



'We need to hit terrorists and criminals in their pockets – cutting off their access to money is a vital part of preventing their crimes.'

European Commissioner Julian King, Security Union, 7 June 2018

Online Module: Executive Summary

Money laundering is the process of disguising the proceeds of crime so that they appear to have a legitimate origin. It is of critical importance to organised crime and terrorist groups, as without it they would be unable to use the moneys they generate from their criminal activities, the so-called 'predicate crimes', such as drugs trafficking, protection rackets and fraud.

The scale of money laundering is vast. The United Nations Office on Drugs and Crime (UNODC) estimates that between EUR 715 billion and 1.87 trillion is laundered each year – between 2 and 5% of global GDP. Thus it presents a serious threat to the security and stability of the legitimate financial systems and institutions of Europe and the world.

To combat organised crime and terrorist financing, it is essential to 'follow the money' and successfully investigate and prosecute money laundering, and to complement this with effective asset recovery to deprive the criminals of the proceeds of their crimes.

The purpose of this module is to give users a broad understanding of money laundering and the related phenomena of terrorist financing and asset recovery. It covers operational and investigative activities as well as legislation and trends in these domains. It targets those police and law enforcement officers, border guards, customs officers, prosecution and judiciary staff, who conduct cases and investigations related to money laundering, and cooperate in this matter with colleagues from other EU Member States or non-EU countries.

The module consists of an introduction, 10 topic chapters and a glossary of terms and abbreviations related to money laundering. In the My Progress section, users can assess their levels of understanding of each of the topics by considering a selection of questions and true/false statements.

The individual chapters are:

1. **Introduction**
2. **Modi Operandi:** This chapter describes in detail the various modi operandi used by criminals to launder money.
3. **Anti-Money Laundering Measures:** The subject of this third chapter is the preventive anti-money laundering approach. This needs to be adopted globally, in accordance with the Financial Action Task Force (FATF) Recommendations and relevant EU directives.
4. **Terrorist Financing:** This chapter describes what terrorist financing is and its features, including its modi operandi, the measures introduced to combat it, and the applicable legislation – the FATF Recommendations, EU directives and other international legislation.
5. **Sources of Information:** This chapter provides an overview of information sources available to investigators involved in money laundering cases. This information can be used in the analytical work, financial investigation and prosecution of money laundering.
6. **FIUs:** This chapter deals with the roles of the different types of Financial Intelligence Units (FIUs), which coordinate efforts to prevent and detect money laundering.
7. **International Cooperation, Networks and Bodies:** This chapter focuses on the support provided by international organisations (such as the FATF and the Egmont Group), networks (such as the AMON network), and cooperation tools (such as joint investigation teams, JITs). These provide the means to facilitate and enhance operational cooperation between Member States and with non-EU countries.
8. **Investigation and Prosecution:** In this chapter, the most important parts of the anti-money laundering investigation process are described – from when the crime is detected, investigated and prosecuted, and the suspects are identified, accused and convicted.
9. **Asset Recovery:** This is closely related to money laundering. This chapter covers the process of asset recovery, specifically the identification, freezing, management, confiscation and disposal of criminal proceeds. It also discusses international cooperation and other aspects.
10. **Obstacles and Challenges:** This chapter discusses the main obstacles and challenges faced in combating money laundering, terrorist financing and asset recovery.
11. **International Instruments and Directives:** This final chapter describes the international legislation used by law enforcement to prevent and combat money laundering.