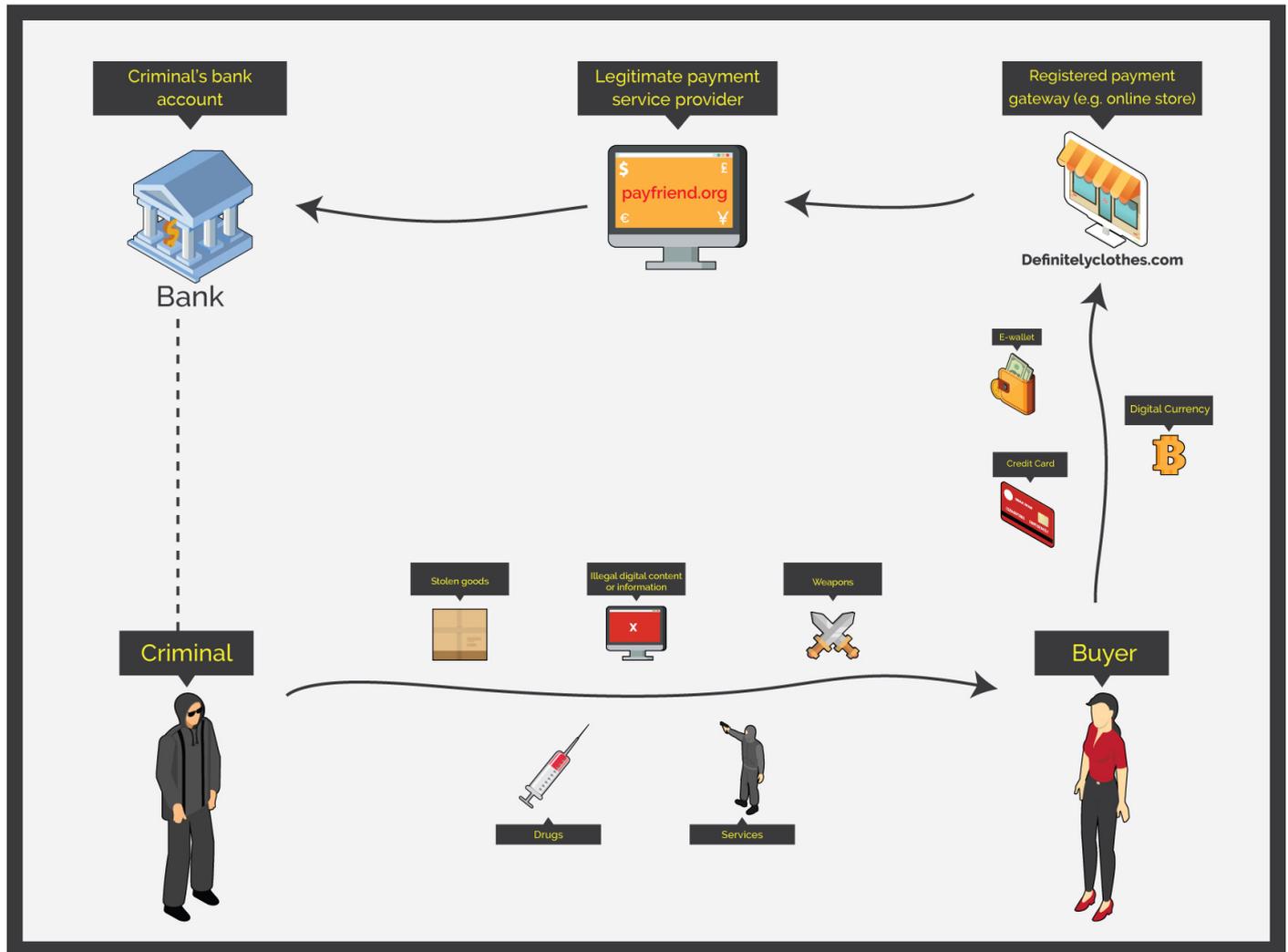


Transaction laundering is a catch-all term for a wide range of money laundering methodologies involving ecommerce sites



In general, transaction laundering will look something like this:

- A criminal sells something to a customer—anything from stolen credit card details to illegal sexual services
- The criminal directs the customer to an online payment portal linked to an e-commerce site. This site could be a shell, set up exclusively to facilitate crime; it could be a legitimate but complicit business; or it could be a completely legal entity which has been hacked and misappropriated by criminals
- The e-commerce site is registered with a payment service provider that believes it to be genuine (or has insufficient controls to detect suspicious activity)

- The payment service provider takes the customer's payment (which could come via a credit, e-wallet, crypto currency, etc.) and directs it to an account controlled by the criminal

At the most extreme end, transaction laundering might involve a criminal group selling drugs and collecting payment by means of an apparently legitimate ecommerce site, such as a clothing store. The site might carry out legitimate business in addition to channelling these illicit payments or it might just be a shell. Either way, it will be registered with a payment service provider (Paypal, for example), which, believing the business to be genuine, takes customers' money and sends it on to accounts controlled by the criminal group. This, essentially, is a digital version of the well-established method of hiding the proceeds of crime in the takings of a cash heavy business such as a restaurant.

A more straightforward form of transaction laundering is fraudulently selling counterfeit goods on legitimate online marketplaces (e.g. eBay). The money generated is, of course, the proceeds of a crime, but sales are generally hidden amongst such a high volume of legitimate transactions that they are hard for payment service providers to detect.

The second form of transaction laundering is not necessarily more benign than the first: [according to the French Union of Manufacturers, "counterfeiting is now a preferred mode of financing terrorist groups"](#). One of the Charlie Hebdo killers, Cherif Kouachi, [sold €8,000 worth of counterfeit goods online to help fund the attack](#).