

Anti-Fraud, Corruption, and Money Laundering Policy

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Purpose

1. Windrush Housing Association (WHA) is committed to the highest ethical standards and good governance. We have zero tolerance to all forms of fraud, bribery and corruption, including money laundering.
2. The aim of this policy is to outline our commitment and approach to the prevention of money laundering.
3. This policy aims to be comprehensive, clear and accessible to customers, colleagues and partner organisations.

Definitions and scope

4. Definitions:
 - **Fraud** – The intentional deception intended to secure an unfair or unlawful gain.
 - **Corruption** – The abuse of entrusted power for private gain, including bribery and conflicts of interest.
 - **Money Laundering** – The process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises.
5. This policy applies to all employees, board members, contractors, suppliers, tenants, and other stakeholders.
6. WHA is committed to:
 - Preventing fraud, corruption, and money laundering through robust controls and awareness.
 - Detecting and investigating incidents effectively.
 - Taking appropriate disciplinary and legal action against offenders.

Legislative framework

The Fraud Act 2006

7. Three core fraud offences are noted in the Act as;
 - Fraud by false representation,
 - Fraud by failing to disclose information, and
 - Fraud by abuse of position.

Fraud is a criminal offence and can result in prosecution and imprisonment.

Money Laundering Regulations 2017

8. For reference, we note that the Money Laundering Regulations 2017 apply to a range of transactions such as right to buy transactions, shared ownership transactions and outright sale of property.
9. However, as WHA does not conduct this type of activity, this policy does not outline the checks and controls required in relation to these activities.

The Proceeds of Crime Act 2002

10. The Proceeds of Crime Act 2002 applies to all individuals within the UK, and offences under this Act carry severe penalties including imprisonment for up to 14 years.
11. The primary offences relating to money laundering under this Act are:
 - Concealing, disguising, converting, transferring or removing criminal property from the UK.
 - Entering into or becoming involved in an arrangement which facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
 - The acquisition, use and/or possession of criminal property regardless of value.
12. There are also the following third party offences:
 - Failure to disclose knowledge of suspicion of money laundering to the Director Risk & Governance.
 - Failure of the WHA to report suspicions to the National Crime Agency.
 - Tipping off any person that a disclosure has been made.

The Terrorism Act 2000 (amended August 2008)

13. The primary offences relating to terrorist funding are set out in this Act as follows:
 - Fundraising for the purposes of terrorism.
 - Using or possessing money or other property for the purposes of terrorism
 - Involvement in funding arrangements.
 - Money laundering - facilitating retention or control of property (including money) which is destined for or is the proceeds of terrorism.

Preventative Measures

14. **Internal Controls** – Regular audits and financial controls to identify risks.
15. **Due Diligence** – Screening of suppliers, contractors, and high-risk transactions.

16. Training and Awareness – Mandatory training for staff on fraud prevention and money laundering risks.

Reporting and Investigation

17. Any suspected fraud, corruption, or money laundering must be reported immediately to Director Risk & Governance.

18. Reports will be treated confidentially, and investigations will be conducted fairly and promptly.

19. Disciplinary and legal actions will be taken against individuals found to have engaged in fraudulent, corrupt or money laundering activities.

Risks and Controls

20. As part of our existing Risk Management Framework, we will assess fraud and corruption risks, including exposure to potential money laundering, on an annual basis. We will identify appropriate controls and ensure that these are in place and effective.

21. We consider that our key exposure to potential fraud, corruption and money laundering relates to receiving payments for rent and services charges. A customer may attempt to launder money by paying large amounts of cash, into their rent account and then requesting a refund.

22. Alternatively, a tenant may be subject to ‘cuckooing’. This is where a vulnerable person’s home is taken over for criminal purposes such as dealing drugs, facilitating prostitution or storing firearms. Last minute payment of rent arrears by a third party in order to prevent eviction may indicate cuckooing.

