

## OTHER PEOPLE'S DIRTY MONEY: PROFESSIONAL INTERMEDIARIES, MARKET DYNAMICS AND THE FINANCES OF WHITE-COLLAR, CORPORATE AND ORGANIZED CRIMES

NICHOLAS J. LORD\*, LIZ J. CAMPBELL and KARIN VAN WINGERDE

*This article analyses the market dynamics of the misuse of 'corporate vehicles' in the management of finances generated from, and for, organized, white-collar and corporate crimes. The term 'corporate vehicles' is a policy construct used to refer to legitimate, legal structures, like trusts and companies, that facilitate a range of commercial activities. Such vehicles also provide opportunities for those involved in serious crimes for gain to control, convert and conceal their illicit finances, usually with the assistance of professional intermediaries, such as lawyers or financial advisors. This article empirically investigates key market features (actors/providers, commodities/products, services) and conditions (supply, demand, regulation, competition), with particular focus on professional intermediaries and how they facilitate the control of other people's dirty money.*

**Key Words:** corporate vehicles, illicit finance, money laundering, organized crime, corporate and white-collar crime, markets

A country can offer all these types of structures [i.e. corporate vehicles], but there's got to be a certain level of expertise brought to bear in establishing them; and that expertise is typically an intermediary. Most people, most criminals, don't want to take the time and effort to learn how to establish either an asset protection trust or an international company, as they're called, that has certain secrecy provisions to it. They just want to get an intermediary to do it for them. (Intergovernmental Anti-Money Laundering Authority Actor 1)

### *Introduction*

In 2016, a major leak of 11.5 million files from the law firm, Mossack Fonseca, was the centre of what became known as the Panama Papers scandal. Mossack Fonseca, based in Panama, specialized in creating offshore companies and other legal entities in jurisdictions such as the British Virgin Islands and the Bahamas to act as conduits in the flow of finances through the global financial system. The Papers were leaked to the International Consortium of Investigative Journalists, and it was alleged that these legal entities were being used by an array of actors, including wealthy individual and corporate elites and organized crime syndicates, to manage and conceal illegally and/or unethically created wealth and assets. The implication was that these legal entities were being misused for socially harmful purposes such as the evasion and avoidance of tax, the concealment of corrupt funds by public officials, and other criminal

\* Nicholas J. Lord, School of Law, Williamson Building, Oxford Road, Manchester, Greater Manchester, M13 9PL, UK; [nicholas.lord@manchester.ac.uk](mailto:nicholas.lord@manchester.ac.uk); Liz J. Campbell, Monash University, Clayton, VIC, Australia; Karin van Wingerde, Erasmus University Rotterdam, Rotterdam, The Netherlands.

behaviours such as money laundering. As in the quote above, professional *intermediaries* are at the centre of the scandals, yet until now the market within which they operate has not been analysed. An intermediary is a professional actor that provides mediation between other parties for some purpose, such as creating a company on their behalf and representing their clients when interacting with public institutions. We use the term ‘professional intermediaries’ to refer to so-called Trust and Company Service Providers (TCSPs), Company Formation Agents (CFAs) and other social agents providing company formation services.<sup>1</sup>

The concept of the ‘corporate vehicle’ has been prominent in the international policy discourse since 2001 (OECD 2001; FATF/OECD 2006; Van der Does de Willebois *et al.* 2011; Global Witness/Christian Aid 2012; Transparency International/Corruption Watch 2014). Corporate vehicles have been defined as ‘legal entities through which a wide variety of commercial activities are conducted and assets are held’ (OECD 2001: 13). ‘Corporate vehicles’ is a term of art rather than a legal construct that is used to represent a range of legitimate organizational and corporate forms such as trusts, foundations, limited partnerships and companies. These vehicles mostly enable legitimate financial arrangements, providing a range of commercial capabilities that are wealth enhancing if sometimes socially problematic. For instance, they can be set up in low or no tax regimes (so-called ‘tax havens’), provide flexibility in global markets and reduce the level of regulation, particularly when set up in jurisdictions that offer great confidentiality through protective secrecy laws. Large flows of monies move through the global financial system in this way, and this has become a central feature of business in market-based economies. In these terms, the use of corporate vehicles and structures ‘to hide the origins of investments or to conceal beneficial ownership of property [is] legitimate’ (Nelen 2008: 755).

However, corporate vehicles also provide opportunities for those involved in serious crimes for gain to manage and obscure the illicit source of their finances and hide their identity, allowing them to avoid detection by law enforcement agencies and providing opportunities for managing illicit finances that individuals alone cannot access (Lord *et al.* 2018). It is straightforward to create and/or dissolve a corporate vehicle in both ‘onshore’ and ‘offshore’ locations and create bank accounts for these vehicles without providing proof of identity (Van de Bunt *et al.* 2007; Sharman 2010). Alongside the core function of corporate vehicles to conceal beneficial ownership, monies transferred via the accounts of corporate vehicles become effectively untraceable (Sharman 2010: 129). Concealment of monies and identities is enabled through the different organizational forms, organizational relations and organizational practices that can be concocted and fabricated by third-party specialists (Lord *et al.* 2018).

We have evidenced elsewhere that corporate vehicles create an ostensible legitimacy through the abuse of otherwise lawful business arrangements and provide effective anonymity for the owners of illicit assets and insulation from enforcement, particularly when organized across jurisdictions with favourable features, and that there is a necessity for third-party professionals who operate within a stratified market to facilitate their misuse (FATF/OECD 2006: 1; Lord *et al.* 2018). It is this latter point that we explore further

<sup>1</sup> These actors have been referred to as criminal ‘facilitators’ and ‘enablers’, but we use the term ‘intermediary’ as this was used by our interviewees and it better reflects their routine, daily activities as otherwise legitimate, rather than implying or requiring some level of complicity.

in this article, as while it has been well established that third-party professionals facilitate their misuse, very little is known about the functioning of the market within which they operate. We focus here mainly on *criminal* 'misuse', that is, cases involving finances generated from violations of criminal law, including varied organized, white-collar and corporate crime, but we recognize, as in the tradition of Sutherland (1983), that misuse can occur in cases of civil or regulatory violations, and also lawful but socially improper contexts (e.g. tax avoidance). Serious and organized crimes are often dependent on, and embedded within, legitimate societal contexts; they need these interfaces in order to be committed, and this often needs facilitation by legitimate actors and intermediaries in these markets (Kleemans and Van de Bunt 1999; Van de Bunt *et al.* 2014). Intermediary figures can offer services to 'upperworld' and 'underworld' clients, including accelerating the mobility of money, and often interact with other intermediaries in long and tangled chains (Ruggiero 2017b: 203–4). In these terms, the misuse of corporate vehicles for financial gain illustrates the ambiguities and contradictions that connect the fields of white-collar and organized crime (Ruggiero 2017a), and similarly, the analysis here draws attention to the social harms that can be caused by legitimate and illegitimate conduct, as crime and business intermingle.

