

# Money Laundering

Pssst!

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# Money Laundering

- Processing proceeds of crime or corruption
- Concealing income of funds
  - Concerned with **source of funds**
  - Placement
  - Layering
  - Integration

# Terrorism Financing

- Financial support of terrorist organizations
- Concealing source of funds
  - Concerned with **destination of funds**
    - Financial support
    - Income generating activities
- Reverse money laundering?

# Political Motivations

- 1930s: Prohibition
- 1980s: War on drugs
- 2000s: War on terrorism
- 2010s: Tax evasion
- 2020s: ???

# Clean Money

- What makes money **clean** or dirty?
- What do you want to achieve?
- What is **legitimate** income?
- Are Bitcoins clean? Social construct!
- **Taxed income, and a good back story!**

# Money Laundering Tools

- Structuring, smurfing
- Smuggling
- Cash businesses (high margins)
- Trade-based
- Shell companies
- Round-tripping
- Black salaries

# Don't Launder a Billion Dollars!

- What can you buy with **cash**?
- Where can you deposit cash?
  - Used cars
  - Food and beverages
  - Jewellery
  - Gift cards
  - Bitcoins
  - Gold

# Don't Launder a Million Credit Cards!

- What can you buy with credit cards?
  - Electronics
  - Songs and ebooks
  - Licenses
  - Gambling and cryptocurrency?



# Don't Launder a Thousand Bitcoin!

- What can you buy with bitcoin?
  - Gift cards
  - Flights and hotels
  - Electronics
  - Altcoins and Cryptokitties

# Don't Launder Anything Else

- Tide detergent
- Art and cars
- Patents
- Licenses

# The Future of AML

- Financial trails often easier to follow than criminal activity
- Cryptocurrency does not need to enter or leave any system at all, no need to launder it
- **Fungibility** of cash and cryptocurrency
- Golden bullrun of crime and mayhem?

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