

# Consilient:

## Money Laundering:

A Misunderstood and Underestimated Problem



## Consilient, a regtech innovator aiming to transform how the world prevents financial crime, fielded a survey in April that found most consumers underestimate the money-laundering problem.

As we see on the following page, more than 3 out of 4 people (77%) said they believed that the global amount that is laundered through the financial system is \$200 billion or less. But, according to the United Nations Office on Drugs and Crime, the actual figure is somewhere between \$800 billion and \$2 trillion.

However, people place a high value on ensuring their financial service provider is meeting all the requirements to prevent money laundering when it comes to where they choose to do business: most consumers would change financial providers if they knew they were being fined for money laundering.

**The following sections examine the results of the survey and highlight the impacts of money laundering.**



# 65%

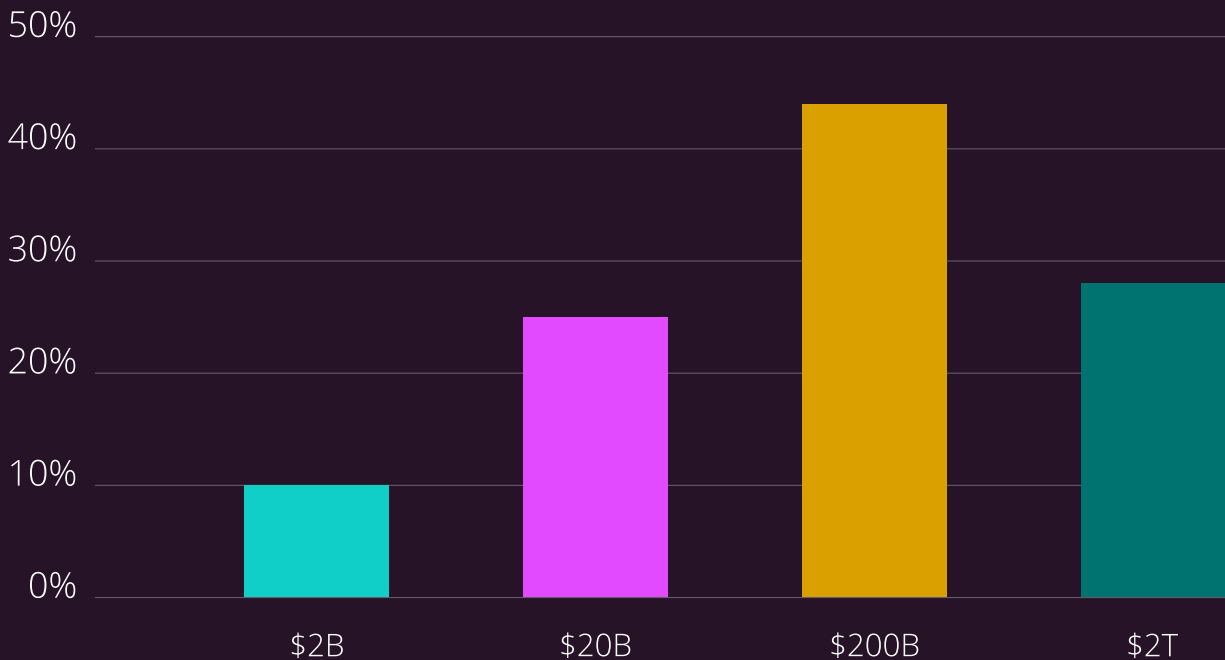
of respondents said they were likely or very likely to change their banks if they knew how much they were being fined for money laundering.

# Consumers Underestimate Money Laundering

As mentioned on the page before, more than 3 out of 4 survey respondents grossly underestimate the size of the money laundering problem.

Most respondents think \$200 billion or less is laundered each year, but, in reality, criminals launder between \$800 billion and \$2 trillion every year.

How much money do you think is laundered globally every year?



