Reexamining the anti-money-laundering framework: a legal critique and new approach to combating money laundering

Paul Michael Gilmour
School of Criminology and Criminal Justice, Faculty of Humanities and Social Sciences, University of Portsmouth, Portsmouth, UK

Abstract

Purpose – Money laundering poses significant challenges for policymakers and law-enforcement authorities. The money-laundering phenomenon is often acknowledged as a type of "serious and organised crime" yet has traditionally been described as a complicated three-stage process, involving the "placement, layering and integration" of criminal proceeds. This article aims to reexamine the money-laundering concept within the realm of organised crime and critique its legal underpinnings.

Design/methodology/approach – This paper explores how criminal actors collude in organised money-laundering schemes to circumvent laws and frustrate the efforts of officials, while advancing the regulatory-spatial paradigms of which organised money launderers operate. In doing so, it reframes the debate towards the "who" and "where" of money laundering.

Findings – This paper argues that authorities' efforts to combat money laundering relies on rigid legal definitions and flawed ideals that fail to address the money-laundering problem.

Originality/value – There has been little scholarly debate that questions the fundamental approach to conceptualising money laundering. This paper proposes a new approach to combating money laundering that better incorporates the actors involved in money laundering and the spaces in which it occurs.

Keywords Money laundering, Organised crime, Three-stage model, AML

Paper type Conceptual paper

Introduction

Money laundering is synonymous with the term "organised crime". Indeed, many global anti-money-laundering (AML) authorities acknowledge money laundering as a type of "serious and organised crime" (Levi and Soudijn, 2020). Organised crime is a consequence of a public demand for illicit goods and services, while the motives of organised criminals will often require profiting from crime (Lord *et al.*, 2018). Similarly, the purpose of money laundering involves ensuring the criminal profits appear to have come from a legitimate source and reinvesting those profits to further criminal enterprise (Albanese, 2021, p. 341). Money launderers will be more prosperous if their activities are well planned and coordinated with other like-minded individuals. They will also benefit through an ability to control financial markets, to exploit loopholes in legal frameworks and circumvent rules governing money laundering. Their desire will always be to avoid the detection of law-enforcement authorities.

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The process of money laundering is well documented in the literature as being an abstract practice of washing "dirty" cash until the cash appears "clean". Profit that was once clearly tainted from organised crime is converted and disguised to increase its obscurity within financial systems. This concept forms the basis of many authorities' understandings of how money laundering works and underpins the global fight against money laundering. Moreover, the standard to deal with criminal problems, such as money laundering and organised crime, consists of using criminal law to define the illegal activity and determine the offender's appropriate sanction (Faraldo Cabana, 2014, p. 14). However, international agendas and legal frameworks have failed to properly appreciate two key aspects of the organised money-laundering process: those involved and where it occurs. No prior research has helped to reposition the fundamental AML framework towards these key aspects.

This article re-examines the AML framework and provides a legal critique and study into its contemporary trends, while also acknowledging the significance of framing money laundering within the realm of organised crime. It establishes several shortcomings of the current approach to conceptualising money laundering. It argues that efforts to deal with money laundering focuses too heavily upon an outdated understanding of the money-laundering process and rigid legal frameworks that have failed to adapt to emerging trends in money laundering and organised crime. Therefore, the article proposes a fresh approach to combatting money laundering by offering a better insight into the emerging trends in money laundering, the actors involved in money laundering, and the spaces in which they operate. Through such an approach, AML community might be able to better execute existing AML regulations at an operational level.

