

AUSTRALIAN MONEY-LAUNDERING SCAM FUNDING HEZBOLLAH ET AL.

Conclusions: www.frank-cs.org



Australian police has cracked a major global money-laundering ring with operatives in more than 20 countries and funds syphoned off to groups reported to include Hezbollah.

The Australian Crime Commission said more than Aus\$580 million of drugs and assets had been seized, including Aus\$26 million in cash, in a year-long sting codenamed Eligo targeting the offshore laundering of funds generated by outlaw motorcycle gangs, people-smugglers and others.

According to the ACC, the operation had disrupted 18 serious and organised crime groups and singled out 128 individuals of interest in more than 20 countries, tapping information from agencies including the United States Drug Enforcement Administration.

The full details of which countries had been involved were not revealed but acting ACC chief Paul Jevtovic said "the reality is that the Middle East and Southeast Asia have featured prominently".

"Drug importations into Australia continue to be the main profit source by organised crime here in this country, but there is a range of other things, serious organised investment frauds, identity theft," Jevtovic said.

Eligo saw 105 people arrested on 190 separate charges and resulted in the closure of three major clandestine methamphetamine labs and Australia's largest-ever urban hydroponic cannabis hothouse in Sydney last November.

It was described as "one of the most successful money-laundering investigations in Australian law enforcement history" by the ACC.

"The task force focused on high-threat money-laundering activities and, as a result, revealed a range of different crime types which has led to these extraordinary outcomes," said Australia's Justice Minister Michael Keenan.

"Seizing more than \$550 million worth of drugs and cash is a significant blow to the criminal economy," he added.

Legitimate international cash wiring services were a major focus of the operation, with the government's anti-laundering agency AUSTRAC saying they had been identified as at "high risk of being exploited by serious and organised crime groups".

Criminals targeted foreign nationals and students in Australia awaiting remittances from overseas, hijacking the transaction by depositing dirty money to the payee and then taking the cash wired from offshore, the operation found.

At least one of the exchange houses used in the Middle East and Asia delivered a cut from every dollar it laundered to Lebanon's powerful Shiite



movement and Syria ally Hezbollah, which is banned as a terrorist organisation in Australia.

This is not the first time Hezbollah has been linked to organized criminal activity.

The Lebanese-based group has long been linked to the drug trade in South America, which has a large Lebanese expat community and where Hezbollah has long been active. Previous reports have also revealed Hezbollah's role in drug trafficking in Europe and the US.

Hezbollah's fundraising efforts in Europe were dealt a blow back in July of last year, when the EU blacklisted its "military wing" as a terrorist organization, following the lead of several Gulf Arab states.

Analysts back then noted the importance Hezbollah Secretary General Hassan Nasrallah had placed on his group's European fundraising efforts, and suggested the ban would force it to focus on other methods of bankrolling its operations - including via organized criminal networks.

The Australian Crime Commission's acting operations manager, Col Blanch, said that apart from enforcement measures, authorities were trying to educate new arrivals of the threat to avoid them being "exploited by serious organized criminals."

The scope of the criminal operation is massive, he said, and prompted his agency to call for support from state and federal police, as well as from the US Drug Enforcement Administration.

"It was just never-ending. We were regularly finding bags of \$500,000 and \$400,000," he said.

Eligo netted a record Aus\$5.7 million single cash seizure in Sydney at the weekend - seven suitcases stuffed with bills uncovered in an apartment near the city's airport.

A 58-year-old US citizen who recently arrived in Australia via Costa Rica has been charged with dealing with the proceeds of crime over the stash.

"This is one of Australia's largest cash seizures," said federal police commissioner Tony Negus.

ACC Money Laundering Infographics:

The basic motivation behind most crime is to make money. If criminals want to use that money it needs to appear to have come from legitimate sources. This means they need to 'clean' or 'launder' it. There is no single method of laundering money.

Money launderers have shown themselves to be imaginative, and utilise a variety of methods to get around counter-measures designed to identify and stop this activity.

ACC has provided impressive charts on how ACC "Followed the Illicit Money", the way "Illicit Money was Laundered", and how "Informal Value Transfer System (IVTS)", "Smurfing" and "Trade Based Money Laundering" were applied.