Legal frontiers in the war against money laundering: A doctrinal examination of global approaches

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Abstract

Introduction to The Problem: Black money has a detrimental impact on a nation's macroeconomic and microeconomic, financial system, and international markets. The first idea to surface in the international literature when looking at the historical evolution of black money is money laundering. Criminal organizations employ various tactics to launder illicit funds, aiming to prevent the confiscation of the proceeds of their criminal activities.

Purpose/Objective Study: This research delves into international perspectives on countering money laundering, a growing concern that poses threats to the security and stability of nations worldwide, and causes economic uncertainty. The study also investigates the progress and regulations surrounding this matter, along with the efforts of international organizations.

Design/Methodology/Approach: The research used doctrinal legal research with employing statutory and conceptual approaches.

Findings: This legal research underscores the importance of countries revisiting their domestic legal frameworks in light of the current scenario. The research stresses the importance of global cooperation between countries in effectively addressing money laundering. It urges nations to establish bilateral agreements to enable a seamless flow of information for this purpose.

Paper Type: Research Article

Keywords: Cryptocurrency; International Organization; Money Laundry; Terrorism; Transnational Organized Crime

Introduction

Black money refers to income generated through illicit activities (Mekpor et al., 2018). Money laundering, on the other hand, involves the intentional process of obscuring the origins of criminally derived profits to confer a veneer of legality on income obtained from illegal enterprises and transactions (Riccardi & Levi, 2018). Commonly

termed "dirty money" in scholarly discourse, black money is often amassed through crimes such as drug trafficking, arms smuggling, prostitution, and human trafficking. A historical analysis reveals that black money practices trace back as far as 2000 BC (Dupuis & Gleason, 2020). During this period, it was determined that Chinese traders made transactions similar to money laundering activities. However, it was during the 1970s that money laundering activity emerged as a concept in international literature and was recognized as a problem that required addressing (Barone & Masciandaro, 2019).

Money laundering, which involves the concealment of illegally obtained income, poses a significant threat to the economic and social structures of countries. It undermines existing economic policies and can cause considerable damage to a nation's financial stability and societal well-being (Mabunda, 2018). Moreover, money laundering disrupts the financial structures of countries and distorts competition within various economic sectors, resulting in unjust gains. Since the 1980s, advancements in technology have facilitated financial integration and contributed to the swift expansion of international markets (Kruisbergen et al., 2019). In this context, while new types of financial instruments are emerging; information systems have been instrumental in financial integration in capital markets. Dirty money obtained through illegal means is immediately laundered and whitened, injected into the financial system, and while providing a great economic power to its owners, it causes an increase in terrorism by damaging the rule of law they are in (Ardizzi et al., 2018).

Several literatures have discussed the issue of money laundering in particular with respect its practice in international scope. The issues that current international money laundering techniques are posing to the Chinese banking industry are discussed by Ahmad Naheem. Customer due diligence checks and other anti-money laundering (AML) procedures are weak in some areas since AML systems in China are still in their infancy. He explains the complexity of multi-organizations and how a seemingly innocent connection to a charity for secondhand clothing can support a worldwide organization that operates across multiple nations (Naheem, 2018). Additionally, according to a different study done by Maguchu, International Organizations (IOs) are critical players in promoting the widespread adoption of anti-money-laundering (AML) laws. The effectiveness of legislation enacted at the behest of International Organizations (IOs) may be questionable, particularly concerning Anti-Money Laundering (AML) laws implemented in Zimbabwe under the guidance of the Financial Action Task Force (FATF) and the East Africa and Southern Africa Money Laundering Group (ESSAMALG). He asserts that glocalization might strengthen the global effort to combat money laundering. In other words, national laws should be respected as national standards are applied internationally (Maguchu, 2018).

In order to complement the current research and information on money laundering in international scope particularly when discussing on the role of international organizations, hence the research contributes to investigate the IOs' response in combating money laundering. It elaborates the taken measures by international communities in order to effectively and successfully fight against money laundering. It also examines the need to cooperate in the international arena and make arrangements for the common struggle in combating such a crime. In this context, the research explores the measures initiated by international organizations such as the United Nations (UN) and the European Union (EU), as well as the Vienna Convention, and FATF (Financial Action Task Force).

