



National Counter Terrorism Authority (NACTA)



Money Laundering & Terrorist Financing Risks

Do LEAs Know ML/TF Risks related to COVID-19 Crisis



Misuse of Charitable Sector:

- Possible attempts to exploit the pandemic funds
- Possible activity by UN listed/ proscribed organizations and any use of COVID-19 crisis to sneak back into raising money or engaging in social service activities
- Misuse of NPOs by unscrupulous elements



Cybercrime/Social Media:

- Use of COVID-19 crisis to carry out social engineering attacks
- Phishing email & spam mobile messages campaigns
- Fraudulent websites/ malicious attachments to seek and exploit personal payment information
- Use of cyberspace for propagation of extremist ideology & crowd funding



Virtual Assets:

- Use of Virtual Currencies (VCs) to launder proceeds earned from selling fraudulent or counterfeit COVID-19 related medicine/goods
- Use of virtual assets to move and conceal illicit funds



Financial Frauds:

- Increase in financial fraud and scams and the offer of fraudulent investments in Ponzi schemes
- Fund raising scams in the name of treating COVID-19 patients
- Fraudulent investment schemes due to disruption in economic/financial activities



Banking & Other Financial Services:

- Bypassing Customer Due Diligence (CDD) measures by exploiting temporary challenges in internal controls caused by remote working situations, in order to conceal and launder funds
- Abuse of vulnerabilities and suspicious transactions/activity through financial institutions



Increased Physical Cash Transactions:

- Criminals and terrorists exploiting COVID-19 and associated economic downturn may move into new cash-intensive and high-liquidity lines of business, both for the laundering of proceeds as well as to fund their operations



Unregulated Financial Services:

- Possible setback to the formal financial system
- Increased use of unregulated financial sector
- Opportunities for criminals and terrorists to launder or move illicit funds
- Prolonged economic recession may encourage non-traditional or unlicensed lenders, which may include criminal groups



Recruitment by Criminal/Terrorist Organizations:

- Pandemic situation may lead to exploitation of vulnerable groups and criminal or terrorist organizations could exploit the situation for recruitment of people to support them in executing their activities



Narco-Trade/Trafficking:

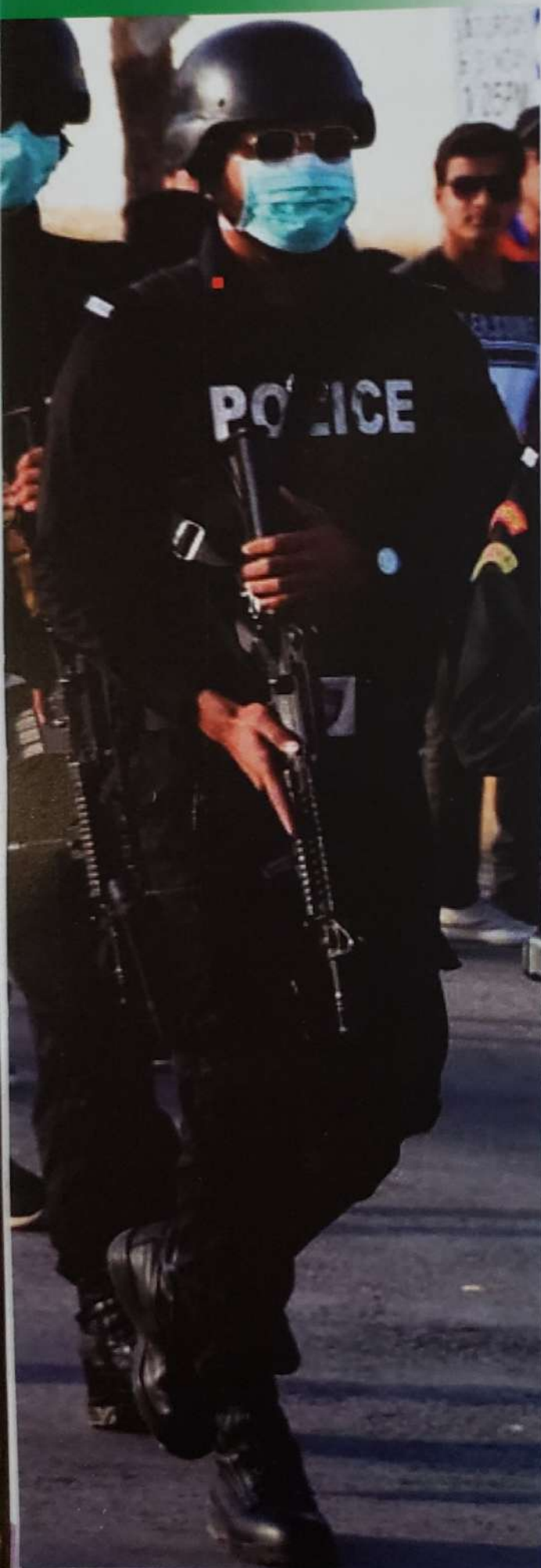
- Possible increase in the drug use/business to overcome the depression/stress cause by the pandemic
- Criminals and terrorists may use drugs as a conduit for ML/TF



LEAs as the Front Line of Defense

The risk and vulnerabilities posed by the current pandemic situation needs to be continuously and closely monitored for effective mitigation by:

- Enhancing LEAs' checks against misuse of charities/fund raising
- Not allowing UN listed/ proscribed entities and associated individuals to take any part in social welfare services
- Prioritizing investigation and prosecution of any COVID-19 related illicit ML/TF activity
- Keeping close watch on new typologies of misuse of COVID-19 situation for proactive response
- Communicating regularly with the private sector
- Monitoring very closely the cyber related frauds
- Countering extremism agenda via social media
- Encouraging reporting entities to remain vigilant and report suspicious transactions in case of any abuse of financial systems, particularly in the context of cross-border flows in relation to COVID-19 related funding





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