MONEY LAUNDERING AS A CYBERCRIME OF WHITE-COLLARS*

by

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After introducing money laundering as a white-collar crime and as a cybercrime, the presentation of first international anti-money laundering conventions and activities starts. Then the article continues with the text about how the Convention on Cybercrime extends the regulation of the Convention on money laundering. It is followed by the analyze of the contemporary EU legislation and national regulations in EU states focusing on money laundering offences influenced by the above mentioned European conventions - the Czech Republic, the Slovak Republic and the Republic of Hungary.The European regulation is compared with the legislation of the United States of America and their case law (Jurado case and Russia v. Bank of NY Mellon). Finally a few notes about underground banking and offshore banking centres are written.

KEYWORDS

Money laundering, white-collar crime, cybercrime, UN Narcotics Convention, Convention on money laundering, Convention on Cybercrime, Directive 2005/60/EC, RICO, Jurado case, underground banking, offshore banking centres

1. INTRODUCTION AND BASIC TERMS

White-collar crimes are often classified as economic crimes because white-collar offenders focus on property. In fact the name "economic crime" is not theoretically clear. The Recommendation No. R (81) 12 of the Committee of Ministers of the Council of Europe on economic crime from 1981 gives the definition of economic crime by means of a list of crime offences (reference to the object) and a footnote (reference to the loss caused and description of the author). Among the offences there is a computer crime.

Computer crime can be characterized as criminality bound with modern devices, particularly computers.

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There is no doubt that nowadays the white-collar crimes are mainly committed with modern communications to which belong according to the opinion of the author of this text computer, PDA or MDA (computer and mobile phone in one device), telephone (mobile or with a fix connection which is also a traditional communication mean) connected to a public communication net. The Internet is also sorted among communications.[1] In the view of the author the Net itself is not a communication mean because it is a network but not a medium (substantive one) which can be (without any device) the subject of a criminal behaviour or with it we can commit a crime.

"Money laundering is the crime of the nineties with the advent of electronic banking and global communications," said Baldwin and Munro.[2] Electronic banking which enables assorted bank transactions is based on non-personal communication between bank and its client with modern communications.[3]

Rider[4] continues that "the practice of money laundering conjures up a shady world of persons in wide-striped suits claiming to be ´bankers´ and acting for ill-defined customers and vague offshore enterprises."

White-collar crimes can be defined by Edwin Sutherland, a famous American sociologist, as "a crime committed by a person of respectability and high social status in the course of his occupation."

In the past the crimes were not committed as much as today with modern communications because they were not spread. The further development of money laundering is inevitably connected with usage of modern communications. That is the reason we subsume money laundering into cybercrimes.

Scheme of theoretical analysis of money laundering as a cybercrime of white collars:

economic crime
↓
cybercrime (computer crime) { electronic banking
↓
white collar crime → money laundering

[1] Further see Kříž, J., Smejkal, V. (1997). *Informatika a daňové systémy. Informační systémy, jejich právní aspekty a bezpečnost.* PC-DIR spol. s.r.o., Brno, p. 79 or Lessig, L. 2006, Code, Basic Books, Cambridge, p. 83.

[2] Baldwin, F. N. (Junior), Munro, R. J. (1994). *Money Laundering, Asset forfeiture and International Financial Crimes.* Oceana Publications, New York, London, Rome, p. 3 (the United States & money laundering)

[3] Přímé bankovnictví. Retrieved February 21, 2006, from: http://www.finance.cz/home/bankovnictvi/prime_b/

[4] Rider, B.A.K. (1992). *Fei Ch'ien laundries: the pursuit of flying money (Part I).* Journal of International Planning, vol. 1, p. 77.

2. FIRST INTERNATIONAL ANTI-MONEY LAUNDERING CONVENTIONS AND ACTIVITIES (INCLUDING THE UNITED STATES OF AMERICA)

The year 1990 was the year for anti-money laundering efforts. Numerous of conventions and activities were done including the Convention on money laundering made by the Council of Europe in September 1990 which will be analyzed further in connection with the Convention on Cybercrime from 2001.

