Project Summary

**Study**

A social network analysis investigated three types of money launderers—professional, opportunistic and self-laundering. The drug market sample was derived from police intelligence reports spanning a three-year period to determine to what extent network centrality and launderer type effect an actor’s influence on the overall network.

**Findings**

129 crime groups and 2,197 individuals were identified. 916 individuals (41.7%) were known to be involved in drug market activity and there were 2,246 links among them. 11% (102) of the total drug market were identified as drug money-launderers.

Money launderers were better positioned in the drug market to control the flow of information and materials, i.e., situated between others and connected to popular individuals.

Of the 102 launderers, 80% laundered for themselves, 12% were opportunistic, and 8% were professional.

Self-laundering was prevalent in the retail-level (41% of that network), followed by suppliers (36%), and smugglers (12%).

**Implications**

The findings suggest that within the illicit drug market, most money laundering is conducted by self-launderers that can be easily identified through predicate crimes. These results are contrary to current anti-money laundering (AML) policy, which suggests the opposite. Although current AML policy has its strong points, a more “intelligent” empirical foundation is warranted. The report outlines five policy modifications that can readily support its transformation.