

## **Crime of money laundering read Economical Sociology**

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### **Abstract**

The subject of money laundering and anti-money laundering has been a major place in the past years, and the efforts of the world's communities to deal with such issues as their money laundering meetings have rarely been met, so that we no longer see any society whose legislation does not address this issue, although it differs in the severity of treatment and the extent of To criminalize the criminalization of legislation, and thus the subject of money laundering and combating it has become an important topic for those interested in law, economics, sociologists and security as it is a key topic in the functioning of banks and financial institutions and a clear challenge to manage them in the light of the development of communications and technological means and High-digital electronic programs used by these banks and financial institutions, because banks, drainage centers and financial institutions remain the most targeted for the completion of money laundering activities where some individuals try to dress illegal funds legitimately through many operations The banking is matched by other methods of bleaching such as buying real estate as a multiple shops and markets... Etc. Through this study we seek to introduce a socio-economic approach to the phenomenon of money laundering by researching its modern concepts and diagnosing its causes and perceptions of risk based on the base of statistics and numbers and presenting the effects of the social and economic phenomenon on the economic and life entity of

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communities from It is a crime and all this is done according to a theoretical presentation and an attempt to provide a reading of efforts to combat the phenomenon. Beginning to what extent does money laundering contribute to the detriment of the economies of nations and societies? What are the most important concepts, characteristics and elements related to the phenomenon of money laundering and laundering?

**Keywords:** money; money laundering; crimlaundering.

## 1. Conceptual presentation

### -Cronology and concept of money laundering

money laundering has become one of the concepts that have taken the attention of economic and financial policy engineers and, in particular, of monetary and banking policies, both domestically and internationally, yet an agreed definition of money laundering cannot be found<sup>(1)</sup> because The multiplicity of sources of illicit funds, the variety of ways and means to falsify them, and divergent views on the sources that should be the target of criminalization in the fight against them. Money laundering is defined as a process resorted to by those engaged in drug trafficking and organized or non-regulated crime, to conceal the true source of illicit income and to perform other acts of disguise, so as to legitimize the income achieved in the latter<sup>(2)</sup> and there is a narrow definition indicating the funds Resulting from the illicit trade in narcotic Drugs and psychotropic substances. Among the legislative enactments are the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, held in Vienna in December 1988, and the recommendation of the Council of

(1)- Abdulmuttalib Abdul Hamid, **Globalization and Banking economics**, University House, Alexandria, 2001, p. 232.

(2)- Arab.Organization.for.Investment.Guarantee**Money Laundering** (AML) effects and controls, focused Abstracts series, 3rd year, Issue 5, 2000.

the European Community of 1991<sup>(1)</sup>.

## **2. Money Laundering Crimes sections:**

**2.1. The main offence** the offence of money-laundering, namely the possession by a natural or legal person of illegal funds (derived from a crime punishable by law) and the direct intent of his intention to launder such illegal funds in the sense of legitimizing them, concealing their illegal origin and concluding only Tvakiat on implementation.

**2.2. The offence of aiding or participating in the offence of money laundering** in any form. Here it requires the physical element of criminalization and provides knowledge of the illegality of the money in the sense of intent.

**2.3.The offence of possession**, possession or retention of illegal funds, which is also a criminal offence in the sense that the perpetrator must be aware of the illicit nature of the funds.

**2.4Passive Act**, the crime of silencing information and failure to report suspicious money laundering activities, or negligence in detecting them or violating the reporting requirements.

**2.5. The crime of financing terrorism or aiding in any way in its financing** the fact that this crime was included in several cases under the money-laundering laws despite its different subject matter and nature<sup>(2)</sup>, since it does not consider the nature of the funds whether illegitimate or legitimate and the use of these funds to finance the work Paranoid, and here we see that the intent must also be provided in the sense that these funds will go to finance a terrorist act, although there are some facts that may be considered illegal, the physical element or intent has been exceeded, and severe precautionary

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(1)- Khalid Hamad Mohammed Al Hammadi, **the Crime of moneylaundering in the era of globalization**, (d. m), p. 200.

(2)- **Anti-money laundering offences**. Dr. Mohammed Suhail Al Droubi.Www.noorsa.net › Department of Scientific Studies and Research.Anti-Money.laundering.offences.General date of 2018.

measures have been taken without ascertaining the availability of the intent, especially by some frantic countries. The idea of fighting terrorism in our world today.

