



FINANCIAL ACTION TASK FORCE
GROUPE D'ACTION FINANCIÈRE

Financial Action Task Force: Taking the Profits Out of Environmental Crimes

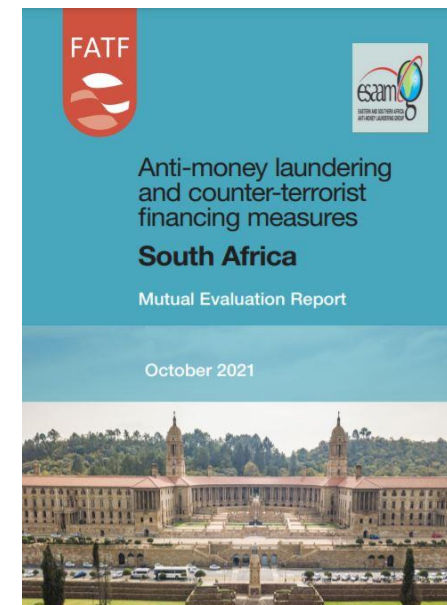
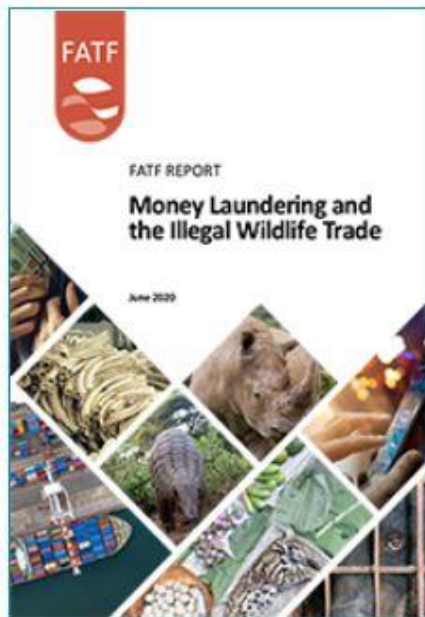
Ailsa Hart, FATF Secretariat

The Issue

- **Threat:** Environmental crimes generate an estimated 110-180 billion USD in criminal proceeds each year, on a par with other major crimes.
- **Limited Response:** BUT compared to other financial crimes – drug trafficking, migrant smuggling – countries and private sector are not dedicated resources to follow and confiscate the money.
- **Reasons:** political sensitivities; lack of cooperation between countries, shifting the blame, lack of understanding of the threat.

What is FATF doing about it?

- Global policy body of over 200 jurisdictions.
- Holds countries accountable to ensure they have the laws, powers and political will to “follow the criminal money”.
- Published two reports on money laundering trends from environmental crimes – common use of front companies & trade based money laundering.



How are criminals cleaning the money?

1. Misuse of front companies in natural resource markets to co-mingle legal and illegal funds.
2. Trade based ML through cash-intensive import-export companies.
3. Purchase of luxury goods and re-investment into criminal enterprise.

What's next?

1. Need for more data and statistics to help focus country actions.
2. Raising awareness in environmental policy fora of AML and financial tools.
3. Strengthening financial awareness, expertise and due diligence controls for companies early in environmental supply chains (not covered by AML regime).