23. To control this risk we will:

- Ensure that all colleagues who receive payments on behalf of WHA or who have regular contact with customers are trained in anti-fraud, corruption and money laundering awareness.
- Monitor rent accounts and contact any residents where a positive credit is built up within the account or large, single over-payments are made.
- Monitor all refund requests.
- Maintain close contact with, and provide support to, any tenant at risk of losing their home through rent arrears or where investigations into anti-social behaviour suggest suspicious activity by third parties.
- Ensure that colleagues are aware of the need to raise a concern about an unexplained large rent account credit and/or refund request with the relevant manager(s).

- All credit balances and/or refund requests will be reported to the Finance Director, amounts over £10,000 will be reported to the Director Risk & Governance.

24. We are also conscious of potential risks in relation to:

- **Customer identity:** For all tenants we will request necessary documentation to validate the individual's identity. Before offering a tenancy, we will conduct affordability checks with housing applicants to satisfy ourselves that the individual(s) can afford to maintain the tenancy through legitimate means.
 - **Contractor Due Diligence:** When entering into a contract with an external provider we have a duty to ensure the contractor is bona fide, that the arrangement is legitimate and that it is not being entered into for money laundering purposes. Where a contract is worth more than £5,000 we will conduct due diligence on that company to be satisfied that they are a legitimate firm, conducting legitimate business with whom we are happy to do business.
25. **'Tipping off' risk:** Extreme caution is required when a suspicion of money laundering is triggered as it is a criminal offence to inform the person who is suspected of money laundering that a report is being made and/or that an investigation is underway. We will ensure that colleagues are aware of this risk and are guided in how to act when suspicions arise. First and foremost, colleagues will discuss their concerns with the Director Risk & Governance and no one else.

Responsibilities

Governance and reporting

26. The Board will assess the adequacy and effectiveness of policies, controls and procedures.
27. The Board will receive reports of suspicious activity (high level – no personal details) as part of routine reporting to each meeting.
28. As part of annual assurance reporting, a summary of prevention and awareness activity will be provided to the Board by the Director Risk & Governance.

Senior Management Team

29. The SMT is responsible for ensuring a strong anti-fraud, corruption and money laundering culture and overseeing the implementation of controls.
30. All team members attend mandatory training when requested and are aware of this policy and relevant procedures.

Employees, Contractors & Consultants

31. Employees, contractors and consultants are required to comply with this policy and report any suspicions of fraud, corruption or money laundering immediately to the Director Risk & Governance.
32. Employees and contractors must not share concerns with anyone other than the Director Risk & Governance or, where necessary, immediate colleagues/line manager.
33. Finance and Compliance Teams should monitor financial transactions and conduct due diligence activities.

Information sharing and record keeping

34. WHA will share all relevant information as necessary with the National Crime Agency (NCA) for the purposes of suspicious activity reporting.
35. The following documents will be retained confidentially and securely:
 - Evidence of customer identity for five years after the end of the relationship
 - For occasional transactions evidence of customer identity for five years after the date the transaction completes
 - Evidence of colleagues training
 - A record of reports made to the NCA will be kept with minimal details. This will be a password protected and restricted access document.

Training and awareness

36. WHA is committed to ensuring that all colleagues are equipped with the knowledge and skills required to identify and respond to fraud, corruption and money laundering concerns,
37. Regular awareness training is provided for all colleagues and specific training, and support is provided to the Director Risk & Governance or other suitably qualified employees.

Equality, Diversity & Inclusion

38. WHA will ensure the requirements of the Equality Act 2010 are met.
39. Actions under this policy will ensure that all employees will be treated fairly, with dignity and respect regardless of their age, disability, gender or gender reassignment, marital status or civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

Policy Review and Monitoring

40. This policy will be reviewed regularly to ensure its effectiveness and compliance with legal requirements.
41. The Board will oversee anti-fraud, corruption and money laundering reports and ensure proper action is taken while maintaining confidentiality.

References

42. Other WHA policies and procedures that may be relevant to dealing with Anti-Fraud, Corruption, and Money Laundering Policy, include:
- Confidential Reporting and Whistleblowing Policy

Document Control

Version Number	Description of Change(s) Applied and Reason	Author of Change	Date approved by board