### 3. Stages of money-laundering operations

Many studies have addressed the concept of money laundering as a concept in the process of transferring illicit funds, and also addressed the stages and tools through which most of these operations are carried out, the process of money laundering is a complex process that requires the use of many personalities, each of them play a role Specific at the stage of concealment within and outside the country, and most research indicates that these processes are undergoing several stages:

**3.1.The stage of recruitment or placement** is at this stage the disposal of illegal funds which are in monetary form in most cases, by depositing them in existing bank accounts or by purchasing cheques and securities to be sent to the banks of other countries later, and sometimes using bank accounts for evil Kat This cash list is one of its main banking instruments and therefore does not draw attention to these deposits, and exchange companies can be exploited to transfer cash to several foreign currencies and then deposit them into bank accounts, as may be done by buying real estate or gold or rare antiques and goods Or buy stocks, bonds and traveler's cheques in addition to entering into investment projects inside or outside the country so that at the end of this stage the said funds will be transferred from the concrete image to the electronic digital image in the form of real balances in bank-based accounts<sup>(1)</sup>.

**3.2. camouflage Stage:** When the washer succeeds in placing illicit funds within the financial system of the economic cycle, the transition to the second phase is the stage of camouflage and means

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(1)- Ali Abdulla Ahmed Shahin. **Banking strategies to combat moneylaundering operations and ways to develop them.**is a practical study on banks operating in Palestine. 2009.

separating or dispersing the proceeds of illicit funds from their source through a range of financial operations, and this stage may be called Also by camouflage, that is, the nature of these funds is disguised by many transfers, both internal and external, to find many classes that are difficult to reach their original origin, which is a phase that the operators aim to obliterate the true source of illicit funds, and to remove it as much as possible from The possibility of tracing his movement in order to prevent the disclosure of its illegal origin, i.e. the process of transferring and exchanging money within the system in which it was introduced and here the efforts of money launderers are focused on breaking the link of financial receipts or illicit proceeds with their sources through a complex network of legitimate financial transactions and remittances Mysterious and complex internally and externally, where the available global banking channels, corporate bank accounts, banking units and correspondent banking activities are used to pass these operations

**3.3. stage of integration or investment in the economy** is done during this phase which is considered the least dangerous Compared to the previous two phases, the recovery and re-infusion of funds into the local and global economy as legitimate funds through the purchase of various properties and investment vessels such as hotels, luxury tourist facilities or various valuable assets and metals of high value and the establishment of projects and investment companies. That is, in the form of legitimate investments (welcomed in most countries of the world, especially developing States), this phase provides the final cover for the legitimate appearance of wealth of illicit origin and in which laundered funds are put back into the economy in a manner that appears to be legal operation of money from a legitimate source.

### **3.4. Coverage Phase Layering**

At this stage, intentional removals of these funds are carried out electronically around the world (mostly to safe places or tax authorities that apply bank secrecy laws significantly) through a continuum of wire and electronic transfers using banking channels

Global available, in addition to corporate (phantom) accounts that do not engage in any real economic activity other than receiving remittances and then resend them to another party after a specific commission, as such companies are deployed in many free trade areas around the world, and by completing these stages Indeed, any presumption can lead to knowledge of the true origin of these funds, so organized crime networks can take advantage of these funds and recycle them for their own benefit, in the interest of continuing their illegal actions, and without the prospect of drawing attention to their illegal assets, as they completely disappear Threads that can lead to knowledge of those assets.

#### **4.characteristics of the crime of money laundering.**

The crime of money-laundering is characterized by specific characteristics, different from traditional crimes, and is similar in most of those characteristics to the characteristics of organized crime, such as arms trafficking and smuggling, counterfeiting and forgery, terrorism and other crimes. The characteristics of the crime of money laundering are as follows:

**4.1. Complementarity:** The crime of money-laundering is characterized by complementarity, comprehensiveness and communication, and is a crime of close contact between its components, as it must have complementary elements, each cycle complementing the other, from the filing stage to the coverage phase (a) to the stage of integration, and notes that this integrated, interrelated and interconnected privacy forms coherent links, which the operators ensure that they are not exposed to any defect in any of their episodes, and this requires the anti-money laundering agencies to cut the ring at one of its points, in order to be be of control.

