

THE ROLE OF THE MONEY LAUNDERING PROCESS IN THE FINANCING OF TERRORISM

Eda OGUZ^{1*}, PhD Nildag BASAK CEYLAN², PhD Ayhan KAPUSUZOGLU³

¹ Directorate-General of Security, Ankara, Turkey

² Ankara Yildirim Beyazit University, Ankara, Turkey

³ Ankara Yildirim Beyazit University, Ankara, Turkey

Abstract: *The two most important elements of terrorist organizations are people and finance. Like all organizations, terrorist organizations also need financing for their actions and activities. Therefore, they are structured to operate in all legal or illegal economic fields that will bring them income. Some of the proceeds of crime are laundered and reintroduced into the system and gains a legal appearance. Some of them are not included in the economic system and cause the informal economy. Financing of terrorism, with its general definition, is the act of providing funds to terrorist organizations, and the success of terrorism is based on its strength in logistics, intelligence and finance. With globalization, especially the financial borders between countries lose their importance, and the world that becomes unlimited makes it easier for illegal organizations to go beyond national borders and threaten the world, as well as serving humanity. Although Terrorist Organizations continue their traditional methods, it is seen that nowadays it has become more complex in terms of accessibility of technological opportunities. In this study, the money laundering process, which is one of the methods used in the financing of terrorism, will be discussed.*

Key words: Money Laundering, Financing of Terrorism.

JEL Classification Codes: F30, G28, K42

1. INTRODUCTION

The informal economy, which is accepted to have emerged as a result of the disproportionate taxes imposed by the states in order to alleviate the burden of the economic destruction after the Second World War, has been a topic that has been constantly on the agenda in our country since 1994, with the effect of economic fluctuations. Although the source of informality was initially associated with taxation, over time it has emerged that there are many reasons for the informal economy. In the definitions made about the informal economy, three basic distinctions are generally made. The first of these is individuals' tax, etc. The non-declaration economy, which is formed as a result of wanting to evade obligations, the second is the crime economy, which is formed by financing a crime or the smuggling of the profit (trash) from any activity that constitutes a crime, or incorporating some or all of it into the economic system through legal means, and the third is the semi-registered economy. (project offices, galleries, real estate, etc.) or not registered as a requirement of the business (vendor, porter, etc.) is the economy (Demir, 2007).

*The views expressed in the study are those of the authors and do not represent the official views of the Institutions. Moreover, this study is based on Eda OGUZ's Term Project (Master Program without Thesis) in Ankara Yildirim Beyazit University, Graduate School of Social Sciences, Ankara, Turkey.



This is an open-access article distributed under the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>).

The most negative and perhaps the most important effect of the informal economy on the country's economy is the reduction of tax revenues, which is the main source of income for the states. The fact that the economic activities are not recorded, the under-declaration of the taxed income or the non-declaration reduces the tax income of the state. The reduction of this most important item of the state causes budgetary deficits, budget deficits lead to borrowing, and borrowing leads to an increase in interest rates. The increase in investment costs pushes the increasing unemployment mass to work in the informal economy, which creates a vicious circle.

In case the budget deficits are met by the central bank by making money supply, it causes inflation, which ultimately leads to inequality in income distribution. Another important damage caused by the informal economy is that it makes it difficult to prepare economic indicators to reflect the truth, increases production costs, undermines the trust of citizens in the state, increases unregistered activities, and causes unfair competition in the market for honest taxpayers (Sarili, 2002).

The term black money is older than the term informal economy. The origin of the word money laundering comes from the fact that the mafia leader Al Capone, in the United States (USA) in the 1920s, legalized the money he obtained from smuggling by establishing laundries. The purpose of laundering is to integrate illegal income into the legal financial system and make it reusable. The money is laundered as a result of the process of re-integrating the earned money into the system. Although the informal economy and black money are related to each other, they have some basic distinctions. The first of these is the way of earning. While the unregistered economic value is generally obtained through legal means, black money is obtained as a result of an activity that constitutes a criminal activity. The main purpose in the informal economy is tax and so on. Criminal organizations that launder money while avoiding liability do not have such a concern. They aim to integrate illegal income into the system by bearing legal obligations when necessary (Sahin, 2010).

