

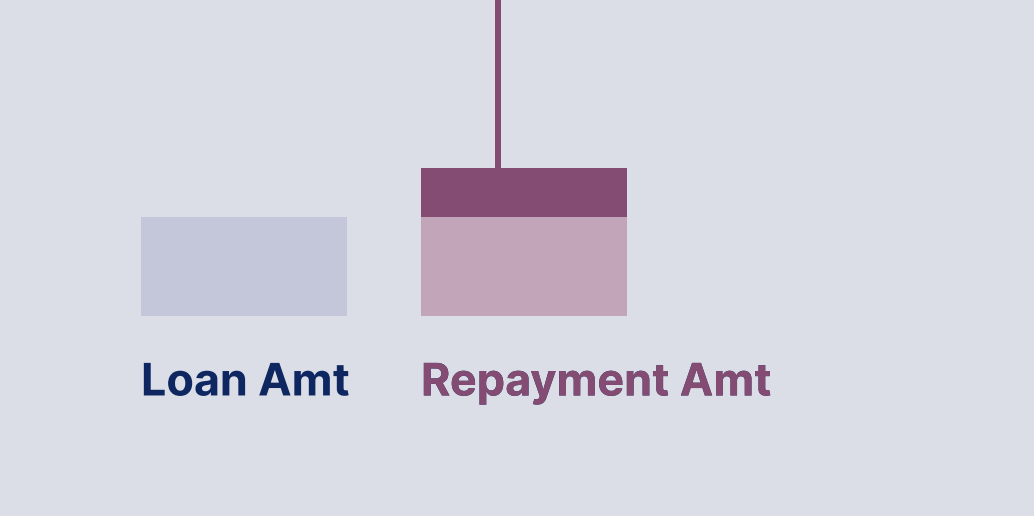
Tookitaki Typology Tales

Featured typologies of the month

May 2023

Typology 01

Over-Repayment of Loans



Modus Operandi:

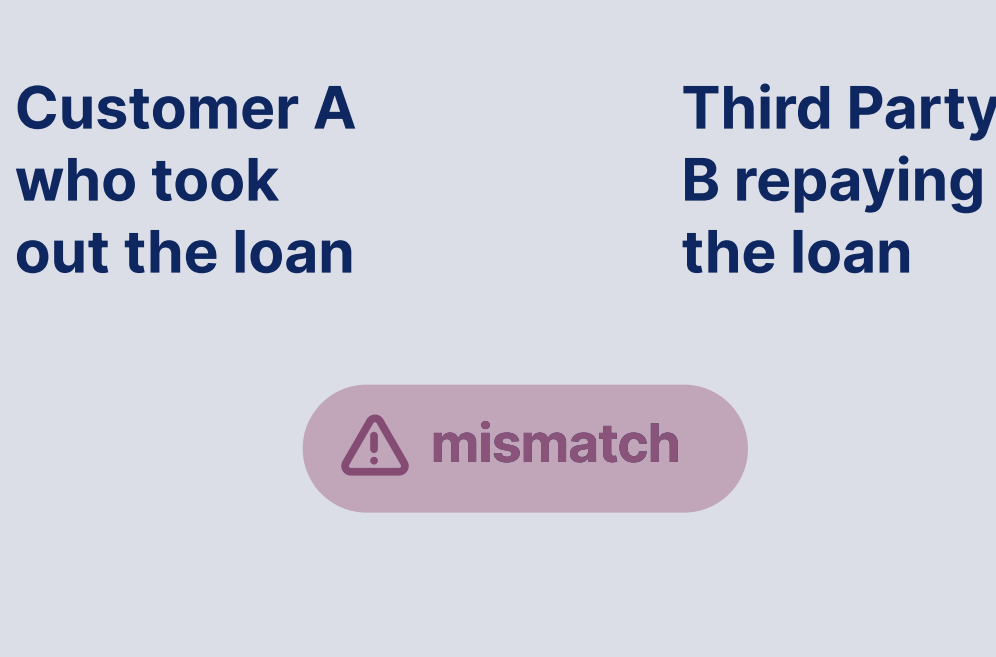
1. Loan sanctioned to customer
2. Principal repayment is more than the loan amount
3. Financial institution refunds the excess amount

FinCrime Insights:

1. Loans can be over repaid via lump sum repayments or installment repayments
2. Repayment amounts larger than the original loan amount help launder illicit funds through refund of the excess repayment.

