

Release: Immediate

## **World-Check exposes terrorists, financial criminals and disqualified directors in UK Companies House Register**

**LONDON, 21 February, 2008:** World-Check, in partnership with data quality specialist Datanomic, recently embarked on a project to screen the UK's Companies House register of companies, company directors and secretaries against World-Checks global database of high risk individuals and organisations. The underlying aim of the project was to identify the growing number of high risk individuals registering and operating businesses in the UK. The project involved screening 6.8 million names of active UK companies and their Directors and Secretaries using Datanomic's Sanctions & PEP Screening solution against World-Check's database of some 750,000 high risk individuals and businesses, including PEPs (Politically Exposed Persons), money launderers, fraudsters, terrorists, sanctioned entities and twelve other high risk categories.

The results were staggering with 3,994 exact matches of high risk individuals found to be registered in the UK. World-Check found 1,504 disqualified directors running current UK companies despite the existence of the Register of Disqualified Directors. Many of these Disqualified Directors are currently operating companies from prison. The screening also revealed 154 individuals involved in financial crime, 13 individuals who are either wanted by Interpol for terrorism or associated with terrorist groups and activities, 37 narcotics traffickers, nearly 1000 domestic and foreign Politically Exposed Persons and hundreds of individuals from many other high risk categories.

A further category of over 27,000 near matches were produced from the initial scan which are currently undergoing further investigation.

### **Who is hiding in the Companies House register?**

Results include among others:

- A Director of a UK company who is allegedly a representative of Hizb ut-Tahrir in the UK.
- Another individual, wanted by Interpol for terrorism and forgery, is listed in the register as Director of 12 UK companies.

- Two individuals, both suspects in foiled UK terror plots, are listed by Companies House to be Directors of several UK companies.
- A convicted fraudster, who served a 5 year jail sentence for selling false insurance, is listed as Director of 2 companies.
- Convicted criminals including a money-launderer and a fraudster sentenced to 2 years in jail for tax fraud.
- An individual accused of violating the US state securities law by defrauding investors of approximately US\$34million.
- A narcotics trafficker who appears on the USA Treasury OFAC list, and is the current Director of 3 companies in the UK.
- An individual who was sentenced to 16 months in jail following the seizure of narcotics is currently secretary of a UK company.
- A Director of a UK based company wanted by Interpol on fraud charges in Moscow.
- An Eastern European General who is facing United Nations war crimes charges is registered as the Director of one active UK registered company.
- It was also found that the following five foreign countries had the most PEPs operating companies in the UK, and hence posed the highest PEP risk: the Russian Federation (14), Germany (13) South Africa (12), Italy (10), and India (10).

All companies in the UK are registered with Companies House and file specific details as required by the Companies Act of 1985. With the roll-out of the Companies Act of 2006 in October 2008, these results pose some serious questions as to who is tasked with preventing such individuals and groups from operating in the United Kingdom and in turn gaining access to the financial system.

"These results are truly beyond belief in terms of the number of criminals that are permitted to register and in some cases operate companies in the UK. The problem seems to lie in the fact that Companies House is not required in its remit to actively screen applicants, therefore leaving the door open for terrorists, money launderers, narcotics traffickers and many others to actively participate in the UK economy without any checks or balances," said David Leppan, CEO and Founder of World-

Check. "These results serve as a grim reminder as to the dangers of complacency. It is clearly time for the UK government to broaden the qualifications for registering companies and directorships as a first defense against a range of criminal and terrorist activities."

"Screening your customer base against sanctions lists for known criminals, terrorists and PEPs should be part of responsible business practice," said Dr Jonathan Pell, CEO of Datanomic. "Regulated companies are required to do so by law, and it seems absurd that Companies House, which is an Executive Agency for the Department for Business, Enterprise and Regulatory Reform isn't required to do so. If the UK government is serious about prevention of criminal and terrorist activities, it should take a closer look at how directorships in UK companies are being used. Datanomic has screened more than 300 million customer records, which echo the disturbing findings of this latest survey."

World-Check has forwarded its findings to the relevant enforcement authorities for further investigation.

## **ABOUT WORLD-CHECK**

World-Check provides its global database of heightened-risk individuals and businesses to more than 2,500 institutions, including 47 of the world's 50 largest financial institutions, and hundreds of regulatory and enforcement agencies. The database is updated daily in real-time by World-Check's international research team, and is derived from hundreds of thousands of public sources. Coverage includes Politically Exposed Persons (PEPs), money launderers, fraudsters, terrorists and sanctioned entities - plus individuals and businesses from over a dozen other high-risk categories. World-Check's database and tools find direct application in financial compliance, anti-money laundering (AML), Know-Your-Customer (KYC), PEP screening, enhanced due diligence (EDD), fraud prevention, government intelligence and other identity authentication, background screening and risk-prevention practices.

World-Check offers a downloadable database for the automated screening of an entire customer base, as well as a simple online service for quick customer screening.

## **ABOUT DATANOMIC**

Datanomic's holistic approach to data management enables its growing list of European and North American blue chip clients to rapidly achieve a Return on Investment by exposing and correcting deficiencies in information the business relies upon. Our clients come from a wide spectrum of industries including financial services, telecommunications, government, professional services and engineering.

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