This article analyses the market dynamics of the misuse of corporate vehicles with a focus on market structure and relations (i.e. stratification of actors/providers, commodities/products and services) and market enterprise (i.e. the contingent interactions of supply, demand, competition and regulation). First, we review the criminological literature on markets to illustrate why using a 'market lens' can provide insights into the misuse of corporate vehicles. Second, we present our data sources and methodological approach. Third, we discuss our key findings relating to market dynamics. Our contribution is two-fold: (1) we provide original, empirical insight into the functioning of the market for corporate vehicles, addressing a key knowledge gap, and provide the first study to conceptualize the dynamics of this market and (2) we contribute to theorizing on markets and crime, making a case for better understanding the misappropriation of legal markets and constructs as facilitators of crime and the role of professional intermediaries within.

### *Criminology and Markets*

In this section, we highlight how the existing literature on markets is not fully applicable to corporate vehicles, making a case for thinking of this market, not as criminal or illegal *per se*, or as a case of illegality within a legal market, but as a wholly legal market with legal actors whose involvement, whether with or without their knowledge, is central to the finances of organized and white-collar crimes.

#### *Market dynamics: types of market, their contexts and features*

Criminology has a long tradition of examining the market contexts of criminal, unlawful and harmful behaviours. This has predominantly focused on the social organization of wholly illegal markets, where we see the buying and selling of criminalized products and services such as drugs or arms, and the connections to 'organized crime' activities (Paoli 2002; Paoli and Fijnaut 2004). With market-based crimes, production and distribution is mostly, but not always, of criminalized or regulated goods and services that

are voluntarily purchased as part of an underground network and marketplace, and usually involve the evasion of taxes, regulations and prohibitions (Naylor 2003). At the other end of the spectrum, the embeddedness of illegality in otherwise legal markets and industries, as with varying forms of white-collar and corporate crime (Hartung 1950; Geis 1967; Sutherland 1983; Braithwaite 1984) or commercial offences (Naylor 2003; Levi 2008), has also received significant attention where it can be seen how opportunities arise within business and commerce and, more recently, become routinized within the context of free-markets and finance capitalism (Whyte and Wiegatz 2016; Palan 2017). With such phenomena, the crime relates to the method of transferring wealth (i.e. fraud/deception), rather than the market per se. In all markets, there must be scope and mechanisms for assigning value to different commodities/services, for communicating information about these commodities/services and for exchanging these commodities/services, to inform transactions between sellers and buyers. Furthermore, the relationships between traders, competitors and regulators determine the nature and functioning of any market.

However, market contexts can vary. For instance, with some products/services, ‘dual markets’ have emerged, where both a legal and illegal market for a regulated product or service exists which in turn has regulatory implications, i.e. allowing the legal to thrive but curtailing the illegal, as with prescription opiates or cigarettes (Savona *et al.* 2017). In other cases, there may be clear interdependencies between licit and illicit economic behaviours (Ruggiero 1998; 2000; 2017a), such as where some wholly legal markets encourage investment from criminal proceeds (Palan 2017). To reflect such variation, conceptual framing has also been shifted towards what have been termed ‘quasi’ legal markets (Paoli and Greenfield 2017), to capture the interplay of different segments (i.e. ‘white’, ‘grey/parallel’, ‘black’) of the same markets (Paoli *et al.* forthcoming) and recognize the difficulties in classifying the (il)legality of particular products, actors and other market dimensions for science and policy.

Beckert and Dewey (2017), in their analysis of the sociology of illegal markets or of illegality in markets, indicate that markets can be of varying types, distinguished by dimensions such as the nature of the legality of the products, of the consumption and/or possession, of the market exchange and of the violation of regulations. In these terms, they outline five types of illegal markets or illegality in markets: Type 1—illegal products, Type 2—stolen goods, Type 3—counterfeit goods, Type 4—repugnant goods and Type 5—rule violations. All of these types involve violations of regulations (1–5) and an illegal market exchange (1–4), illegal consumption or possession (1–3) or an illegal product (1). What type of market exists for corporate vehicles given such commodities/services are at the interface between the licit and illicit? The market in corporate vehicles is most closely related to Type 5 in which ‘the production, exchange, and consumption of the products are in principle legal, but actors violate existing regulations during the production or the exchange process’ (Beckert and Dewey 2017: 5).

However, the above framings are not fully applicable to the market for corporate vehicles because there is a different market context where the actors/providers, goods/commodities and services, and the methods of transaction, are legal. It is this inherent legitimacy that makes corporate vehicles attractive to criminal actors. For instance, with corporate vehicles, their set-up and purchase, and how they are used in practice may all be entirely legal with no violations of regulations or with the unwitting involvement (perhaps due to incompetence or wilful blindness) of service providers. This is

an important point as the illegality relates to the predicate offending or the laundering of illicit finances, rather than the market or how the corporate vehicles are used. In these terms, as all parties involved in the set-up and use of corporate vehicles may not necessarily be aware of the underlying criminal facilitation (nor do they need to know), the market cannot be defined as illegal, nor is it dependent on or parallel to illegal markets. Corporate vehicles are naturally embedded as part of what we would consider legal markets, given their centrality to the functioning of the financial system. In some ways, at this interface, criminals gain access to the economy of the future, where they can operate in the same way as wholly legitimate businesses using financial instruments that leverage future profits, as opposed to the economy of the present within which they carry out their criminal activities (Palan 2017). However, being legal does not necessarily make something inherently legitimate or just (Mayntz 2017).

### *Markets, enterprise and structure*

Central to all market contexts are entrepreneurial relations and activities. For instance, trading relations, their formation and reproduction, between (criminal) market actors involved in supply and demand and regulators, are shaped by the particular political-economies of different localities (Hobbs 1998; Edwards and Gill 2002), though global regulation and asymmetries drive these local manifestations also (see below). 'Enterprise' is key to how markets function, locally and transnationally, as actors are driven by business-embedded modes of thinking and behaving associated with the pursuit of wealth generation through economic activities. These features are shaped by particular market structures and conditions (Lord *et al.* 2017). Thus, both those legitimate intermediaries offering corporate vehicle services and those actors seeking to misuse them are driven and governed by similar assumptions and norms, and their levels of organization can be located on a spectrum of enterprise (see e.g. Smith 1980: 358–86). In such cases, there are crucial interactions between supply, demand, competition and regulation that drive and shape behaviours as (criminal) enterprises seek profit (or perhaps to maintain profit) within markets and in doing so expand market shares (Albanese 2012). Thus, as well as understanding the activities inherent in markets (e.g. misusing corporate vehicles), we must consider the contingent, generative drivers and conditions that provide scope for such opportunities—which conditions or market differentials create opportunities for this market to emerge and be misused?