Before 1990 (in December 1988) the Basle Committee on Banking Regulations and Supervisory Practices adopted the statement of principles concerning money laundering. The statement was not enforceable but the participating states decided to follow the principles in according with their national legal regulations.

The Basel Committee statement of principles makes efforts to identify customers and to refuse business transactions with customers who fail to provide identification. The statement also urges banks to cooperate with national law enforcement authorities.

The United Nations issued the Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances in 1988 (hereinafter called also as "UN Narcotics Convention"). It became effective in November 1990 and in 1992 fifty-nine states and international organizations followed the convention. The convention obliges signatories to qualify money laundering as a criminal offence and requires parties to facilitate the identification, tracing, seizure and forfeiture of narcotics and money laundering.

In July 1989 the Financial Action Task Force (FATF) was established. It was an idea of the G7[5] and the President of the Commission of the European Communities. The aim was to cooperate effectively against drug – related money laundering. In April 1990 the FATF released the analysis of money laundering. In fact the recommendations in the analysis were consistent with the requirements of the UN Narcotics Convention.

After establishing the FATF at the Paris Economic Summit there was the Economic Summit in Houston (in July 1990) with the idea of extending the first FATF and of monitoring progress by the participants of the action and of proposing others recommendations.

[5] The G7 is the meeting of the finance ministers from the group of seven industrialized nations - Canada, France, Germany, Italy, Japan, United Kingdom, and United States of America. It is not to be confused with the G8, the annual meeting of the heads of governments of the G7 states plus Russia.

The FATF became stronger and increased to Latin America, the Caribbean, the Middle East and South Asia, the Far East, Africa, Eastern Europe, Singapore and Hong Kong.[6]

The FATF´s recommendations were renewed at the world-known Caribbean Drug Money Laundering Conference (CDMLC) in June 1990.

The European Community agreed on principles of money laundering legislation combat with establishing the European Community´s Ministers for Economy and Finance (ECOFIN) in December 1990.

The EC member states were imposed with obligation on banks and on other financial institutions to report any activity which may indicate money laundering to narcotics.

The meeting of the Organization of American States (OAS) in November 1990 focused on developing a joint strategy for combating money laundering. Later in 1992 the expert group of the OAS – the Inter – American Drug Abuse Control Commission (CICAD) issued the OAS Model Regulations on Crimes Related to Laundering of Property and Proceeds Related to Drug Trafficking (hereinafter called also as "Model Regulations"). The Model Regulations were designed among other to help the OAS member states to implement the UN Narcotics Convention and to complement Latin American law.

The Model Regulations include criminalization of money laundering, regulation of large currency transactions and reporting by financial institutions, asset forfeiture, protection of rights of innocent third parties and implementation of mechanisms for international cooperation.

There were done many bilateral agreements which help to combat money laundering, e. g. the United States of America have bilateral agreements called mutual legal assistance treaties (MLATs) to provide records and assistance in criminal investigations with Switzerland, the Bahamas etc.[7]

From middle nineties there are rising many other programmes like the UN Global Programme Against Money Laundering (GPML).

Programmes or activities are a natural part of the combat on money laundering and are coming up regularly and are more based on cooperation, law enforcement and political views.

The opening anti-money laundering combat was and is evidently connected with drugs and organized crime.

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[6] The contemporary FAFT members and observers see on http://www.fatf-gafi.org/pages/0,3417,en_32250379_32236869_1_1_1_1_1,00.html.

[7] The list of Mutual Legal Assistance (MLAT) and Other Agreements see on http://travel.state.gov/law/info/judicial/judicial_690.html.

Then the combat on money laundering developed in the area of corruption. Money laundering in connection with corruption especially rises in developing countries. For example in Nigeria (the continent of Africa) there is need to have a plan to fight corruption which should consists of four steps: first – the fight against corruption should target political corruption before economic corruption; second – it should track stolen, laundered and hidden funds and third – prevent bribery and forth – rich countries should have to set example. [8]

Beside direct activities or programmes there is the annual Corruption Perceptions Index published by the Transparency International from the year 1995 which significantly influences the combat on the phenomenon of corruption.

