

Welcome

A look at
Financial Analysis / Investigation

Presented by
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Financial Analysis / Investigation

Who's who and what's what in Money Laundering?

- Money Laundering... what do you understand by this term?
- Is Money Laundering the only thing we need to look at?

Let's categorize criminals

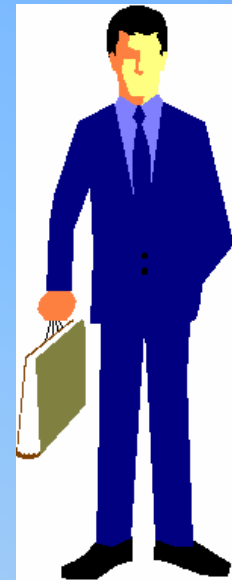
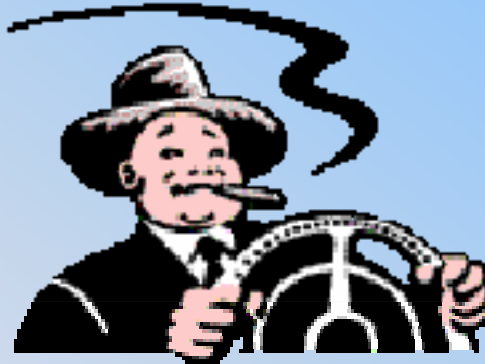
Why categorize? Because it helps us to understand basic concept and also assist with deployment of resources.

For the purpose of this exercise let's put them into three groups:

Street level



Middle level
(Often over-looked)

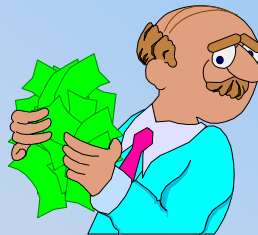


Organized Crime
(Sometimes thought
of as 'untouchable')

Why do people commit crime ?



Simplistically:
for GAIN / GREED





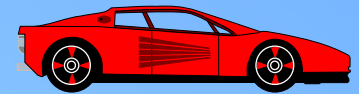
**** For the Criminal ****



GAIN / GREED

=

POWER and Property



(Which, unchecked can confused for 'Respect')



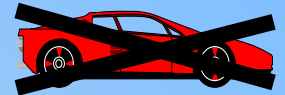
**** For Law Enforcement ****



**Their GAIN / GREED
should = Their weakness !**



Which, managed properly can lead to their down fall.



*Law Enforcement includes agencies such as: Police, FIU, public prosecutors, state security agencies, the intelligence services, financial sector supervisors/regulators, tax officials and customs officials.

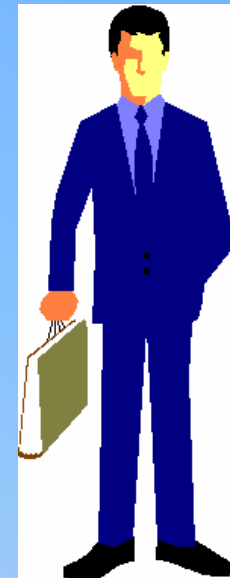
Why weakness ?

Let's look at how criminals use the proceeds of their crime
(And stay with our three groups)

Street level



Middle level
(Often over-looked)



Organized Crime
(Sometimes thought
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Where does the 'threat' come from?

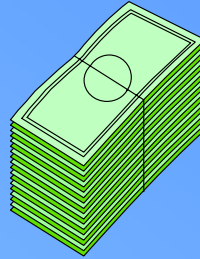


1. Domestic criminals who only commit crime within your country and keep all the proceeds within the country.
2. Domestic and foreign criminals who commit crime within the country but place the money outside the country.
3. Foreign criminals who do not commit crime within your country but use your financial systems to hide their proceeds.

Which group do you see as posing which type of 'threat'?

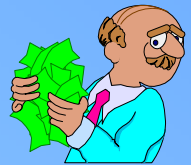
Each poses a slightly different threat and, in part, need its own solution.