Methodology

This research employs a doctrinal legal approach, rigorously analyzing existing legal theories, regulatory frameworks, and historical developments surrounding money laundering and associated criminal liabilities. It further investigates the international community's response to money laundering, detailing the preventive measures implemented globally. Additionally, the study examines a significant case of money laundering in Indonesia, highlighting the involvement of international organizations such as International Criminal Police Organization (INTERPOL). The research draws upon primary and secondary sources, including international conventions, statutory regulations, academic journals, books, and conference proceedings across print and digital media. The collected data are examined descriptively, utilizing both statutory and conceptual approaches to offer a nuanced discussion.

Results and Discussion

Money Laundering Concept: The Idea and Historical Process

The liberalization inherent in the capitalist world system has generated a spectrum of economic impacts, both beneficial and detrimental. Notably, one of the adverse outcomes has been the proliferation of money laundering activities, where funds of dubious or undisclosed origin—often termed "black money"—are concealed and integrated into the formal economy. Driven by an unrestrained pursuit of wealth and financial advantage, along with eroding ethical standards, certain individuals engage in these practices, amassing capital irrespective of legal constraints or the moral implications of their actions (Tiwari et al., 2020). In the era of globalization, significant advancements in the banking sector and information-communication technology have blurred the borders between countries. Exploiting these developments, organized crime groups are increasingly engaging in cross-border activities to launder illicit funds. This situation poses substantial economic challenges to the global economy. Consequently, the need for international collaboration and cooperation has become imperative to develop more effective solutions in the battle against money laundering (Teichmann, 2020).

In the literature, there exist various definitions of black money. In legal terms, black money encompasses all gains acquired by converting money, valuable documents, goods, income, and currencies interchangeably. From an economic perspective, black money refers to income obtained by disregarding the regulations governing economic activities and engaging in actions that are considered illegal under the laws. For a crime known as black money in the eyes of society to be called black money, the money in question must be black money in the legal sense. For example, if you have some money obtained as a result of fraud by issuing forged documents, it is considered as black money in a social and moral sense. Because this money was earned in a way that the society does not approve and does not comply with the moral rules of the society (Alsuwailem & Saudagar, 2020).

The relationship between crime and gain is as old as human history. With the invention of money, this relationship has now become more concrete. In the examinations made by the scientists, it was revealed that during the Assyrian period, the traders paid less tax by issuing false documents or making incomplete declarations in tax payments to the state due to the goods they sold to Anatolia. In addition, it has been learned that BC Chinese merchants hid their wealth, relocated their goods, and even invested abroad in order not to give a share of their goods to the state in order to prevent a certain part of their earnings from being confiscated for free by the state (Jullum et al., 2020).

The emergence of the term laundering dates back to the early 1900s. It was understood that the gangster named Al Capone, who was followed by American agents in Chicago, showed his earnings from various crimes, especially alcohol smuggling, as if they were obtained from the many laundries he owned, and thus gave legal validity to the black money he obtained (Yeoh, 2019). Therefore, based on this event, the terms 'money laundering' and 'money washing' have been included in the literature, inspired by the laundry washing event.

As drug gangs started to show themselves in money laundering in the 1960s and this threat reached its peak, the sensitivity in the international arena increased, and the first steps were taken in the international fight against money laundering by signing the Vienna Convention on 19 December 1988 and the Strasburg Convention on 8 November 1990. Türkiye joined the Vienna Convention on November 22, 1995. While fines and prison sentences applied to such criminal organizations in previous practices did not provide a deterrent, the confiscation of the proceeds of crime dealt a great blow especially to the criminal organizations engaged in drug and human trafficking. Regarding money laundering, the United States of America in 1986, France in 1987, Italy in 1989, Japan and the Netherlands in 1991, and Brazil in 1996 made regulations regarding money laundering (Gilmour, 2023).

