

Money talks

Money laundering choices of organized crime offenders in a digital age

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In this study we provide empirical insight into how organized crime offenders use IT to launder their money. Our empirical data consist of 30 large-scale criminal investigations into organized crime. These cases are part of the most recent, fifth round of the Dutch Organized Crime Monitor (DOCM). We do not focus on cybercrime alone. Instead, we explore the financial aspects of criminal operations in a broad range of types of organized crime, i.e. from ‘traditional’ types of organized crime such as offline drug smuggling to cybercrime.

In so far as the spending of criminal proceeds is concerned (consumption and investment), the analyses show no major differences between traditional crime and cybercrime. When it comes to concealing criminal earnings (money laundering), we do see important differences. Financial innovation, such as the use of cryptocurrencies, seems to be limited to cases of IT-related crime. One of the most striking similarities between cybercrime and traditional crime is the preference of offenders for cash. Malware and phishing offenders in our cases as well as online drug traffickers change their digital currencies for cash, at least in part. This process is probably also one of the most important bottlenecks in these types of criminal operations, because changing digital currencies for cash in many cases produces some sort of trace or paper trail.