Anti-money-laundering framework

The concept of money laundering has been debated by academics and policymakers for many years. Money laundering is far from being a new concept. The practice originates over 2,000 years ago when Chinese traders tried to transform the profits from illegal trading into legitimate money to circumvent official rule (Morris-Cotterill, 2001, p. 16; Purkey, 2010, p. 114). Organised criminals have always tried to find ways to re-use, hide and legitimise their illicit wealth so they can enjoy a lavish lifestyle and further their criminal enterprise (International Bar Association, n.d.). In doing so, criminals effectively achieve a successful income from a position of corporate power. Italian mafia organisations, for example, have conventionally chosen to manage similar businesses, such as casinos and restaurants, through which they wield command to launder money (El Siwi, 2018, p. 126). American mafias made the laundering of criminal proceeds a key function of their commands during the 1920s' Prohibition Era to conceal funds obtained through the sale of alcohol and other illegal activities (International Bar Association, n.d.). An important purpose of money laundering is to distance the proceeds from the criminal activities from which it originated so as not to incriminate themselves.

Yet, government authorities have only recently taken interest in tackling money laundering as a separate issue (Gilmore, 2011). Since authorities recognised the increased profits made from drug trafficking during the 1980s, the need to confiscate criminal profits became the focus of lawmakers and regulators towards a concerted effort to curb organised crime. Money laundering was first proscribed as a standalone offence in the USA through the passing of the Money Laundering Control Act of 1986 (Lapteş, 2020). Money laundering was forefront of governments' agendas during the 1990s as it was connected to efforts to tackle drug trafficking and other organised crimes. Following the terrorist attack in the USA on September 9, 2001, tackling money laundering became central to the West's "war on terrorism" (Alldridge, 2003). It has also since been outlawed in many other jurisdictions. The

Proceeds of Crime Act 2002 in England and Wales lists several money-laundering offences and defines criminal property as a person's benefit from unlawful conduct. The Act prohibits someone to acquire or conceal criminal property, or to arrange to do so on another's behalf, and provides police powers to confiscate criminal profits.

Critiquing the money-laundering process and framework

The process in which money is laundered has been subject to much debate. It has traditionally centred upon a three-stage model of *placement*, *layering* and *integration* that forms the foundation of governments' understanding about the money-laundering process (Gilmour, 2020; Hopton, 2009; Soudijn, 2016). Money laundering is typically represented as a sequential practice that first involves illicit funds being placed into the financial system. This placement may include cash simply being deposited into a bank account or funds being transferred from one asset into another form of property held by a bank. The second stage, layering, involves illicit payments in small amounts being deposited through numerous bank accounts, or mixed with legally obtained payments or other assets to obfuscate their criminal origins. The origins of the illicit payments are further concealed by using fraudulent documents, anonymous shell companies and complex corporate structures. Illicit payments are then integrated back into the legal economy for future reinvestment through converting them into apparently legitimate returns, such as company stocks, real estate or luxury boats or cars (Cassella, 2018; Irwin *et al.*, 2012; Naheem, 2015a).

A great deal has been written that advocates money laundering occurring through this three-stage process; consequently, many law-enforcement agencies and governments rely on it as a model to direct their enforcement actions and to formulate AML policies (Soudijn, 2016). Money laundering is often referred as a way criminals can clean "dirty" money through the wash cycle of "placement-layering-integration" to legitimatise criminal income. For instance, the Financial Action Task Force (FATF), the intergovernmental organisation that sets global AML standards, describes the money-laundering process in this way in their numerous reports, and recommends that every country legislates for prosecuting money laundering (FATF, 2021; Kemsley *et al.*, 2022; Soudijn, 2016; Alexander, 2001). In addition, the rhetoric used by many governments to describe money laundering is such that its concept has become romanticised as a form of "serious and organised" crime (Levi and Soudijn, 2020). Complicated case studies often compliment descriptions of money laundering within such policy literature. This language is problematic because it implies money laundering is a complicated process, when in many cases, in practice, it is quite simple.