Stages of Money Laundering



The phrase 'money laundering' covers all procedures to change the identity of illegally obtained money so that it appears to have originated from a legitimate source.

Placement : The physical disposal of cash proceeds derived from illegal activity.



Layering : Separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity.

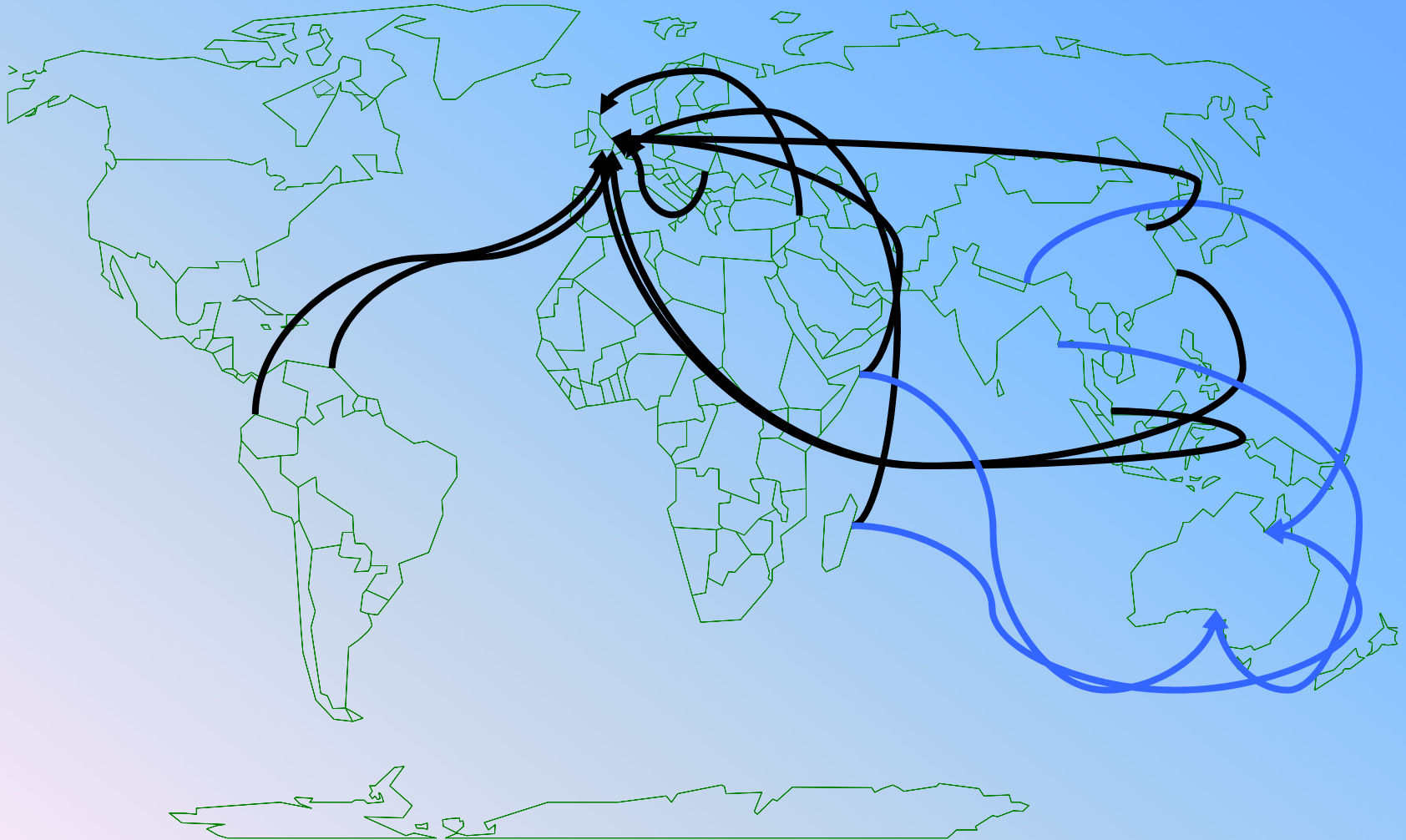


Integration : The provision of apparent legitimacy to criminally derived wealth. If the layering process has succeeded, integration schemes place the laundered proceeds back into the economy in such a way that they re-enter the financial system appearing as normal business transactions.