The contemporary money laundering activities are connected not only with narcotics and corruption but primary with financing of terrorism. The analyse on corruption and financing of terrorism exceeds the range of this contribution and is the aim of following research of the author.

3. CONVENTIONS ON MONEY LAUNDERING

In November 1990 there was adopted the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of Proceeds of Crime (hereinafter called also as "Convention on money laundering") which resulted from a three year effort and is recognized as one of the main instruments in this area (same as the Convention on Cybercrime from 2001 in the area of cybercrimes – see below).

The Convention complements the UN Narcotics Convention of 1988. The Convention on money laundering transcends narcotics combat. On the other hand a negligent money laundering was optional to punish. I think that any alternative must not be acceptable in this world-spread problem.

Furthermore, the Convention on money laundering did not include word "European" because of the desire of opening the convention to countries that are not the members of the Council of Europe.

Then in May 2005 the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (hereinafter called also as "Convention on money laundering and on financing of terrorism") was done. The Convention bears in mind the Convention on money laundering, recalls the Resolution 1373 (2001) on threats to international peace and security caused by terrorist acts

[8] Center for Global Development: In the fight against developing country corruption, don´t ignore the role of the rich countries. Retrieved October 5, 2008, from: http://www.cgdev.org/content/general/detail/13938.

adopted by the Security Council of the United Nations and the International Convention for the Suppression of the Financing of Terrorism adopted by the General Assembly of the United Nations which oblige states parties to establish the financing of terrorism as a criminal offence.

The Convention on money laundering and on financing of terrorism is wider and more detailed in comparison with the Convention on money laundering of 1990. It contains in addition (excluded procedural and other general rules (in Section 7) because the process is not the subject of research of the author) the regulation of financing of terrorism (Chapter II), of corporate liability (Article 10), of financial intelligence unit (Section 2), of measures to prevent money laundering (Article 13) and of postponement of domestic suspicious transactions (Article 14). In the part of investigative assistance (Section 2) it contains a new regulation of requests for information on bank accounts (Article 17), requests for information on banking transactions (Article 18) and requests for the monitoring of banking transactions (Article 19).

The regulation of the Convention on money laundering and on financing of terrorism is generally more focused on cyberspace, especially the bank sector.

4. CONVENTION ON MONEY LAUNDERING AND CONVENTION ON CYBERCRIME

The Convention on Cybercrime of 2001 follows the regulation of the Convention on money laundering of 1990 in the area of cyberspace. As it was notified and should be repeated the conventions are basic documents in their fields of action – combat on money laundering and cybercrime. New trends in money laundering are connected with banks transactions which are usually made with direct banking.

The convention on cybercrime was done in November 2001 and entered into force on 1st July 2004. The convention was signed in the Czech Republic in 2005. In the Slovak Republic the convention was ratified in January 2008 and entered into force on 1st May 2008. The Republic of Hungary ratified the convention in 2003 and it entered into force in 2004.[9]

The parties of the convention are not only European ones but also out of the "old" Continent like the United States of America which ratified the convention on 29th September 2006 and it entered into force on 1st January 2007. Other parties of the convention which are not member states of the Council of Europe like Costa Rica, Japan, Mexico and South Africa signed it

[9] Convention on Cybercrime. Retrieved October 31, 2008, from: http://conventions.coe.int/Treaty/Commun/ChercheSig.asp?NT=185&CM=&DF=&CL=ENG.

but did not ratified it. The range of parties is comparable with the Convention on money laundering because it crosses the border of Europe.

In connection with computer data and systems the Convention on Cybercrime states in Section 1 – Substantive criminal law, Title 1 – Offences against the confidentiality, integrity and availability of computer data and systems and in Title 2 - Computer-related offences.