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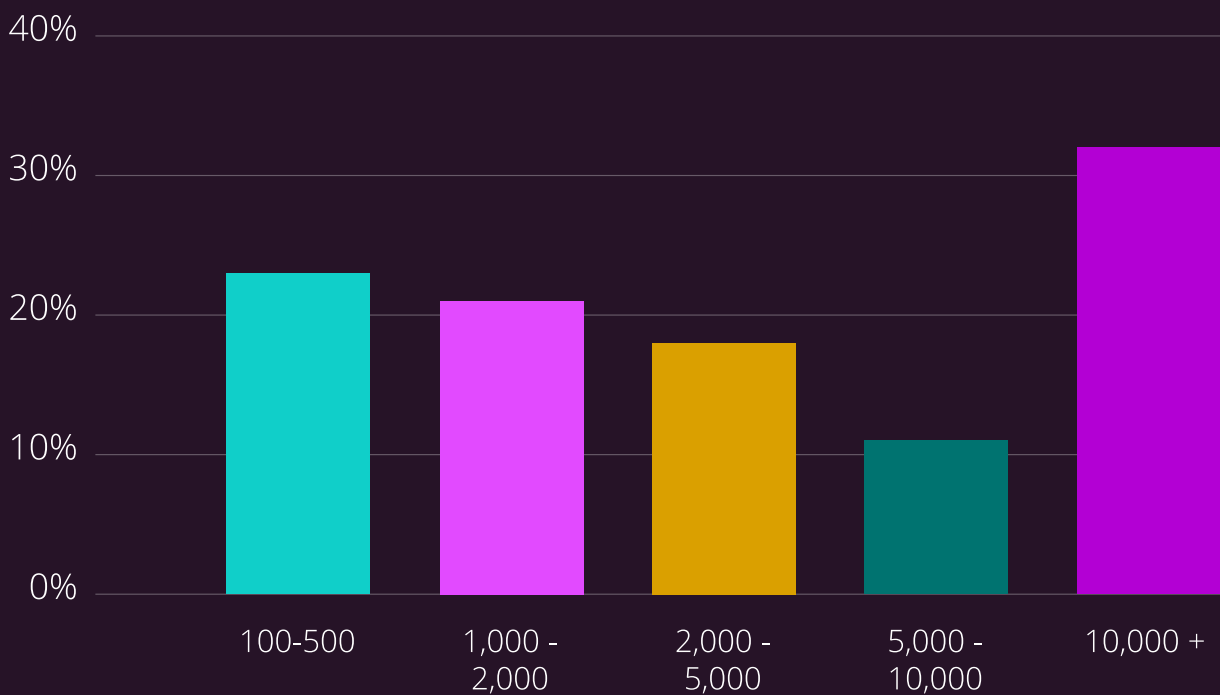
# Consumers Underestimate Money Laundering

According to the U.S. Sentencing Commission, there were only **831** money laundering convictions in the U.S. in 2021 and the number is going down.

Staggeringly, more than 75% of survey respondents overstated how many of these convictions there are each year, indicating they think anti-money laundering efforts are more effective than they are.



How many money launderers do you think are convicted each year in the US?

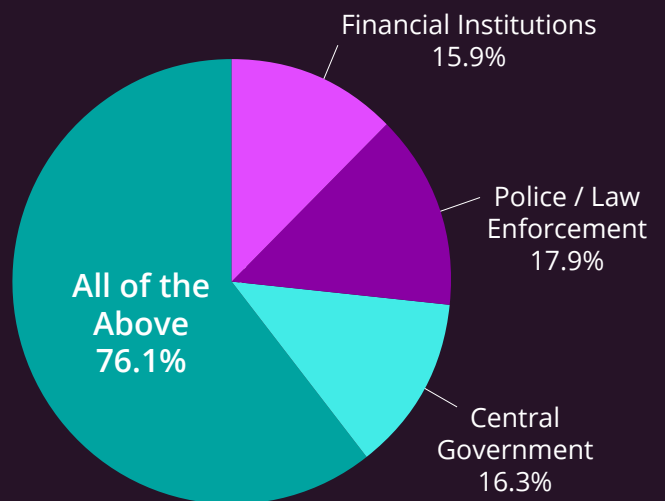


# Fighting Money Laundering Should Fall on Government, Law Enforcement *and* Financial Institutions

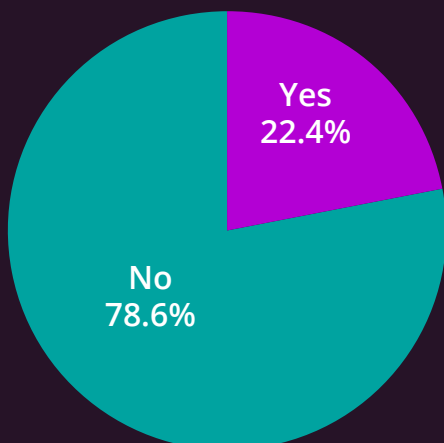
When it comes to who is responsible for combating money laundering, the primary responsibility holder is the United States Department of the Treasury. However, financial services companies are under regulations to report suspicious transactions, and law enforcement agencies are engaged in arresting money launderers. Consumers, however, don't believe enough is being done by any of them to stop money launderers.