Understanding the structure of the market is needed to help explain 'how different traders apprehend the constraints and opportunities provided in these markets and thus why certain markets contract whilst others expand' (Edwards and Gill 2002: 219). Adaptability, elasticity and the ability to mutate around or resist enforcement pressures allow those involved in transnational enterprise to make the most of so-called 'criminogenic asymmetries' (Passas 1999), in this case by misusing corporate vehicles cross-jurisdictionally. Understanding the ways in which actors in the market rationally anticipate and respond to regulatory and competitor actions or not (Edwards and Gill 2002) gives insight into the anticipatory and responsive decisions and behaviours of actors with regard to differences in markets globally. For instance, market actors must respond to what Beckert (2009) has referred to as 'coordination problems'. That is, actors must have some certainty surrounding the assigned value of goods (though in

some cases, uncertainty can create profitability, as with commodity and stock trading) and how different values of different goods in the same market are determined. They must also seek to protect themselves from price competition in order to ensure profit. They are also confronted with problems of cooperation, in particular the risks that transacting parties do not fulfil their side of the deals (Beckert and Wehinger 2013: 12–7). We draw on these enterprise and structural dynamics to explore the market for corporate vehicles and the interactions of licit and illicit actors.

### *Methodology and Data*

The findings in this article are based on data generated as part of comparative research in the United Kingdom and the Netherlands funded by the Partnership for Conflict, Crime and Security Research investigating the use of corporate structures in the organization of serious and organized crimes. We utilized a mixed methods approach to understand how, why and under which conditions those involved in serious crimes misuse corporate vehicles for the concealment, conversion and control of illicit finance. First, we undertook a Rapid Evidence Assessment of the available academic literature between June 2017 and August 2017 to develop a ‘state of the art’ synthesis of the academic literature. Second, we carried out semi-structured interviews ( $n = 45$ ) with informed stakeholders, such as law enforcement agencies, supervisory and regulatory public authorities, representatives of intergovernmental and nongovernmental organizations, law firms, financial institutions, independent financial crime compliance experts and fraud/money laundering investigators. This included an expert group meeting with 11 key actors from enforcement authorities, professional services (law firms) and academia in July 2017. Third, we qualitatively analysed cases of corporate vehicle misuse to better understand the nature and processes of the misuse. This article draws primarily on our interview data and presents our market insights at a general level given the global applicability, rather than a focused United Kingdom–Netherlands comparison, though we provide United Kingdom and Dutch examples to illuminate our arguments. For full details of the methodology, see Lord *et al.* (2018).

### *Findings: The Market for Corporate Vehicles*

This section analyses the market for corporate vehicles and services and related dynamics, considering the professional intermediaries central to how it functions, before distinguishing different aspects of the market and exploring the enterprise dimensions at play. Our focus here is mainly on the professional intermediaries that create corporate vehicles on behalf of others, the legal products and services that they offer and their role in facilitating the control of illicit finances. As one respondent stated:

The problem is that we know what they’re up to, but actually, they’re not doing anything illegal. That’s the problem at the moment... (Law Enforcement Actor 1)

As part of the legitimate financial system, corporate vehicles are accessible to all societal actors, both natural and legal persons, and any individual or company could set one up. However, for criminals with illicit finance to conceal, the use of intermediaries is the most common arrangement:

What you've got to be thinking about as well is, do you launder your own money, or do you get someone else to do it for you...because if you launder your own money, you're always linking yourself to that process...However, if you just give that money to somebody else who is going to launder it for you, then that solves all the problems. All you know is that at some other point, you'll get somebody who is not connected to you, giving you some clean money, which you can then use for your purpose. You've paid a modest fee along the way. (Law Enforcement Actor 2)

In the following sections, we provide empirical insight into the functioning of these actors and the market within which they operate.

### *Market Dynamics: Actors/Providers, Commodities/Products and Services*

Our research indicates that a stratified market for corporate vehicles exists (see Table 1). As seen in all markets, irrespective of their degree of (il)legality, there are actors and providers, commodities/products and services. In terms of corporate vehicles, these market dimensions exist on a linear spectrum from more premium to

TABLE 1 *Market dynamics and corporate vehicles*

Market dimension	Description
'Actors' and 'providers'	<p>Reflects a range of professional actors/providers with cognate expertise operating in different market segments and with capacity for corporate vehicle formation defined by clientele, access, advertising and available products/services:</p> <p>At the premium end are elite TCSPs, and top law firms, that do not normally advertise and are difficult to access publicly or have such a high price range they are difficult to enter. Likely connections are made through social/business networks.</p> <p>At the economy end, an abundance of online TCSPs provide a range of products and services. Anyone can access these, though language barriers can exist. Defined by who can access them, i.e. clientele.</p>
'Commodities'/products	<p>Reflects different types of corporate vehicles (i.e. goods/products) of varying assigned value determined by features/specifications offered, e.g. history, legal characteristics and jurisdictional location:</p> <p>At the premium end are corporate vehicles with legitimate histories sold for a high cost (e.g. history of VAT records, UK location for reputability, off the shelf etc.) Dissolved companies as 'phoenix' from the flames (i.e. revived for asset control, used for bribery or for repurchase of one's own former assets at fire-sale prices).</p> <p>At the economy end, we see new corporate vehicles created for illicit purposes and may exist ephemerally or until enforcement action disrupts it.</p> <p>Product determined by added value, i.e. ostensible legitimacy and anonymity/insulation.</p> <p>Choice of company versus partnership determined by characteristics such as tax liability, limited liability, reporting requirements.</p>
'Services'	<p>Reflects a range of different types of service over time (i.e. as one-off or continuing arrangements) with level/extent of service, duration and nature (i.e. product or assistance also):</p> <p>At the premium end, TCSPs/CFAs provide an ongoing, high-quality service of provision and maintenance. Bespoke services for criminals and non-criminals (i.e. wealthy individual and corporate elites). Can involve falsification and fabrication of records or use as mediators/intermediaries to set up a chain of corporate vehicles.</p> <p>At the economy end, can be set up for fees but then nothing more.</p> <p>Diversity of services depending on actor, i.e. larger firms often offer legal advice as well as financial services, have a notary department and so on.</p>

economy, but in reality, much occurs between these extremes, such as typical cases of aggressive ‘tax planning’ by middle-class actors. That said, we use examples from either end of the market to illustrate key points about the dynamics of the actors/providers, their commodities/products and the services they offer.