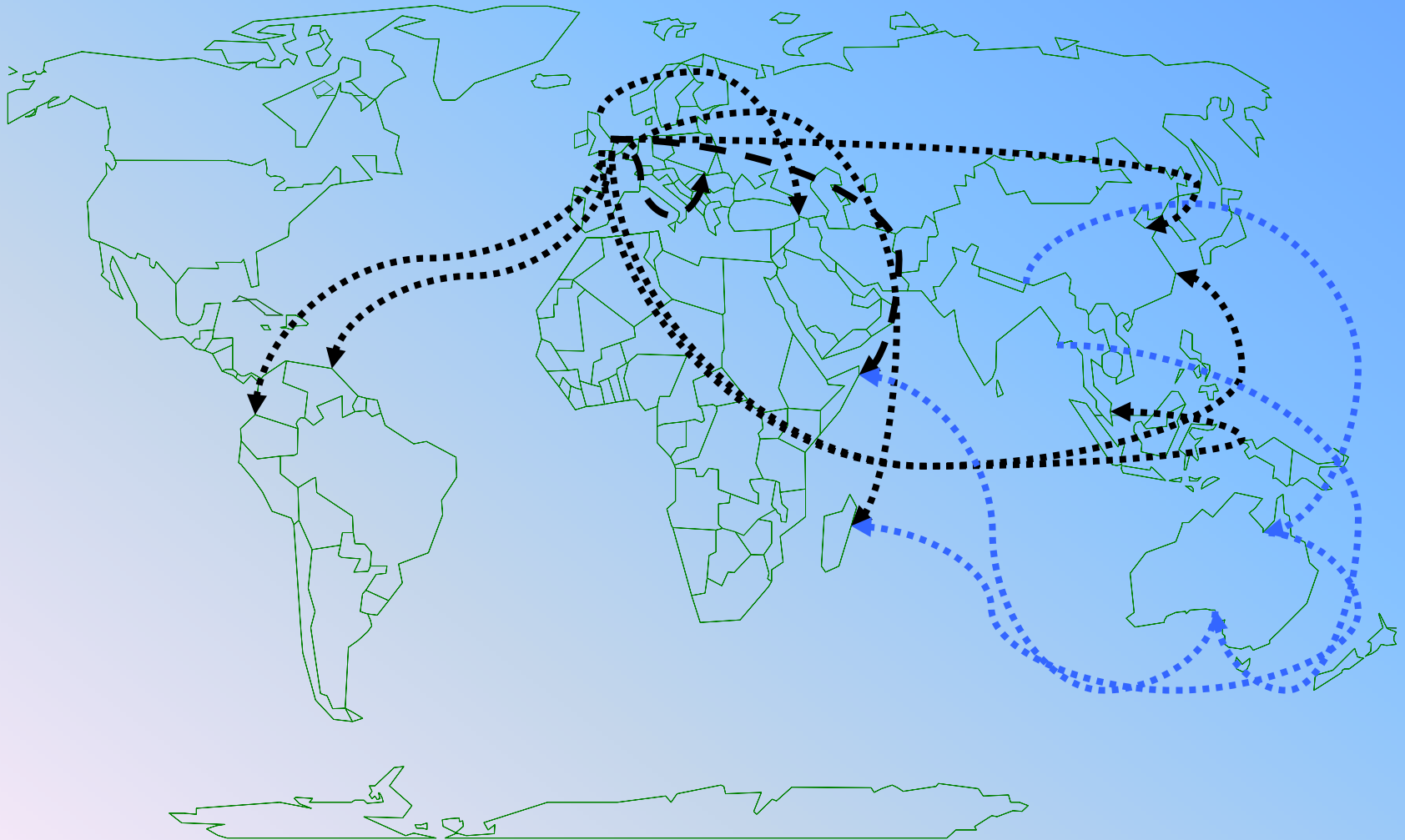


It is important to remember that there is no one method of money laundering. The greater the complexity of the laundering often reflects the sophistication of the criminal or crime group. The three basic steps may occur as separate and distinct phases. They may occur simultaneously or, more commonly, they may overlay.