Money laundering is, by its very nature, an illegal activity and takes place outside of economic and financial statistics. For this reason, it can be revealed by an estimate rather than a statistical calculation. The International Monetary Fund estimated the total volume of money laundering in 1998 to be somewhere between about 3% and 5% of the world's gross domestic product, and based on these rates, the United Nations Office on Drugs and Crime (UNODC) determined the size of the illicit funds and to what extent these funds were spent. He investigated laundering, and as a result, in his report published in 2009, he emphasized that the proceeds of crime constitute 3.6% of the world GDP and it is estimated that 2.7% (or 1.6 trillion USD) of this was laundered, and this figure is roughly the size of Spain. estimated to be equal to the value of an economy's total output (<https://www.fatf-gafi.org/faq/moneylaundering/#d.en.11223>).

2. MONEY LAUNDERING PROCESS AND METHODS

2.1 MONEY LAUNDERING PROCESS

The first form of criminal income is cash. Since it will be remarkable to integrate it into the economic system with the cash form, criminal organizations have to get the money away from the crime, that is, from the first source as much as possible, and give it a legal appearance. Today, the rapidly developing technology and economic borders lose their importance, criminal organizations also train themselves in parallel with the developing system, making the work of judicial authorities difficult, and detection may take time. These reasons necessitated joint struggle and cooperation on the international arena and the FATF (Financial Action Task Force) was established within the United Nations (Arıcan, 2010).

2.1.1 PLACEMENT/TRANSFORMATION

It is the first stage of money laundering. At this stage, the proceeds from crime are in the form of cash and the aim is to intrude into the financial system without attracting attention. The reason for this is that cash in the form of money is remarkable, since the use of tools such as debit cards, credit cards, checks, letters of guarantee is common today. In addition, the funds that are integrated into the financial system to carry, transfer or engage in similar transactions are more conspicuous and more difficult to move. In countries where financial system instruments are not widespread and supervision is low, launderers benefit from this supervisory arbitrage and operate more in these countries. At this stage, since the money/fund has not yet been cut off from the crime, it is the easiest stage for the authorities to catch, because the launderer does not have a legal answer to the question of the source of the money (<https://masak.hmb.gov.tr/aklamanin-asamalari>).

2.1.2 SEPARATION/LAYERING

At this stage, money in cash/combined form is subjected to a series of financial transactions that make it difficult to trace. If the proceeds of crime are converted into electronic form, transfers will be made as a faster and easier method, and the money/fund will be removed as much as possible. The control mechanism will be tried to be overcome by making a series of financial transactions in terms of complexity, frequency and volume. In summary, this stage involves converting funds into another form, creating complex layers of financial transactions to hide their source and owners. As an example of the layering process; moving funds electronically and dividing them into advanced financial markets/options, converting placed money into financial instruments, investing in real estate, buying products such as stocks and insurance, use of shell companies (<https://letstalkaml.com/what-is-anti-money-laundering-a/>).

2.1.3 INTEGRATION/MERGE

In this process, the proceeds of crime are reintegrated into the legal economic system by breaking the illegal causal link. In a sense, it goes home. It is now legal and does not need to be reshaped. Even if the source is asked, the answers are ready. It is the most comfortable stage for organizations and the most difficult for struggling units. Money has become legal and its illegal past is no longer known. The processes mentioned above are not valid for all money laundering, sometimes both occur at the same time, and in some cases, money is given a legal appearance in just one process. The launderer will be able to save the money that he has cut off from the crime as he wishes. At this stage, it is in a position to answer possible questions about the source of money (<https://masak.hmb.gov.tr/aklamanin-asamalari>). It is difficult for legal authorities to distinguish between illegal income and legal income at the integration stage. It is also a process that is difficult to detect unless there are large differences between the income and investments of the person or company. Examples of the integration phase are: acquisition of luxury assets, real estate and works of art, and investment in financial instruments in commercial enterprises (<https://letstalkaml.com/what-is-anti-money-laundering-a/>).