### *Actors and providers*

Professional intermediaries are central to how corporate vehicles are misappropriated by those with illicit finances. To give a hypothetical example of how this functions, an intermediary such as a TCSP or CFA, in country A, would be contacted by a representative, such as a lawyer, of the end client in country B and be hired to set up a corporate vehicle. The TCSP/CFA would then contact one of their agents in a jurisdiction known for its protection or obscuring of beneficial owners, country C. The agent in country C would then contact a local lawyer or professional who would incorporate or set up a corporate vehicle, such as a trust or limited company. The particulars of the corporate vehicle would then be sent back through the chain from the lawyer in country C to the agent in country C and back to the TCSP/CFA in country A and then back to the representative in country B. In these cases, the actual client in country B would never have contact with the TCSP/CFA or any other actor along the network but would pay all the associated fees and thus have the product, that is, the company or trust. Funds could then be remitted to a corresponding bank, as directed by the TCSP/CFA. This is a relatively simple scheme, but in practice, such arrangements can be layered, and in some cases, circular ownership structures will be created to obscure the beneficial owners. Contrived ownership networks create major obstacles to enforcement:

You can have multiple layers of TCSPs in various jurisdictions for one particular structure. Getting to the end of that chain to find the beneficial owner is very difficult. (Risk/Intelligence Actor at Tax Authority 1)

The market consists of both smaller TCSPs and CFAs that may specifically aim for facilitating illegal money flows and of large well-known corporations with in-house capacities, consultancy firms and trusted banks that may be unwittingly involved and/or that certainly cannot be shown to be wittingly involved without whistle blowers (who themselves may not have corroborative evidence). While most TCSPs and CFAs are legitimate, those that specialize in money laundering can make use of corporate vehicles to control illicit finances:

Those standalone money launderers are the ones that have got all these vehicles, so they’ve been set up, they’ve got all these bank accounts, they’ve got everything they need to move money wherever they want around the world. And if you look at something like an international controller network, they’ll use trades, they’ll use the banking system, they’ll use informal value transfer systems. They’ll use a mixture of everything and all they basically do is move value from one location to another, and they operate these banks of liquidity, these banks of cash pools, in order to release funds to wherever it’s needed. (Law Enforcement Actor 2)

They may also be used due to their financial vulnerability:

Obviously there are many solicitors’ firms who are on a less stable financial footing in this day and age, in this economic environment, and criminal gangs know that and can take advantage of that. (Industry Regulator 1)



Participants in our expert group meeting also stressed that coercion, pressure and threat of violence can also be reasons to unwillingly become involved with criminals. As exemplified in the quote above, criminals often target advisory firms facing financial difficulties. Once a relationship has been established, and advisors have become involved in setting up structures to facilitate harmful conduct, it is often difficult to get out of that. Thus, while many TCSPs and CFAs offering corporate vehicle services are legitimate, the types of commodities and services they offer, and the kinds of hidden clientele they can reach, are also being used by criminals in the control of their illicit finances.

A key aspect of those actors and providers in the market is how they communicate information about their work in order to attract clients. Advertisement in the lower cost end of the market is predominantly online and this can be proactive:

...we've seen emails where they're writing to someone that they've never met before and they'll say, 'we believe you represent various people who are looking to set up entities. If you're ever looking to set up something in the UK, we'd appreciate it if you'd think about us', and that's generally how they do it. They'll get a name off someone from somewhere and they'll send them an introductory email; and then it just sort of spreads from there. (Investigator at Tax Authority 2)

Often, these intermediaries will use websites in target languages to ensure uptake from particular communities. It has been suggested in our research that CFA communicating information online will be used by criminal enterprises operating at the lower end of the crime spectrum. However, establishing new business relations online without any social ties is unlikely to occur with more premium markets or higher end clientele. For instance,

...the sorts of company formation agents that must advertise online in the way that anyone can pick them up are very much in one part of the market. The kind of leak coming down the road [Paradise Papers] is from a company that, by and large, doesn't advertise and certainly works with a lot of others that don't advertise, and if you're not introduced to them by somebody you met at the right sort of party, they're never going to be dealing with you. (NGO Actor 1)

At the top end of the market, advertisement and 'on-boarding' of new clients is done through social network and word of mouth, with trust as a central consideration. These more esoteric TCSPs and CFAs will only be accessible to high net worth individuals and other elite actors (including criminals) and thus will not usually need to advertise, although respondents spoke of cases where relations have been established at high-end invitation only events. These circles are restrictive and difficult to access.

Organized criminals that regularly generate large sums utilize professional facilitators, such as lawyers, to act as representatives with CFAs and TCSPs, as they will possess the knowledge about which intermediaries to approach for illicit purposes:

But professionally, it's absolutely essential to organised crime groups. Now if they can find someone who's friendly with the criminals, then they will pass on all this stuff for them to use. Let's face it, in this country, companies are so lax, it's too easy to do. (Law Enforcement Actor 1)

Thus, some level of trust needs to be placed in other individuals, whether close contacts or nominee directors, or in an institution or professional service provider, where there is confidence that any scrutiny by external actors can be allayed (Levi 2015). The nature of this trust may vary, being informed by the knowledge of known contacts,

the reputation of particular providers that can be relied upon and usually discovered via word of mouth, or an expectation that otherwise legitimate providers will do their jobs as stated. However, trust within the TCSPs themselves can vary as there are cases whereby those who work for particular TCSPs and CFAs have learned the secrets of the trade and then moved on to establish their own TCSP/CFA, taking with them intellectual property and client lists.

### *Commodities and products*

In terms of the ‘products’, the value of a particular corporate vehicle can be increased if particular desirable features are attached to it. One tax investigator told us that

...sometimes we’ve seen emails where they advertise specific companies which have, for example, a UK VAT—they’re registered for VAT and they attract a premium, and they advertise those for ten-fifteen thousand pounds. So they are, because they’ve got that badge, they are more valuable. (Investigator at Tax Authority 2)

The longer the VAT history and company data on record, the more valuable the vehicle is. Thus, as another respondent stated:

The age of a company can be worth more money. So if established for a long time, it’s worth more than a brand new company. (TCSP Supervisor at Tax Authority 1)

There is a premium placed on those vehicles with a recorded history and data as this provides an appearance of legitimacy when such vehicles are subsequently misused. In this area we see so-called ‘shelf companies’ (i.e. ready-made structures with official histories) or ‘Phoenix companies’ (i.e. previously dissolved companies brought back into business). In some cases, these companies will become active with new nominees and/or directors. One respondent suggested this may be because despite being dissolved, these vehicles will have stakes in assets owned by other legal structures within a complex network of structures (Financial Crime Investigator 1). In order to retain ownership over these hidden assets, the vehicle may need to be made active. In any case, it reduces the likelihood of detection to use already created, rather than newly established, vehicles for managing illicit finances as the number of contact points with legitimate actors will be reduced. Such a process may also offer opportunities for bribery as ownership/control of vehicles with substantial assets could be transferred to others for preferential treatments—no cash transactions, no money trails, no identifiable owners ensures such transactions remain hidden.

Corporate vehicles can also lose value to their owners and beneficiaries over time, in some cases becoming defunct once the corporate vehicle has gone past its use-by date for a particular operation, though there may be possibilities of ‘resale’ or ‘repackaging’. This happened in the Russian Laundromat as the flow of funds tapered off. This could also represent a strategy of continuous movement of finances to obscure the paper trail and to ensure assets cannot be located and will require the continual setting up and use of new corporate vehicles. In the Russian Laundromat, and with many schemes of this type, ‘all the companies created essentially operate like a trading network, making transactions with each other, moving monies etc.’ (Financial Crime Investigator 1).

