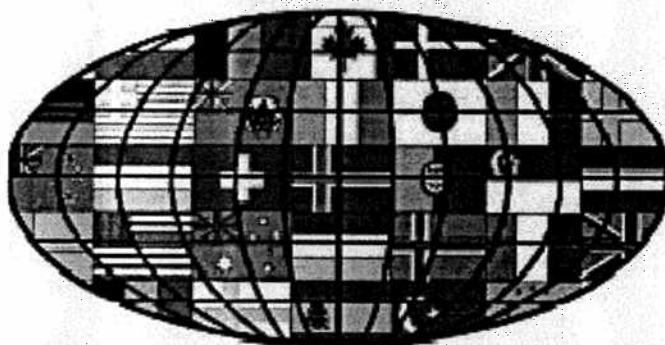


**FINANCIAL ACTION TASK FORCE ON MONEY LAUNDERING  
GROUPE D'ACTION FINANCIÈRE SUR LE BLANCHIMENT DE  
CAPITAUX**



**1996-1997 REPORT ON  
MONEY LAUNDERING TYPOLOGIES**

**February 1997**

# **FATF-VIII REPORT ON MONEY LAUNDERING TYPOLOGIES**

## **I. INTRODUCTION**

1. The group of experts met in Paris on 19-20 November 1996 under the chairmanship of Mr. Stanley Morris, Director, Financial Crimes Enforcement Network (FinCEN). The group included representatives from the following FATF members: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Experts from non-member, observer organisations: Interpol, the International Organisation of Securities Commissions (IOSCO) and the Inter-American Drug Abuse Control Commission (OAS/CICAD) were present as well. In addition, representatives from the Organisation for Economic Co-operation and Development (OECD) attended some of the discussions on new technologies payments.

2. The purpose of the 1996/1997 "typologies exercise" was to provide a forum for law enforcement experts - those primarily tasked with combating money laundering - to discuss recent trends in the laundering of criminal proceeds, emerging threats, and effective countermeasures. While the discussions focused principally on money laundering developments in FATF member nations, the experts also sought to pool available information on prevailing money laundering patterns in non-member countries or regions.

3. A special topic of discussion for the 1996/1997 typologies exercise was the subject of current technologies developments in alternate payment methods - in particular payment systems using smart cards and the Internet. This subject was built into the 1996/1997 agenda to expand on the work begun in last year's typologies exercise, and to continue discussions which were commenced in the financial services forum of January 1996. To facilitate the dialogue, private sector representatives of organisations engaged in issuing or providing the new payment methods attended the meeting and gave presentations on more detailed aspects of their systems. In addition, representatives of a number of banking associations and other bodies interested in this topic attended the meeting.

4. The topics covered by the meeting were :

(a) monetary or percentage estimates of the money laundering that can be quantified, and if this was not possible, rough estimates of the size of money laundering activities relative to the amount of legitimate activities;

(b) the principal sources of illegal proceeds laundered;

(c) the principal money laundering methods detected in the following sectors : banking, non-bank institutions and non-financial businesses;

(d) electronic funds transfers and whether there are difficulties in identifying the ordering customer in an electronic funds transfer transaction;

(e) new (and/or proposed) money laundering counter-measures (legislative, regulatory, policy, etc.);

(f) non-FATF members - key money laundering centres/regions including details relevant to items (b) - (e) above.

## **II. ESTIMATE OF THE MONEY LAUNDERING PROBLEM**

5. Due to the difficulties in deriving an accurate and precise figure for the amount of money laundering which is taking place in FATF members, it was agreed that as part of their submissions members would endeavour to provide some rough estimate of the amount of money laundering occurring in their countries.

6. Unfortunately, the vast majority of FATF members lack sufficient data to support any credible estimate. The most comprehensive figures remain the results of the study produced by the Australian delegation for 1995 which projected the amount of money laundered in that country to be approximately A\$ 3.5 billion (US\$ 2.8 billion) during 1995.

7. Several members provided evidence of the number of suspicious transaction reports filed in their countries and the amounts involved in those transactions. These figures ranged from US\$ 45 million in one country to US\$ 800 million in another. However it was recognised that this figure is clearly a subset of the total amount of money laundering.

