



Australian Government
Australian Institute of Criminology

Financial crime risks, globalisation and the professions

Anti-money laundering: Accounting and legal professions

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AICs AML/CTF research relating to the professions

Review of prior research

- Typology reports, threat assessments, business surveys, official crime statistics, professional disciplinary statistics, criminal cases

Consultations

- Stakeholder roundtables – lawyers, accountants etc.
- Interviews with overseas academics, regulators and AML organisations

Survey research

- 4,000 currently regulated business entities in Australia
- 443 legal practices in NSW, Victoria, ACT and Queensland
- 54 law enforcement and regulatory agency officers

AIC Publications

- Confidential risk assessment
- Monitoring Report, Professions Report and Legal Survey Report



Size of the professions in Australia

Lawyers

- 55,000 legal practitioners in Australia in 2009 (LCA)
- 15,326 businesses providing legal services in 2008 (ABS)
- 97% of practices had fewer than 6 principals (69% sole practitioners)

Accountants

- 81,127 employees in accounting practices in Australia in 2002 (ABS)
- 46,474 practising accountants in 2002 (ABS)
- 9,491 accounting practices in 2008 (IBIS World)
- 67% of accounting practices had one principal (ABS)



Incidence of professional misconduct

Lawyers

- NSW – 2,742 complaints to OLSC 2007; 459 investigations; 19 reprimands; 17 cautions, 6 referred to Tribunal
- NSW Law Society & Bar Council – 600 investigations
- No NSW matters involved money laundering or financing of terrorism
- 1 AUSTRAC typology and 2 Wickenby matters involved lawyers

Accountants

- ICAA investigated 259 complaints in 2008; 27 Tribunal matters
- CPA Aust investigated 163 external complaints in 2008
- NIA received 42 complaints in 2008; 11 Tribunal matters
- 2 AUSTRAC typologies and 4 prosecuted money laundering matters involved accountants