At the lower value end of the market for purchasing corporate vehicles, there is a high-turnover, low-cost dynamic. Clients are able to simply purchase a single (or multiple) corporate vehicle(s) and are able to add on a variety of different services at the point of set-up, or to be provided later. As one respondent explained:

...you can get some very basic packages for just over a hundred-pounds that do it, and if you want, a full package is about two-ninety, three-hundred (£)...For a basic company, if you want them to submit returns and do everything like that you'd pay up to about a thousand-pounds for that with the apostille documents...it's very low-value, high-turnover. (Investigator at Tax Authority 1)

Thus, the price varies with the services chosen.

### *Services*

Different types of service over different time frames are available. These may be more ephemeral, one-off arrangements, or continue over a much longer period, with varying levels of service provision. For instance, services can include set-up and registration (e.g. with Companies House in the United Kingdom), through to the annual submission of accounts on behalf of the clients. Such companies may also provide fund management, regulatory compliance and 'registered office' services (i.e. addresses at which multiple, sometimes tens of thousands, corporate vehicles are registered). The 'apostille' service refers to government-stamped official certificates attached to documents to legalize them and to ensure they will be recognized in other jurisdictions. This is significant for those looking to open bank accounts in other jurisdictions in the name of a UK corporate vehicle, say. TCSPs may charge annual retainers for maintaining corporate vehicles or even provide full accounting services and essentially will 'offer what the customer wants' (Investigator at Tax Authority 1). This gives anyone access to corporate vehicles and thus effective anonymity:

Once you're into that regime of hiding your assets within a corporate structure, there are a variety of other ways to make it almost impossible to collect that kind of information on the ultimate owner. (Intergovernmental Anti-Money Laundering Authority Actor 1)

A range of services and plans are available for clients and what is offered depends on the nature of the intermediary. For instance, we undertook a rapid online search of available services, using the term 'buying limited company off-shelf' and an array of obscure websites offering these services appeared on the first page. Our observations of these websites indicated that pricing starts at approximately £104; the longer the history of the firm (i.e. 'vintage' firms), the more expensive it becomes. For example, one provider offered an off-the-shelf company incorporated in June 2018 for £104 and one incorporated in May 2013 for £400. This provider offers a formation e-package for £25 excluding VAT. We found another provider offering this same service for £11. These providers also offer online services for the new formation of companies. This raises questions about the extent and nature of due diligence of their clients. What is more, some of these state that they can have a new company properly registered with Companies House in as little as two to five hours. Other empirical research has shown how some intermediaries are willing to disregard the due diligence requirements of international standards, such as not requiring identification documents (Sharman

2010; Findley *et al.* 2013). However, this research focuses on only one aspect of the process—information required—which is only part of the picture as for those looking to conceal their identity, choosing a TCSP and CFA would have several considerations. A decision whether to set up a company in the United Kingdom or in the British Virgin Islands may of course be determined by the chances of the information being provided potentially being accessible by law enforcement, but there are other market differentials at play, such as legal protections, vehicle features bespoke to particular jurisdictions, nature of enforcement and so on (see below).

At the premium end, intermediaries offer ongoing, high-quality service of provision and maintenance including bespoke services for criminals and non-criminals (i.e. wealthy individual and corporate elites). At the lower economy end, corporate vehicles (or a chain thereof) may be set up for specific fees, but no further engagement takes place. Larger, more established firms often offer legal advice as well as financial services, have a notary department and so on, so can offer more advanced packages to clients.

#### *Markets, Enterprise and Structured Opportunities*

Utilizing a ‘markets lens’ to theorize about the misuse of corporate vehicles gives insight into their supply, demand, competition and regulation, and the interactions of ‘traders’ within the market. For instance, there is a *demand* in and between societies globally, whether liberal democracies, authoritarian states or dictatorships, for services and products able to control illicit finances transnationally. Criminals seek to launder at least some of their illicit finances, often investing in legitimate assets, in order to obscure their profits and stymie confiscation should they be detected and prosecuted. The *supply* of corporate vehicles has furthered money-laundering capacities by allowing access to legitimate financial instruments. In such market contexts, we see voluntary transfers of wealth and value between buyers (i.e. illicit actors) and sellers (i.e. professional intermediaries) in the trading of goods (e.g. particular legal structures) and services (e.g. accounting, filing etc.). Legitimate occupational actors, such as accountants, lawyers, notaries or specialists in company formation, of which there are an immense number, *supply* an array of products and services across jurisdictions, and this also creates competition. However, little is known about the motivations of those professionals who assist criminal enterprise in this way or how they are recruited (particularly at the elite level) or incentivised (broadly defined) but some form of collusion or assistance—whether witting or unwitting (or wilfully blind)—is usually required. In these market contexts, supply and demand, as well as national and international *competition* (i.e. between TCSPs and CFAs) and *regulation* (i.e. Anti-Money Laundering and TCSP supervision), shape the shifting dynamics of the market over time. In line with such market dynamics, our research has indicated that opportunities for misusing corporate vehicles have arisen as a result of an interesting mix of permissive and enduring legal and financial frameworks (domestically and internationally), the emergence of a professionalized market of third-party intermediaries, and a fragmented and asymmetrical (global) regulatory and supervisory architecture. [Table 2](#) outlines key market differentials across jurisdictions distinguished in terms of enterprise.

TABLE 2 *Markets, enterprise and corporate vehicles*

Enterprise conditions	Description
Supply	Supply of products and services to manage illicit finances: i.e. jurisdictions offer different corporate vehicle structures and features so move to optimal jurisdiction to meet illicit purpose, e.g. move from LLPs to SLPs, or from one jurisdiction to another. Products, services and jurisdictions are distinct elements of supply.
Demand	By actual and potential clients of varying type, and with different intentions/purposes in mind, e.g., to hide assets, capitalize on profit, and so on. Need for management of assets and wealth, with different forms of management.
Competition	Between and within jurisdictions and between different TCSPs and CFAs (including competing with those operating entirely legally) Secrecy wars: jurisdictions that offer guaranteed anonymity, price fluctuations for product and service, compliance burdens for actors. Normative fault-lines: morality associated with usage of corporate vehicles in different regions.
Regulation	Displacement of activities dependent on levels of enforcement, regulation. Legal upholding/protection: where there is evidence of structures being upheld in the courts in jurisdictions. Presence and competence of responsible authorities.

The use of corporate structures in business and the profession of wealth management is long established (Harrington 2016). Mossack Fonseca, for instance, was founded in 1977 as finance capitalism generated new opportunities for doing business, and in turn for those engaging in financial crime and the finances of crime. It has been argued elsewhere that ‘the increasing financialization of the economy...has heightened the criminogenic tendencies of a number of industries, particularly the financial service industries; as opportunities for financial crime have increased, the potential rewards for illegal behaviour have grown, and the possibility for detection and punishment remains low’ (Tillman 2017: 93). This has provided a market structure that is susceptible to misuse.