Typology 02

Third Party repayment of loans



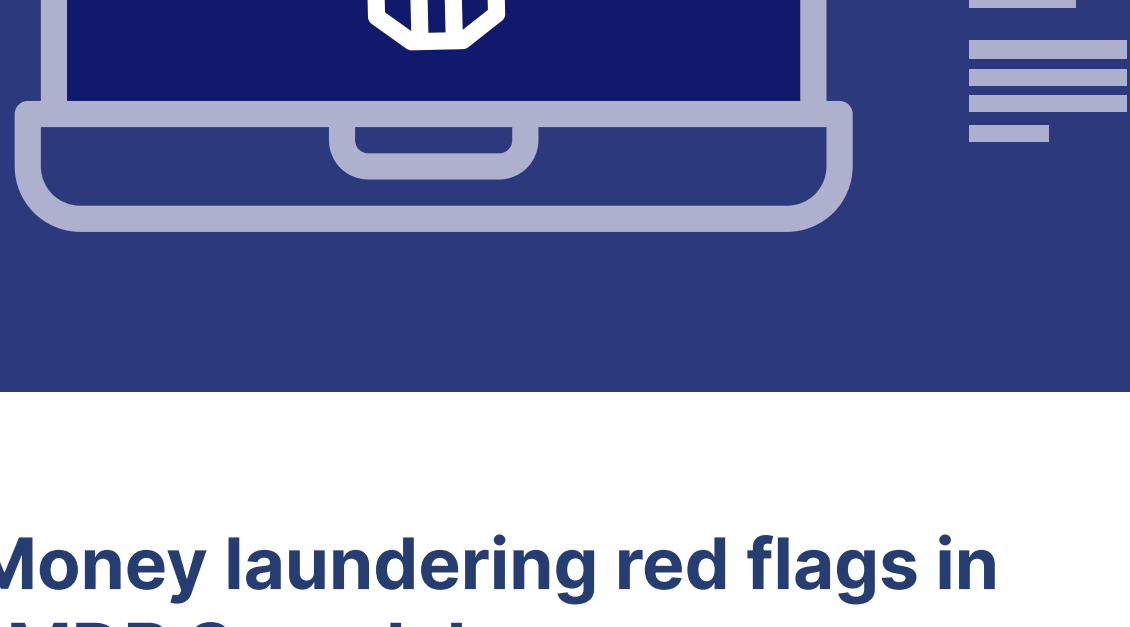
Modus Operandi:

1. Loan sanctioned to customer
2. Loan repaid by a third party in full or in installments

FinCrime Insights:

1. Criminals can use their dirty money to repay loans or credit cards, and in doing so, they create the illusion of legitimacy for their illegal funds.
2. Third-party payment processors or fintechs are prone to be used as conduits for money laundering, and hence they should be aware of the money laundering risks associated with third-party payments

Real Life Case Study



Money laundering red flags in 1MDB Scandal

- The 1MDB Scandal that came to light in 2015 is a notable money laundering case involving potential over-repayment of loans.
- As part of the money laundering scheme, fraudulent loans were obtained by shell companies associated with a Malaysian businessman and financier.
- These loans were then used to repay existing loans associated with 1MDB, resulting in a cycle of over-repayment.
- The surplus funds from these over-repayments were subsequently diverted to offshore accounts and used for personal enrichment, lavish lifestyles, and investments in luxury assets.

[More about 1MDB Scandal](#) →

Unite in the fight against financial crime

Financial crime is a pervasive issue that requires a collective, centralized approach to intelligence gathering. That's why we have created the **Anti-Financial Crime (AFC) Ecosystem**, a network of experts who work together to share knowledge and develop strategies for combating financial crime.

If you are an AFC expert, we invite you to join our efforts and help us grow the AFC Ecosystem. And if you know any other AFC experts, please refer them to us so we can continue to expand and strengthen our network. Together, we can make a real difference in the fight against financial crime.

[Join the Fight](#)

