

## AUSTRAC typologies and case studies reports 2007–10: overview of trends

The cases included in this and previous AUSTRAC typologies and case studies reports have been selected from AUSTRAC's repository of money laundering and terrorism financing case studies. Normally, cases that demonstrate one or more of the following elements are considered for inclusion in these reports:

- where the use of data from financial transaction reports contributed to the success of an investigation by authorities
- where a report submitted about a suspicious transaction or matter triggered a law enforcement investigation
- where AUSTRAC and partner agencies pooled resources to advance an investigation
- where analysis of information from financial transaction reports identified money laundering or terrorism financing activities.

AUSTRAC analysis of the 174 case studies appearing within the typologies reports published from 2007 to 2010 has generated a broad picture of the environment within which money laundering and terrorism financing occurs in Australia. Through this exercise, AUSTRAC has identified trends in offence types, the types of designated services used for money laundering and terrorism financing, and the industries most commonly associated with these activities.

### Trends in offence types

The analysis of case studies found that money laundering and fraud were equally prevalent, and represented the two most commonly occurring offence types. As shown in Figure 2 overleaf, fraud and money laundering combined constituted more than half (52 per cent) of all the offences identified in the case studies. The next most commonly identified offences were the importation of drugs (13 per cent), drug trafficking (8 per cent), structuring of financial transactions (8 per cent) and tax evasion (6 per cent).

It is important to note, however, that in some instances the case studies involved more than one offence.

These offences have been the main focus of investigations and remain ongoing concerns for law enforcement agencies. Fraud, in particular, is of increasing concern to authorities. Many fraud-related cases involve large amounts of money and numerous victims. This is partly due to the rise in corporate fraud and technology-based fraud in Australia. These types of fraud have caused billions of dollars in losses to the Australian economy in recent years.

## Trends in the use of designated services

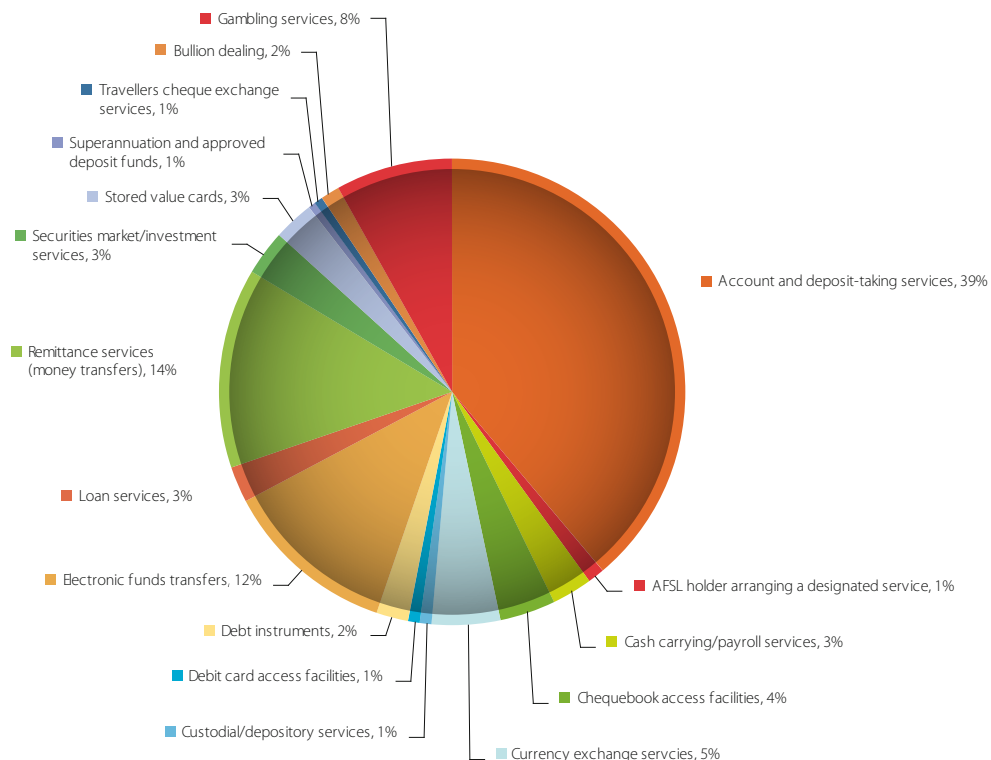
As seen in Figure 1 below, the three most common types of designated services used to launder the proceeds of crime were account and deposit-taking services (used in 39 per cent of case studies), remittance services (14 per cent) and electronic funds transfers (12 per cent). This is unsurprising as these services offer fast and efficient methods of transferring large sums of money. As the preferred methods for laundering the proceeds of illegal activity, these services are likely to remain high-risk designated services which require the ongoing vigilance of reporting entities to help detect money laundering and terrorism financing.