**4.2. Organization and planning:** The crime of money-laundering has no scope for improvisation, but it has the elements of organization, planning, control and performance of roles with precision, skill and mastery. Coordination, preparation and follow-up are carried out in accordance with specific regulations and plans for

each step of their implementation. They also harness scientific methods and technical means to define their objectives and select victims, and operate in a comprehensive criminal coordination within secure channels where the element of surprise is diminished and risk factors are sometimes negated.

**4.3. Enormous financial returns:** the crime of money laundering has a high financial value and a quick fortune for its executors within a short period of time, measured by business and investment with relative profits for a longer period of time, and all the money laundered from these funds is a profit for the owner, because its origin is not Draft.

**4.4. Influence:** Money launderers are keen to have a cover for their criminal acts, focusing on the existence of an authoritarian influence in their operations to conceal their crimes and, in their view, consider it a means of protecting them by believing that they can wear the right unlawfully and remain free from the grip of justice. Since illicit money needs to be empowered to protect and develop it, the workers in this field often seek to buy those in positions of power, as this crime, with its wealth of money, is led by people with vast experience in the underworld and an unlimited ability to corrupt consciences and penetrate different The formal and informal circles, to secure the proper cover for their deviation, and find themselves able to buy or close to the influential people to pay for themselves the damage and to do their jobs without fear and surprise, so that they become criminals who are not legally in the hands of the law.

**4.5. The crime of the general right:** crimes of a general right are offences in which the personal claim element is not available, although the entire society is a victim and is affected by its conduct. Money-laundering offences are a general right of the public prosecutor, and it is therefore essential that the perpetrators of such crimes be prosecuted in the same manner and in the proceedings against the public right. This is because the crime of money laundering does not, like other crimes, directly cause victims, so this

crime flows into legitimate frameworks through the multiple channels offered by the complexity of the financial services.

**4.6. Class Specialization:** The crime of money laundering, when it is inflicted by a high degree of organization, from the crimes of class specialization called "White Collar crimes" and is a realistic witness to the influence of this class that assumes the role of leadership overseeing the management and organization of the roles of integrated crime and move Her threads are a distance from her, leaving the young followers to burn their fingers and take their hands with them if they fall into the hands of justice.

**4.7. Prevention:** The offence of money-laundering is a crime that is useful in preventing it from taking preventive action, because late treatment is difficult and requires a long time and sometimes has low returns. Therefore, the prevention of this crime is important and necessary, and all methods and techniques that are dried should be followed. Their sources before they occur and then limit their impact.

**4.8. Professionalism** and foresight: the perpetrators of money-laundering offences are highly knowledgeable and knowledgeable about the social, economic and legal gaps through which they can achieve the least possible failures.

**4.9. Global features and dimensions:** the advanced Communications and Information Technology (ICT) revolution and its use in banking operations have brought global and international features and dimensions to the crime of money laundering, as they become borderless and cross continents, and do not stand at the geography of a particular country. This makes domestic national efforts insufficient to address this phenomenon in its various aspects and dimensions, and no country can consider itself immune to the challenges and dangers of this phenomenon.

The increasing application of international trade agreements, the liberalization of barriers, the use of international electronic commerce, the increase in the spread of free zones and the scientific orientation

towards economic and investment specialization are further compounding the phenomenon.

**4.10. Crime of vulnerability:** the strict and skilful tracing of money-laundering offences may lead to the detection of the crimes emanating therefrom, that is, the pursuit of thorough investigation leads to access to the hotbeds of corruption and the hidden and unknown crimes by using the so-called "ant" crime-fighting term where the I high in the process leads to uncover the source and reach the gang and discover its crimes.

**4.11. TechnologyCrime:** Money launderers use all-modern technological means to carry out their hectic trades and operations, and they have indirectly helped to serve their goals and, conversely, are keen to exploit them to the worst of their own ends. This is reflected in the execution of their financial and banking operations through the Internet, mobile phone, wire transfer, etc.

**4.12. A criminal offence:** a crime of money laundering, which extends to anyone who has acquired, possessed, retained, aided, contributed, mediated, or interfered with or intervened at any stage of the crime, provided that the knowledge and science component is available (intent), whether it is done by persons, banking or financial institutions , as this would contribute to the concealment of the source of funds laundered or to be washed.