The knowledge of the regulation is important for national regulations. Even the Convention was not ratified in some of states, it influences the national legal regulations.[10]

5. CENTRAL EUROPE NATIONAL LEGAL REGULATIONS AND ACTIVITIES FOR ANTI-MONEY LAUNDERING

The strong position of the European Union leads to activities which forerun the work of the Council of Europe. Sometimes there is misunderstanding among people because they think that the Council of Europe is the same as the Council of the European Union.

The Council of Europe was found to achieve a greater unity between its members for the purpose of safeguarding and realising the ideals and principles which are their common heritage and facilitating their economic and social progress (Article 1 letter a of the Statute of the Council of Europe).[11]

The Council of the European Union is a part of the European Union sharing with the European Parliament the responsibility for passing laws.[12]

The above mentioned international activities and conventions and the EU legislation influence each others, particularly there is the Article 52 (4) of the Convention on money laundering and on financing of terrorism that states: parties which are members of the European Union shall, in their mutual relations, apply Community and European Union rules in so far as there are Community or European Union rules governing the particular subject concerned and applicable to the specific case, without prejudice to the object and purpose of the present Convention and without prejudice to its full application with other Parties.

There is a packet of laws about money laundering in the EU. Beside Second Protocol to the Convention on the protection of the European Communities' financial interests of 26th July 1995 or money laundering crimes in national criminal codes (see below) the most important money

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[10] For example the Czech Republic. Further see Důvodová zpráva. Retrieved July 22, 2007- from: http://portal.justice.cz/uvod/justice.aspx.

[11] Statute of the Coucil of Europe. Retrieved November 27, 2008, from: http://conventions.-coe.int/treaty/Commun/QueVoulezVous.asp?NT=001&CL=ENG.

[12] Further see Panorama of the European Union. Retrieved November 27, 2008, from: http://europa.eu/abc/panorama/howorganised/index_en.htm#council.

laundering norms which have a direct application in the EU member states are the regulation No. 1889/2005 of the European Parliament and of the Council on controls of cash entering or leaving the Community and the regulation No. 1781/2006 of the European Parliament and of the Council on information on the paper accompanying transfers of funds.

The most important directive is so called the third directive of money laundering – the directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing. This directive entered into force on 15th December 2005 and the EU member states shall bring into force its provisions by 15 December 2007 (see below). Then in August 2008 the directive 2006/70/EC laying down implementing measures for directive 2005/60/EC as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis, came into force.

In the Czech Republic the money laundering crime (Par. 252a) started to be regulated in the Criminal Code (the Act No. 140/1961 Coll.) on 1st July 2002.[13]

The new act No. 253/2008 Coll. about some measures against money laundering and on financing of terrorism was issued on 8th July 2008 and came into force on 1st September 2008. It annulled the Act No. 61/1996 Coll. about some measures against money laundering. We can see that same as in the case of new criminal code[14] the act was published later than the third directive of money laundering stated.

In the neighbouring state – the Slovak Republic - the previous Criminal Code (the Act No. 140/1961 Coll.)[15] contained the money laundering crime in Par. 252 from 1st October 1994. The crime was later changed into Par. 252 and 252a. The contemporary Criminal Code (the Act No. 300/2005 Coll. which came into effect on 1st January 2006) regulated the crime, too (Par. 233 and 234).

There was the new act No. 367/2000 Coll. about protection from money laundering which was annulled with the new one – No. 297/2008 Coll. about protection from money laundering and from financing of terrorism.

[13] Last amendment of the factors that constitute the crime came into effect on 1st July 2008.

[14] There was a previous proposal of a complete new Criminal Code which was rejected by the Senate of the Parliament of the Czech Republic on 21st March 2006. The contemporary new proposal of criminal code was issued with the No. 40 in the year 2009 and should come into force on 1st January 2010.

[15] The Czech Republic and the Slovak Republic had the same criminal code because before the year 1993 they were one state – the Czech and Slovak Federal Republic.

The act came into force on 1st September 2008 same as in the Czech Republic.