## Trends in industries affected by money laundering and terrorism financing activities

As seen in Figure 3, on page 15, the industries most commonly used by criminals in money laundering and terrorism financing offences were the banking industry (involved in 45 per cent of case studies), remittance services (18 per cent), gambling services (9 per cent) and professional services, consisting of accountants, solicitors and real estate agents (13 per cent). The vulnerability of the banking industry and remittance services correlates with the high incidence of account and deposit-taking services and remittance services being used by criminals to launder illicit funds.

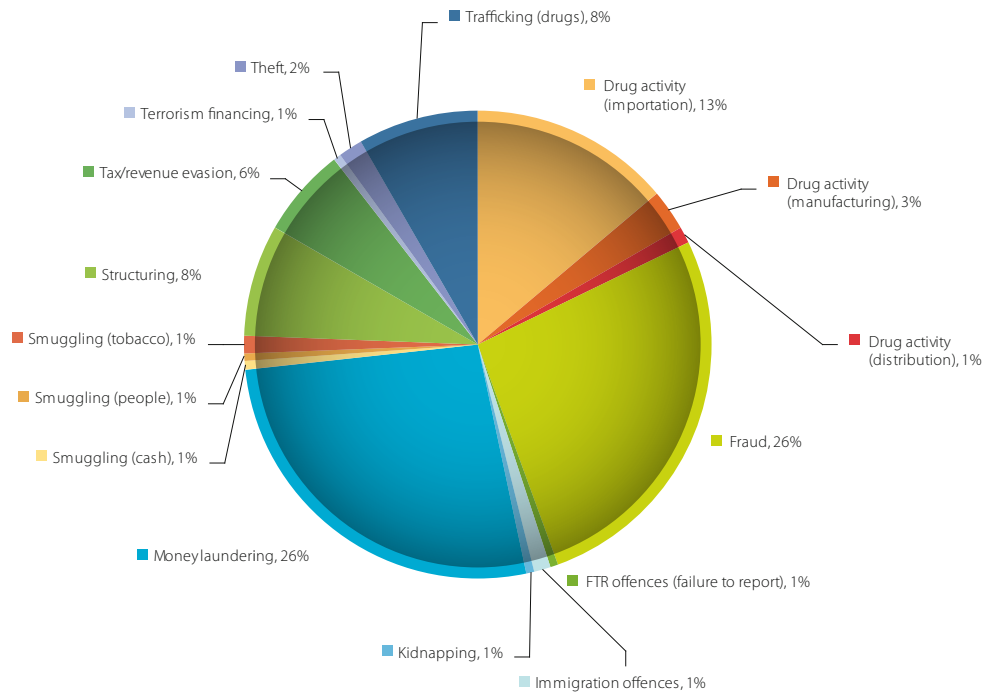
**Figure 1: Designated service types recorded – AUSTRAC case studies, 2007–10**

**Note:** percentages indicate the percentage of cases in which each designated service was used. Due to the rounding of figures, percentages may total more than 100.



**Figure 2: Offence types recorded – AUSTRAC case studies, 2007–10**

Note: percentages indicate the percentage of cases in which each offence occurred



**Figure 3: Industries involved – AUSTRAC case studies, 2007–10**

Note: percentages indicate the percentage of cases in which each industry was involved