8. Other experts offered data on sums seized pursuant to money laundering investigations or prosecutions. Thus one member was unable to establish the magnitude of money laundering taking place, but as an example could show that one law enforcement agency for the partial year (1 October 1995 - 31 August 1996), had 1,233 cases of money laundering prosecuted with a total value of US\$ 1.62 billion. However this information too does not support a valid estimate of the amount of tainted funds entering the legitimate financial stream, as it is can only be a small percentage of the total amount of proceeds of crime.

9. The considerable difficulties in calculating the size of the money laundering problem were recognised by the experts, and there were differing opinions as to the practicality of continuing attempts to estimate. Whilst a statistically significant estimate would provide valuable information, the lack of available statistics, and the difficulties with methodology could make such a study a very difficult and time consuming exercise. Other experts suggested that an accurate estimate would be an important tool to measure whether anti-money laundering measures were having any effect, and would provide important information for governments. A more modest objective for the short term was suggested - namely the compilation of accurate and comprehensive statistics on matters such as money laundering convictions, seizures, and confiscation. One international organisation noted that the number of money laundering cases reported to it had increased from 215 in 1992 to about 900 in 1996. Other experts noted that such statistics are often misleading, and do not give an accurate picture of the size of the problem.

## **III. RECENT TRENDS AMONG FATF MEMBERS**

### **A. The Principle Sources of Illegal Proceeds**

10. Drug trafficking and financial crimes (bank fraud, credit card fraud, investment fraud, advance fee fraud, bankruptcy fraud, embezzlement and the like) remain the most frequently mentioned sources of illegal proceeds. As in the 1995/96 report, drug trafficking is still the largest single generator of illegal proceeds, but the amount of laundering linked to financial crime is also very significant and the Scandinavian members continued to report greater levels of illicit profits stemming from financial crimes than from narcotics. A number of countries also indicated that smuggling of goods (often items that were highly taxed such as alcohol or tobacco) generated a very large amount of proceeds which was being laundered.

11. Criminal activity which is linked to organised crime also continues to be responsible for a large proportion of the dirty money flowing through financial channels. Organised crime groups in Italy, Japan, Colombia, Russia and Eastern Europe, Nigeria and the Far East, and other similar groups are involved in a wide range of criminal activities. In addition to drug trafficking, these enterprises generate funds from loan sharking, illegal gambling, fraud, embezzlement, extortion, prostitution, corruption, illegal trafficking in arms and human beings, organised motor vehicle theft and many other offences. A trend was also noticed in some countries whereby criminals who had been solely engaged in drug trafficking were either broadening their activities to take part in a wider range of criminality, or had switched to fraud and other offences which attracted lower penalties.

12. Many European countries continued to find that significant amounts of cash and other forms of payment were flowing into their countries from the former Soviet Union and other Eastern Europe countries. There remain major difficulties in many cases in identifying whether this money is the proceeds of crime or capital flight money, and if identified as having an illegal origin, it remains very difficult to determine what the predicate offence was. Although co-operation had been received from the law enforcement authorities in certain Eastern European countries in some cases, this was not consistent, and on many occasions investigations were not completed due to an inability to identify the predicate offence.

## **B. Current Trends in Money Laundering**

13. Some general observations can be made regarding the methods of money laundering currently in use in the FATF members. First, no significant new methods of money laundering were identified by member states, and indeed a number of traditional money laundering techniques continued to be prominent methods for hiding the proceeds of crime. Second, although there were no new methods, there continues to be changes in the relative use of the various money laundering methods, and in particular there was a continuing trend for money launderers to move away from the banking to the non-bank financial institution sector.

14. Almost all members felt that there was a continuing increase in the amount of criminal cash being smuggled out of their respective countries for placement into the financial system abroad. In many European countries there are no cross border controls on the movement of cash, and it is relatively simple for launderers to take large sums of cash by road to neighbouring countries. As with drugs, the authorities believe that whilst large amounts of cash are carried on the passengers person, an even greater amount may be hidden in cargo or goods shipments. The continuing trend of cash smuggling appears to be mostly attributable to the success of anti-money laundering measures in banks and other financial institutions. A corresponding feature of cash smuggling is the detection of a significant amount of cash stockpiling.

15. An interesting trend in one country appears to be that money laundering cells try to limit the amount in any single accumulations of funds to US\$ 300,000 to US\$ 500,000. The reason for this appears to be to limit losses due to seizure by law enforcement or theft. Although this limit seems to apply to any method of money laundering (smurfing, wire transfer, etc.), it is especially apparent in currency smuggling.

