The money launderer changes the illicit proceeds from one form to another, often in rapid

succession. The trend is towards acquiring tangible assets (such as cars, boats, aircraft, luxury

items, real estate, and precious metals) with the bulk cash originating directly from criminal

activity. Often, but not necessarily linked with offshore centres, the mechanism of shell or front

companies has been detected. These are entities that generally exist only on paper. These legal

entities are usually conducted specifically in order to carry out a wide range of criminal

businesses such as financial fraud, especially in the United Kingdom, and fraud against the

European Union, especially in the Netherlands, Belgium and Italy. They do not participate in

actual commerce and are run by straw men, as often found in Italy. Their purpose is quite

exclusively criminal and they often face a «law enforcement risk» from investigations about the

real nature of their existence. This is the reason why they are closed down almost as soon as they

are formed and often the accountancy books are physically eliminated in order to conceal any

trace that could help future or further investigations.

Money launderers are ever more oriented towards the use of non-bank financial institutions

which are still not completely or properly regulated in some European Union member states. As

they do not always come under the same obligation as the financial sector, because they are not

allowed to undertake banking activities to earn interest, they are used especially at the placement

stage for entering the cash into the financial market. There is evidence, especially in the

Netherlands, Italy and Belgium, of criminal groups moving from major commercial banks to

those called second line banks and often operating accounts in the name of offshore companies.

These include a wide variety of bureaux de change, cheque cashing services, insurers, brokers,

importers, exporters and other trading companies, gold and precious metal dealers, express

delivery services and other money movers. Casinos or gambling houses are used at the

placement stage. Enquiries into stockbroking markets in Austria, Finland and the United

Kingdom have, however, revealed that much illicitly gained money is laundered in this circuit. A

special mention has to be made of insurance companies which are increasingly popular

laundering mechanisms, as in Germany, especially in the premium insurance bond sector