The regulation in the new act is in its principles the same as the Czech one thanks to membership in the European Union which unifies legislation. We can find small differences, for example in limits for identification of client. In the Czech law the limit is 1000 EUR and in the Slovak Republic it is 2000 EUR. According to the previous regulation there is a huge change in both states. For example duty of identification covered limit at the high of 15000 EUR.

The Hungarian Criminal Code (Act IV of 1978) regulates money laundering in Sections 303 and 303/A. The offence has interpretative provision in Section 303/C. It concerns the definition of "thing". In section 303/B is governed failure to comply with the reporting obligation related to money laundering. Similar to the Czech Republic there are preparatory works on a complete new criminal code.

In civil law there is still the act on the prevention and combating money laundering from 2003 (Act XV of 2003) contrary to the Czech and Slovak Republic. What interesting for this state is that the FATF has removed Hungary from its list of states deemed non-cooperative in the campaign against money laundering in June 2002.[16]

6. LEGAL REGULATION OF MONEY LAUNDERING IN THE UNITED STATES

Even the American system of law uses acts in the same way as the continental system of law, its basics are different. It comes out from case law contrast to the continental law which uses precedents only as a supporting source of law. Laws are enacted on two levels – the federal and the state one. Their relation is characterized in the amendment X. of the Constitution of the United States of America from 1791.[17]

Public law in the United States of America is chronologically published in the United States Statutes at Large.[18] In praxis the United States Code (U. S. C.) is used because it contains only effective laws contrary to the United States Statutes at Large.

Money laundering is tightly connected with organized crime. There should be mentioned the Racketeer Influenced and Corrupt Organizations

[16] The United States Mission to the European Union.Retrieved November 28, 2008, from: http://useu.usmission.gov/Article.asp?ID=D5068ED7-EE9C-4325-808A-68211B03B868.

[17] The powers not delegated to the United States by the Constitution nor prohibited by it to the states, are reserved to the states respectively, or to the people (amendment X.).

[18] Laws of private law are published in Federal Register or the Code of Federal Regulations according to its subject.

Act (RICO) which concerns under racketeering activity also money laundering and related offences. RICO was enacted in 1970 and codified as Chapter 96 of Title 18 of the United States Code (18 U. S. C. § 1961 – 1968).

Nowadays there is running dispute between the Russian government and Bank of New York Mellon which is made liable under the RICO for $ 22.5 billion in damages arising from a money laundering scandal that helped undermine the Russian economy in the late 1990s. There is the question whether the Basmany Court in Moscow has jurisdiction to decide American criminal law and whether the RICO statute could be applied outside of the United States. Alan M. Dershowitz, the Harvard law professor, said that "I believe very strongly that in a time of globalization of banking and globalization of money laundering, it would be a terrible tragedy if RICO laws were confined to the United States border."[19] On the other hand there is the opinion of the former United States attorney general, Dick Thornburgh, who thinks that "no foreign court should hear cases under RICO statute." [20] Variety of opinions is given and now we can only guess how it will end with applying American law outside of the United States. We can find inspiration in past published decisions like in the case of Exxon Mobil Corporation.[21] The fact is that the decision was not issued under the RICO but the question in this case was similar, if legal application of acts can be influenced with political targets or oppressive problems in international society?

The legislation in the area of money laundering from 1970s is the Bank Secrecy Act that requires banks to report foreign and domestic currency transfers. The Act establishes civil and criminal penalties for failure to file currency transaction report (31 U. S. C. § 5321 and 5322).

In 1986 was enacted the Money Laundering Control Act which formally criminalized money laundering activities itselves (18 U. S. C. § 1956 and 1957), not only as parts of other crime.

The 1994 Money Laundering Suppression Act orders bank to establish their own money laundering task forces to weed out suspicious activity in their institutions.

The U. S. Patriot Act from 2001 set up mandatory identify checks and provides resources toward tracking transactions in the underground banking frequented by terrorist money handlers.

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[19] Kramer, A. E. Russia Presses US Bank Over Money Laundering. Retrieved October 5, 2008, from: http://www.globalpolicy.org/nations/launder/general/2008/0704mellon.htm.