Such descriptions of money laundering are also antiquated. As Levi and Soudijn (2020, p. 583) demonstrate the money-laundering concept originated during a period in the 1980s when most payments were based on simple cash transactions. However, the methods that launderers use today are numerous and varied, driven by advances in technology and globalisation, and cannot be effectively represented by the conventional three-stage model. Although cash is still widely used and is especially in demand in less developed nations, cash transactions remain costly and less convenient for many than electronic payments. Many money-laundering schemes, like trade-based methods avoid transacting in cash and, instead, involve practices that manipulate value within trade invoices (Gilmour, 2022; Levi and Soudijn, 2020; Naheem, 2015b). However, considering the anonymous nature of cash transactions, it is worth noting that establishing an accurate volume of payments made using cash remains difficult (G4S, 2018). This is not to imply that the role of cash in money laundering is unimportant. Indeed, the anonymity of cash means laundered cash can circulate freely within underground economies (such as Hawala) without being detected or measured (Soudijn, 2016).

This highlights a further significant flaw of the three-stage model: not all stages of the model need to occur for money to be effectively "laundered". Money laundering is often described through the "placement–layering–integration" model, is as though this is the main (and sometimes only) means for criminals to legitimise their income. This is often not the case. Illegal cash obtained through street-level drug dealing that is hidden under floorboards and intended for future drug investments, for example, do not become "placed" into the traditional financial system. Yet, it is possible to legitimately spend that cash through cash-intensive businesses, such as car washes, laundrettes and pawnshops, without using a bank account. Such funds also do not need to be "layered" to be spent.

Other cases where money-laundering concept might not fit the traditional three-stage model include informal value transfer systems (e.g. Hawala). These involve casual agreements within a network of trusted people overseas acting as "financial service providers" to transfer funds across jurisdictions without funds ever entering the formal economy (Teichmann and Falker, 2021; van de Bunt, 2008). The intention here is not to place or integrate any funds into the formal economy, rather, to transact via a familiar system, which has been trusted and relied upon within specific cultures for many centuries. Nonetheless, it could be argued that such systems still involve "layering" as they can help to distance and obscure the origins of illicit transactions.

Finally, illegal funds do not need to be reinvested into other assets to be integrated back into the traditional financial system. Rather, they can be simply spent through casinos and nightclubs in extravagant style, and without caring to save those funds for future endeavours (Levi and Soudijn, 2020, p. 583). Another example, as Cassella (2018, p. 496) demonstrates, includes fraudulent investment schemes, whereby money is laundered through future investments without involving any "placement, layering or integration" of funds. For Cassella (2018) authorities should concentrate more on who is involved in money laundering, than the methods in which the money is laundered. It is argued, therefore, that the three-stage model of money laundering fails to consider the people involved, like the actors that enable money laundering to flourish, while also ignoring the spaces in which it occurs. Gaining a better insight into money launderers and their illicit markets is key for authorities to properly challenge the money-laundering phenomenon.

Furthermore, as the goal of money laundering is to disguise criminal profits to avoid detection, there is a need to understand the scope of criminal activities that might lead to funds being tracked by authorities. The study of money laundering ultimately incorporates some discussion into the predicate crimes, which can tie money-laundering processes and the launderers to their criminal origins. Financial motivated crimes, such as fraud and corruption, are obvious predicate crimes to money laundering. However, it should be noted that the AML regulatory landscape originates during the official curtailment on illicit profits arising from drug trafficking during the 1980s. AML policies have consequently been shaped from such beginnings. Pavlović and Paunović (2019, p. 223) note that 1988's United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, which criminalised the laundering of criminal proceeds derived from drug trafficking, failed to even acknowledge corruption crimes. The UN Convention against transnational organised crime introduced in 2000 widened the scope of predicate crimes to include terrorism (and the financing of terrorism), human trafficking, fraud and counterfeiting currency, amongst others (Mugarura, 2011, p. 180). Further, reference to predicate crimes to money laundering is detailed within Financial Action Task Force's (2012) Recommendations, which provides a comprehensive framework for how countries should collectively tackle money laundering and terrorist financing.