2.2 MONEY LAUNDERING METHODS

2.2.1 ART AS A MONEY LAUNDERING TOOL

The fact that the arts sector has less risky variables than the financial sector has increased these markets' recent exposure to money laundering and terrorist financing crimes. The art market has become attractive in terms of money laundering due to its features such as the anonymity of the buyer and the seller, the insufficient legal regulations in this area in many

countries, the high value of the artworks and the low supply, and the limited control over the transactions in the market. A launderer buys the artwork from a country where art market transactions are legal, to get a masterpiece into his portfolio. The artwork is transported to any free port near the airport or a high-security warehouse where it can stay for years without risk of damage or depreciation. Storing works of art in this way also exempts them from liabilities such as shipping costs and taxes. Free ports are generally found in Singapore, Switzerland and Luxembourg. The artwork is then sold privately and anonymously from these warehouses or ports. In this way, the regulatory authorities are left no chance for detection. The reason for the sale being made from such ports is that the art warehouses located there offer similar advantages to offshore financial centers (privacy, lax control and a number of tax advantages). Launderers follow a complex transaction algorithm rather than a direct transfer that follows the buyer and seller. Another frequently used method is the loans drawn by showing the artwork as collateral (<https://shuftipro.com/blog/art-market-in-the-frame-of-money-laundering/>).

In the 2010 report of the Financial Action Task Force (FATF): stated that the advantages of free ports have become areas that allow money laundering. He underlined that these advantages are the minimization or no implementation of inspection and administrative procedures in free port areas. Documents revealing that many valuable works of art looted from tombs in Italy in the 1990s were detected in a warehouse in Geneva, and that some works were laundered by selling to fictitious buyers at auctions, and then handed over to fraudsters with legal invoices. It was determined that a Roman sarcophagus, which is likely to have been smuggled out of our country in 2010, was found in the free port of Geneva (<https://www.e-skop.com/skopbulten/bir-kara-para-aklama-araci-olarak-sanat/2626>).

2.2.2 MONEY LAUNDERING FROM ENVIRONMENTAL CRIMES

In many countries, environmental crimes are seen as low risk, high reward crimes due to the lightness of the sanctions for environmental crimes, the inadequacy of the earnings tracking system in this area and the limited effort made to control this area. Environmental crimes cover many activities such as unauthorized logging, forestry, mineral trade, illegal mining, waste smuggling. Multinational corporations, organized crime groups, in short, crime actors take advantage of the low risk high reward nature of environmental crime to launder both financial and non-financial proceeds. Environmental crimes, which are considered to be among the most profitable crimes in the world, are assumed to generate between 110 and 281 billion US dollars a year. Another reason for this tendency to crime is that it is not defined in detail by the legal authorities and the motivation of the judicial authorities to fight such activities is low. Waste smuggling is another environmental crime whose financial flow is difficult to detect and requires expertise. It is also a crime of money laundering that companies that have legal permission to process waste show the volume of imported or exported items as large or low for the purpose of escaping economic obligations, transferring them to another place or investing. Deterioration of planetary and human health, impacting social and economic development, convergence of other serious crimes such as drugs, human trafficking and forced labor are far-reaching effects of environmental crimes (<https://www.fatf-gafi.org/media/fatf/documents/reports/Money-Laundering-from-Environmental-Crime.pdf>).

2.2.3 MONEY LAUNDERING AND FINANCING OF TERRORISM IN THE SECURITIES SECTOR

The Securities sector ranges from one-person offices to multinational corporations employing tens of thousands of people and is an important structure for the global economy.

New products are constantly being developed in line with technological developments and investor demands. The product range is wide and many of the operations are complex. While some products appeal to a wide audience, some products are designed for the needs of only one buyer. Transactions take place electronically and many across international borders. Due to its global trading capability and size of transaction volume, this sector has become attractive to those who will abuse it for illegal purposes, including terrorist financing and money laundering. Furthermore, the securities industry is seen as unique among industries, both in its ability to generate and use funds within the industry itself through fraudulent transactions, and in its ability to launder illicit funds at hand. In money laundering or supporting a terrorist group or premise securities crimes, the transactions and techniques are difficult to distinguish. Insider trading, market manipulation, and the flexibility of securities fraud methods are other reasons that make detection difficult (<https://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20in%20the%20Securities%20Sector.pdf>).