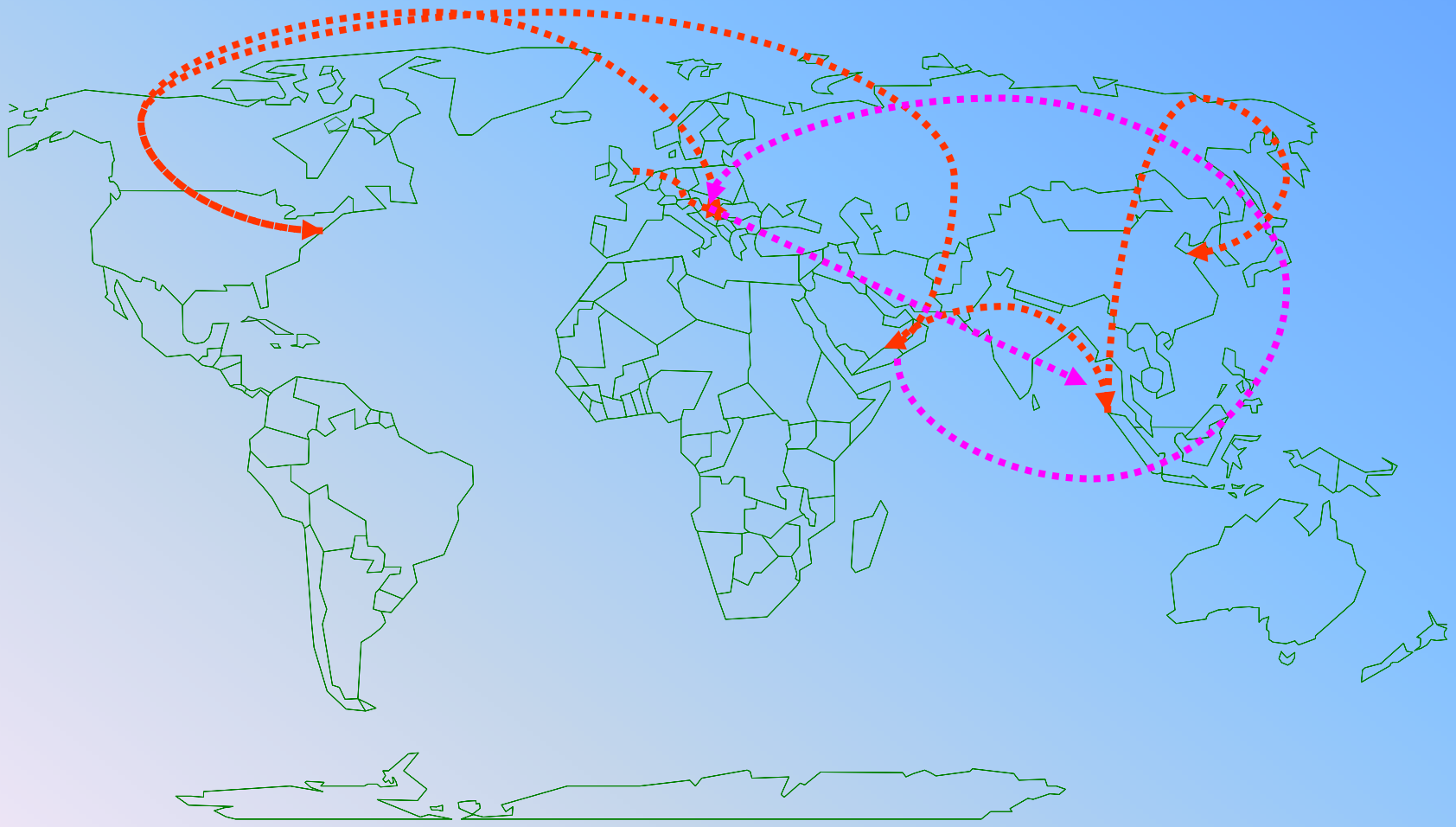
If these routes signify the movement of illegal commodities



