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Criminal moneyflows on the internet

Regional seminar on “Money laundering linked to trafficking in human beings”

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1

1 Introductory remarks

**Criminal
money flows
on the
Internet**

Common standards

- Convention on money laundering and financing of terrorism
- Convention on trafficking in human beings
- Convention on the sexual exploitation of children
- Budapest Convention on Cybercrime

**Council of Europe
action against
economic crime**

Follow up/monitoring

- MONEYVAL
- GRECO
- GRETA
- T-CY

Technical cooperation/ capacity building projects

- Cybercrime
- MOLI-Russia

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2

2

2

About the Budapest Convention on Cybercrime

- Elaborated by the Council of Europe with the participation of Canada, Japan, South Africa and the USA
- Opened for signature in Budapest in November 2001
- In force since July 2004

- 30 countries have ratified so far (European + USA)
- 16 have signed (European + Canada, Japan, South Africa)
- 7 invited to accede (Argentina, Australia, Chile, Costa Rica, Dominican Republic, Mexico, Philippines)
- Used as a guideline for legislation by many others
- Any country meeting the requirements of this treaty can accede

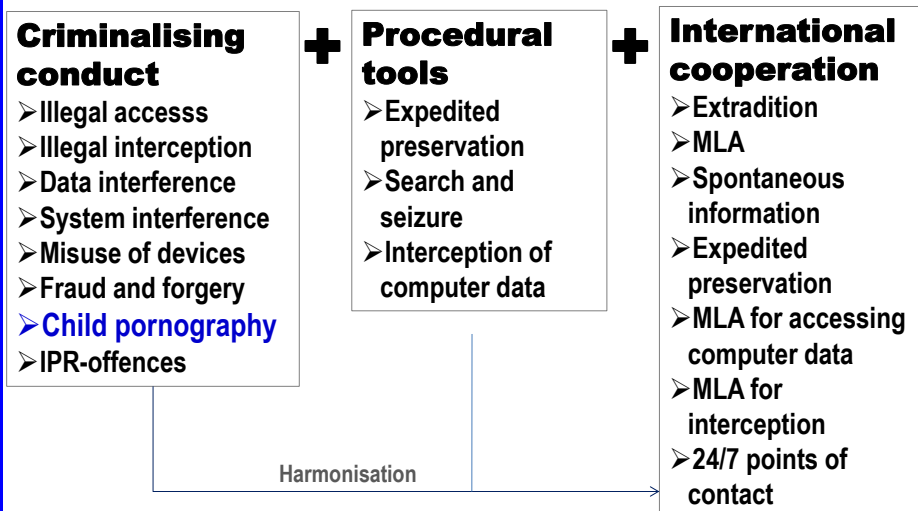
- Complemented by the Protocol on Xenophobia and Racism Committed through Computer Systems

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3

3

Scope of the Budapest Convention



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4

3

Trafficking in human beings and sexual exploitation on the Internet

- Child pornography/child abuse materials on the Internet
- THB – recruitment of victims
- IT for organisation of crime, logistics, communication
- Use of payment systems
- Criminal money flows

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5

5

4

Cybercrime and crime proceeds**Cybercrime tools, infrastructure, platforms**

- Malware
- Botnets
- Criminal domains
- Social networking platforms
- Underground economy

Proceeds generating crime on the Internet

- Fraud
 - Identify theft, payment card fraud, account take over, mass-marketing fraud, pyramid schemes, confidence and action fraud
- Child abuse materials
- Counterfeit medicines
- IPR
- Extortion
- Many other forms of traditional crimes committed on the Internet

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6

6

5 Criminal money flows

How money flows to offenders

- Electronic payment systems
- Account take over
- Money transmission systems
- Pre-paid cards
- Etc.

How offenders dispose of money

- Bottle-neck: money mules

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7

7

6 Countermeasures

Legal framework for

- cybercrime and electronic evidence (substantiver, procedural law and international cooperation) ► Budapest Convention on Cybercrime (www.coe.int/cybercrime)
- financial investigations and anti-money laundering ► Warsaw Convention or similar standards

E-Crime reporting

Interagency cooperation (high-tech crime, FIUs, etc) ► financial investigations on the Internet

Public-private cooperation:

- Information exchange (FI-ISAC, etc.)
- LEA-ISP cooperation (CoE guidelines)
- Joint action (e.g. European Financial Coalition against Commercial Sexual Exploitation of Children Online)

Specialised institutions (high-tech crime units, specialised prosecution departments)

Training (e.g. CoE Concept for judicial training in cybercrime and electronic evidence)

Focus on money mules?

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8

8

Countermeasures

Stakeholders

- **Anti-money launderin system**
Financial sector (obliged to report), FIUs, law enforcement, prosecutors and judges, supervisors, regulators, international bodies (FATF, FSRB)
- **Asset recover services/financial investigators**
- **Anti-cybercrime institutions**
Prosecution servides, high-tech crime units, forensic labs, 24/7 CP
- **Financial sector (online)**
Payment card industry, online banking services, online payment platforms, content providers, money transfer services
- **Internet service providers**
Telecommunication providers, access providers, hosting providers
- **ICANN, regisries, registrars**

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9

9

7 Conclusions

Interagency / public-private / international cooperation aimed at criminal money flows on the Internet

- **Prevention and control of money laundering and terrorist financing**
- **Financial investigations to search,seize and confiscate proceeds from crime in the Internet**

**MONEYVAL/Euro-Asia Group (EAG)
Typology meeting, Moscow, 9-10 November 2010**

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10



Thank you

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