Survey respondents overwhelmingly replied "all of the above" when asked who should be responsible for combating money laundering: law enforcement, government or financial services organizations. They hold all parties responsible.

## Who do you think should be responsible for stopping/reducing money laundering?



## Do you think financial institutions and/or the government are doing enough to stop money laundering?

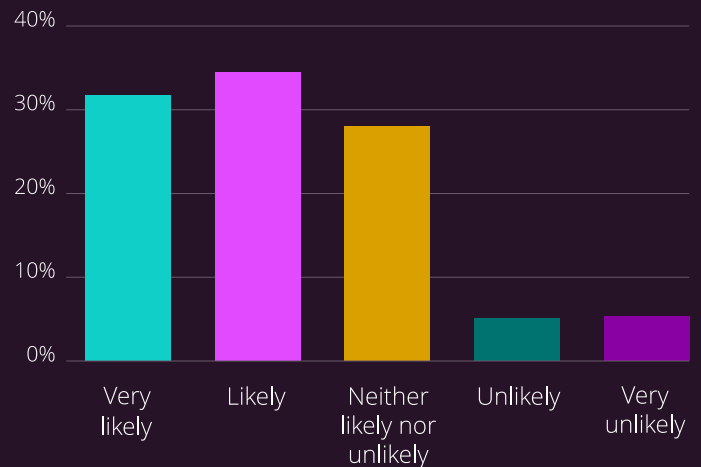


**Almost 80% of respondents don't think financial institutions and government are doing enough to combat money laundering, indicating the scope of the problem.**

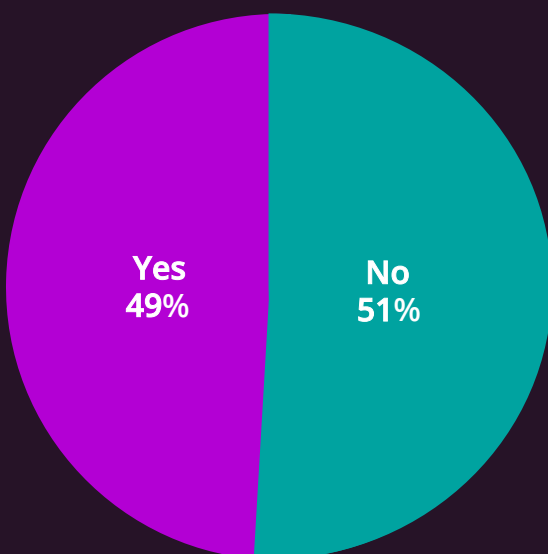
# People Care if Their Financial Provider is Fined for Money Laundering

While it's clear most people don't fully understand the scope of the global money laundering problem, most survey respondents said that having their financial institution fined for money laundering violations would impact their decision to keep doing business with it. They indicate that money laundering can be decisive in terms of where they choose to do business.

**If you knew how much your bank was fined for violating money laundering compliance, would it affect your decision to continue banking with it?**



