

Leading an Enterprise-Wide Response During High-Risk Integrity Events

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May 2026

Integrity failures don't start
with fraud...
They start with pressure

Pressure

High Risk events are pressure events and pressure changes behaviour

- Volume spikes
- Urgency
- System constraints
- Human fatigue
- Customer escalation

Bullion Behaviour

Bullion attracts extreme behaviours

- Fear-driven buying
- Urgency-driven selling
- Distrust
- Escalation mindset

What Is a High-Risk Integrity Event?

A convergence of:

- Operational strain
- Customer impact
- Financial crime exposure
- Reputational risk

Examples in bullion:

- Orders not captured due to system failure
- Delayed processing during price swings
- Customers attempting to structure transactions
- Third-party payments increasing

Fraud Risk Amplifiers Under Pressure

Common patterns observed:

- Structuring transactions to avoid thresholds
- Increased use of third parties (“on behalf of”)
- Identity inconsistencies overlooked
- Repeat rapid transactions across locations

Why it happens:

- Staff prioritizing speed
- Reduced scrutiny at peak volume
- Alert fatigue

Control Failures



Fraud indicators appear in bullion-related suspicious reporting

AUSTRAC analysis identified fraud indicators in:

- 11% of bullion SMR reviews
- 15% of third-party SMR reviews
- 35% of intelligence report reviews

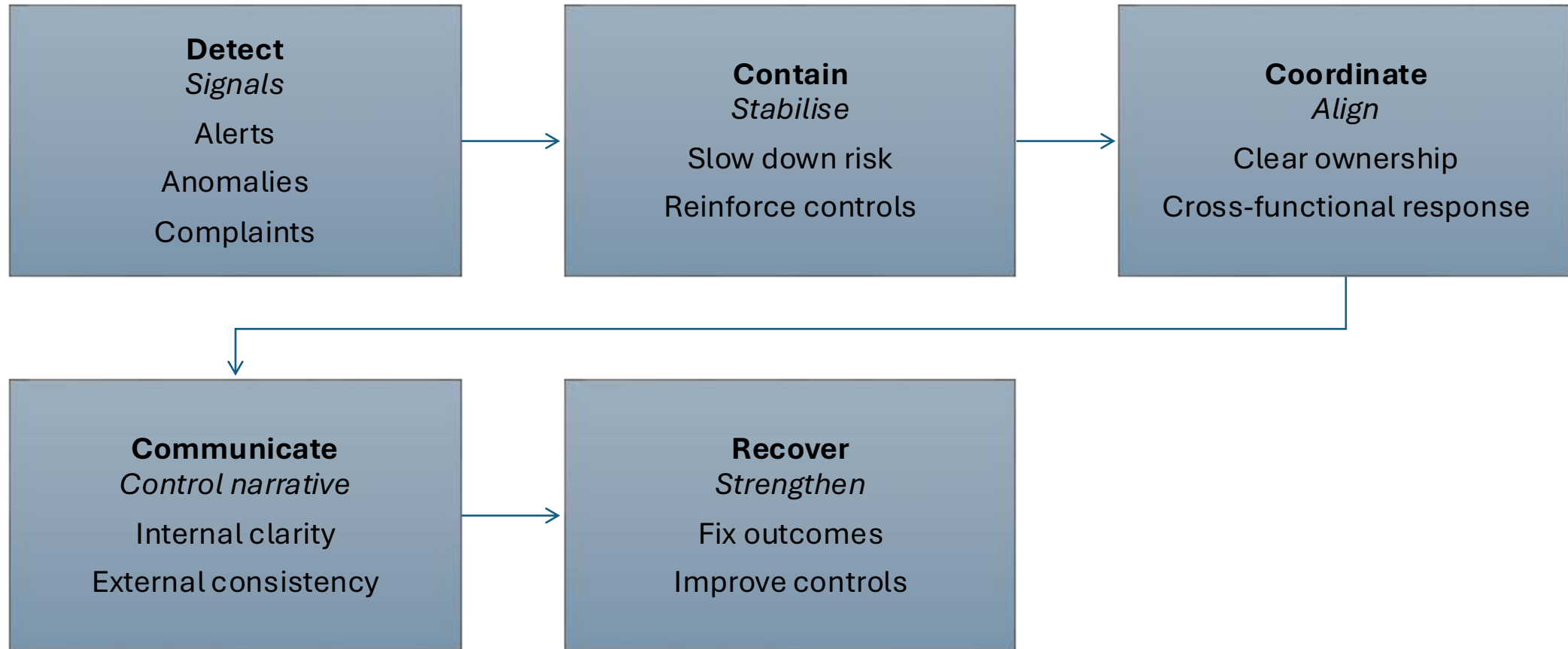
Common indicators included:

- Fake or stolen identity documents
- Credit card fraud
- Business email compromise

