

Opening Statement

APP Fraud in Ireland

Good afternoon Chair and members of the Committee.

On behalf of the Garda Commissioner, I wish to thank the Committee for the opportunity to speak with you today. My name is Justin Kelly and I am the Assistant Commissioner with strategic responsibility for tackling organised and serious crime. One of the Bureaus under my remit is the Garda National Economic Crime Bureau (GNECB). My colleague, Detective Superintendent Michael Cryan from that unit joins me today.

Authorised Push Payment (APP) fraud is a term given by the Banking Industry to a situation where a criminal deceives a victim into willingly making a financial transfer to them. This type of fraud involves extensive social engineering and can take many forms for example invoice re-direction fraud, romance fraud, or investment fraud. In all cases, the deception creates the willing participation of the victim which bypasses any security measures put in place by the financial institution and allows the criminal to steal money from the victim.

In almost all cases, the initial payment is transferred to what is known as a money mule. A money mule is a person who transfers illegally obtained money between different payment accounts, very often in different countries, on behalf of the criminals. These types of crime are simply not possible without money mules. Once received into the mule account, the funds are rapidly dissipated through the legitimate banking channels to the ultimate benefit of the controlling organised crime group.

The criminal offences committed by this behaviour are deception and money laundering. Deception is an offence contrary to section 6 of the Criminal Justice (Theft and Fraud Offences) Act 2001, and money laundering an offence contrary to section 7 of the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021. Both are serious criminal offences that attract maximum prison sentences on conviction on indictment of five years and ten years respectively. These crimes are potentially devastating for victims and their families. By the very nature of these crimes we know they are underreported. These are often extremely lucrative crimes for criminals and this is a growing crime area both here and internationally.

The Garda National Economic Crime Bureau is responsible for the investigation of the most serious and complex economic crimes. They play a proactive role in the prevention, disruption, detection, and investigation of economic crime. They also provide support and assistance to Regional and Divisional Garda investigators and provide training in the form of a UCD accredited Post-graduate Certificate in Fraud and E-crime investigation and a specialised course in money laundering investigation. To date, GNECB has trained 680 and 200 investigators in each of the respective courses, and these members are available in each Garda Division throughout the country.

The resourcing of GNECB was the subject of the 2021 Hamilton Review Group. This recommendations of this report have been accepted and are currently being implemented. GNECB recently held a competition to fill vacancies at all ranks, including forensic accountants and forensic analysts.

An Garda Síochána works closely with the Departments of Justice and Finance, the Central Bank of Ireland, Europol, Interpol and the wider policy and law enforcement community on economic crime and anti-money laundering issues. GNECB co-chairs a number of public private partnerships with the Banking Payments Federation of Ireland and the financial industry to address economic crime in a collaborative manner. GNECB has had success in working with Internet Service Providers and Web-hosting platforms to remove information that sought to recruit victims and money mules.

Ireland has a strong legislative framework to deal with economic crime. An Garda Síochána utilises the organised crime legislation where appropriate, because organised criminal groups are behind almost all economic crime. Many of such groups are transnational in nature. An Garda Síochána is engaging with the Department of Justice and the Hamilton Implementation Group to strengthen some legislative areas to increase the efficacy of criminal investigations in this area.

An Garda Síochána has had recent successes in the international arena in relation to economic crime. Operation SKEIN is an investigation into an international Organised Crime Group (OCG) committing business email and romance frauds worldwide, and laundering the criminal proceeds through mule accounts in Ireland. Over 300 people have been arrested at each level of the OCG from mules, to herders and facilitators, to those at the very top controlling the OCG in this jurisdiction. Six individuals have recently been convicted under our stringent organised crime legislation.

In conclusion, An Garda Síochána is fully committed to a victim-centric approach by fully investigating any criminal matters reported to them to the fullest extent of the law.

If any member of the Committee has any questions both my colleague and I are keen to assist.

Thank you.