

Money Laundering Typology

Cross Border Currency Transactions

“A” is the manager of a local travel agency offering “tours and vacation packages” catering specifically for individuals who reside in South America. “B” along with a group of other individuals who all reside in South America are the holders of credit cards issued in that jurisdiction by specific financial institutions. These cards are then loaded by a criminal organisation with funds suspected to be generated from criminal activity. “B” along with these other individuals, then go to “A’s” travel agency and pay for tours, which are equivalent to the value of the credit limit of the cards. “A” then makes cash withdrawals from the travel agency’s account and retains a percentage of the cash as a commission and gives the remainder to “B” and the other individuals in TT currency. “B”, along with these other individuals, then go to local financial institutions and purchases US currency with which they return to their jurisdiction (*see diagram below*).

Analysis

In actuality, no tours were being provided by “A” but were only a scheme devised to obtain the TT equivalent of funds loaded on the credit cards in order to purchase US currency. "B" along with these other individuals (couriers) had little or no financial standing to be the holders of credit cards. No prosecutions resulted as “A” was subsequently kidnapped and murdered.

Red Flags:

- The amount of credit card transactions by persons only from South America
- The high and unusual interest of South American touring or vacationing in T&T
- The large and frequent withdrawals of cash by “A”
- The unusual amount and frequency of South American converting TT\$ Dollars to US\$ Dollars at financial institutions

In addition, it should be noted that this type of money laundering can be adapted to other type of businesses and Financial Institutions should exercise greater customer due diligence on business that operate credit card machines.

For example: A sports bar having an unusually high purchase of drinks by several customers using credit cards on a daily basis and the volume of the deposits to the Financial Institutions cannot be properly justified as in the case outlined above.

