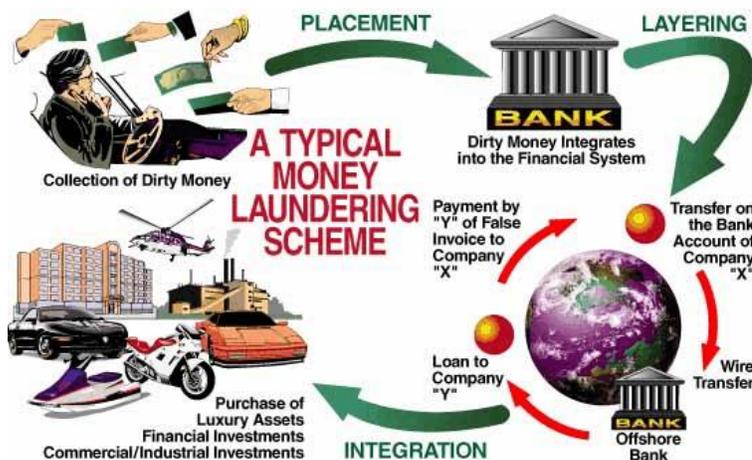




The Money-Laundering Cycle



Money-laundering is the process that disguises illegal profits without compromising the criminals who wish to benefit from the proceeds. There are two reasons why criminals - whether drug traffickers, corporate embezzlers or corrupt public officials - have to launder money: the money trail is evidence of their crime and the money itself is vulnerable to seizure and has to be protected. Regardless of who uses the apparatus of money-laundering, the operational principles are essentially the same. Money-laundering is a dynamic three-stage process that requires:

- placement, moving the funds from direct association with the crime;
- layering, disguising the trail to foil pursuit; and,
- integration, making the money available to the criminal, once again, with its occupational and geographic origins hidden from view.

These three stages are usually referred to as placement, layering and integration.