To attract clientele, professional intermediaries must have competitive pricing. For instance, in the lower end of the market, fees and charges are similar. In our interview with one NGO representative, the issue of Scottish Limited Partnerships as an example of one competitive ‘product’ emerged:

So if you look at the SLPs, a lot of the people who are, in theory, doing that are effectively commission only and it’s a very small commission that actually drives that approach. But even then, there’s normally somebody behind them who’s the sort of controlling mind for whom it’s a different kind of game. (NGO Actor 1)

Ostensibly different providers may have the same owners that benefit in the aggregate as some key players may have a sense of the functioning of the mass market and install other ‘front people’ on individual TCSPs and CFAs from whom a margin will be taken. In market terms, it is not clear whether different segments of the market are monopolized. There is also interplay between different market segments. For instance, some providers in the upper end of the market claim that smaller self-employed firms in particular are vulnerable to being recruited by or persuaded into dealing with criminals because they have less opportunities to actually decline clients (Fiscal Adviser 1; Criminal Lawyer 1; Notary 1). This raises the question of what happens when established firms decline a client? Do they know where the client ends up? Is there or should

there be an obligation to inform the market or law enforcement about reasons for declining a client?

In our interviews, these bigger firms claim that they have excellent due diligence procedures and that most criminals are probably facilitated through less well-known firms, but there is evidence from known cases that this is not always correct (Lord *et al.* 2018). Bigger firms often collaborate with other—trusted—parties. One of the notaries we interviewed mentioned that if a client is referred to them through a trusted source, their due diligence is not very extensive with certain requirements overlooked (Notary 1). This happened in the case of a Dutch notary that appeared in the Panama Papers and who was disciplined for enabling the set-up of a corporate vehicle scheme that was used to launder money. The client (based in Panama) was referred to this notary by a Dutch Trust provider with whom they had worked frequently in the past. Given time constraints and the extremely competitive environment this notary worked in, he had failed to do proper due diligence.<sup>2</sup> There are similar issues arising for financial institutions and their clients:

Paradoxically, there is also internal and economic pressure not to lose a client and clients sometimes threaten banks with the argument that they go to a different bank that doesn't ask all these difficult questions. It remains a bit unclear how due diligence experts deal with this pressure. (Financial Institution Actor 1)

Similarly, one of our respondents, a notary working at a big international law firm, argued that such firms at the upper end of the market can offer a lot of operational power and swift services. But in this 'time equals money' economy lies also the weakness in that they may fail to do proper due diligence (Notary 1). What they are offering is a lower chance of critical scrutiny by the authorities.

There is also competition between and within jurisdictions to attract company formation, and in some cases, these endeavours form a core part of their domestic revenues.

No doubt some of the larger TCSPs will be [providing] a lot of employment in some jurisdictions so there is an incentive to have employment in the jurisdictions so that can be a money maker for poorer jurisdictions. (Investigator at Tax Authority 3)

Different jurisdictions offer different vehicles with different features, ensuring they have a unique place in the market. Cases often involved several jurisdictions that will have been chosen on the basis of the ease with which corporate vehicles can be created, the ease with which routine detection, intervention and supervision can be circumvented, and the types of vehicle and their features that can be offered. Such jurisdictional competition enables criminals to benefit from the construction of layers of corporate vehicles with different benefits. For instance, in some jurisdictions, legal protections are offered to ensure anonymity and confidentiality, and while such structures have been challenged in the courts, they have usually been upheld to protect clients and ensure overseas enforcement authorities gain no access to information. Other examples included price differentials between jurisdictions and reduced compliance burdens for those owning or benefiting from vehicles. The shift towards financial services in this way makes it difficult for jurisdictions to reverse the trend:

<sup>2</sup> Disciplinary Court's Hertogenbosch, 19 March 2018, case no *ECLI:NL:TNORSHE:2018:1*.

...a lot of those jurisdictions are making attempts to be less secretive, but unfortunately, for some of those islands where they've abandoned the farming and everything that was natural in terms of their own economies, all they're left with is booming financial services. Take that away and you'd literally have no jobs and no economy left. (Industry Regulator 2)

Thus, 'secrecy wars' can ensue making global regulation problematic as much can be gained for jurisdictions offering attractive structures that circumvent international standards. This also enables criminals to engage in jurisdictional arbitrage, as they can switch locations dependent on what is being offered. As one expert explained:

For instance, if you sell drugs in the UK and you purchase a property and you put it in the name of a company, the company could have been incorporated in the BVIs, which (...) have secrecy provisions in their legislation that says that it's a criminal offence to disclose any information that's in the corporate registry. (Intergovernmental Anti-Money Laundering Authority Actor 1)

However, it is not just overseas jurisdictions that create structured opportunities. It is clear, as with the Russian Laundromat case and the responses of our interviewees, that the legal and policy framework in the United Kingdom enables widespread exploitation and misuse of corporate vehicles. (The same applies to the Netherlands as the number one choice for international forms due to its lenient tax regulations; [Zucman 2015](#).)

I think one of your questions was around what jurisdictions do we think are most likely [used in the misuse of corporate vehicles]. Well, I would probably say the UK, unfortunately. You know, it costs £12 and takes about fifteen minutes to set up a company in Companies House. (Industry Regulator 1) Unfortunately, one of the consequences of making Britain open for business, by allowing companies to be set up by anybody, who isn't even based here, means that's been jumped on by the criminals. (Law Enforcement Actor 2)

The opportunity to create a UK corporate vehicle brings with it benefits as the United Kingdom is perceived globally to be a reputable jurisdiction; this offers scope for creating bank accounts in other jurisdictions as due diligence may not be as extensive on a UK company as for companies from those jurisdictions labelled as 'tax havens' or that have been blacklisted.<sup>3</sup> Domestic laws in the United Kingdom (and many other jurisdictions) have historically allowed corporate vehicles, such as limited companies, to be set-up with minimal information disclosed and with minimal restrictions, offering scope for use for money laundering. To counter this, since 2008 (Section 155 of the Companies Act 2006), all registered limited companies require at least one director to be a natural person. All this did was to displace the issue; instead, the use of Scottish Limited Partnerships (with limited liability) increased and became prominent in money laundering cases such as the Russian Laundromat. These concerns are echoed by investigators who recognize the displacement effects of state restrictions.