[20] Kramer, A. E. Russia Presses US Bank Over Money Laundering. Retrieved October 5, 2008, from: http://www.globalpolicy.org/nations/launder/general/2008/0704mellon.htm.

[21] Venezuela's Chavez celebrates legal victory over Exxon Mobil Corp. Retrieved December 28, 2008, from: http://www.iht.com/articles/ap/2008/03/25/business/LA-FIN-Venezuela-Chavez-Oil.php.

There are many other legislative acts which enable the effective fight against money laundering.[22]

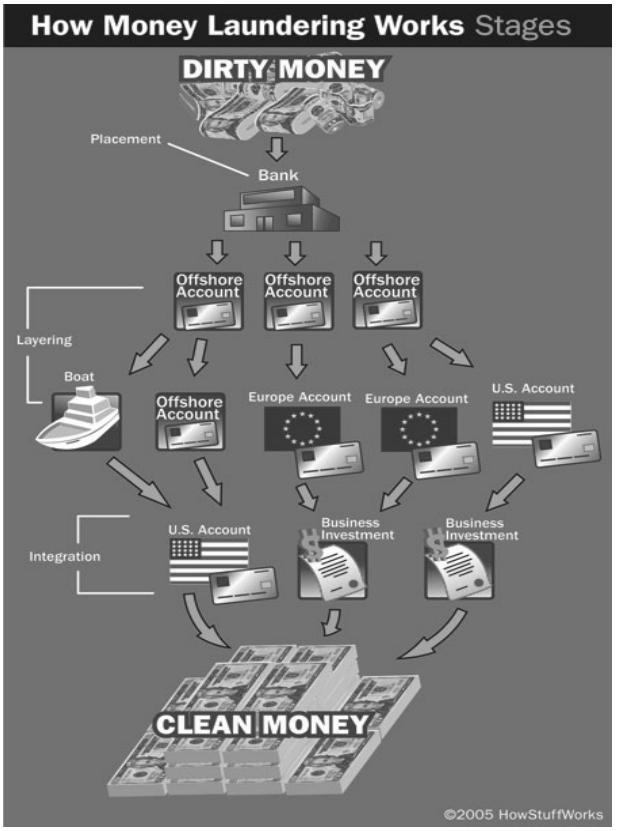
7. HOW MONEY LAUNDERING WORKS IN PRAXIS?

In fact the basic question is which of the transferred money are clean or dirty. There are many ways how to launder money and even there is a strict and detailed legislation in the United States of America (contrast to the rest of the world), no of the acts help us to identify it in praxis. It helps to prevent it. One of the ways is "busted"[23] found by Franklin Jurado, a Harvard-educated Colombian economist, who was pleaded guilty for money laundering and was sentenced to seven and a half years in prison in 1996. He moved illegal profits from cocaine sales in the United States in an effort to make it appear legitimate.

At first he deposited cash at the high of $ 36 million from Colombian drug lord Jose Santacruz-Londono into Panama bank accounts (the process is called placement-see below the picture). Then he transferred the money from Panama to more than 100 bank accounts in 68 banks in nine countries in Europe, always in transactions under $10000 to avoid suspicion (the process is called layering-see below the picture). Some of the bank accounts were named by Santacruz-Londono's mistresses and family members. After that Jurado set up shell companies in Europe in order to document the money as legitimate income, he planned to send "clean" money to Colombia, where Santacruz-Londono would have used it to found his numerous legitimate businesses there. But the scheme was interrupted when a bank failure in Monaco exposed several accounts linked to Jurado. It is said that Jurado´s arrest was supported with an endless noise from a money – counting machine in Jurado´s house in Luxembourg that prompted a neighbour to alert the local police and Jurado was caught.

[22] For further information see http://www.fdic.gov/regulations/examinations/bsa/index.html.

[23] Layton, J. How money laundering works. Retrieved November, 25, 2008, from: http://money.howstuffworks.com/money-laundering.htm.