**Do you think that your bank/financial institution deploys cutting-edge technology to stop money laundering?**



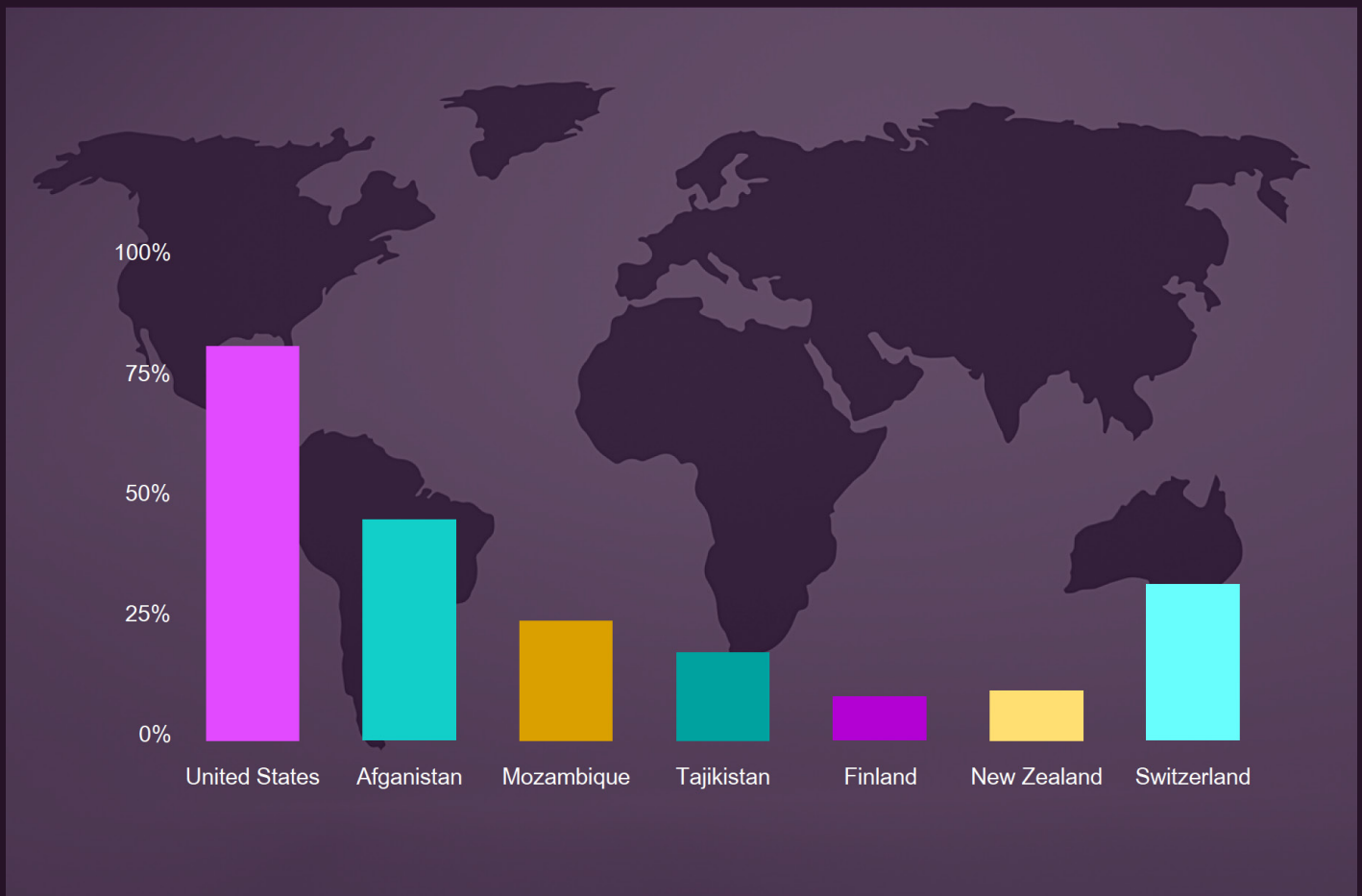
Furthermore, half of respondents said they think their financial institutions use cutting edge technology to combat money laundering. This runs counter to the fact that most financial institutions rely on old technology to detect money launderers – a recipe for failure.

# Where Money Laundering Originates

The countries where money is most susceptible to being “cleaned” are misunderstood. The U.S. was considered the highest risk for money laundering by individuals, but, according to the Basel AML Index 2022, countries with weak governance,

high corruption, low financial transparency and political risks such as Afghanistan and Mozambique are reported as the highest risk jurisdictions. U.S. citizens do not consider these countries as an elevated risk.