...if we stop something being sold then they'll look to something else, so it's the normal supply and demand economics isn't it? They're businessmen like everybody else. (Investigator at Tax Authority 2) The obvious displacement is that once corporate vehicles are closed, you'll then go and buy legit companies that are struggling etc., an existing company out there about to go dormant. This is

<sup>3</sup> Common EU List of Non-Cooperative Jurisdictions: <http://www.europarl.europa.eu/legislative-train/theme-deeper-and-fairer-internal-market-with-a-strengthened-industrial-base-taxation/file-common-eu-list-of-non-cooperative-jurisdictions>.

the obvious displacement. Why get one built when they already exist? (AML Investigator at Tax Authority 1)

This is possible due to notable legal and policy gaps. For instance, not all these vehicles require human persons to be directors or partners (thereby obscuring the ‘beneficial owners’) and are not required to hold UK bank accounts (this would increase the Know Your Customer and due diligence requirements in line with anti-money laundering regulations). This allows actors to set up UK corporate vehicles from abroad (on behalf of UK actors too) for which bank accounts in other jurisdictions can be created and through which illicit funds can then be siphoned. In addition, there are particular loopholes that enable accounts filing obligations to be circumvented, such as where you create a Limited Company with a Limited Liability Partnership as the sole or second general partner.

Additionally, investigators recognize the increased costs of enforcement and compliance due to constant requests and enquiries from other jurisdictions about the use of UK legal structures in criminal enterprise. One issue is that while a UK vehicle may be involved in the criminal enterprise, and overseas authorities may have invoices and paper trail about the involvement of the UK corporate vehicles, it can be difficult for the UK authorities to assist, as the vehicles may not trade in the United Kingdom; they were just set up there. However, as this would still require verification, personnel would be needed to go to registered addresses but would frequently obtain no information as the addresses are simply mailboxes. Thus, as enforcement actors at our Expert Group Meeting indicated, identifying the beneficial owner can be straightforward, but obtaining sufficient evidence to prove ownership, due to restrictions in international cooperation, information exchange, resources and time and so on, is where the obstacles lie.

Compounding these issues, the professions outlined above operate in a highly fragmented regulatory environment. In the United Kingdom alone, there are over 20 authorities with responsibility for supervising TCSPs, while some CFAs are unregulated. Companies House in particular has received regular criticism over time in relation to the types of data collected and how well this is scrutinized, but very limited resources create a restrictive regulatory environment, suggesting political rhetoric is not transferring to practice.<sup>4</sup> Companies House does not focus on the TCSPs and CFAs that create companies, making them ‘essentially a legal black hole’, but on establishing who the company directors, nominees and officers are (Financial Crime Investigator 1). Also, in the Netherlands, the authority responsible for the monitoring of corporate vehicles does not take into account foreign information about the background of the people/corporate vehicle’s behind the initial structure. Furthermore, regulatory environments vary globally enabling different structures to be misused in different ways in different jurisdictions, and when connected together, this generates a complex set of arrangements that enforcement authorities cannot permeate. This is particularly the case when dealing with authorities operating in jurisdictions with high confidentiality or poorly developed enforcement infrastructures, as the time taken to access information allows illicit finances to be moved, leaving the authorities one (or several) step(s) behind. There are also tensions for governments between wanting to attract jobs/investment and the need to regulate.

<sup>4</sup> Companies House is an executive agency of HM Government in the United Kingdom that incorporates and dissolves limited companies and that registers company information and makes it available to the public: <https://www.gov.uk/government/organizations/companies-house/about>.



In order to reduce the flow of illicit finances via corporate vehicles, our interviewees are clear that TCSPs and CFAs are vital enablers and a critical point of vulnerability. As one respondent stated:

The intermediaries, they're the key...it's pretty clear that the weak link in these things is the TCSPs, or the intermediaries, whether they're lawyers, accountants or professional company secretaries, whoever it happens to be in overseas services. They're the key to mitigating measures and they're the key to regulation as well. (Intergovernmental Anti-Money Laundering Authority Actor 1)

Furthermore, one respondent explained that UK-based CFAs now recognize that creating companies in particular jurisdictions is risky for their business and so direct potential clients to intermediaries based outside of the United Kingdom:

A lot of the company formation agents that in the past would create offshore companies now won't do this; they'll direct them to an intermediary offshore because their risk assessments flag up that certain jurisdictions are risky and they don't want to be involved in that. (Strategic Lead for TCSPs at Tax Authority 1)

This underlines the extent to which regulatory oversight can only ever be partial. Intermediaries may enable crime in many instances, but they also provide a critical intervention point, whether preventive or reactive. Large entities, often with a global footprint and a stake in legitimate markets, may wish to form subsidiaries or partnerships for a variety of legal or for problematic reasons: this is harder to monitor and respond to.

### *Conclusion*

This article has analysed the market dynamics of the criminal misuse of corporate vehicles in the management of illicit finances and in so doing, has made two key contributions. First, this is the first study to conceptualize the functioning of the market for corporate vehicles, drawing on original empirical data. Second, we contribute to theorizing on markets and crime as current framings are not entirely applicable to corporate vehicles, or those spheres were the legal and illegal intermingle more generally. Our research demonstrates the misappropriation of otherwise legal markets and constructs as facilitators of crime, and reinforces, as with much white-collar, corporate and organized crime scholarship, the ambiguities that exist within legitimate spheres, the blurred interfaces between the licit and illicit, and the social harms that can arise from otherwise lawful financial structures and arrangements.

The misuse of corporate vehicles usually involves a key role for professional intermediaries who facilitate the concealment, conversion and control of other people's dirty money. While corporate vehicles and intermediaries are on the whole legal and legitimate (some actors may be knowingly collaborating with criminal actors), they can be used to launder the proceeds of crime and hide wealth and assets from state authorities. In these terms, their misuse occurs at the interface of legal-illegal activities, as it is the underlying finances and actors that they serve, rather than the market commodities, actors and services per se, that are criminal. Our empirical research has provided systematic insight into the dynamics of these market contexts and the underlying generative conditions and differentials that have provided global scope for the misuse

of corporate vehicles. However, further research is needed to understand shifts in business in response to controls and preferences, and into the entry costs and processes for different actors, such as ‘organized criminals’ or ‘elite’ white-collar offenders, not to mention the more mundane and routine harmful behaviours of the middle classes, as with tax avoidance.

A difficulty in researching the misuse of corporate vehicles is the lack of valid, systematic data and sources on misuse, meaning the extent of professional misconduct is unknown or unproven (Middleton and Levi 2015). Cases that led to convictions of professionals for facilitating money laundering rarely involve corporate vehicles (Benson forthcoming), implying the cases discussed here are going unprosecuted. However, in policy terms, it is clear that a plausible route to minimizing misuse is to focus on (1) those intermediaries by improving the regulation and supervision of third-party professionals to reduce opportunities for misuse by their clients and (2) tightening laws and regulations on how and where corporate vehicles can be created (e.g. requiring UK bank accounts, increased scrutiny of company data etc.). Very little is known on the motivations and incentives for professionals to knowingly facilitate money laundering and their social/criminal networks; this is a necessary area for future research. However, it is also important for governments to be challenged to take a much stronger position in the debate with regard to creating an attractive economic and fiscal climate for businesses and preventing the movement of illicit finances, and this implies the need for substantial financial investment in enforcement to support the punitive rhetoric.

#### *Funding*

This work was supported by the Economic and Social Research Council (grant number ES/P001386/1).

