



Financial Intelligence Unit

20%

Reports received by the Financial Intelligence Unit on suspicious transactions contain information on youth aged 14 to 30 years

Most commonly used schemes involving or recruiting young people are "money mule" and "straw man".

Money mule

a person who, due to lack of knowledge or in good faith, agrees to provide cash or non-cash services using his or her personal data and bank accounts.



Straw man

the owner of a fictitious company without the right to act, actually the company is managed by other people who do not want to be visible. Such transactions are usually agreed by people due to kinship, debt obligations or blackmail.



In 2020

116

criminal proceedings regarding money laundering have been initiated for youth activities,

in turn,

50

criminal proceedings regarding the non-provision of information regarding the ownership of funds have been initiated regarding youth activities.

Age	Criminal proceedings on money laundering	Criminal proceedings regarding non-provision of Information or provision of false information regarding ownership of resources and beneficial owner
14-19	31	27
20-24	32	12
25-30	53	11

Reasons, why young people most often come under attention of law enforcement authorities:



Foreign youth uses accounts with Latvian credit institutions to store or hide funds of unclear origin;



Appointment of a new employee as the owner and beneficial owner of the company in order to carry out real estate purchase and sale transactions with reduced value and evasion of tax payments;



Real estate gifts to minors;



Several related parties (children, relatives) receive an unusually large amount of transfer from one person to the account of the previous activity and deposit the funds in a term deposit;



Creation of fictitious companies abroad to make money transfers to accounts in Latvia.

What may be consequences for the above activities?



Prohibition from engaging in entrepreneurial activity



Damaged reputation



Threat to employees and family



Blocking of bank accounts and freezing of funds



Prosecution



Real imprisonment

Don't be a "money mule" or "straw man"!



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