### **(i) The Banking Sector**

16. Banks remain an important mechanism for the disposal of criminal proceeds, though there appears to be a recognition by money launderers that obvious techniques such as depositing large sums of cash into bank accounts for subsequent transfer is likely to be reported to law enforcement authorities, and thus extra steps are being taken. A significant number of countries reported that the technique of "smurfing" or

structuring was commonly used - this technique entails making numerous deposits of small amounts below a reporting threshold, usually to a large number of accounts. The money is then frequently transferred to another account, often in another country. This method was widely used, even in countries which did not have cash transaction reporting requirements, which require reports to be made to the authorities of transactions above certain thresholds. Countries to which these funds were transferred often found the funds being promptly removed as cash from the recipient accounts. In one member, it was found that increased awareness of this technique was causing smurfers to deposit smaller sums e.g. US\$ 2,000-3,000, into more accounts, so as to try to avoid detection.

17. Perhaps because of improved customer identification requirements there appears to be less use of accounts in false names. However there continues to be many instances of the use of accounts held in the name of relatives, associates or other persons operating on behalf of the criminal. Other methods commonly used to hide the beneficial owner of the property include the use of shell companies, almost always incorporated in another jurisdiction, and lawyers. These techniques are often combined with many layers of transactions and the use of multiple accounts - thus making any attempts to follow the audit trail more difficult.

18. The shell corporation is a tool which appears to be widely used in almost all members in both the banking and non-banking sectors. Often purchased "off the shelf" from lawyers, accountants or secretarial companies it remains a convenient vehicle to launder money. It conceals the identity of the beneficial owner of the funds, the company records are often more difficult for law enforcement to access because they are offshore or held by professionals who claim secrecy, and the professionals who run the company act on instructions remotely and anonymously. These companies are used at the placement stage to receive deposits of cash which are then often sent to another country, or at the integration stage to purchase real estate. They have also been the vehicle for the actual predicate offence of bankruptcy fraud on many occasions.

19. Another technique which appears to be widely used, particularly by ethnic groups from Africa or Asia, is the "collection account". Immigrants from foreign countries would pay many small amounts into one account, and the money would then be sent abroad. Often the foreign account would receive payments from a number of apparently unconnected accounts in the source country. Whilst this payment method is certainly used for legitimate purposes by foreign immigrants and labourers who send money to their home country, this fact has been recognised by criminal groups who use this method to launder their illegitimate wealth.

20. Some delegations noticed attempts by organised crime to infiltrate smaller banks and non-bank financial institutions, or even that criminal organisations in certain regions of the country sought to extend this control to a large range of businesses in that area. Experts from several member countries uncovered money laundering schemes involving complicit bank directors or employees, and in one member a noticeable trend was the assistance provided by "private banking representatives" (bank employees who provide special services to wealthy customers) to "smurfs" who recycle the bank accounts used for structuring purposes. They typically begin using an account by making deposits and withdrawals heavily. Then a few months before the bank audits those accounts, they stop the activity and leave a few thousand dollars in the account. The account will then show up in the audit as an account that has not had a great deal of activity in the last three months, and is thus less suspicious.

21. The use of "payable through accounts" by international money launderers, a trend reported by a member last year, persists. These are demand deposit accounts maintained at financial institutions by foreign banks or corporations. The foreign bank funnels all of the deposits and cheques of its customers

(usually individuals or businesses located outside of the country) into one account that the foreign bank holds at the local bank. The foreign customers have signatory authority for the account as sub-account holders and can conduct normal international banking activities. The payable through accounts pose a challenge to “know your customer” policies and suspicious activity reporting guidelines. It appears that many banks offering these types of accounts have been unable to verify or provide any information on many of the customers using these accounts, which poses significant money laundering threats.

22. Loan back arrangements was also a technique used in a number of countries, often in conjunction with cash smuggling. By this technique, the launderer usually transfers the illegal proceeds to another country, and then deposits the proceeds as a security or guarantee for a bank loan, which is then sent back to the original country. This method not only gives the laundered money the appearance of a genuine loan, but often provides tax advantages.

23. In addition to the typologies outlined above, other familiar laundering techniques continue to figure prominently in the banking sector. Telegraphic transfers remain a primary tool at all stages of the laundering process because of the speed with which the money is transferred, thus making it difficult for law enforcement to trace illegal proceeds, particularly in several jurisdictions. Bank drafts, money orders and cashier’s cheques also remain as common instruments used for laundering purposes. Large cash deposits are still being made in some areas, especially by persons and interests connected to the former Soviet Union and Eastern Europe, although drug traffickers still made significant cash deposits. Often the cash deposit was quickly followed by a telegraphic transfer to another jurisdiction, thus lowering the risk of seizure.

