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Carbon trading used as money-laundering front: experts



Organised crime gangs are using carbon emissions trading schemes as fronts for money-laundering, experts warned Friday. The experts who attended a meeting of the Asia Pacific Money Laundering Group (APG) said crime syndicates are resorting to new methods to hide their illegal proceeds.

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One "issue that we've looked at closely is money laundering associated with carbon emissions trading schemes", APG executive secretary Gordon Hook told a news conference after the five-day meeting.

Hook did not elaborate on how crime syndicates were using carbon emissions trading schemes to launder money.

Emissions trading schemes place a limit on the amount of greenhouse gas pollution which companies can produce, forcing heavy polluters to buy credits from companies that pollute less -- thereby creating financial incentives to fight global warming.

John Harrison, a security analyst at Singapore's S. Rajaratnam School of International Studies, told AFP that the carbon emissions trading market is relatively new and crime gangs are taking

advantage of loopholes in regulation. "They will use new markets to try and launder their money, and particularly if these new markets are not well regulated yet," he said. "It's not surprising."

APG is an international organisation that is closely affiliated with the Paris-based Financial Action Task Force (FATF).

Hook said the region's money-laundering activities had wider, international connections.

"More and more money laundering and terrorist financing we are seeing are in reality transnational crimes so the web of international connections and international cooperation is extremely important," he said.

APG co-chairman Tony Negus, who is also the commissioner of the Australian Federal Police, said the ease of movement and communications have made the fight against organised crime more difficult.

"These days syndicates move across jurisdictions with ease and across the world with ease with increased travel and increased electronic transfers," he said.

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