The Three Key Stages of Laundering

Most money laundering methods involve integrating illicit funds into the financial system by passing through similar stages. Inspired by the washing and laundering of contaminated laundry in washing machines, a 3-stage system mechanism has been achieved. These stages are placing (Placement) into the machine, sorting or layering, washing the laundry and integration, cleaning and removing it from the machine and returning the money to the launderer (Wronka, 2022).

The placement stage, also called pre-washing, is the stage where criminals panic most and have difficulty in the money laundering process, the source of which is tried to be hidden. At this stage, it is easier to document the connection/relationship with the crime, which is the building block of the asset value obtained from the crime. During the settlement phase, the link between the black money and the source of the money has not been cut yet. At this stage, the launderer could not put the money on a legal basis by fabricating a justification, and this compels the launderer. In order to remove the black money from its source, it is subjected to many financial transactions that are complex and similar to legal transactions in terms of structure. With these processes, the control mechanism is tried to be bypassed. At this stage, money is mostly in cash (Korejo et al., 2021).

Black money can be physically transferred to the banks of the countries where the controls are more limited, it can be divided into smaller amounts and deposited in the banks within the existing country, or it can be deposited in different banks by opening many accounts with different names. Afterwards, it is integrated into the financial system by purchasing valuable paper such as bonds and bills or by showing it as company profit.

Furthermore, the next stage is concealing the money obtained from the crime. At this stage, where money launderers make their transactions easily and quickly, the money included in the financial system is subjected to many processes and transferred from country to country, from banks to intermediary institutions, from different account types to other accounts, away from its main source and minimizing its traceability. Here, it is very difficult to detect and catch the launderers dealing with these matters, since almost all of them are very professional and have no criminal files (their record is clean). Since the motive of creating confusion and chaos on the basis of the transactions made, the management of the transactions in the form of continuous and excessive change of hands provides convenience to the launderers in achieving the purpose of concealment (Naheem, 2020).

Finally, the funds obtained illegally are fully integrated into the financial system. This stage involves disconnecting the income from its illicit source, making it appear as legally earned income. Subsequently, the black money is returned to the owner or producer who engaged in money laundering, allowing them to utilize the funds without raising suspicion (Demetis, 2018). This is the money laundering case integration phase. At this point, the money launderer can spend the funds freely, as

they are now fully incorporated into the financial system within the country's borders. Prior to this stage, tracing the origins of the money becomes extremely challenging due to the numerous transactions it underwent in the earlier stages. Now, the money is effectively integrated into the system and ready for use, having returned to its origin or home. It is reintroduced into the banking system by portraying it as income from a legitimate commercial transaction, thereby integrating it into the regular economic activities. As a result, the money is no longer considered black money, as it is indistinguishable from regular funds. With the completion of the placement and layering stages, there is now a plausible explanation available to address any potential inquiries raised by financial investigators (Rusanov & Pudovochkin, 2021).

Money Laundering Techniques: How They are Carried Out?

The smurf method is widely recognized as one of the most famous and commonly used techniques in money laundering, involving the collaboration of numerous individuals. The term "smurfing" was first brought to light during an investigation conducted by financial law enforcement teams in Florida, USA. The investigation revealed that criminal networks systematically deposited illegally obtained money in various banks or multiple branches of the same bank, using many individuals to carry out these transactions. Inspired by the little smurfs in the popular Smurfs cartoon, Florida authorities referred to those involved in these operations as "smurfs" (Corselli, 2023). Indeed, the smurf method allows money launderers to circumvent the requirement of reporting transactions or disclosing their identities to authorized institutions by conducting transactions below the legal limits set by the authorities. Another technique used to conceal the proceeds of crime is the structuring method. In contrast to the smurf method, where multiple individuals make transactions on behalf of the launderer, the structuring method involves a single person conducting multiple transactions to hide the illegal income. This approach is more commonly employed when it is not feasible or practical to involve multiple individuals in the process. Both methods are designed to obscure the origins of illicit funds and make it challenging for authorities to trace the money back to its illegal source (Whisker & Lokanan, 2019).