24. Members were asked if they had difficulties in identifying the ordering customer in electronic funds transfer transactions. Several countries indicated they had a problem with customer identification in this area. This was a problem for funds originating in offshore jurisdictions, or was associated with “payment through accounts”. Another country had done a study which showed that lack of customer identification information on the telegraphic transfer message was a significant problem, and that up to 25% of messages from some jurisdictions did not have the ordering customer information that was needed. It was also noted that although sufficient information was received, the accuracy of some of the information recorded on the transfer message, particularly for funds that were transferred from the former Soviet Union and Eastern European countries, may be questionable.

#### (ii) Non-Bank Financial Institutions

25. Banks offer a wide range of financial products and hold the largest share of the financial market, and accordingly the services they provide are widely used for money laundering. However, non-bank financial institutions and non-financial businesses are becoming more attractive avenues for introducing ill-gotten gains into regular financial channels as the anti-money laundering regulations in the banking sector become increasingly effective. Some delegations continue to report a significant shift in laundering activity from the traditional banking sector to the non-bank financial sector and to non-financial businesses and professions. This is evidenced by the increasing numbers of suspicious transaction reports filed by such institutions (although this increase is also due to better compliance by such institutions), and the number of money laundering cases in which they are involved, relative to similar statistics for banks.

26. As reported last year, bureaux de change, exchange offices or casa de cambio pose an ever more significant money laundering threat. Almost all delegations reported a significant increase in the number of actual or suspected money laundering cases involving this type of institution. They offer a range of

services which are attractive to criminals : (a) exchange services which can be used to buy or sell foreign currencies, as well as consolidating small denomination bank notes into larger ones, (b) exchanging financial instruments such as travellers cheques, Euro cheques, money orders and personal cheques, and (c) telegraphic transfer facilities. The criminal element continues to be attracted to bureaux de change because they are not as heavily regulated as traditional financial institutions or not regulated at all. Even when regulated the bureaux often have inadequate education and internal control systems to guard against money laundering. This weakness is compounded by the fact that most of their customers are occasional, which makes it more difficult for them to "know their customer", and thus makes them more vulnerable.

27. Remittance services (sometimes referred to as giro houses) have also proven to be widely used for money laundering, since they are often subject to fewer regulatory requirements than institutions such as banks which offer an equivalent service. They are also popular with many ethnic groups as they charge a lower commission rate than banks for transferring money to another country, and have a long history of being used to transfer money between countries. They operate in a variety of ways, but most commonly the business receives cash which it transfers through the banking system to another account held by an associated company in the foreign jurisdiction, where the money can be made available to the ultimate recipient. It was reported that another technique commonly used by money remitters and currency exchanges was for the broker to make the funds available to the criminal organisation at the destination country in the local currency. The launderer/broker then sells the criminal dollars to foreign businessmen desiring to make legitimate purchases of goods for export. This correspondent type operation resembles certain aspects of "underground remittance services".

28. Several members reported significant use of hawala, hundi or so called "underground banking", as well as other systems. This system is almost always associated with ethnic groups from Africa or Asia, and commonly involves the transfer of value between countries, but outside the legitimate banking system. The "broker", which may be set up as a financial institution such a remittance company, or may be an ordinary shop selling goods, has an arrangement with a correspondent business in the other country. The two businesses have customers that want funds in the other country, and after taking their commission, the two brokers will match the amounts wanted by their customers and balance their books by transferring an amount between them for the time period e.g. once a month. The details of the customers who will receive the funds, which are usually minimal, are faxed between the brokers, and the customers obtain their funds from the brokers at each end of the transactions. The experts agreed that it is difficult to determine the extent to which this alternative remittance service is used for money laundering, as the service is widely used for legitimate transactions, and because minimal records are kept. Indeed it is difficult to even identify the businesses which offer this service.

29. A number of experts also noted the use of single premium insurance products, and the early encashment of such policies. A limited number of cases of laundering of illegal funds in the securities sector were also cited. Some experts noted the potential future threat associated with the changeover to a single currency - the Euro - in Europe which is planned for 2002. Concerns were expressed that the change from national currencies to the Euro may offer significant opportunities for money launderers unless appropriate safeguards were introduced.