2.2.4 MONEY LAUNDERING THROUGH ALTERNATIVE REMITTANCE SYSTEMS AND CURRENCY EXCHANGE PROVIDERS

The enormous development of knowledge and the globalization of the financial sector have also contributed to a significant increase in the volume of financial activities carried out. There are legal remittance systems such as Moneygram, western union, UPT in the world and it is seen as an alternative to banks and is widely used. In addition to these, methods such as cold wallet transfer and hawala-like methods used for illegal money transfer are also called underground banking channels and are frequently used by criminal organizations. The most attractive feature of these underground banking remittance facilities is that they are fast and confidential. In addition, its low cost provides practical solutions for both legal and illegal use. These underground services are very difficult to detect due to their trust-based nature and lack of records. Once money is exchanged or the subject of a transaction, it becomes very difficult to trace its origin. Usage methods of underground systems; Transaction through disposable or fake accounts, incompatibility between country of origin, person and remittance amounts, Periodic transfers made by more than one person to the same beneficiary or related persons, the chain of transfer of small parts together representing a large amount in a short time, one or more transfers in different countries Transfers from more than one sender to a local beneficiary can be exemplified as not applying the customer identification procedure and making incomplete or incorrect entries (<https://www.fatf-gafi.org/media/fatf/ML%20through%20Remittance%20and%20Currency%20Exchange%20Providers.pdf>).

2.2.5 THE ROLE OF HAWALA AND SIMILAR SERVICE PROVIDERS IN MONEY LAUNDERING AND FINANCING OF TERRORISM

Similar service providers and money transfer methods with Hawala share many common features. These features are limited record keeping in a trust-based system, limited information sharing for the recipient-only name and surname can be given, as well as a password or code-, the ability to transfer without any amount limit without being caught in any suspicious transaction network, any financial institution between the sender and the beneficiary. can be counted as sending directly without intermediary. Using Hawala and similar service providers is not always illegal. In South Asia and the Middle East, the word 'Hawala' means 'traditional' and is a centuries-old money transfer method often used for trade finance. This traditional system is not clearly regulated in law and is already used in some countries. Its legal use continues in regions where banking systems are not sufficiently developed. Another common usage area, for example, in the United Arab Emirates, where the working class has a significant share of the population, this system tends to become popular. (<https://www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf>)

The proliferation of Hawala and similar service providers in recent years has brought along the concerns of money laundering and financing of terrorism. The reason for concern is that a large amount of money volume can be created within this system. Professional money launderers are often in a position to administer this system rather than use it. These positions also enable crimes such as fraud, tax crimes and corruption. Hawala and similar service providers are often networks developed to facilitate illegal activities and are part of sophisticated criminal organizations. Hawala and similar service providers also run other businesses. For example, exchange offices, telephone-gsm shops, travel agencies are typical places operated by hawala and similar service providers. Many also deal with the import and export business. This gives them the opportunity to know different geographical regions and do business, both to gain legal income and to shadow their illegal income (<https://www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf>).

The simplest schematic description of the Hawala system; The person who wants to send money from country A to country B delivers the money by contacting the porter in country A, in return receives the password or code to be given to the person to whom he wants to send the money in country B and transmits it to the other party. The person who goes to the porter of country B with the transmitted code gives the password and receives his money. In this method, although there is a limited chance of registration and evidence, individuals complete the transfer process without being caught in a suspicious transaction report.

2.2.6 TERRORISM FINANCING AND MONEY LAUNDERING BY CASH HANDLING

The physical transportation of cash across an international border is one of the oldest forms of money laundering and is still widely used today. Criminal Organizations often reintroduce money into the financial system by moving it to a bank in another country with little supervision. Despite the increasing prevalence of non-cash payment methods in developed countries, more than half of the transactions in the world are still made in cash. Similarly, cash is widely used in the crime economy and is transferred to another country in order to erase the traces of the money and avoid being under control during the money placement process. According to the customs gates legislation, which is another way of cash smuggling, some kind of customs declaration is required in every case with cash flow and customs authorities have the legal authority to control every cargo or mail that passes through customs. However, reasonable suspicion is sought for the use of these powers. According to article 9/2 of the Anti-Smuggling Law No. 5607 in our country, there is a provision that 'persons suspected of hiding smuggled goods at customs halls and customs gates may be searched by customs officers for customs control'. This means, for example, that a parcel containing a second-hand book and a parcel containing a large amount of cash (assuming the money is not declared) may look similar in appearance, weight and declaration, thus creating a risk in terms of money laundering and terrorist financing (<http://www.fatf-gafi.org/media/fatf/documents/reports/money-laundering-through-transportation-cash.pdf>).