However, it may be the case that governments have given too much attention to predicate crimes in criminalising money laundering. According to Korejo *et al.* (2021), an overcriminalisation of money laundering has resulted from governments' ill-defined approach to the money-laundering concept. Many international definitions consider money laundering to include any "proceeds of crime" focusing on income, property and illegal activities. Indeed, money laundering often arises from many other criminal activities, and is often closely related to its predicate crimes, as illicit wealth is reinvested for further criminal endeavours (Financial Action Task Force, 2012; Rusanov and Pudovochkin, 2018, p. 22). However, as Korejo *et al.* (2021) highlight, money laundering has expanded to encompass a plethora of serious and transnational organised crimes that potentially represent a predicate offence. The latest 6th EU AML Directive lists 22 offences, which include not only drug trafficking, fraud, corruption, human trafficking and terrorism, but also, amongst others, tax evasion, cybercrime, environmental crimes, arms trafficking, piracy, murder and serious assaults (Council Directive 2018/1673/EU, 2018, pp. 26–27). For Korejo *et al.* (2021), the scope of activities that potentially classify as predicate crimes to money laundering is too broad. Although any crime can lead to their proceeds being laundered, governments' strict criminal-law approach to conceptualising money laundering is problematic: it takes a narrow view towards money-laundering enforcement and fails to consider the actors involved in money laundering or the spaces in which they operate. Before considering these aspects, it is important to appreciate the challenges that money laundering presents to authorities at both operational and strategic levels.

Challenges to combating money laundering

Money laundering presents unique challenges for government and law-enforcement authorities. Money launderers continually refine and vary their operations to disguise the source of their illicit proceeds, thus, effectively adapting to the authorities' strengthening AML efforts (Brown, 2016; Cassella, 2018; Naheem, 2015a). A main challenge for authorities in investigating and subsequently prosecuting money laundering cases is, therefore, tracing illicit proceeds. Authorities can also be thwarted by complicated legal due process, deficient intergovernmental cooperation and a lack of political will, which hinder the timely implementation of new AML regimes (Gilmour, 2020). The lengthy time taken for governments to progress new AML laws and evolve enforcement actions often result in money launderers discovering new ways to operate to frustrate government and law-enforcement authorities (Turner, 2011). Combating money laundering is further complicated through society's increased globalisation.

Globalisation has increased the movement of goods and services, people and information across borders and has made international travel easier (Otusanya and Lauwo, 2012; Schroeder, 2001). The liberalisation of financial markets has led to less regulatory barriers and easier cross-border trade (Otusanya and Lauwo, 2012). There was an estimated increase of US$8tn in cross-border flow of capital between 1990 and 2016, with illicit money accounting for 20% of this (Christensen, 2012, p. 331). Money laundering is enabled through the vast amounts of international payments, numerous payment methods, improved channels of communication and a better access to financial markets through which funds can be laundered (Gelemerova, 2011; Menz, 2020). Despite the reliance on cash, the demand for electronic payments is growing (Gilmour and Ridley, 2015). Emerging technologies, such as prepaid access cards, peer-to-peer payment systems and other digital payments, provide for faster payment and convenience, and allow money launderers to better exploit the financial system (He, 2010; Simser, 2013). Similarly, trading in alternative payments, such as cryptocurrencies, provides convenience and perceived anonymity compared to conventional

financial systems. The internet and social media platforms have allowed criminals to better communicate, while widening their reach across cultural limits and to many sectors of society (Dolliver and Love, 2015). Globalisation has provided criminals better opportunities to organise themselves and to shift illicit money quicker, thus, frustrating the ability of authorities to detect their illicit activities.