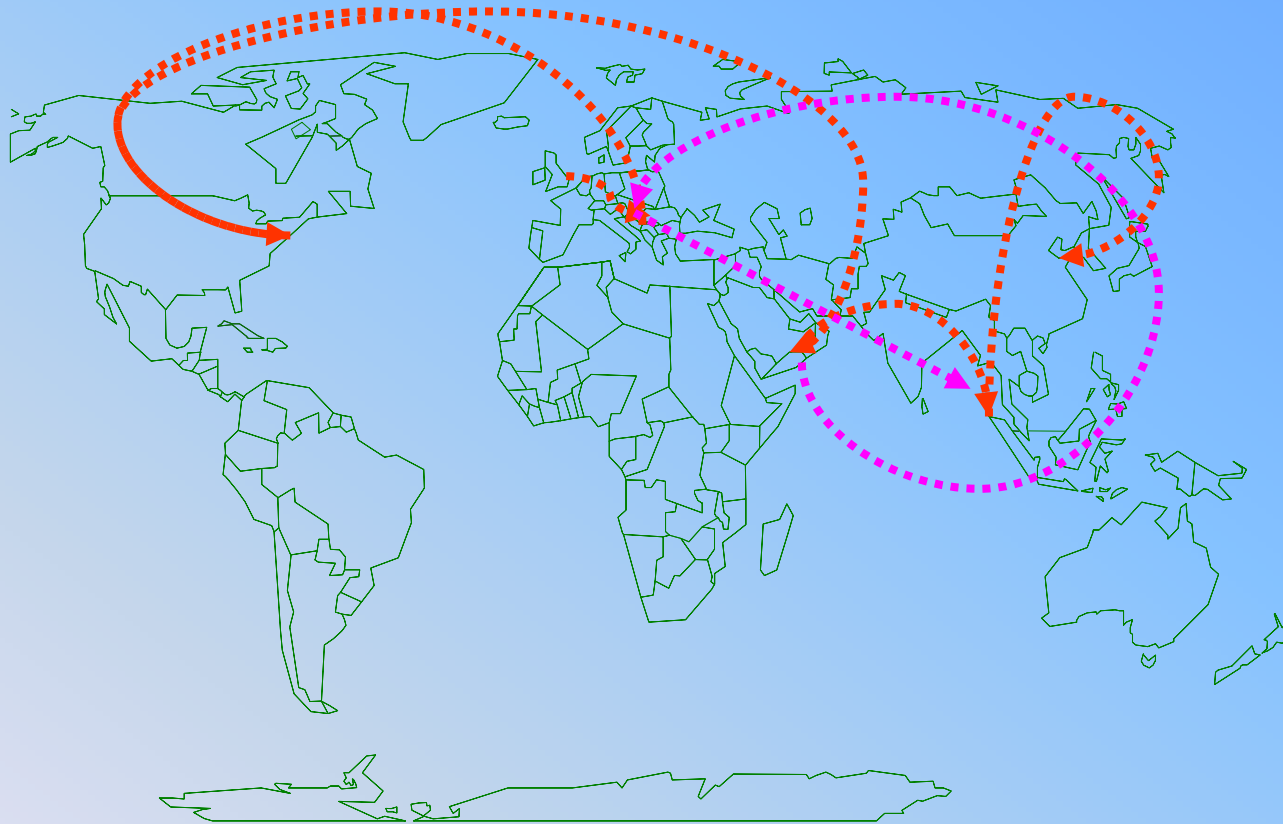
Does the money follow the same routes back?



Money routes are unlikely to follow illegal commodity routes



Where does the profit go?



Country of Distribution

Fee's from 'street' collection / profit.

