

## **TPOLOGY 1. Money laundering by an organized crime group engaged in drug trafficking**

Financial investigation has uncovered a multi-million dollar money laundering scheme that was set up and used by an organized crime group (hereafter OCG), which carried out drug trafficking from *Country C* (which is considered to be a high-risk drug transit and trafficking country) into *Country A* by using multiple payment terminals, e-wallets and bank cards.

Detailed analysis of the filed STRs has revealed that the funds in small and approximately same amounts were frequently deposited to the bank accounts of an affiliated group of individuals (approximately 150 persons) via payment terminals. Upon the receipt of these funds, similar transfers were carried out (same amount ranges, high-risk geographical area close to the *Country C*, same group of beneficiaries, etc.).

In its money laundering scheme, the OCG exploited high-risk payment systems (digital wallets), that banks have a low capacity of monitoring.

Initially, individuals in *Country A* made frequent cash deposits in small amounts from multiple payment terminals to the various bank card accounts. Later, they transferred these funds to each other's bank card accounts, as well as to the other bank card accounts and e-wallets. Funds transferred to the e-wallets were then sent to the above-mentioned bank card accounts.

The main suspect (located in *Country B*), that was in charge of the movement of funds obtained from drug trafficking in *Country A*, had appointed several persons to collect money in *Country A*.

A small share of the collected funds were shortly withdrawn from ATMs located at different addresses in *Country A*, the rest was transferred to the main suspect in *Country B*. The latter was subsequently transferred to the bank card accounts opened by the main suspect under the names of a number of citizens of *Country B*. As for the money from the e-wallets (payment system registered in *Country D*), they were also transferred to the main suspect in *Country B*.

By the help of the ATM camera footages, it was determined that the bank cards of a number of persons (including a person currently in custody) were used by third parties. Moreover, it was revealed that the transactions conducted from these bank card accounts did not correspond with the customer profile of the bank card owners.

Among them were several citizens of *Country C*, who were residing in *Country A*. One of the citizens of *Country C*, the founder of *Company ABC* in *Country A* transferred a share of the funds received via the above-mentioned scheme to another citizen of *Country C* working as a subordinate at *Company ABC* (however, no facts confirming the company's involvement in this scheme were identified).

In addition, a number of persons of *Country A* transferred small amounts of funds to persons of *Country C*. Although *payments in accordance with loan agreements* were indicated as the

purpose of the above-mentioned transfers, significant difference between the total amounts of credited funds and the amounts indicated in the loan agreements was identified.

It was also revealed that some members of the OCG (persons with registration addresses or relatives located in the areas close to *Country C*) had previously been convicted of drug trafficking and organization of drug trafficking, as well as fraud.

During the analysis of funds credited to the bank cards via fast electronic payment systems, it was determined that the money were sent from the stolen bank cards. These funds were credited from persons of different nationalities, usually with slightly changed names, including those with names similar to celebrities.

#### **Mechanisms used:**

- bank;
- internet payment services.

#### **Tools used**

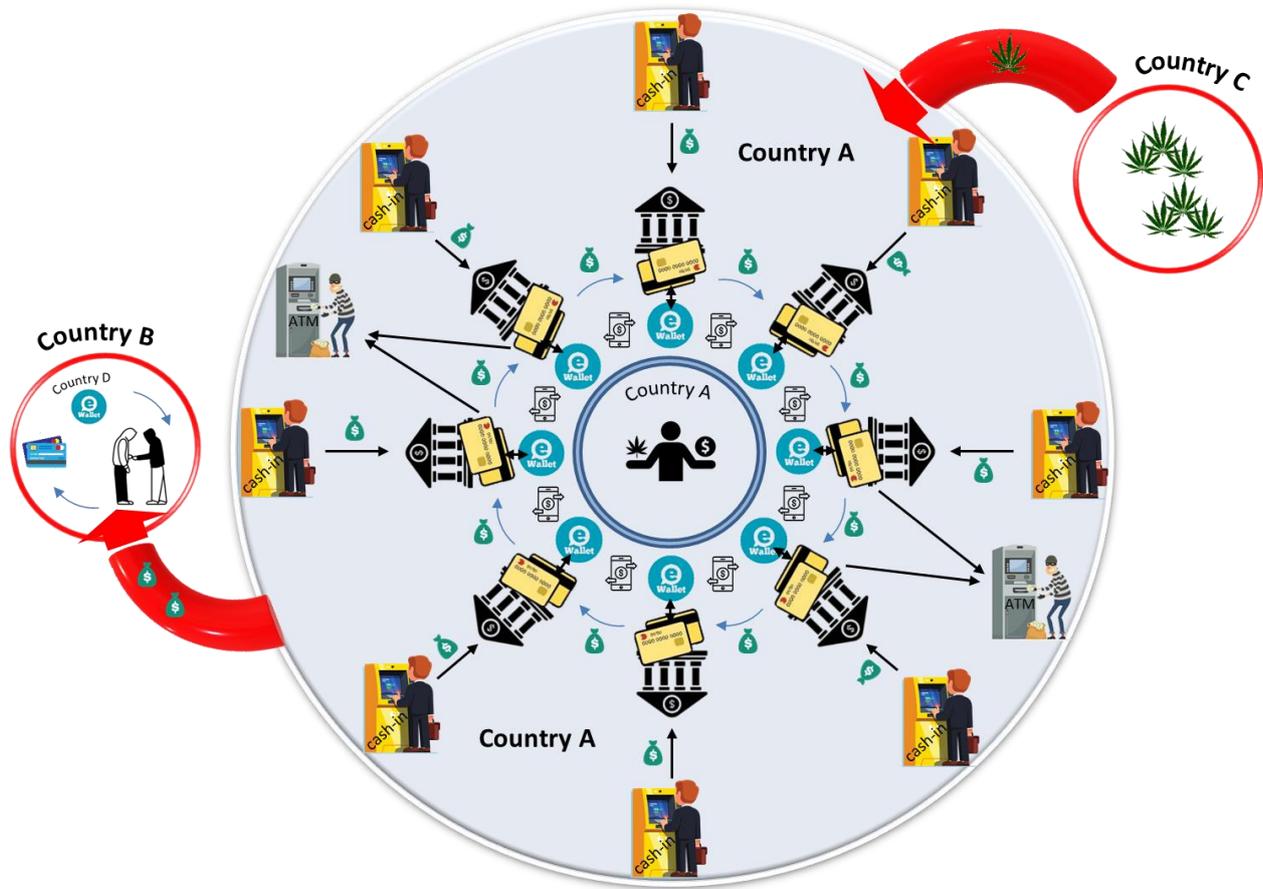
- cash-in payment terminals;
- ATMs;
- digital wallets;
- bank cards;
- wire transfers.

#### **Methods used:**

- use of new technologies, electronic / mobile transfers and payments;
- smurfing.

#### **Methods used (indicators):**

- Frequent transactions of small amounts carried out via bank card accounts with high bank balance that do not correspond with the customer profiles;
- Small amounts of money frequently credited to the bank card accounts of individuals from digital wallets;
- Individuals were previously accused of drug trafficking;
- Citizens of countries considered to be at high risk for drug trafficking, as well as persons with a registration address in the areas located at the border with the high-risk country;
- Transactions are carried out by persons who stole bank cards and use them for transferring funds;
- Structuring criminally obtained funds by transferring funds in small amounts from a large number of persons to several persons (smurfing), and then to another person in a foreign country;
- Withdrawal of funds by third parties;
- Information provided by the individuals on the source of the funds cannot be confirmed or individuals refuse to provide this information;



*Money laundering scheme of funds obtained from drug trafficking*