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## **A STUDY ON TEXT SEARCH AND FILTERING IN ANTI-MONEY LAUNDERING SYSTEMS**

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### **Introduction**

Money Laundering represent the capability of the central government and the faith of the nation, as well as an important measure fighting organized crimes and forestalling the flooding of nation-crossed corruptions. Money laundering threatens the economic and social development of countries. The threat is due to the injection of illegal proceeds into the legitimate financial system. The economic globalization and market economy has expected to have a sudden increase with advent of information technology; financial data are being generated and accumulated at an unprecedented scale .there is a demand for automated approaches and effective utilization of a massive financial data which tends to support companies and individuals in strategic planning and investment decision-making in unstructured information retrieval .Due to the high amount of transactions and the variety of money laundering tricks and techniques, it is difficult for the authorities to detect money laundering and prosecute the wrongdoers.

Money laundering (ML) is a process of disguising the illicit origin of "dirty" money and makes them appear legitimate. Through money laundering, criminals try to convert monetary proceeds derived from illicit activities into "clean" funds using a legal medium such as large investment or pension funds hosted in retail or investment banks. This type of criminal activity is getting more and more sophisticated and seems to have moved from the cliché of drug trafficking to financing terrorism and surely not forgetting personal gain. Today, ML is the third largest "Business" in the world after Currency Exchange and Auto Industry. According to the United Nations Office on Drug and Crime, worldwide value of laundered money in a year ranges from \$500 billion to \$1 trillion and from this approximately \$400-450 Billion is associated with drug trafficking. Therefore, anti-money laundering (AML) is of critical significance to national financial stability and international security..

### **Definition**

#### **Anti Money Laundering {AML}**

A set of procedures, laws or regulations designed to stop the practice of generating income through illegal actions. In most cases money launderers hide their actions through a series of steps that make it look like money coming from illegal or unethical sources was earned legitimately.

### **What Is Anti Money Laundering?**

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Anti Money laundering is the attempt to conceal or disguise the nature, location, source, ownership or control of illegally obtained money. Money laundering is illegal.

This definition covers a wide range of activity. You need to understand how people launder money so that you can identify money laundering and know how to help prevent it. To help prevent the laundering of cash and to obtain documentation that may be used to prosecute money launderers, the government requires businesses like yours to file specific reports and maintain records on certain cash transactions.

### **Examples of Anti Money Laundering:**

A group of tourists in Antigua while on vacation gambles in a local casino and have won some money. They do not want to travel with the cash they won, so they ask the casino to send the money for them to the USA this happens often, so the casino looks for a commercial relationship with an exchange house or money remitter so that they can send the proceeds from gambling to their customers in the USA. In order to avoid the reporting and record keeping requirements of the USA, an employee of the casino never sends more than US\$3,000. Is it familiar that it is illegal for a USA citizen to receive or send money from proceeds or for funding for gambling purposes across USA borders, and that the Federal Bureau of Investigation (FBI) is continually investigating this kind of activity.

### **Functionality of Anti Money Laundering**

Money laundering can and does take many forms. It typically occurs in three stages: placement, layering and integration.

**Placement** is the stage in which funds derived from illegal activities are introduced into the financial system anywhere in the world.

**Layering** involves conducting one or more transactions designed to disguise the audit trail and make it more difficult to identify the initial source of funds.

**Integration** is the stage, in which the funds are disbursed back to the money launderer in what Money laundering is often equated with drug trafficking, the proceeds of many crimes can be associated with money laundering. These include, but are not limited to, financial fraud, computer crimes, alien smuggling, illegal arms sales, foreign official corruption, exchange control violations, illegal gambling and terrorist financing.

### **Difference between money laundering and terrorist financing**

In contrast to money laundering, which involves the disguising of funds derived from illegal activity so they may be used without detection of the illegal activity, terrorist financing can involve the use of legally derived money to carry out illegal activities. The objective of money laundering is financial gain or the hiding or disguising of illicit proceeds, whereas with terrorism, the objective is to promote the agenda or cause of the terrorist organization. For example, it is widely believed that the terrorist activities of September 11, 2001, were partially

financed by legally obtained funds that had been donated to charities. Both money launderers and terrorists, however, do need to disguise the Appear to be legitimate transactions.

## **Existing measures and AML techniques**

Previous researches showed that there exists huge space in enhancing efficiency of detecting SARs for financial applications. In China, the detection efficiency was 14%, and in developed countries, the number is also small about 2%.

The main aim is with subject to review the removal of constraints on unstructured data and the SARs of FSI and the criteria used in the proposed combination of Swarm Intelligence Technique and by the employment of an efficient traditional domain index which still lacks to corruption in money laundering

## **Conclusion**

Hence the existing issues and techniques studied and new techniques are proposed to implement innovative approaches. Further the innovative technique for the existing issue will address the problems on real-time environment and will provide a better resolving technique in the Anti-Money Laundering Systems.

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