



Small Businesses Tricked into Laundering Money

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Alert: Small Businesses Tricked into Laundering Money

Small businesses should be on the lookout for a new type of scam which involves overseas “investors” tricking victims into laundering money, warns the National Fraud Intelligence Bureau’s (NFIB) Proactive Intelligence Team.

The scam starts with an email/phone call from fraudsters overseas who claim they are interested in “investing” in new start-up companies within the UK.

The fraudsters build trust and over time convince victims that the money they are transferring into their business accounts is for “investments”. The fraudsters know the limits that will be flagged by each bank and only transfer small amounts at a time to avoid detection.

These investments are in fact a vehicle to launder the proceeds of crime into the UK from other scams, including money lost from victims of online dating fraud.

Small Engineering Company

Money laundering is a crime and business owners can be jailed. The NFIB team recently interviewed a former convicted businesses owner who said: “I don’t know why I was a target. I had a small engineering company which I was trying to get off the ground. The first contact I had was by email from an investment company in the Middle East”.

“They said that they wanted to invest some capital into my company and they had other business interests in the UK. They only transferred a few thousand pounds at a time so the bank never questioned it.”

Another convicted fraudster who owned a small sales and distribution company said: “Turns out I was just a middle man for a fraud. I think any small cash businesses are at risk.”

PROTECTION / PREVENTION ADVICE

- Be extremely cautious about unsolicited emails or messages from people offering to invest in your business.
- Do not share your financial details with anyone you don’t know and trust, particularly if it’s someone that first contacted you via an unsolicited message.
- Carry out thorough research on the potential investor before you accept any money. Check to see whether the company is properly registered as a business in the country they operate in. For example, all UK PLC,LTD and LLP businesses are registered with Companies House. You can contact the relevant trading standards authority or local government office to enquire about whether they’ve received any complaints about the company.
- If you have been, or suspect you may have been a victim of this scam, report it to Action Fraud by calling 0300 123 2040 or visiting www.actionfraud.police.uk.

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