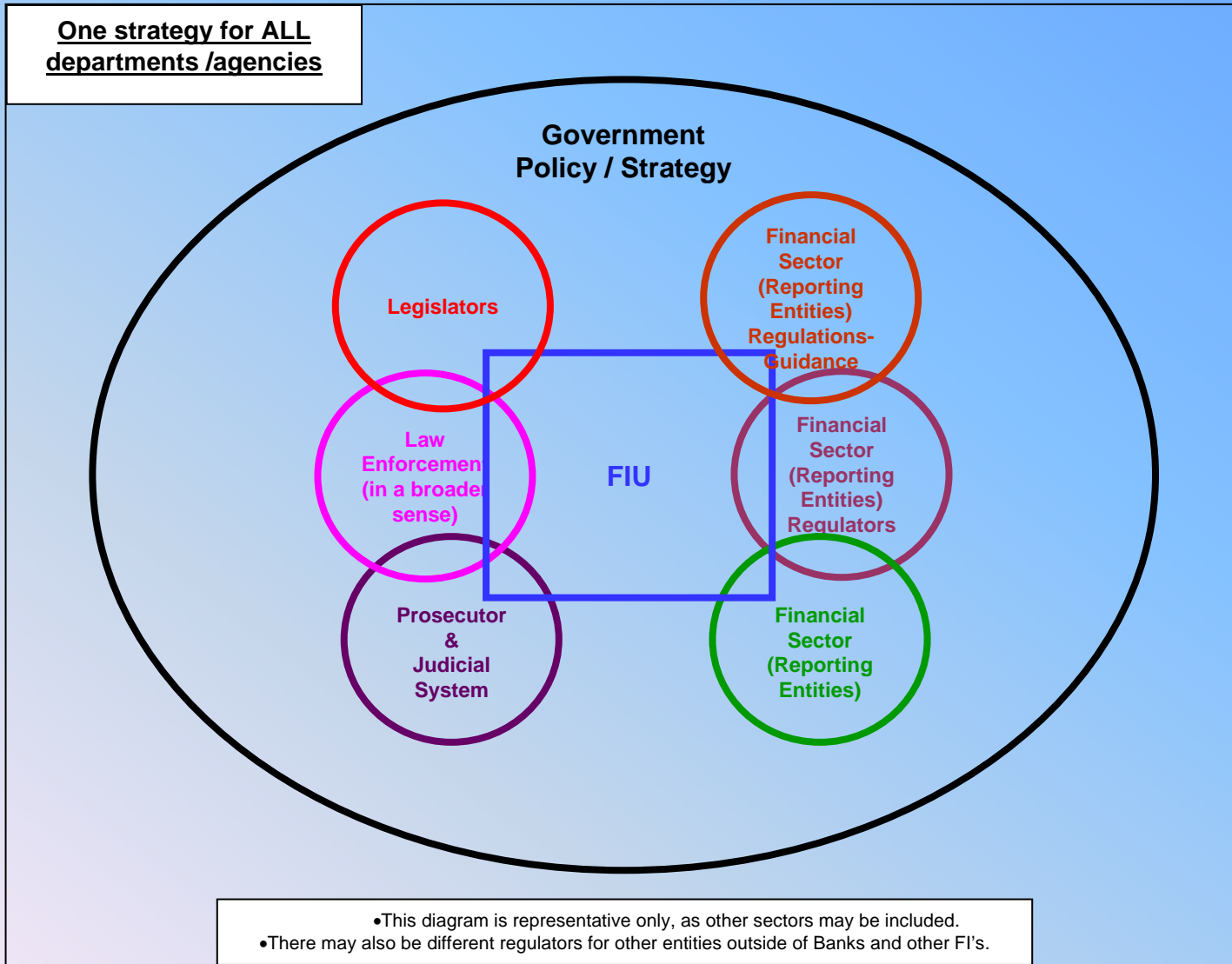
Transit Country(s)

Logistical fees:
- transport – hiding of commodity.

Source Country

Original shipment price
+ % of profit.

PROFIT from crime and MONEY LAUNDERING...



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