

# Cuckoo Smurfing Overview

An innocent family overseas wants to send money to their child studying in Australia



Overseas Money Remitter



The overseas drug lord receives funds in foreign currency.

An Australian drug dealer needs to send money to his boss overseas without alerting authorities



Australian Money Remitter



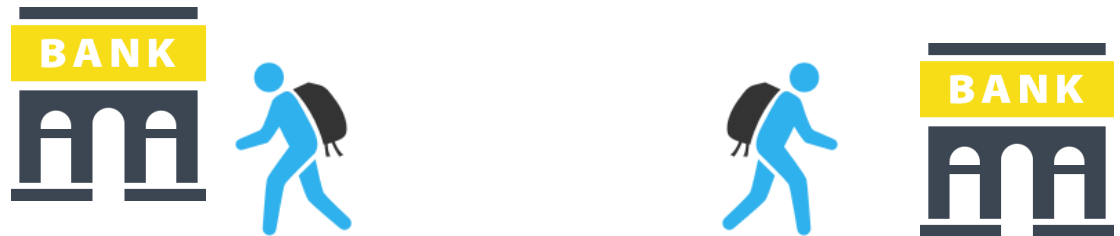
The student receives funds in his Australian bank account.

Neither the innocent family nor the student knows the drug lord or the drug dealer, or of their involvement in this process.

# How does the money get into the Australian bank account?



The Australian Money Remitter arranges for 'smurfs', commonly foreign students or backpackers, to deposit the cash from the drug dealer into the student's bank account



The 'smurfs' deposit the cash at multiple bank branches or ATMs. Deposits are usually amounts less than \$10,000 to avoid triggering a *Threshold Transaction Report*

# What happens next?



The bank notices the large, numerous transactions and notifies AUSTRAC



The Australian Federal Police freezes the student's bank account alleging it is the Proceeds of Crime



The drug lord escapes detection. The money is used for nefarious activities including financing terrorism, investing in further drug manufacture and living the high life