



Dirty Money! International AML Fundamentals

What You Can Do to Combat Money Laundering

Whether you're in banking, finance, government, law enforcement, accounting, real estate, law, an individual investor, or own a business, there are practical things you can do to identify money laundering.

1. Watch and Know. Keep your eyes open. Always know who you're doing business with, how much money is in play, and who are all the parties involved. Look for any money laundering red flags. If someone wants to invest in your business, do your homework, know the financials, and always be careful of cash transactions. If something doesn't make sense to you, or seems too good to be true, you should pass on the deal.

2. Learn About Money Laundering Schemes. Criminals continually develop new tactics, so you need to keep up on what's going on. The more you know, the more able you will be to detect any attempts at money laundering throughout your business. Consider how the three stages of money laundering (placement, layering, and integration) relate to your particular industry. Remember that criminals are always looking for new and creative ways to hide and move money, so learn your industry well and look for loopholes, backdoors, and any tools criminals could use to hide their tracks.

3. Do your due diligence. Thoroughly investigate clients, strategic partners, vendors, investors, or trading partners so you can confidently say that you've done your due diligence. This means doing background checks, confirm identities, know where entities are registered, and know the full nature of the business. Check government sanctions lists with the US Office of Foreign Assets Control (OFAC), the EU, and the United Nations. Additionally, check that any individuals you do business with are not on any international sanctions list and be very cautious of doing business with any politically exposed persons (or PEP's). A PEP is someone who is or has had prominent public function that might be susceptible to corruption such as senior political or military figures, executives in government owned companies, senior members of law enforcement agencies or religious organizations.

4. Report. When you see suspicious activity, you should immediately report it to your local law enforcement, state, or government office that investigates criminal financial activity. Reporting may be different based on your country and jurisdiction, but it is your responsibility to know who, where, when, and how to report.

Fighting crime and corruption is a big job and we all need to work together to build an ethical culture in our industries and do everything we can to promote honest, ethical business practices. So, no matter what your role and industry, remember that preventing money laundering is everyone's responsibility and it starts with you.