Tax havens are well-known as locations where money laundering is facilitated, typically through offshore banking or shell companies. The term "tax haven" refers to countries that do not actively seek real investments in their economy but instead encourage foreign capital with flexible taxation laws and stringent bank secrecy regulations, allowing for tax evasion. In tax haven countries, the lure to attract foreign capital to their markets lies in the advantage of being tax-exempt and free from bureaucratic obstacles. Countries recognized as tax havens are considered ideal places for laundering illicitly obtained revenues due to their small population but a high number of international companies, along with numerous banks and branches. Examples of such tax havens include Liechtenstein, Cyprus, Isle of Man, San Marino, Tonga, Barbados, Bahamas, and Bahrain. The favorable financial environment in

these countries makes it easier for money launderers to conceal the origin of illicit funds, posing challenges for authorities to trace the money back to its illegal source (Otusanya & Adeyeye, 2022).

Furthermore, money laundry can also be committed by the auto finance method, the system applied in this method is quite simple. The person who carries out the laundering process first transfers his money to a bank abroad. He goes to any bank in the country he is in and requests a loan and shows the crime income, that is, the fund, which he deposited in the bank abroad, as collateral for the loan. Subsequently, he does not consciously pay the loan he has taken from his own country, and therefore, the money he has shown as collateral in the bank abroad for the overdue loan is put in a lien. In response to this, the money is brought back to the country, albeit with a confiscation process, and it is completed with the laundering process (Meral, 2019).

To give an example, the owner of criminal income deposits his income from crime in an X bank abroad. (At this stage, money can also be sent to a different country to make it harder to track). Then, by going to the Y bank in his own country and showing his money in country X as collateral, he can buy housing, needs, etc. requests a loan. Y bank approves this loan and gives the money to the launderer since there is also a collateral guarantee. The launderer considers the loan he has received as an investment, but does not repay this loan to the Y bank. Since Y bank cannot collect the loan, it receives the money that the person shows as collateral in X bank through foreclosure. As a result of these transactions, the owner of the black money launders the proceeds of crime and uses his money comfortably in economic activities (Canhoto, 2021).

In addition, the launderer also used fictitious companies to commit such a crime. It is the presentation of a good as exported even though it is not actually exported. The value and quantity of the goods subject to export are shown differently. Imaginary export-import are actually intertwined, complex transactions, and they are not easy to implement. Contracted companies at home and abroad, customs employees and even financial advisors should be involved. For this reason, the laundering method through fictitious companies is mostly done through gangs. In fact, the main or main purpose of the establishments of these companies is to facilitate the laundering of the proceeds of crime. Since these companies are obliged to keep secrets, it is very difficult to learn about their owners or capital partners. At the same time, they are very difficult to distinguish from companies operating normally. Technical infrastructures are designed meticulously. Front companies and fictitious companies are companies that differ from each other. Fictional companies are companies that are established only on paperwork and the biggest goal is money laundering. Front companies, on the other hand, are established in the country they are in, subject to the laws, and both carry out their normal commercial transactions and operate in money laundering (Rocha-Salazar et al., 2021).

Additionally, the crime could also be taken via stock exchange. It is defined it as an organized market where buyers and sellers are brought together by intermediaries. The instant execution of the transactions in the capital market and the international dimension of the transactions make these markets attractive for money laundering. The presence of security vulnerabilities in transactions made in the exchanges whets the appetite of money launderers. The basis of the vulnerability stems from the bearer of papers traded in the market. There is no requirement for identification when trading in bearer assets. Those who want to launder money, in the act of money laundering through the stock market, first see a relatively small company and start their transactions by buying more than 50% of the shares of this company (Mohammadi et al., 2020).

Since they own the majority of the company's shares, they are first elected as the chairman of the board of directors and then they prove their presence in the company by choosing the members and managers. Afterwards, the shares of the company are offered to companies known as off-shore companies in exchange for the money of the launderer. With a reasonable level of capital readily available to money launderers, the launderers give impetus to the manipulation. Shares of the front company, which have almost no value, are issued to money launderers as a privately held transaction well below the market value by offering them to money launderers (Akram et al., 2022).

