

Baker Institute paper looks at electronic money trail

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A dramatic growth in technologies, combined with older methods of money transfers, has helped create new opportunities for criminals to cover their financial tracks. A new report by Rice University's Baker Institute for Public Policy and the Brookings Institution Center for Technology Innovation details the latest trends in the illicit movement of money around the world and proposes several ways to curtail it.

"The combination of the enormous growth in social networks, the complexity of peer-to-peer systems and software and the number of Internet and wirelessly connected devices is altering the landscape of financial transactions at a rate and to a degree that is unprecedented," wrote Christopher Bronk, fellow in information technology policy at the Baker Institute and one of the report's co-authors.

"Shadowy Figures: Tracking Illicit Financial Transactions in the Murky World of Digital Currencies, Peer-to-peer Networks and Mobile Device Payments" was also co-authored by John Villasenor, nonresident senior fellow at the Brookings Institution in governance studies and the Center for [Technology Innovation](#), and Cody Monk, instructor/lecturer at the National Intelligence University and the Naval Postgraduate School.

"Almost no one would argue that governments do not have a right to track and trace digital [financial transactions](#) associated with activities such as terrorism and human trafficking," the authors wrote. "It is less clear, however, how governments can surmount the formidable technical and organizational challenges associated with detecting and monitoring

these transactions."

They suggested that any solution "will require a combination of self-regulation, government-industry collaboration and change in both technology and culture within government agencies."

The report was published by the Baker Institute and the Brookings Institution and can be viewed in its entirety at bakerinstitute.org/publications .

Provided by Rice University

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