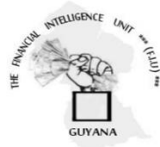


No. 3
June 10, 2020



Financial Intelligence Unit

Circular

“EMERGING MONEY LAUNDERING AND TERRORIST FINANCING THREATS AND VULNERABILITIES LINKED TO THE COVID19 PANDEMIC”

The Financial intelligence Unit takes this opportunity to alert reporting entities and all other AMLCFT stakeholders, including the general public, to remain vigilant during this period of the Coronavirus Pandemic (COVID19). Stakeholders are encouraged to continue to assess the money laundering and terrorist financing risks associated with the introduction or (in some cases) increased use of online services and digital platforms being utilised to facilitate non-face-to-face transactions, as has become necessary due to the social distancing protocols required due to the Pandemic. Specifically, the increased use of mobile and online banking and other digital services, increases the vulnerabilities and risks of phishing schemes and the likelihood of fraud.

With increased use of new business practices, products and services and new delivery channels, all being the result of constraints created due to the COVID19 pandemic, criminals are finding new and innovative ways to infiltrate the financial system, resulting in vulnerable institutions and individuals falling prey to many COVID19 related scams and becoming victims of fraud.

Financial Intelligence Unit
Ministry of Finance Compound
49 Main & Urquhart Streets
Georgetown, Guyana
Tel: 592-231-6781 Email: info@fiu.gov.gy

No. 3
June 10, 2020

It has been observed¹ and reported that criminals are taking advantage of the global health crises. The following fraud schemes² have been identified regionally and internationally:

- (i) Phishing schemes that prey on virus fears;
- (ii) Trafficking in counterfeit medicines, test kits, vaccines and services;
- (iii) Offering fraudulent investment opportunities;
- (iv) Fundraising using fake charities;
- (v) Procurement fraud that may involve PEPs
- (vi) Fraud based on non-delivery especially for goods and services directly related to fighting the Pandemic;
- (vii) Hoarding and price gouging of medical related items;
- (viii) Cybercrimes – Malware and Ransomware against government agencies and medical institutions that are directly involved in fighting the pandemic;
- (ix) Fraud based on fraudulent claims for government benefits/ grants and/ or unemployment claims.

Fraudsters are reported³ to be using the Covid19 crisis to engage in the money laundering and terrorist financing activities by seeking to engage in the following:

- (i) bypass customer due diligence measures;
- (ii) use of online financial services and virtual assets to move and conceal illicit funds; and
- (iii) increased use of the underregulated or unregulated financial sector

Reporting entities and all stakeholders are therefore urged to pay special attention to these threats and seek to identify and report suspicious transactions linked to such schemes. Reporting entities are encouraged to update and/or strengthen their AML/CFT policy and risk management systems to support a swift and effective response to COVID19 related crimes including money laundering or terrorist financing, while you continue to support the electronic and digital services and strategies implemented or promoted in light of the global health crises.

¹ FATF members countries and FATF Styled Regional Bodies survey and open source research

² [www://fincen.com.gov](http://www.fincen.com.gov), FATF Publication: COVID – 19 ML & TF risks and policy response, May 2020

³ [www://fincen.com.gov](http://www.fincen.com.gov), FATF Publication: COVID – 19 ML & TF risks and policy response, May 2020

No. 3
June 10, 2020

Note:

The information contained in this document is intended to bring awareness to the various fraud schemes being utilized by criminals during the COVID19 pandemic. It is not intended to be comprehensive. It does not constitute, nor should it be treated as legal advice or opinion.

Director
Financial Intelligence Unit
Guyana

Financial Intelligence Unit
Ministry of Finance Compound
49 Main & Urquhart Streets
Georgetown, Guyana
Tel: 592-231-6781 Email: info@fiu.gov.gy