2.2.7 BUGS RELATED TO GOLD IN MONEY LAUNDERING AND TERRORIST FINANCING

Gold has been used as a means of exchange and payment in many cultures since ancient times. Historically, governments have minted gold coins or currency notes indexed to gold. Despite the widespread use of fiat currencies, gold continues to be an important material for economies due to its high intrinsic value and liquidity. There are two general characteristics of gold and the gold market that make crime attractive. The first of these is the size and recognition of the gold market and its dependence on cash, and the second is that gold is anonymous by

nature. The fact that the bearer also has possession makes it difficult to investigate the origin of gold. Due to the limited regulatory features of the gold market in many countries, it is seen as an attractive field of activity for organized crime groups or those who intend to engage in illegal business and integrate their income into the system. Given the limited industry oversight and licensing requirement, owning a jewelry store proved to be easier than owning a similarly functioning financial institution (<https://www.fatf-gafi.org/media/fatf/documents/reports/ML-TF-risks-vulnerabilities-associated-with-gold.pdf>).

2.2.8 LAUNDERING THROUGH BANKS AND OTHER FINANCE GROUPS

In the most general definition, banks are institutions that collect the savings of real and legal persons with surplus funds and serve to give loans to those who demand funds. But this is a general definition. They take on much more complex and important tasks within financial markets. In addition, banks take many self-updating measures to prevent money laundering and financing terrorism. Despite this, banks are still frequently used for illegal transactions (<https://www.tuhis.org.tr/pdf/1025.pdf>).

When criminal organizations will use banking or similar financial channels, they pay attention to the legal and technological measures taken. There are several ways that have been found to be mostly used to circumvent these systems. These are: structuring, smurfing, loan back, use of tax havens and offshore banks and shell companies. Structuring method: It is not always possible to find a large number of smurfs/people who will divide the large fund into small pieces and deposit them in the bank. In this case, instead of allocating the funds to people, they can bypass the bank notification by increasing the number of transactions. Every small amount of transaction made is divided into smaller amounts with the division technique, so the money is removed from its original source and the trace is lost. In a case study, it was understood that an average amount of \$29 million was transferred to Ecuador by subjecting more than 40,000 transactions and was laundered (<https://masak.hmb.gov.tr/aklama-yontemleri>).

Smurfing (mushrooming) Method: Although the amount required to be reported varies in each country, it is obligatory to report cash and transfer transactions made in banks. For example, if 20 people deposit 5,000 TL from a bank or different branches in order to avoid this notification, launderers or criminal organizations will have laundered 100,000 TL per day, and 1,000,000 TL will be entered into the banking system in 10 days without a cash transaction notification (<https://masak.hmb.gov.tr/aklama-yontemleri>). Another most common method is money laundering via Off-Shore or offshore banking. Off-Shore banks are banks established in regions called 'tax havens' where taxation is absent or low.

Off-Shore banks are established in areas that are generally called 'free zones' within the borders of the country. The most important factor in the establishment of free zones is the existence of different management and control mechanisms with other banks within the borders of the country and to prevent the effects of the country's economy and banking practices (https://www.hakanguclu.com/calismalar/Off_shore.pdf). The features that distinguish coastal banks from other banks are as follows: Transactions are made in a currency different from the currency valid in the countries in which they are located. It has different rules from the taxation and auditing rules that other banks and financial institutions in the country are subject to, the principle of confidentiality is applied very strictly, they set the interest rates themselves, the taxes are low or there is no tax for many transactions, and they are not subject to withholding and combo restrictions. An offshore bank can perform all banking transactions, perform physical transfers, be the subject of money laundering through the loan-back system, and even transfer

proceeds of crime to other countries in the country where it is established (<https://masak.hmb.gov.tr/aklama-yontemleri>).

Money Laundering by Auto-Finance Loan-Back: In summary, loans and mortgages are often taken as collateral for money laundering and a lump sum or cash back is used to repay loans or mortgages. The main tactic behind this method is to borrow money. Money earned illegally in one country is transferred to a company in another country, and small amounts are deposited into offshore bank accounts, often for tax and audit advantage. Then, the fund owner uses a loan from his country and does not pay, by providing the offshore bank account as collateral. In this case, the amount shown as collateral in the offshore bank account is taken into the relevant account by the bank from which the loan is drawn. Thus, the fund, which is actually the proceeds of crime, is registered as an unpaid loan in the financial system ([https://www.capgemini.com/wp-content/uploads/2017/07/The Growing Threat of Money Laundering.pdf](https://www.capgemini.com/wp-content/uploads/2017/07/The_Growing_Threat_of_Money_Laundering.pdf)).