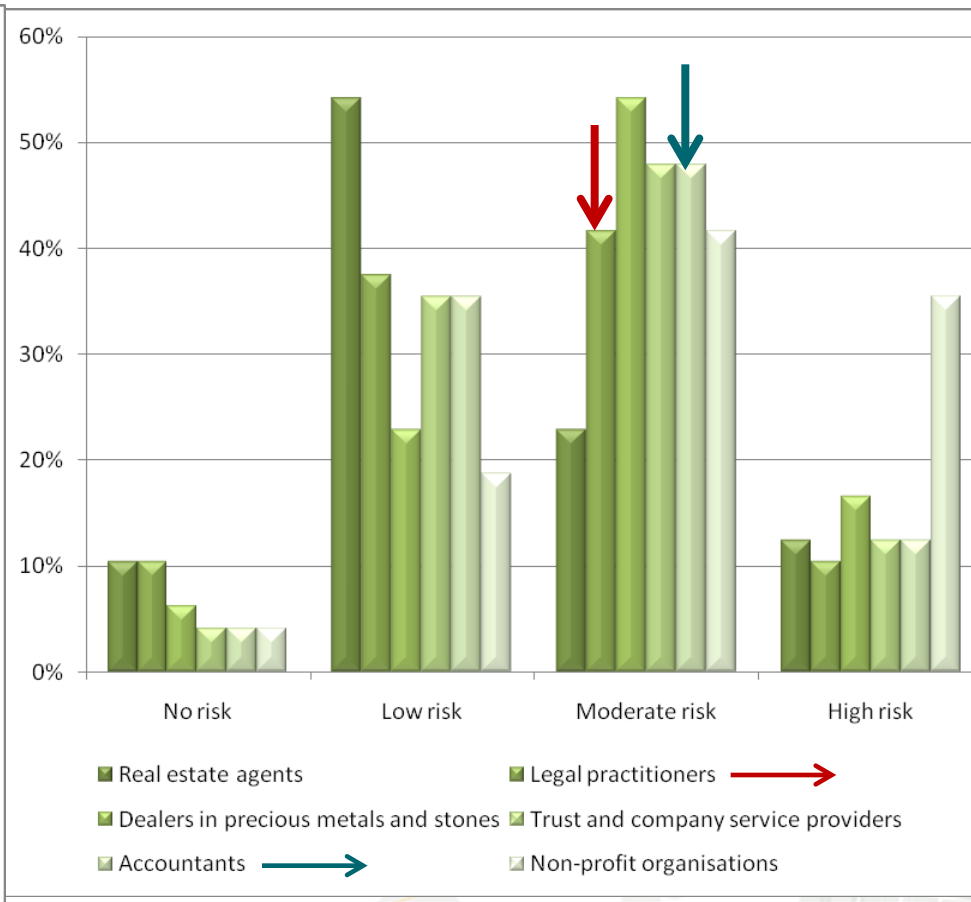
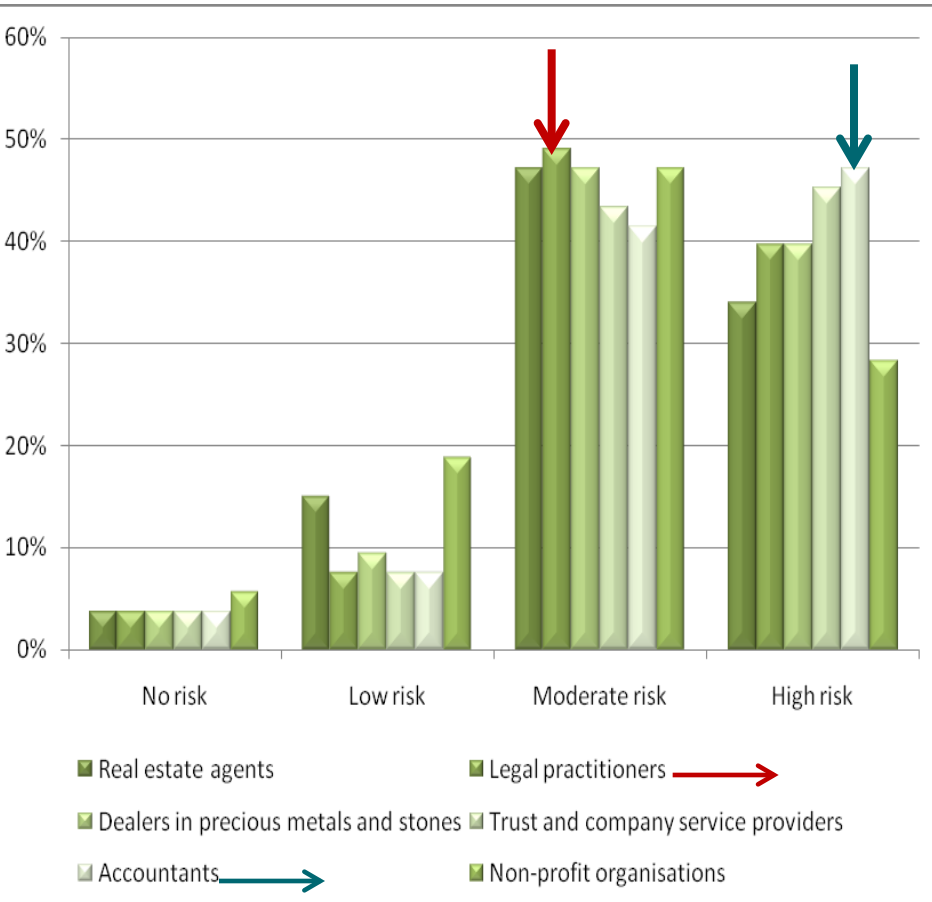
The 'dark figure' of undetected and unreported crime



54 law enforcement officers' perceptions of risk

Money laundering

Terrorist financing





A continuum of professional misconduct

Actual knowledge

- Organised criminality
 - Practitioner instigated
 - Direct facilitation
 - Acquiescence
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Suspicious

- Reckless disregard of risks
 - Wilful blindness - omissions
 - Negligent investigation of proposals
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Unwitting

- Client-centered altruistic behaviour
 - Professional misunderstandings
 - Inadequate professional standards
 - Complete ignorance of a client's criminality
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Seriousness