And ultimately, the black money can also be gained from the cryptocurrency method. Cryptocurrency is a digital currency used on the internet, operating independently without any central authority or institution. In the present day, this virtual currency is as spendable as physical money. Unlike traditional currencies like Euro and Dollar, cryptocurrencies exist only as computer records, maintaining privacy and lacking physical form. Bitcoin, Namecoin, Ethereum, and Devcoin are among the most renowned cryptocurrencies. One distinct feature of cryptocurrencies is their immunity to the economic conditions of specific countries, as they are not tied to any central bank. Additionally, the decentralized nature of cryptocurrencies prevents authorities from auditing or freezing accounts, making them resistant to seizure. Another advantage of using cryptocurrencies is the ability to transfer funds without revealing identity information (Dupuis & Gleason, 2020). The possibility of money laundering through cryptocurrencies is widely acknowledged due to various factors, including the challenges of monitoring and auditing by central authorities and the absence of an administrative unit to track and report suspicious transactions. Cryptocurrencies and related technologies are an ideal fit for money launderers, who swiftly adapt to new technological advancements. Unfortunately, today's rapid technological development is also exploited in criminal activities, despite our reluctance to acknowledge it. The most compelling evidence of cryptocurrencies being used in illicit activities is the closure of the Silkroad online marketplace by the FBI in 2013. This platform held an 80% share of the Bitcoin market and was involved in activities such as drug trafficking and weapon sales. It was reported that the firm

amassed 9.5 million Bitcoins, equivalent to 1.2 billion dollars, between 2011 and 2013 (Albrecht et al., 2019).

Fighting Against Money Laundering: An International Organizations' Response

In combating money laundering, it is crucial for a country's laws to be harmonized and compatible with each other, and for communication channels to remain open to facilitate cooperation in various developments. In the ever-changing global landscape, the continuous growth and diversification of economic activities, the expansion of financial markets, and technological advancements have underscored the significance of both international cooperation and the role of international organizations in conjunction with local and regional efforts. Such collaboration is essential for effectively combating financial crimes (Dobrowolski & Sułkowski, 2019).

The Committee of Experts of the Council of Europe, as a result of its work between 1977 and 1980, issued the "recommendation on measures against the hiding and transfer of money originating from crime". It is noteworthy that the aforementioned recommendation is the first international action to prevent and deter money laundering. In the recommendation of the Council of Europe; He recommended that money laundering is mostly done through banks, that banks should assume a preventive role, and that due to this requirement, member states should make innovations and changes in their banking systems. In the aforementioned recommendation decision, there are recommendations for banks to request and record the identity information of their customers in their business and transactions, and to provide training to their personnel on issues such as asking and verifying customer identity information, detecting negativity in the face of suspicious attitudes and behaviors of customers (Dujovski & Mojsoska, 2019).

Furthermore, globalization, which is a result of the capitalist economic system, has managed to affect the phenomenon of crime as well as finding a place for itself in all areas of society. The spread of money laundering activities by organized crime organizations has also mobilized the Basel Committee and a series of principle decisions have been taken. The Basel Committee was established in 1975 by the G-10 countries. The purpose of the committee was to increase the coordination and cooperation among the member countries and to standardize the audits in the banking sector. On December 12, 1988, the banking regulation and supervision units of the states of the United States, Sweden, Italy, Belgium, Netherlands, Canada, United Kingdom, Switzerland and Luxembourg, which are the members of the Basel Committee, and the senior executives of central banks, came together to determine the amount of illegally obtained revenues (Le Nguyen, 2018). In particular, they have determined a number of principles not to use banks as intermediaries in laundering and hiding money from drugs. The Basel Committee has established guidelines to prevent money laundering through the banking sector. Firstly, strict adherence to the

"know your customer" policy is required to meticulously identify customers involved in transactions. Secondly, bank managements are obligated to promptly submit forms detailing suspicious transactions to the relevant authorities. Lastly, banks must unequivocally refrain from engaging in any suspicious transactions. Although these resolutions published by the Committee were prepared by 10 member states, they are one of the important steps taken in preventing and combating money laundering (Chitimira & Munedzi, 2022).