Signage banks are a frequently encountered concept especially in money laundering. These are the banks that have relations with whistleblower banks in countries or regions where banking formations and supervisions are low, but do not have a physical presence, do not have working hours and personnel arrangements, and where records are limited or not kept at all. Therefore, it is difficult for correspondent banks to monitor these banks and there is a security vulnerability in terms of money laundering and terrorist financing. (<https://vergidosyasi.com/2018/07/18/tabela-banka-shell-bank-nedir/>)

Shell or fictitious companies, on the other hand, are businesses that are generally established outside the country where the crime is committed and in countries that do not have strict rules and controls in terms of establishing a company, do not have any commercial activity, and are established only to make it difficult to trace the money. The proceeds of crime are subjected to numerous transactions between the company or companies established in this way. As a result of these transactions, the money acquires a legal appearance (Dogan and Er, 2016).

2.2.9 USE OF CAPITAL MARKET INSTRUMENTS IN MONEY LAUNDERING

Proceeds of crime is a fact of the global economy and the main problem of launderers is to make this money look legal. For this reason, they choose the sectors where they can turn their investments into profits with the fastest method. Capital market instruments come first. Due to the investor's exposure to high risk in the capital market, the size of the gain will not attract attention. The definitions of insider trading and manipulation, which are the two main crimes defined in the capital market, are defined through secondary market transactions. Despite this, the weak link of the capital market is the primary market transactions. Shareholders of the company aiming to launder proceeds of crime can launder money by collecting the shares traded in the secondary market by going to a capital increase or public offering. The most important security vulnerabilities of capital market transactions are the fact that the sales made are bearer, that is, they do not require identity verification, and the limited information and transactions about the person / organization making the counter-transaction are fast, and the main purpose of the transactions is not to profit but to give money a legal appearance (Saldanli and Sirma, 2015).

If we make a general evaluation about money laundering and terrorist financing methods, it is accepted that there are methods that have not been recorded yet. In addition to the most well-known ones, there are new methods that have emerged in parallel with the technological development. These are methods such as the use of e-money and smart cards, as well as sales sites, production and sale of virtual assets. There are also industries, trends and events with high potential for money laundering. When we look at the sectoral basis, the sports sector, which has

transformed from the entertainment sector to the industrial sector in recent years, can be given as an example, mainly the football sector. Sports and athletes have existed since ancient times. What is new today is the commercialization of sports, the unrestricted labor market in this field, and the presence of donations and payments received in significant amounts with fans more than in any other field. Football seems to be the most suitable candidate for examining the risks of money and terrorist financing in sports. It is the most common sport in the world. It has approximately 38 million registered players and more than 5 million referees and employees. It has a wide audience of supporters, from loyal fans to the television audience. (<http://www.fatf-gafi.org/media/fatf/documents/reports/ML%20through%20the%20Football%20Sector.pdf>).

Even in the event of an event that affects the whole world, new risks may arise in terms of money laundering and financing of terrorism. The most recent example that can be given is the Covid-19 pandemic. With the pandemic, governments, businesses and individuals have created less social communication and the need to solve many basic needs, including communication, online. In this process, the time people spend on the internet has increased and many businesses have switched to online sales and working style. Cyber fraud has increased, with many different unsupervised motivated groups interacting over the Internet. It has been seen that there are unfair benefits from the economic incentive packages given by the states, which increased the smuggling of fake or criminal equipment due to the inadequacy of medical equipment at the first time. In addition, the epidemic created fake charities, increased unemployment and pushed unemployed people to seek financing outside the formal economy. When all these causes and effects are evaluated together, the pandemic affecting our world has offered new opportunities to criminals in terms of money laundering and financing of terrorism. (<http://www.fatf-gafi.org/media/fatf/documents/COVID-19-AML-CFT.pdf>).