### (iii) Non-financial businesses or professions

30. As anti-money laundering regulations have increased in many countries the criminals place increasing reliance on professional money laundering facilitators. The experts reported a significant number of cases involving lawyers, accountants, financial advisors, notaries, secretarial companies and other fiduciaries whose services are employed to assist in the disposal of criminal profits. Among the most

common tactics observed have been the use of solicitors' or attorneys' client accounts for the placement and layering of funds. By this method the launderer hopes to obtain the advantage of anonymity, through the solicitor-client privilege. The making available of bank accounts and the provision of professional advice and services as to how and where to launder criminal money is likely to increase as counter measures become more effective.

31. In addition to the use of shell companies, there was also widespread use of real businesses, either to camouflage the illegitimate laundering of money or as part of the predicate offence, and the use of real businesses was more prevalent in relation to fraud and other financial crime than for drug offences. Techniques used in conjunction with these businesses included false invoicing, commingling of legal and illegal moneys, the use of loan back arrangements and layers of transactions through offshore shell companies. Often the laundered proceeds would then be invested through the real company into real estate or other businesses, though one country reported that there was a trend away from investing illegal proceeds in real estate, and into less visible investments such as financial businesses.

32. Casinos and other businesses associated with gambling, such as bookmaking, continue to be associated with money laundering, since they provide a ready made excuse for recently acquired wealth with no apparent legitimate source. The services offered by casinos will vary depending on the jurisdiction in which they are located, however the industry overall appears to recognise the threats from money laundering and is taking steps to minimise the risks by identifying its customers, looking for those persons who do not actually gamble etc.

33. A number of other money laundering techniques in the non-bank sector remain prominent. Substantial amounts of illegal proceeds are still invested in real estate. Interests in the former Soviet Union and Eastern Europe were found to invest in countries close to this part of the world, as well as in the Mediterranean region. Other techniques cited were the purchase and cross border delivery of precious metals such as gold and silver, and the use of financial instruments such as warrants in the metals market to transfer value between countries. This latter method was particularly associated with criminal organisations from Eastern Europe.

### **C. Developments in Counter-Measures**

34. Almost all FATF members have implemented a significant number, if not all, of the FATF Recommendations. Some members made significant changes or additions to their basic anti-money laundering framework, whilst others have made refinements in light of the changing nature of the threat they face. The following are some of the more noteworthy developments which have been already completed or are planned.

35. Major initiatives were passed by New Zealand and Turkey during the year. New Zealand passed legislation to require reporting of suspicious transactions, customer identification and record keeping, whilst Turkey passed a Bill which created a money laundering offence which applies to a wide range of predicate offences as well as certain administrative matters.

36. Almost all members (23) have now taken action to extend the scope of their money laundering offence to non-drug related crimes. This trend is continuing in response to the evidence regarding the significance of non-drug related crime as a source of illegal wealth. France, Norway and Spain passed bills to criminalise money laundering in connection with all serious crimes, whilst Canada is considering do so. Portugal included terrorism, financial crimes, corruption, extortion and other serious crimes as predicate offences for money laundering, and Germany is considering adding further offences to its predicates. In

addition, members such as Austria, Denmark, Germany, Hong Kong, Ireland and Norway have enacted or are considering legislation to make it easier to seize or confiscate the proceeds of crime - which often involves consideration of whether to reverse the burden of proof.

37. Members are also continuing to extend the reach of money laundering prevention measures to additional groups of businesses and institutions, particularly non-bank financial institutions. Four countries have enacted or are in the process of enacting legislation bringing bureaux de change under their anti-money laundering regimes. Norway has also extended its reporting requirements to the securities and insurance industries, as well as the Central Bank. Members are also focusing their attention on non-financial businesses which may be brought within the scope of the anti-money laundering framework. These include lawyers (Australia and Belgium), real estate agents and casinos (Belgium, Finland and Portugal), and notaries, auditors, pawnshops and bullion dealers.

38. Several members are changing the administrative structures governing the receipt of suspicious transaction reports by centralised financial information units (FIU). Five countries have or are establishing an FIU to receive, analyse and disseminate all such reports. Another country has continued with its monitoring of a program whereby financial institutions can use computerised systems for detecting suspicious transactions. Based on the results to date, they believe that this has been very successful. Many members were also making efforts to improve international co-operation at both the intelligence and investigation levels, and the experts said that the ability to obtain speedy and comprehensive assistance from other countries, particularly non-FATF members, needs to be further promoted.

