

## 'No terror checks' on directors

**Thirteen suspected terrorists and thousands of alleged money-launderers are registered directors of UK companies, a BBC investigation has learned.**

File On 4 has also been told that a UK branch of a bank suspected of channelling funds to an organisation classed as terrorist by the US and other governments, has not been investigated by the UK's financial watchdog.

The boss of a company which helps banks vet their customers for money laundering and terrorism, says it is "horrifying" that Companies House does not check company directors for terror or organised crime links.

But a statement from the Treasury told the BBC it is satisfied that Companies House is not open to "terrorist exploitation."

The programme found several loopholes which could assist those wishing to fund terrorism.

**I hope no-one in government is complacent**  
William Hague, Shadow Foreign Secretary

The Shadow Foreign Secretary, William Hague, told the BBC, "I hope no-one in government is complacent, but it's very important we intensify our efforts."

Mr Hague has called for the government to act against Iranian banks in London, including Bank Saderat, which was accused by the US government of acting as a conduit for £30m in funds for Hezbollah, the Lebanese Islamist group.

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But File on 4 has discovered that nearly two years since the US authorities imposed sanctions on the bank, the UK's Financial Services Authority (FSA) has yet to send inspectors to investigate the allegations.

This was despite an invitation from Bank Saderat, one of the banks accused of channelling funds to Hezbollah, and strenuously denies the allegations and wants to clear its name. It says that its audit reports confirm its innocence.

The FSA refused to comment on why it had not interviewed Bank Saderat and added that such decisions were made on a case by case basis.

Meanwhile Companies House, which registers all UK based companies, is accused of making no checks on the criminal or terrorist links of company directors or secretaries, by World-Check, a company that runs databases for banks and other financial institutions of alleged terrorists and money launderers, cross-checked its lists against the register of company

directors.

The company found that thousands of money launderers and 13 alleged terrorists were involved in running UK companies.

### **Criminal checks**

Its CEO David Leppan, told the BBC: "As long as you're not a disqualified director you're perfectly entitled under current legislation and current guidelines to be a director of a UK company, which is a horrifying thought."

The Treasury, which refused to be interviewed, said it expected banks to check on directors' criminal links and so there was no need for this government agency to do so.

It added: "We have reviewed whether Companies House is open to terrorist exploitation, and concluded that Companies House rules do not pose any vulnerability of terrorist abuse of the financial system."

Britain's record on the issue was among the best in the world, it said.

But the biggest concern, according to some experts, is the fact that a new generation of young, home-grown, computer-literate jihadis is growing up.

**Fraud is not sexy, it takes a lot to look beyond what fraud is actually there for**  
Dc Mike Harris, Lothian and Border Police

Not only can they use the internet to spread their message, but they have now begun to use online fraud to fund their operations.

Det Con Mike Harris of Lothian and Borders Police, who recently investigated a £6m international credit card fraud with possible terrorist links, told the BBC, fraudsters had obtained credit cards in the US using bogus details.

The cards were "hammered" for as much money and goods as possible, causing the banks to close them when they could not find the owners.

But the cards were then shipped to the UK where "as long as they kept within the floor limit in uk the cards could continue to be used."

### **'Alert ignored'**

Det Con Harris said: "We had funds going to Pakistan, we had funds going out of the country to the near continent, we had funds that were just going and coming to the states again.

"It was picked up by one individual at American Express who became aware of one individual several times, who contacted several different police forces across the UK, trying to get them interested in it."

He added: "To use an old adage, fraud is not sexy, it takes a lot to look beyond what fraud is actually there for.

"The fraud is used for terrorism or people trafficking, and a lot of the time that is overlooked by the hierarchy in police and perhaps in government."

Story from BBC NEWS:

[http://news.bbc.co.uk/go/pr/fr/-/2/hi/programmes/file\\_on\\_4/7432249.stm](http://news.bbc.co.uk/go/pr/fr/-/2/hi/programmes/file_on_4/7432249.stm)

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