**4.13. The crime of multiple responsibilities:** the offence of money-laundering establishes penal, civil and disciplinary responsibilities when it relates to inadvertent error and negligence, which arises from negligence in the control of laundered funds, failure to trace them, negligence in monitoring them or failure to apply laws, regulations and instructions and its own regulations in financial and banking institutions.

**4.14. Accessory offence:** The offence of money laundering is a crime of an earlier crime and the former offence of money laundering has generated the illicit money to be laundered by a new offence of

money laundering. However, it is a separate crime in the criminal description of the offence for which it is born and is subject to a specific penalty for the crime itself. The crime that created the crime of money laundering, such as illicit drug trafficking, arms smuggling, forgery of documents, documentation or counterfeiting of cash, etc., remains Prosecution when discovering and punishing the perpetrators is an independent legal matter.

**4.15. Organized Crime:** money-laundering offences are dominated by the features and characteristics of organized crime, but are already the result of organized crime. There is a criminal gang with specific, precise and organized roles, with a predominant planning, coordination and concerted effort, as is the crime of illicit drug trafficking, from which funds are approximately (70%-80%) of the amount of money laundered globally.

**4.16. Complex and interrelated crime:** the crime of money-laundering is linked to various types of crime and is integrated into a single criminal course, involving, for example, organized crime, arms trafficking, forgery and counterfeiting offences, etc. This leads to the flow of crime in the legal frameworks through the multiple channels offered by the complexity of the financial services, and its clandestine nature contributes to the difficulty of detecting it because of its thorny and overlapping operations<sup>(1)</sup>.

## **5. Effects of money-laundering:**

### **5.1. social effects**

- Contributing to the process of social disintegration and the social advocacy of individuals

- The appearance of kidnappings and bargains even after payment of funds.

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(1)- . Manahel Mustafa. Iftikhar Mohammed al-Rafi **the role of banks in dealing with financial fraud and money laundering**. Central Bank of Iraq. 2008.

- Imbalance in the social structure and the deepening of the problem of poverty and low standards of living for individuals
- Widespread corruption, social crimes, administrative corruption and bribery.
- The low level of living standards of individuals through the provision of fraudulent goods and services sold at prices that are comparable to income levels but short-lived, which become a burden on spent itself.
- Increased crime rates, diversity and complexity
- Chaos, economic and social events.

### **5.2. Economic Effects:**

There are a range of negative economic effects left by the phenomenon of money laundering and during the crime or money laundering because laundered money is either robbing banks and banks or smuggling machines, machinery, equipment, factories, cars and antiquities to the outside or entering counterfeit goods into the market and this all increases the effects of a Negative economic.

#### **It also has the following implications:**

1. The phenomenon has led to the weakening of income through the depletion of capital (hard currencies) that have been stolen from banks and diverted to invest outside the country machines, machinery, equipment and factories abroad and sell them at low prices and they represent a fixed and important capital and → contribute to the disruption of projects The country loses its productive capacity and weak productive sectors due to poor savings and investment.

2. The of capital outflows has led to an imbalance between savings and consumption, which will make the state bound by external transfer, thereby increasing indebtedness.

3. Monetary instability (exchange rate) and fear of volatility, which means that individuals buy and save foreign currency

4. Poor distribution of income and concentration with a small parasitic group that negatively affects social justice.

5.the introduction of fraudulent goods into the market would kill the national industry in accordance with the principle of IbnKhaldoun "Bad commodity expels good commodity"<sup>(1)</sup>.

#### 6.Conclusion:

Through this article, we have sought to familiarize ourselves with the phenomenon of money laundering as an economic crime, and we have offered to read the following:

- \* Ensuring the effective and academic composition of the banking tires and adapting them to the developments in the field of fraud detection, counterfeiting and fraud.

- \* The need to commit to the hierarchy of coherent organizational and administrative peace in the banking business while reflecting clear limits of responsibilities and tasks, to create a kind of frequent censorship.

- \* The need for bank employees to abide by the basic principles on methods of combating money laundering.

To deepen the links of regional cooperation in the fight against economic crime and money laundering.

- \* The need for financial and banking institutions to verify the identity and activity of correspondent banks and to ensure that the correspondent bank has a real existence and adopts effective policies and procedures to prevent money laundering operations and that they are subject to control authority in their country.

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