#### **IV. THE SITUATION IN NON-FATF COUNTRIES**

39. Money laundering is not a problem restricted to FATF members, and indeed, as FATF countries take measures to combat money laundering it is likely that more money will be laundered through countries which have less well developed anti-money laundering standards. Information on the money laundering situations in non-FATF members is less developed, and for some parts of the world the experts had little information to report regarding money laundering trends or developments.

##### **(i) Asia**

40. The Asian region is characterised by several important features which affect the money laundering methods used in the region. First, the existence of the major drug production centres in the Golden Crescent (Afghanistan, Iran) and the Golden Triangle (Burma/Myanmar, Thailand, Laos). Secondly, the high level of use, for both legitimate and illegitimate transactions, of alternative remittance systems such as "hawala" or "hundi" system. Thirdly, the high use of cash, and the willingness to conduct large cash transactions. Finally, the existence of Chinese and Japanese organised crime groups which operate internationally and in the region.

41. The FATF Asia Secretariat and Interpol sponsored a meeting on money laundering in November 1996, and a brief summary of the meeting was given. This exercise and other information from FATF countries revealed that the sources of illegal proceeds had not changed significantly. Drugs proceeds amounted to the largest part of the illegal money being laundered, with recent increases in the production of methamphetamines adding to the traditional proceeds of heroin trafficking. Large amounts of money were also being made from organised crime, arms smuggling, and the organised movement of illegal immigrants. In the South Asia region, gold smuggling and corruption provided further sources of illegal proceeds for laundering.

42. No new money laundering methods were noted, and generally the trends in Asia appear to be similar to those in FATF members. Several countries observed an increase in the amount of cross border smuggling of cash and bearer instruments such as money orders or bank drafts. Both telegraphic transfers and alternative remittance services were widely used, as were the use of false name or third party accounts at financial institutions. Other methods included the use of professionals such as lawyers, casinos, and false invoices and letters of credit. Illegal proceeds continued to be invested in high value items such as real estate.

43. The non-FATF countries in the region are at varying stage of development in terms of anti-money laundering legislation and measures, and several countries have passed new counter-measures. In 1995, Pakistan prepared a bill to criminalise drug related money laundering and impose certain reporting requirements on banks and financial institutions in Pakistan. Taiwan passed certain measures to combat money laundering in October 1996, whilst China has established a deadline of mid-March 1997 for the drafting of anti-money laundering legislation which is expected to be passed by the Peoples Congress later that month.

(ii) Central America, South America and the Caribbean Basin

44. According to one FATF member, money laundering has increased in the Western Hemisphere over the past year. This is attributed to increased drug trafficking, which is the main source of money being laundered, as well as various criminal activities carried out by organised crime groups, and an increase in smuggling.

45. The Caribbean Basin serves as an important transit point for drugs originating in Latin America bound for the United States, and is also the location for many offshore banks and financial institutions. Even when anti-money laundering legislation is enacted, other features such as liberal laws regarding company formation and the conduct of business activities in free zones make this region attractive to money launderers. There are many tens of thousands of shell companies incorporated in the region, whilst the number of free zones is increasing. The result is that the limited resources of regulatory authorities cannot effectively monitor the business activity which is taking place.

46. A trend has also been observed whereby Russian organised crime is seeking to launder profits from extortion, prostitution, arms sales and intellectual property theft in the Caribbean, and have relied on exploiting banking regulations in the region. Intelligence also suggests that the Russians crime groups may be forming alliances with other criminal groups operating in the region such as the Italian Mafia and Colombian cartels. These developments create considerable risks for the integrity of the banking system in the region.

47. A range of methods have been observed being used by Colombian drug cartels : (a) cartel intermediaries pay American exporters for goods exported to Columbia with drug dollars, whilst the importers pay intermediaries a slightly lesser amount in Colombian pesos, (b) a cartel money broker pays the exporter in a Free Trade Zone with drug dollars, the importer gives pesos to the broker and gets his merchandise, and the drug trafficker gets pesos to invest locally or fund drug operations. This is made easier by the Free Trade Zones, which provide for the free movement of goods and cash with minimal government scrutiny, (c) the use of false import/export declarations and trade-related schemes, and (d) the structuring of cash transactions continues to be the primary technique used to penetrate the financial system, usually with the co-operation of corrupt bank employees.