Furthermore, the characteristic transnational and cross-border nature of money laundering means authorities may find it more difficult to trace funds that have been laundered overseas. Authorities may face several legal, moral and practical barriers to combating money laundering or other financial crimes (Gilmour, 2020). Their struggles with fragmented and sometimes obstructive AML laws within overseas jurisdictions are worsened by complicated and lengthy legal or corporate processes (Gelemerova, 2011). Overseas jurisdictions may have no legal obligation to assist foreign law-enforcement authorities to investigate money laundering, unless bound by international treaties or other mutual legal arrangements. Overseas jurisdictions may be reluctant or even deliberately obstructive to safeguard their own investment and commercial interests (Gilmour, 2020, p. 726). Therefore, law-enforcement authorities may lack vital access to data or intelligence on money laundering, be unable to trace and recovery lost proceeds and miss opportunities to prosecute offenders through criminal or civil law redress.

Towards a new anti-money-laundering framework

A multitude of individuals may become involved in money laundering activities for various reasons. However, government and law-enforcement authorities often lack awareness, let alone the expertise, to recognise and properly target potential money launderers. Understanding who is involved in money laundering is also crucial to assigning criminal liability. Although money launderers may not need to involve others in their endeavours and decide to launder proceeds alone, this decision will largely depend upon several factors:

- the type of crime they are involved in;
- their purpose for laundering funds;
- the amount of funds to be laundered; and
- their ability to launder funds without those funds or themselves being detected by the authorities (Levi and Soudijn, 2020, p. 610).

However, money laundering is typically an organised criminal activity, requiring individuals who are well connected, and prepared towards a common goal. This goal may be to pursue profit or power over others or illicit markets. Their purpose for laundering funds may not be obvious to all involved. Yet, it will usually entail concealing illicit funds from the police and other authorities.

Organised criminals will often exploit advances in technology and operate online where the risks of being caught and the financial rewards are higher (András Nagy and Mezei, 2016). These cybercriminals are, questionably, less organised than the traditional mafia gang – they seldom meet in person, might never meet in real life and will undertake their activities remotely (András Nagy and Mezei, 2016; Stevenson Smith, 2015, p. 110). Yet, they are highly skilled and flexible individuals (András Nagy and Mezei, 2016). Criminals can launder money more easily through the internet because online payments are quick, vast and can be anonymised, making it more difficult to attribute illicit funds to the individual or trace funds to their source (Irwin and Turner, 2018). The use of blockchain technology and rise of cryptocurrencies have enabled activities that are more anonymous than traditional laundering methods, such as the transfer of funds through high-street bank accounts. It is,

therefore, vital that authorities learn how online money launderers operate to better combat the phenomenon.

Additionally, professionals will often be in prime positions to enable organised money-laundering schemes. There is a growing body of important work focusing on "professional enablers" that is providing greater insight into the dynamics of professional relationships within money-laundering schemes (Benson, 2020; Lord *et al.*, 2018, 2019). Professionals, such as lawyers, accountants, bankers and others in the financial services sector can provide a cloak of legitimacy to dodgy dealings and have expertise into the sort of intricate corporate methods that can conceal corrupt acts (Levi, 2020, p. 103). Recent scandals, such as the 2016 "Panama Papers", have exposed the scale of offshore money laundering facilitated by professionals for wealthy clients (de Groen, 2017). As Christensen (2012, p. 333) alluded, the widespread abuse of the financial sector would be impossible without the collective involvement of influential people who understand and have access to financial markets. Additionally, the use of complex corporate structures, such as multiple offshore shell companies, helps to obscure the trail of laundered money from being detected by law enforcement (Unger, 2017). Furthermore, the flawed "placement–layering–integration" model that underpins global AML compliance programmes may serve to hinder efforts to combat evolving instances of money laundering by misleading compliance officials who are entrusted to carry out due diligence checks and report suspicious activities. Hence, professionals can create the means to seem to comply with AML rules, while simultaneously enabling the money-laundering objectives of their criminal clients (Murray, 2018, pp. 223–224). Corrupt professionals might be wilful or even complicit in enabling illicit schemes by exploiting imperfect AML regimes (Benson, 2020; Lord *et al.*, 2019).