Additionally, the recognition of money laundering as a crime was first included in the legal regulations in the USA and Italy, where organized crime is intense. Another international regulation that has been put into practice in the context of both guiding and punishing criminals in the field of international law is the United Nations Vienna Convention. The convention, which was opened for signature on 19 December 1988 under the supervision of the United Nations, entered into force in November 1990. The main purpose of the convention is to strengthen the relations between the countries party to the convention in order to ensure an effective and comprehensive fight against drug smuggling and revenues from smuggling at the international level. As of 2018, 89 countries have signed the convention (Rahmdel, 2018).

In the implementation of their contractual obligations, the parties will take and implement all necessary measures, including legislative and administrative measures, in the context of the main provisions of their domestic legal systems. To summarize, the Vienna Convention is comprehensive in the context of drugs, and by defining drug-related crimes, what kind of sanctions should be applied, criminal prosecution, confiscation of criminal offenses, extradition, reciprocal land exchange, legal assistance and all other cooperation. There are provisions on behalf of the fulfillment of cooperation and training (Rose, 2020).

Moreover, the Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime by the Strasbourg Convention, which was established within the Council of Europe in order to prevent the laundering of proceeds of crime and to ensure international cooperation, came into force on 01.09.1993. In the Convention, it was emphasized that serious crimes should be evaluated at international level rather than national level, and that it should be combated with modern techniques, and it was emphasized that the link between the criminal and the proceeds of crime could be cut off among the methods of struggle. In this way, it is aimed that criminals stop committing the same crimes each time they lose their income. Money laundering crime is included in the contract with a clear and clear expression. The Council of Europe Convention only expands the definition of money laundering based on drug trafficking, emphasizing the importance of international cooperation in the investigation, monitoring and penal sanctions of revenues derived from almost all kinds of crimes (terrorism, smuggling, young girls, organ trafficking, etc.) (Benson, 2018).

Although some steps were taken in the world and in the European Community (currently the European Union) in the fight against money laundering, there was no common action plan drawn up and put into practice until 1991. With the foresight that money launderers will benefit from free movement, on 10 June 1991 "Council Directive 91/308 on the Prevention of Using the Financial System for Money Laundering" was adopted by the member states. The Directive is based on the Vienna Convention and the 40 Recommendations of the FATF. could pass. In the said directive, it is seen as a turning point in the absolute struggle with the money obtained from crime and the effect of this money in the financial systems of the countries that damage the sense of trust and the principle of accuracy (Jakobi, 2018).

Furthermore, money laundering crime is not a danger that can be prevented by any country's own means and struggle, since it has a feature that goes beyond the borders. For this reason, organizations that are aware of their international responsibility are trying to help countries in this struggle by developing measures and guiding them in order to cope with this international problem. Financial Action Task Force (FATF), another of international organizations, was established in July 1989 as a result of the decision taken by the members at the G-7 summit in Paris, France, and started its activities. The establishment purpose of FATF is to prevent the use of the financial system by launderers by ensuring that all measures to be taken in the fight against money laundering worldwide are taken at the international level, and to produce new policies and standards for the fight by renewing and developing itself in the ongoing process (Mekpor, 2019).

In the methodology, which is called "Methodology for Evaluating Compliance with the FATF Recommendation 40 and FATF 9 Special Recommendation" and whose short name is the AML/CFT (Anti Money Laundering and Combating the Financing of Terrorism Standards) Model, criteria have been created for each item specified in the recommendation texts, and recommendations are grouped into two groups as main criteria and appendices. The basic criteria show the main basic indicators that the authorities will take into account in the country evaluation, and the annexes show the additional methods that are accepted as alternatives that can improve the combat system at the maximum level. In the model, 5 stages of harmonization envisaged for each FATF proposal are listed: "Compliant, largely compatible, partially compatible, incompatible and not applicable" (Savona & Riccardi, 2019).