Cited on 25th November 2008. From: http://money.howstuffworks.com/money-laundering.htm/printable

The Jurado case is an example of the increasingly sophisticated ways of drug cartels to secure assets. From this reason money laundering is subsumed into white-collar crimes.

There are another means to launder money like so called "smurfing". Smurfing method is significant with breaking up large amounts of money into smaller, less-suspicious amounts.

Another method - Black Market Colombian Peso Exchange - works like this: a drug trafficker turns over dirty U. S. dollars to a peso broker in Colombia who uses drug dollars to purchase goods in the United States for Colombian importers who sell them for pesos in Colombia. The peso broker is paid back and then he gives the drug trafficker the equivalent amount of dirty dollars in pesos minus brokerage.

There are so called "shell companies" that do not exist in fact, they are only for money laundering. Launderers often invest into legitimate business to clean dirty money and finally we can mention also overseas banks and underground alternative banking (see below).

8. THE REST OF WORLD AND ITS MONEY LAUNDERING SPECIFICS

There are some specifics in the rest of the world, particularly Asia or offshore centres. That is the reason why the "specific parts of the world" are more often included among advanced countries in the fights with money laundering. They have legal regulation which is becoming from year to year more detailed and ties together with international aims in the discussed area.

In some parts of Asia an "underground banking" is used by launderers because it leaves no paper trail such as the "hawala" in India and Pakistan. The banking systems there are based on family or gang alliances. The Chinese have a system known as "fie chen" or "flying money" which are based on trust, family ties, local social structures.

There are famous offshore banking centres. The term "major offshore centres" is applied by the International Monetary Fund to the following countries: the Bahamas, Bahrain, the Cayman Islands, Hong Kong, the Netherlands Antilles, Panama and Singapore.[24]

Increasing money laundering is appearing in Africa. Developing countries are the most vulnerable because state economic situation is poor, they have no or ineffective legal regulation or are not parties of international organizations which pursue activities for combat on money laundering.

9. CONCLUSION

Money laundering is connected regardless of technological point of view that is our interest with organized crime, drugs, corruption and financing of terrorism.

The United Nations General Assembly Special Session on the World Drug Problem which took place in New York in June 1998 aims to increase international cooperation to combat money laundering. According to the expected political declaration was to enact laws, run programmes and promote cooperation among judicial and law enforcement authorities to prevent, detect, investigate and prosecute the crime of money laundering by the year 2003.[25] In my opinion, the aim was reached except developing countries.

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[24] The term is used in book: Kandelo-Mills, J. 1986, The Fund´s International Nankiny Statistics. IMF, Washington and the book is cited in Zoromé, A. Concept of Offshore Financial Centers: In Search of an Operational Definition. [cited on 25th November 2008]. From: http://www.imf.org/external/pubs/ft/wp/2007/wp0787.pdf.

[25] Political declaration. Retrieved December 30, 2008, from: http://www.un.org/ga/20special/poldecla.htm.

There was another important terminus – the year 2008 ended these days so we can now evaluate, if illicit manufacture, marketing and trafficking and illicit cultivation of coca bush, cannabis plant and opium poppy were reduced.

In my opinion, today's problem is not law but the effectiveness of it which is often breached with modern communications enabling invisible ways of committing crimes. Processes like globalization, liberalization, privatization, free trade zones and especially international financial centers and direct banking enable to launder money in non – physical way so the money laundering should be researched from this point of view.

Governments should focus on strict regulation of technical and technological view that has sometimes not enough support. I propose for example to oblige banks to have a duty to invest into technological development because in practise it is sometimes difficult to achieve technological progress[26] because of money. The only way of strict penalties for offenders arising from norms is becoming thanks to their knowledge of information and communication technologies and bank law ineffective because they can earn unbelievable sum of money and along with it cause a huge damage.

[26] One of the last very good worked publications solving the technical view of direct banking and of payment cards was issued in the Czech Republic in the spring 2008 under the title "Autorizace elektronických transakcí a autentizace dat i uživatelů" written by V. Matyáš, J. Krhovják and col. 2008, Masaryk University, Brno.