

Mule Accounts for Money Laundering

Source: BS

Recently, the Union **Ministry of Home Affairs** has issued an alert about **illegal payment gateways** like PeacePay, RTX Pay etc set up by **transnational <u>cybercriminals</u>** using <u>mule bank accounts</u> for <u>money laundering</u>.

- A mule account is a bank account used to facilitate illegal activities.
 - A money mule is someone who transfers or moves illegally acquired money on behalf of someone else.
- Transnational cybercriminals use accounts of <u>shell companies</u> and individuals as mule accounts, exploiting the bulk payout facility provided by banks.
 - A shell company is a company without active business operations or significant assets.
 - They are not all necessarily illegal, but they can be used illegitimately to conceal business ownership from law enforcement or the public.
- The Bulk Payout facility offered by banks allows businesses and organisations to make multiple payments to various beneficiaries in a single transaction.

 \coprod **Money Laundering Cycle** Dirty Money integrates into the Collection of dirty money **PLACEMENT Financial System LAYERING** Payment by "Y" of false invoice to company "X" Transfer on the bank account of company "X" Loan to company "Y" Purchase of Luxury Assets, Financial Investments, **INTEGRATION** Commercial/Industrial

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