Additionally, politically exposed persons (PEPs) pose a money laundering risk as they are deemed vulnerable to corruption because of their political status and public profile (Canestri, 2019). PEPs include anyone trusted with important civic duties –members of supreme courts, parliament, state ambassadors, high-profile international company directors, family members of politicians and potentially royalty [Financial Conduct Authority (FCA), 2018]. There seems little international consensus surrounding PEPs, with important international governmental bodies, such as the European Union, Joint Money Laundering Steering Group (JMLSG), Wolfsberg Group and the FATF, all differing in approach to defining them (Choo, 2008, p. 372). This also results in weak and unreliable efforts to combating financial crime committed by or enabled through PEPs. For Teichmann (2020), AML efforts have largely been ineffective in targeting PEPs directly, because of inadequate legal frameworks that allow individuals to circumvent money-laundering sanctions. Instances include unsuccessful unexplained wealth orders and inconsistent customer due diligence compliance regimes (Gilmour, 2022; Moiseienko, 2022; Stephenson, 2017). However, according to Canestri (2009, p. 366), corrupt political wealth is primarily hidden through the legal entities controlled by PEPs. Thus, governments should strengthen legal mechanisms governing the corporates linked to PEPs to better combat money laundering.

Better appreciation of the legal and corporate spaces in which organised money launderers operate is also vital. These can extend from basic "street"-level criminal operations through to more "high-end" professional money laundering. For Gilmour (2016, pp. 5–7), international trade is fuelled by street-level criminal operations. The abundant availability of cash to pay for goods and services provides cash-intensive businesses, such as launderettes, night clubs, car washes and salons, the means through which money launderers can operate (Gilmour and Ridley, 2015). Street-level businesses can be exploited as vehicles for money laundering because they provide an ideal opportunity to introduce illicit money into the legitimate financial sector (Gilmour, 2016, p. 5). Cash-intensive

businesses are easy to create and run and are important trade outlets for local communities. Yet, money laundering is not limited to basic street-level operations (Christensen, 2012; Gilmour, 2016). It is also prevalent in highly structured commercial situations, for example, banking, where practises are more organised (Christensen, 2012).

Recent offshore banking scandals have revealed the offshore space in which money laundering can flourish. They have exposed the widespread and organised scale of the banking sector to facilitate money laundering and other illicit activities through offshore jurisdictions (Gilmour, 2020, 2022). These offshore spaces arise through their favourable legal frameworks that welcome overseas investment and serve to loosen cross-border trade barriers inherent in other jurisdictions. Many perceive these locations to include tropical islands in the Caribbean, such as the British Overseas Territories of Anguilla and the British Virgin Islands. They also involve major Financial Centres, such as Hong Kong, Singapore, the City of London and Delaware, USA. Such conditions and environments can create illicit markets emphasised through criminal links that are either deeply territorial and structured, or purely constrained yet adaptable to circumstances concerning illegal goods or services (Clark *et al.*, 2021, p. 248).

The emergence of freeports has furthered debate surrounding offshore money laundering. Freeports act as depots situated within free-trade zones located inside a jurisdiction's geography, but outside its tax regulatory framework (Gilmour, 2022; Webb, 2020). Freeports are inherently secretive locations through which clients can trade and benefit by lax trade regulations and strict privacy rules. There is ongoing concern over the criminal risks that freeports present, with some claiming they provide an ideal platform for facilitating trade-based money laundering and tax evasion (Financial Action Task Force, 2010; Moiseienko *et al.*, 2020), whereas others (Lavissière and Rodrigue, 2017; Steiner, 2017) argue, secrecy and confidentiality rules characteristic of freeports are essential for legitimate actors to operate, adding that freeports benefit society by stimulating social and economic growth and boasting global trade.

