dui, sed lobortis diam, ut orare ut nulla nec cursus. Proin laoreet orare arcu quis tincidunt.</p>
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32 <div class="skills">
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Working groups



An AUSTRAC initiative

In 2019-20, following the endorsement of the Fintel Alliance Strategic Advisory Board, and in response to serious money laundering and terrorism financing threats, the following working groups were established with representatives from public and private partners:

Scams Working Group

A Scams Working Group meets bi-monthly and shares insights and best practices to identifying and responding to scams impacting on the Australian community and economy.

One of the successful projects involved the formation of an operational sub-group that brought together industry reporting concerning the conduct of remote access scams where customers' computers are compromised and taken over by organised crime groups. The insights drawn from industry reporting were shared with New South Wales and Queensland law enforcement, supporting current operational efforts to identify and disrupt money mules.

Trade-Based Money Laundering Group

The Trade-Based Money Laundering working group comprises personnel representing public and private members, and is co-convened by AUSTRAC and the Australian Border Force.

Through monthly meetings the working group has established a program of work that focuses on educational uplift and knowledge exchange, the development of shared operations, and support to international efforts in combating and disrupting trade-based money laundering.

Partners



An AUSTRAC initiative

AUSTRAC's CEO thanks our Fintel Alliance partners

- » Australia and New Zealand Banking Group Limited (ANZ)
- » Australian Border Force
- » Australian Competition and Consumer Commission (ACCC)
- » Australian Criminal Intelligence Commission (ACIC)
- » Australian Federal Police (AFP)
- » Australian Financial Crimes Exchange Ltd (AFCX)
- » Australian Government Treasury
- » Australian Securities and Investments Commission (ASIC)
- » Australian Taxation Office
- » Bendigo and Adelaide Bank Ltd
- » Commonwealth Bank of Australia (CBA)
- » Deakin University
- » Department of Home Affairs
- » HSBC Bank Australia Limited
- » Macquarie Bank Limited
- » MoneyGram Payment Systems Inc.
- » National Australia Bank Limited (NAB)
- » National Crime Agency (UK)
- » New South Wales Crime Commission
- » New South Wales Police Force
- » New Zealand Police - Financial Intelligence Unit
- » PayPal Australia Pty Limited
- » Queensland Police Service
- » Tabcorp Ltd
- » Services Australia
- » Western Australia Police Force
- » Western Union Financial Services (Australia) Pty Ltd
- » Westpac Banking Corporation



