

Money Laundering Summary & Review

The purpose of money laundering is to :

- Illegitimate fund and making legit
- Transfer restricted grant \$ to discretionary funds
- Take \$ into suitcase to other countries

1. The first step in money laundering is deposit in a bank or financial institution.

An important factor in creating a money laundering operation is successful crime activity.

Reasons most money laundering schemes get uncovered:

- Bank officials
- 3rd party squealer!

How we find out about money laundering activities

Bank or Squealer (3rd Party)

Under 10,000

Bank must file none of the following:

- Currency Transaction
- Over Currency Report
- International Transportation of currency
- Money Report

Difference between an off shore bank and a shell bank. Slide 11 & 12

The easiest documents to falsify are **paper documents**.

SAR

MLAA- most important legislative act money laundering (2001)

Patriot Act

- CC Companies
- Pawn shops
- banks

HTTP Log Files

- Size of requested files
- IP Address activity of the visitor
- **Address of the website that visitor came from**

IP-geographic location

Tracert program traces the path of internet data packets back to the IP address

Due Diligence (avoid money laundering)

- Background checks
- Pay stubs
- Verify documents (ORIGINALS)

Money launderers prefer to establish relationships with company who operation are characterized by **large cash flows**.

Sign of money laundering is **prepayment on a credit card.**

Concentration Accounts – used by banks temporarily hold cash deposits.

Suspense Account

Bearer share: used to identify ownership of in a company it mean only the person that presents it is the bearer.

Keylogger : records all keystrokes.

Americas Software Transaction Monitoring (ASTM)

Suspense

Smurfing – frequency transfer of funds too small to trigger

Digital currency exchanges –gold

Digital currency anonymous money transfer over the Internet

e-currency multiple international bank accounts

Bitcons are encrypted monetary values.

Bitcons expanded over the internet based on bitcons that are already existence.

KYC-Know Your Customer

Structuring: sequence of withdrawal all below \$10,000

International Money Laundering Abatement & Financial Anti-Terrorism Act

Family Trust Flee Clause: if trust documents automatic transfer to another jurisdiction if the trust is under investigation.

Correspondent banking take place when one bank provides services to another bank to move funds, currencies, or investment services.

Hawal bank is bank that transfer funds to and from unofficial or off the grid banks.