Source: AUSTRAC Bullion Dealers Risk Assessment

Enterprise Response Model – Integrity Under Pressure

DETECT → CONTAIN → COORDINATE → COMMUNICATE → RECOVER



Saying No

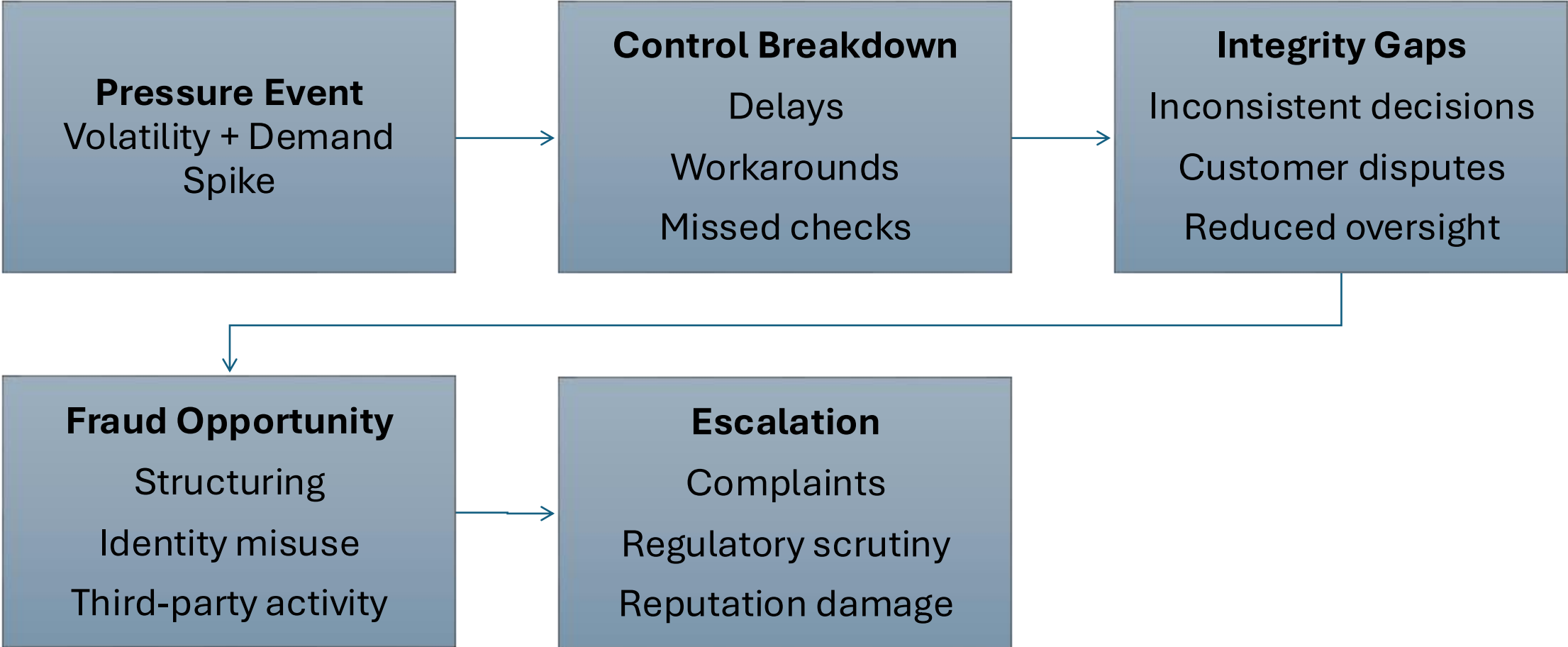
Saying no is a control

Most organizations don't lack frameworks.

They lack the ability to execute them consistently under pressure.



What Happens When the Model Breaks



Stakeholder Pressure



Regulators

Expect timely,
transparent engagement



Board

Needs clarity on
exposure + response



Customers

Expect fairness +
consistency



Media

Risk of narrative
escalation

Case Study: Identity Fraud During High- Volume Onboarding

Scenario:

- Sudden surge in new customer onboarding during price spike
- Digital ID verification volumes increase significantly
- Multiple accounts created within short timeframes

What We Observed:

- Reuse of similar ID documents across accounts
- Slight variations in personal details (name, DOB)
- Multiple accounts linked to similar contact details
- Transactions initiated shortly after onboarding

Control Gaps:

- Reduced manual review due to volume
- Over-reliance on automated verification
- Delayed escalation of “borderline” matches

Fraud Risk:

- Synthetic or stolen identities
- Mule account creation
- Rapid movement of funds/assets



Case Study: Fulfilment & Delivery Risk Under Pressure

Scenario:

- High demand leads to increased outbound shipments
- Use of third-party couriers at scale
- Split consignments to meet partial stock availability

What We Observed:

- Customers reporting non-receipt of parcels
- Discrepancies in delivery confirmations
- Increased redirection or delivery change requests
- Multiple delivery addresses linked to same customer

Control Gaps:

- Reliance on courier scan/signature data
- Limited real-time verification of delivery changes
- High volume reducing investigation speed

Fraud Risk:

- False non-delivery claims
- Interception or redirection fraud
- Collusion or impersonation at delivery point



Key Takeaways

Pressure creates opportunity

Controls must work under stress

Monitoring must adapt in real time

Coordination is critical

Trust is the ultimate outcome