

# How to identify dirty money

November 9 2010

---

Global standards for preventing money laundering and terrorism financing have come under heat after substantial evidence has shown they do not work.

The problem, Case Western Reserve financial law expert Richard K. Gordon says, is that the private sector-mostly in the form of financial institutions-is required to monitor transactions and report to the government those that raise suspicion.

However, the individuals responsible for such monitoring don't have sufficient expertise, access to data or incentives to do so effectively. [Law enforcement](#), on the other hand, doesn't have enough responsibility in identifying suspected cases of [money](#) laundering or terrorism financing.

"Dividing these tasks between the private sector and law enforcement is inherently inefficient," Gordon says. "It separates expertise and data, making it difficult and unlikely to effectively identify possible criminals."

**More information:** Gordon will outline the problems with current preventive measures and offer suggestions for change in the March 2011 issue of the *Duke Journal of Comparative & International Law*.

Provided by Case Western Reserve University

Citation: How to identify dirty money (2010, November 9) retrieved 23 April 2024 from <https://phys.org/news/2010-11-dirty-money.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.