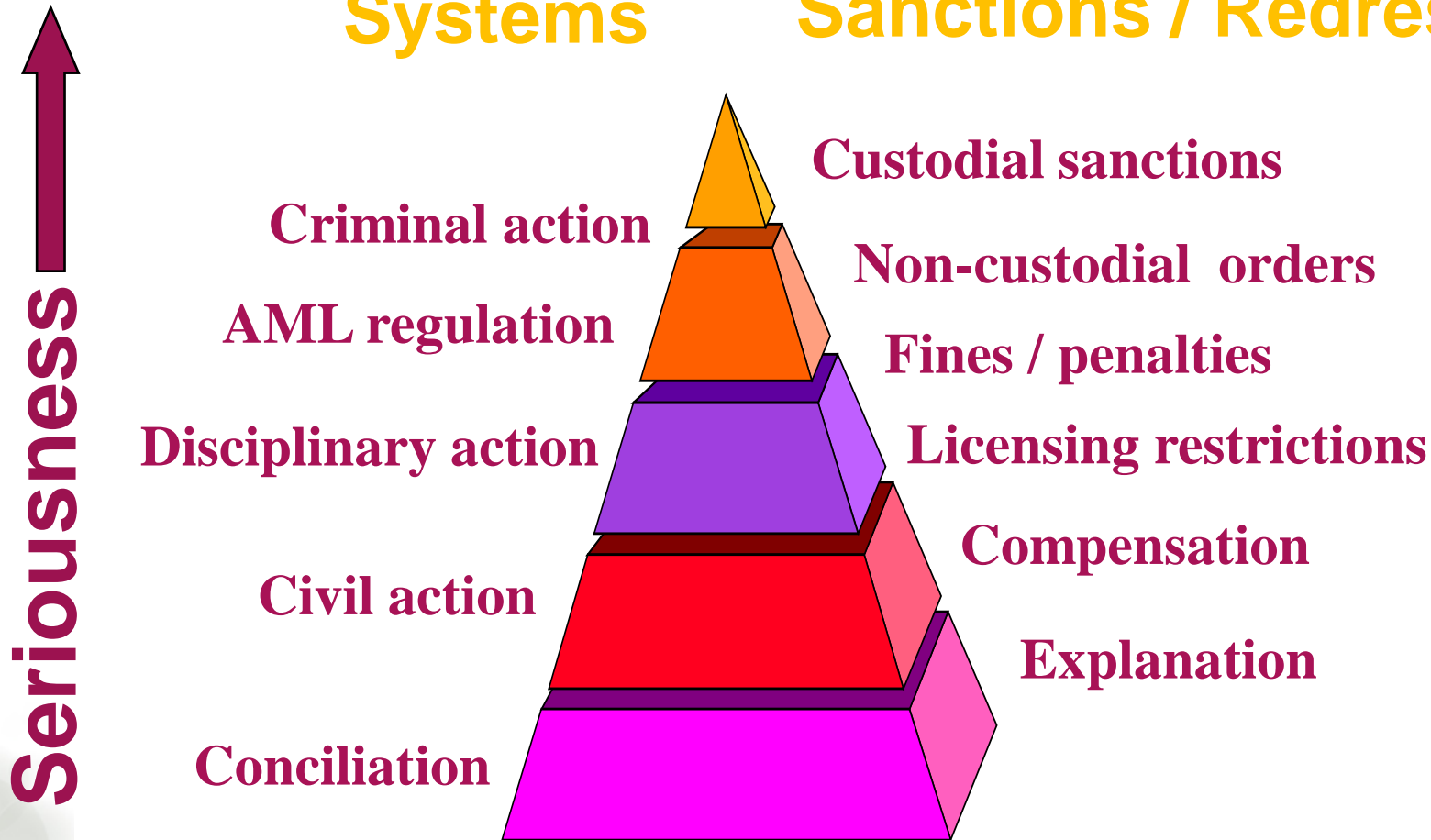




Regulatory responses

Systems

Sanctions / Redress





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