Such unique regulatory-spatial paradigms could be likened to the notion of "criminological asymmetries" originally devised by Passas in 1999. Passas (1999) found that economic crime is caused by various struggles and inequalities, termed criminological asymmetries, that exist within political, cultural, economic and legal realms. These criminological asymmetries cause crime by stimulating the need for illicit goods and services, through incentivising illegal conduct as people and companies compete to control commerce, and by hindering law enforcements' capability to combat crime (Passas, 1999, p. 402). The effect of these criminological asymmetries is deepened through globalisation (Passas, 1999). Dolliver and Love (2015) advanced Passas's (1999) theory, by demonstrating that criminological asymmetries are also prevalent within the realm of "cybercrime", where crime is enabled or reliant on technology. This is a logical extension of the notion offered by Passas (1999), which is more relevant considering modern technological advances that enable money laundering and organised crime.

Rather than only considering the simple "what" or "how" of money laundering, incorporating the "who" and "where" is key to the global fight against money laundering. Reframing money-laundering discourse in this way will help inform and broaden authorities' understanding of the money-laundering phenomena and help to address the problem. Too much attention has focused on theorising about money laundering strictly through legal means, which has resulted in authorities taking a limited approach to the money-laundering problem. Understanding the actors and spaces connected with money laundering is, arguably, as important as how the offence is defined in criminal law.

Conclusion

This article demonstrates a need to reframe the money-laundering framework, by focusing more on the actors involved, and the spaces in which money laundering occurs, rather than simply describing its process. Drug trafficking has traditionally been viewed as the archetypal predicate offence to money laundering; however, there now exist such a broad range of potential predicate activities (Korejo *et al.*, 2021). Governments have acknowledged the money-laundering problem and acted to criminalise the offence. However, AML laws still fail to adequately address money laundering because they remain underpinned by an imperfect understanding of the phenomenon (Cassella, 2018; Gilmour, 2020; Lapteş, 2020; Levi and Soudijn, 2020; Soudijn, 2016). The traditional "placement, layering and integration" model is outdated and can no longer account for modern trends in money laundering, like new offending methods advanced through technology and globalisation.

Furthermore, criminal actors involved in money laundering can be diverse and cunning. Money laundering is an organised activity, whereby well-connected individuals operate collectively to pursue power or control and are motivated to conceal illicit funds from law enforcement. Professional intermediaries having specialised knowledge and access to financial markets and corporate structures may become implicated in money laundering (Benson, 2020; Christensen, 2012; Levi, 2020; Lord *et al.*, 2018, 2019). It is also worth noting that PEPs with high-profile public positions are also vulnerable to money-laundering involvement, while corporates entities linked to PEPs are where much corrupt wealth is hidden (Canestri, 2019; Teichmann, 2020). Understanding these individuals and their associated money-laundering risks should underline and strengthen AML frameworks.

This article also emphasises the importance of appreciating money-laundering spaces in considering the phenomenon. Money laundering operates through both street-level and high-end commercial realms. Street-level business settings are ideal conduits for illicit cash to enter the financial system (Gilmour and Ridley, 2015; Gilmour, 2016), whereas, high-end commercial realms, such as offshore overseas jurisdictions and freeports, offer favourable environments for the money launderer because of their strict secrecy, limited supervision and looser trading agendas (Gilmour, 2020, 2022; Webb, 2020). These locations may promote crime by stimulating demand for illicit goods and services and fuelling competitive commercial practices (Passas, 1999). The money-laundering framework needs updating, with less focus on mere characterisations of its process. An improved approach is one that incorporates the actors and spaces involved in the money-laundering process and that can better deal with emerging trends. Understanding the "who" and "where" of money laundering should help to broaden insights in better combating the problem that it presents.

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About the author

Paul Michael Gilmour is Lecturer in the School of Criminology and Criminal Justice, University of Portsmouth, UK. Paul is involved in a range of research and teaching activities within policing and economic crime. His research focuses on illicit offshore finance, corporate transparency and anti-money-laundering control. Paul Michael Gilmour can be contacted at: paul.gilmour@port.ac.uk