**In what countries do you think the most money laundering takes place?**

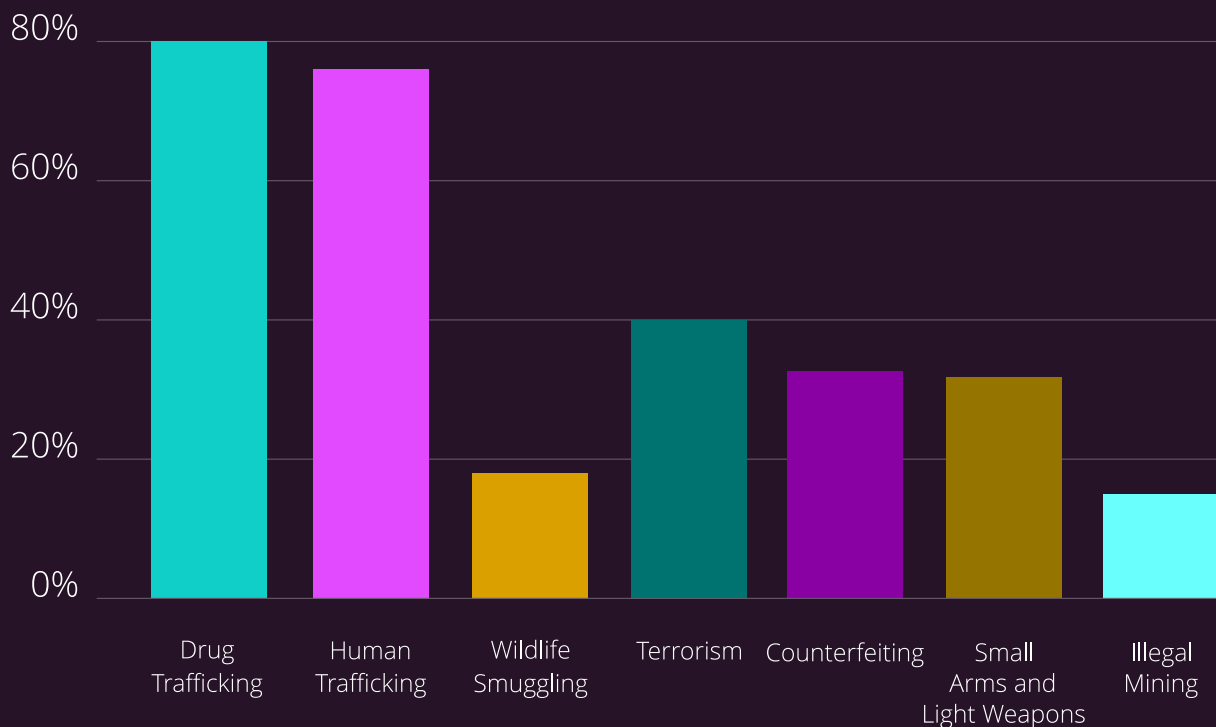


# Industries Funded by Money Laundering

The reason why criminals launder or “clean” money is because it was obtained through illegal means. It’s no surprise that consumer survey respondents believe that two of the most publicized industries – the drug trade and terrorism – are on top for being

funded by money laundering. There are other industries, such as illegal mining and wildlife smuggling, that are not as prevalent among consumers but are significant money-laundering risks.

What are the top three industries you think are funded by money laundering?

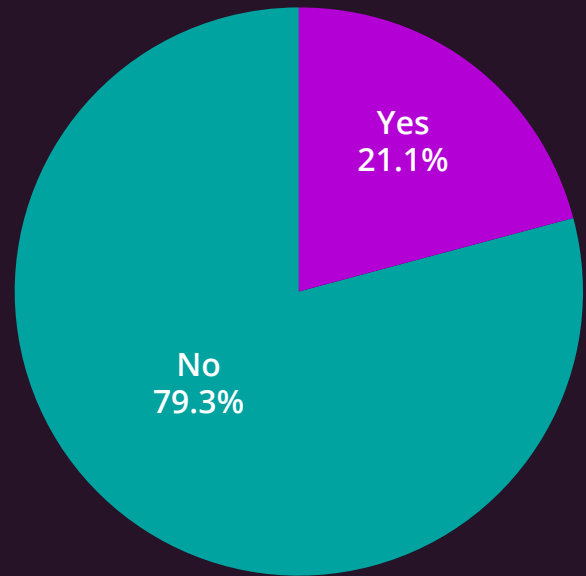




# Is Money Laundering a “Victimless Crime”?

Most respondents said they think money laundering is a serious crime, but more-than 1 in 5 respondents (21%) think nobody is hurt by money laundering. They believe it is, as they say, a victimless crime.

Do you view money laundering as a victimless crime (e.g., it doesn't hurt anyone)?



# Underestimated, But Important

As we see in the survey, money laundering is an underestimated problem, but consumers also say it is not lost on them that money laundering funds today's most dreaded industries. This is likely why they say that

money laundering is important enough to influence where they do their banking. They may not understand the scope of money laundering, but they do understand its importance.



## Methodology

The Consilient survey was fielded in April 2023 and included 276 respondents from across the United States.

**C** ● transforming how the world  
● prevents financial crime