In addition, one of the crucial initiatives in combating such a crime is the United Nations Palermo Convention. It is the first international convention to combat the organizations and crimes included in the United Nations Convention on transnational and organized crime. The convention, which was accepted by the UN General Assembly on November 15, 2000, was presented to the signature of the countries on December 12-15, 2000 in the city of Palermo. The signing of the contract in the city of Palermo has a special meaning. By choosing Palermo, Italy, where mafia activities are intense, it was tried to give a message to criminal organizations. The main purpose of

the contract; It is to develop the cooperation of the state's party to the convention for the prevention of organized and organized crime, which is called transboundary, and for a more comprehensive and effective fight against such crimes. It is obligatory for the contracting states to establish the legal infrastructure that will hold them responsible for crimes such as money laundering, corruption and obstruction of justice (Rose, 2020).

Furthermore, nearly half of the European states were founded the anti-anarchist protocol signed in St. Petersburg and the Rome Conference, which was organized with the participation of these states, were recorded as two important agreements on the cooperation of the police within the European continent, which are based on information transfer and which form the basis of a systematic and permanent official cooperation between the police agencies. The first step taken more comprehensively, aiming at the cooperation of police departments, was the I. International Criminal Police Congress, which was held in Monaco in April 1914, which also led to the establishment of the INTERPOL. 188 delegates, including lawyers and judges from 14 countries, attended the congress, and in the ongoing process, the International Criminal Police Commission (ICPC) was established in 1923 under the leadership of the Vienna Police Service (Young & Woodiwiss, 2021).

In Article 2 of the INTERPOL Constitution, which was accepted with the participation of the member states in 1956, the purpose of the establishment of INTERPOL is "to provide mutual assistance at the widest level and to prevent ordinary crimes, in the light of the Universal Declaration of Human Rights, between all criminal police authorities, within the framework of the laws of different countries. to establish and develop organizations that will contribute to the suppression of INTERPOL's core mission is to unite among police agencies around the world in crime prevention and the fight against criminals. Today, INTERPOL is fighting against criminals and crime at the international level in many different fields (Oliva, 2022).

In addition, eight types of notices are published by INTERPOL. These notices are published in Spanish, Arabic, English and French. The purpose of each of these 8 notices is different. Red notice; It is the request of any person to be brought to trial or for the execution of his sentence for the purpose of extradition and to be temporarily detained. However, INTERPOL member states cannot compel the arrest of the person who has been the subject of the red notice. Yellow notice; It is a notice issued to find missing persons. Blue notice; It is a form of notice prepared for the purpose of collecting information, to identify an international criminal and to determine the events in which the person was involved. Green notice; It is a notice published with the aim of providing intelligence on the possibility of a person committing this crime repeatedly and committing this crime in other countries. Black notice; It is a type of notice issued in order to find corpses that cannot be identified and organizations that cannot be identified. Orange notice; It is a notice issued to warn of transactions and activities that may pose a threat to public safety (Lemon, 2019).

Analyzing the criminal organizations within the body of INTERPOL, the goals, techniques, etc. of the organizations were analyzed. information is collected. INTERPOL did not remain silent when money laundering crime gained an international dimension and posed a threat to the public order of countries, and in 1994, with the decision of the General Assembly, it established a special unit, FOPAC (*Fonds Provenant d'Activités Criminelles*) (Monitoring Proceeds from Crime) in order to fight money laundering at the supranational level) was established. This group is a dynamic structure that specializes in the confiscation and confiscation of illegally sourced crime revenues and financial crimes (Manwaring, 2019).