3. CONCLUSION

In addition to virtual money and electronic money, crypto money has entered our lives with its brand new and unique technology. Although some laws take measures at the stage of placing money in the system, the probability of estimation and detectability of earnings is low due to the high risk and fluctuation in these markets. The opportunities provided by new technologies have taught money launderers and terrorist organizations new methods. Organizations are erasing their footprints by taking advantage of system vulnerabilities and have come to the level of being able to survive financially without being noticed. Today, organizations do not need television channel propaganda, for this there are many online platforms and social media accounts. Although it is known that donations made under the name of aid to organizations such as associations and foundations are still used as a method, the aid campaign page opened on the internet and directed to foreign servers does the same job. Likewise, selling organizational publications and an application/magazine/game etc. over the internet. Selling makes no difference. Moreover, the second method is more anonymous and requires expertise in terms of detectability. Going abroad with a suitcase full of money will attract suspicion, even a personal bank account cannot be deposited without notification. However, these coins can be deposited in a cold wallet and used easily anywhere in the world with internet access, and transactions can be made without restrictions such as weekends and working hours. As a result, the progress of crypto money technology day by day has pushed countries to take action in this area.

REFERENCES

1. Arican, R. (2010). *Türkiye’de Başlıca Karapara Aklama Yöntem ve Alanları*, İstanbul Üniversitesi Sosyal Bilimler Enstitüsü Maliye Anabilim Dalı (Yüksek Lisans Tezi), İstanbul.
2. Demir, H. I. (2007). *Kayıt Dışı Ekonomi ve Kara Para İlişkisi*, Süleyman Demirel Üniversitesi Sosyal Bilimler Enstitüsü Maliye Ana Bilim Dalı (Yüksek Lisans Tezi), Isparta.
3. Dogan, Z., Er, M. (2016). *Kara Para Aklamada Kullanılan Yöntemler*. Vergi Dünyası, 417, 139-148.
4. Sahin, B. (2010). *Kara Para ve Kara Paranın Aklanmasına İlişkin Ulusal-Uluslararası Düzenlemeler*, Trakya Üniversitesi, Sosyal Bilimler Dergisi, 12(2), 152-173.
5. Saldanlı, A., Sırma, I. (2015). *Kara Para Aklamada Sermaye Piyasası Araçları’nın Kullanımı*. İşletme ve İktisat Çalışmaları Dergisi, 3(3), 108-118.
6. Sarili, M. A. (2002). *Türkiye’de Kayıt Dışı Ekonominin Boyutları, Nedenleri, Etkileri ve Alınması Gereken Tedbirler*. Bankacılar Dergisi, 41, 32-50.
7. <https://letstalkaml.com/what-is-anti-money-laundering-a/>
8. <https://masak.hmb.gov.tr/aklamadin-asamalari>
9. <https://shuftipro.com/blog/art-market-in-the-frame-of-money-laundering/>
10. <https://vergidosyasi.com/2018/07/18/tabela-banka-shell-bank-nedir/>
11. https://www.capgemini.com/wp-content/uploads/2017/07/The_Growing_Threat_of_Money_Laundering.pdf
12. <https://www.e-skop.com/skopbulten/bir-kara-para-aklama-araci-olarak-sanat/2626>
13. <https://www.fatf-gafi.org/faq/moneylaundering/#d.en.11223>
14. <http://www.fatf-gafi.org/media/fatf/documents/reports/ML%20through%20the%20Football%20Sector.pdf>
15. <http://www.fatf-gafi.org/media/fatf/documents/COVID-19-AML-CFT.pdf>
16. <https://www.fatf-gafi.org/media/fatf/documents/reports/Money-Laundering-from-Environmental-Crime.pdf>
17. <https://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20in%20the%20Securities%20Sector.pdf>
18. <https://www.fatfgafi.org/media/fatf/ML%20through%20Remittance%20and%20Currency%20Exchange%20Providers.pdf>
19. <https://www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf>
20. <http://www.fatf-gafi.org/media/fatf/documents/reports/money-laundering-through-transportation-cash.pdf>
21. <https://www.fatf-gafi.org/media/fatf/documents/reports/ML-TF-risks-vulnerabilities-associated-with-gold.pdf>
22. <https://www.fatf-gafi.org/publications/methodsandtrends/documents/emerging-terrorist-financing-risks.html>
23. https://www.hakanguclu.com/calismalar/Off_shore.pdf
24. <https://www.tuhis.org.tr/pdf/1025.pdf>