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New challenges in the fight against organised crime and money laundering – the need to improve international co-operation

Motion for a resolution
tabled by the Committee on Legal Affairs and Human Rights

This motion has not been discussed in the Assembly and commits only those who have signed it

Media reports have revealed details of a sophisticated scheme, known as the "Global Laundromat", that transferred at least $20 billion between 2011 and 2014 from shell companies in Russia to banks in 96 countries around the world. Initially concealed as debt repayments ordered by Moldovan courts in favour of shell companies based in the United Kingdom, Cyprus and New Zealand, much of the money passed through a Latvian bank. Reports say that the scheme also had links to the theft of $1 billion from Moldovan banks.

Originally exposed by the Organised Crime and Corruption Reporting Project, the scheme is now being investigated in several countries. In the Republic of Moldova, criminal charges have been brought against judges and company and bank officials, with one suspect extradited from Ukraine. In Latvia, the bank in question has been shut down for money laundering. The Russian and British authorities are also investigating. Lately, an Azerbaijani connection has also been revealed in the media, which reportedly also implicates former members of this Assembly.

Corruption, organised crime and money laundering are serious threats to the rule of law and obstacles to democratic and economic development. The scale, duration and reach of this scheme, operated from Council of Europe member States, suggest possible weaknesses in national, regional and/or international mechanisms for combating money laundering by organised criminal groups.

The Parliamentary Assembly should inquire into these reports with a view to making possible recommendations for enhancing national mechanisms and international co-operation to combat money laundering.