Notable Case of Money Laundering in Indonesia with INTERPOL Involvement

The role of INTERPOL which is directly related to money laundering cases in Indonesia can be seen from the case of the former General Treasurer of the Democratic Party, Muhammad Nazaruddin. He is a convict in the case of bribery and money laundering for the construction of the SEA Games Athlete's Village in Palembang on June 30 2011 (Mietzner, 2015). Before naming Nazaruddin as a suspect, the Corruption Eradication Commission (KPK) had summoned Nazaruddin three times as a witness in the case. However, Nazaruddin was always absent and was already abroad when he was named a suspect. Nazaruddin was included in the INTERPOL wanted list after the Corruption Eradication Committee submitted a red notice in Nazaruddin's name through National Police Headquarters. Thus, international police in member countries of the International Criminal Police Organization (ICPO) can hunt down Nazaruddin by distributing the red notice to 188 ICPO member countries. Nazaruddin and his wife, Neneng Sri Wahyuni, were finally arrested by INTERPOL in the Cartagena area, Colombia on August 6 2011. During his escape, Nazaruddin was known to have been in several countries, including Singapore, Vietnam, Malaysia and the Philippines.

The judge at the Jakarta Corruption Court sentenced Nazaruddin to 4 years and 10 months in prison and a fine of Rp. 200 million, subsidiary to 4 months in prison, on April 20 2012. Nazaruddin was deemed guilty of committing a criminal act of corruption by accepting a bribe in the form of a check worth Rp. 4.6 billion from PT Graha Indah Ambassador. According to the panel of judges, Nazaruddin arranged the winnings for PT Duta Graha Indah as the implementer of the athlete's homestead project. The money in the form of five checks that Nazaruddin received from PT DGI was the realization of the 13 percent commitment fee agreed by PT DGI with Nazaruddin. The Supreme Court then increased Nazaruddin's sentence from 4 years 10 months to 7 years in prison. The Supreme Court also increased the fine for Nazaruddin from IDR 200 million to IDR 300 million (Yogi Prabowo, 2014).

After being jailed for the Wisma Atlet corruption case, Nazaruddin was again named a suspect by the Corruption Eradication Commission in the case of receiving gratuities and money laundering. The panel of judges at the Corruption Court also found Nazaruddin guilty in this case and sentenced him to 6 years in prison and a fine of IDR

1 billion, subsidiary to 1 year in prison. In this case, Nazaruddin was charged with receiving gratuities from PT Duta Graha Indah and PT Nindya Karya for a number of projects in the education and health sectors, which amounted to IDR 40.37 billion. When he received the gratuity, he still had the status of a member of the DPR RI. Nazar is also the owner and controller of the Anugrah Group which changed its name to the Permai Group. Nazaruddin was also charged with money laundering by buying a number of shares in various companies whose money was obtained from corruption (Bintoro et al., 2020).

Conclusion

While globalization and liberalization of capital provide positive reflections on the world economy, on the other hand, it provides convenience and areas where money launderers can move freely. Obtaining, laundering and concealing the proceeds of crime has become easier with the developing technology. Black money, which does not provide any economic benefit in the long term, but causes problems, has now become a problem that countries cannot overcome with individual struggles. This problem should now be considered and resolved as an international issue. The consensus is that combating this issue, which surpasses the capacity of any individual country's domestic laws, requires success through the strengthening of international regulations. In this regard, the United Nations, European Union, OECD, and Council of Europe are actively involved, and notable initiatives such as the Vienna Convention, Financial Action Task Force (FATF), and Strasbourg Convention play prominent roles.

To enhance the effectiveness of combating money laundering, certain actions need to be taken. Primarily, the international aspect of the fight against money laundering should be emphasized, and efforts should be made to increase the number of states participating in international conventions and organizations. A unified global effort will limit the maneuvering space of criminal organizations significantly. Moreover, meticulous legal arrangements are essential to ensure that financial institutions and banks earnestly undertake their responsibilities in combating money laundering. It is crucial that banks promptly and accurately notify the relevant institutions and carry out comprehensive audits to strengthen the fight against this illicit activity. In addition, within the scope of cooperation between institutions in the fight against money laundering, studies should be carried out to make the most of the possibilities and opportunities of the media, to avoid publications praising crime and criminals, to condemn such crimes, to have publications on the subject of the economic and moral erosion of the society by gaining unjust gains. Eventually, states should form strong expert teams to prevent the use of cryptocurrencies for financing terrorism and criminal organizations and to respond quickly and effectively, and train them to track illegal activities and analyze details despite anonymity.

Declarations

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