

Money Laundering Risk in the Consumer Goods & Retail Industry: As E-Commerce Booms, Illicit Acts Flourish

Even in the current slow-growth environment, global e-commerce sales in 2022 are expected to exceed \$5 trillion for the first time and remain on pace to surge past \$7 trillion by 2025.¹ For money launderers, the online trading boom has been a bonanza. With a few clicks of a computer, money launderers are using e-commerce sites and payment providers to process ill-gotten gains, conceal the funds' sources and convert them into clean taxable income.

How can consumer goods and retail companies keep pace with those who are looking to cause harm while reducing inherent regulatory and reputational risks? Here are six proactive steps you can take now:

Appoint a qualified AML compliance officer to direct and manage compliance efforts, and increase employee awareness and training.



Perform a risk assessment to document the risks to your business of being used by money launderers and the controls you have implemented to manage this risk.

Develop and adopt policies, procedures, and controls, including transaction monitoring programs, commensurate with your organization's unique risk.



Perform initial and regular due diligence and research to increase your organizations' understanding of customers, business partners and transactions.

Develop a monitoring program.



Conduct periodic independent testing/audit of the company's compliance program.

“With real-time transactional data analysis, e-commerce market participants can identify red flags and emerging risks before they become unmanageable problems. For instance, the data may help them to identify trends and patterns that may warrant additional investigation, such as which buyers are located in high-risk jurisdictions or that transaction activity occurs in short spurts rather than occurring throughout the day.”

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For more info on AML risk, read:

Clean Money is a Click Away

¹ Ethan Cramer-Flood, Global Ecommerce Forecast 2022: As 2-Year Boom Subsides, Plenty of Bright Spots Remain, February 2, 2022