#### ACKNOWLEDGEMENTS

We are grateful to the two anonymous reviewers for their constructive feedback and to Prof. Michael Levi for comments on an earlier draft.

#### REFERENCES

- ALBANESE, J. (2012), ‘Deciphering the Linkages Between Organized Crime and Transnational Crime’, *Journal of International Affairs*, 66: 1–18.
- BECKERT, J. (2009), ‘The Social Order of Markets’, *Theory and Society*, 38: 245–69.
- BECKERT, J. and DEWEY, M. (2017), ‘Introduction: The Social Organization of Illegal Markets’, in J. BECKERT and M. DEWEY, eds., *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy*, 1–34. Oxford University Press.
- BECKERT, J. and WEHINGER, F. (2013), ‘In the Shadow: Illegal Markets and Economic Sociology’, *Socio-Economic Review*, 11: 5–30.
- BENSON, K. (forthcoming), *Lawyers and the Proceeds of Crime: The Facilitation of Money Laundering and Its Control*. Routledge.

- BRAITHWAITE, J. (1984), *Corporate Crime in the Pharmaceutical Industry*. Routledge and Kegan Paul.
- EDWARDS, A. and GILL, P. (2002), 'Crime as Enterprise? The Case of "Transnational Organised Crime"', *Crime, Law and Social Change*, 37: 203–23.
- FATF/OECD (2006), *The Misuse of Corporate Vehicles, Including Trust and Company Service Providers*. FATF/OECD.
- FINDLEY, M. G., NIELSON, D. L. and SHARMAN, J. C. (2013), 'Using Field Experiments in International Relations: A Randomized Study of Anonymous Incorporation', *International Organization*, 67: 657–93.
- GEIS, G. (1967), 'White Collar Crime: The Heavy Electrical Equipment Antitrust Case of 1961', in M. CLINARD and R. QUINNEY, eds., *Criminal Behavior Systems: A Typology*, 139–50. Holt, Rinehart & Winston.
- Global Witness/Christian Aid (2012), *Company Ownership: Which Places are the Most and Least Transparent?* Global Witness and Christian Aid.
- HARRINGTON, B. (2016), *Capital Without Borders: Wealth Managers and the One Percent*. Harvard University Press.
- HARTUNG, F. E. (1950), 'White-Collar Offenses in the Wholesale Meat Industry in Detroit', *American Journal of Sociology*, 56: 25–34.
- HOBBS, D. (1998), 'Going Down the Glocal: The Local Context of Organised Crime', *The Howard Journal*, 37: 407–22.
- KLEEMANS, E. R. and VAN DE BUNT, H. G. (1999), 'The Social Embeddedness of Organized Crime', *Transnational Organized Crime*, 5: 19–36.
- LEVI, M. (2008), *The Phantom Capitalists: The Organization and Control of Long Firm Fraud*, rev. edn. Routledge.
- (2015), 'Money for Crime and Money from Crime: Financing Crime and Laundering Crime Proceeds', *European Journal on Criminal Policy and Research*, 21: 275–92.
- LORD, N., SPENCER, J., ALBANESE, J. and FLORES ELIZONDO, C. (2017), 'In Pursuit of Food System Integrity: The Situational Prevention of Food Fraud Enterprise', *European Journal on Criminal Policy and Research*, 23: 483–501.
- LORD, N., VAN WINGERDE, K. and CAMPBELL, L. (2018), 'Organising the Monies of Corporate Financial Crime via Organisational Structures: Ostensible Legitimacy, Effective Anonymity and Third-Party Facilitation', *Administrative Sciences*, 8: 17.
- MAYNTZ, R. (2017), 'Illegal Markets: Boundaries and Interfaces between Legality and Illegality', in J. BECKERT and M. DEWEY, eds., *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy*, 37–47. Oxford University Press.
- MIDDLETON, D. and LEVI, M. (2015), 'Let Sleeping Lawyers Lie: Organized Crime, Lawyers and the Regulation of Legal Services', *British Journal of Criminology*, 55: 647–68.
- NAYLOR, R. T. (2003), 'Towards a General Theory of Profit Driven Crimes', *British Journal of Criminology*, 43: 81–101.
- NELEN, H. (2008), 'Real Estate and Serious Forms of Crime', *International Journal of Social Economics*, 35: 751–62.
- OECD (2001), *Behind the Corporate Veil. Using Corporate Entities for Illicit Purposes*. OECD. Available online at <http://www.oecd.org/corporate/ca/43703185.pdf>. (last accessed 25 January 2019).
- PALAN, R. (2017), 'Futurity, Offshore, and the International Political Economy of Crime', in J. BECKERT and M. DEWEY, eds., *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy*, 108–20. Oxford University Press.

- PAOLI, L. (2002), 'The Paradoxes of Organised Crime', *Crime, Law and Social Change*, 37: 51–97.
- PAOLI, L., ALDRIDGE, J. and LORD, N. (forthcoming), *Variably Legal Markets: Beyond Organised Crime and Illegal Enterprises*. Routledge.
- PAOLI, L. and FIJNAUT, C. (2004), 'Introduction to Part I: The History of the Concept', in C. FIJNAUT and L. PAOLI, eds., *Organised Crime in Europe: Concepts, Patterns and Control Policies in the European Union and Beyond*. Springer.
- PAOLI, L. and GREENFIELD, V. A. (2017), 'The Supply of Doping Products and the Relevance of Market-Based Perspectives: Implications of Recent Research in Italy', in J. BECKERT and M. DEWEY, eds., *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy*, 245–67. Oxford University Press.
- PASSAS, N. (1999), 'Globalization, Criminogenic Asymmetries and Economic Crime', *European Journal of Law Reform*, 1: 399–423.
- RUGGIERO, V. (1998), 'Transnational Criminal Activities: The Provision of Services in the Dirty Economies', *International Journal of Risk, Security and Crime Prevention*, 3: 121–9.
- (2000), *Crime and Markets. Essays in Anti-Criminology*. Oxford University Press.
- (2017a), 'Networks of Greed', *Justice, Power and Resistance*, 2: 3–23.
- (2017b), *Dirty Money. On Financial Delinquency*. Oxford University Press.
- SAVONA, E. U., KLEIMAN, M. A. R. and CALDERONI, F. eds. (2017), *Dual Markets: Comparative Approaches to Regulation*. Springer.
- SHARMAN, J. (2010), 'Shopping for Anonymous Shell Companies: An Audit Study of Anonymity and Crime in the International Financial System', *Journal of Economic Perspectives*, 24: 127–40.
- SMITH, D. C., Jr (1980), 'Paragons, Pariahs and Pirates: A Spectrum-Based Theory of Enterprise', *Crime and Delinquency*, 26: 358–86.
- SUTHERLAND, E. H. (1983), *White Collar Crime: The Uncut Version*. Yale University Press.
- TILLMAN, R. (2017), 'The Price Is Not Right: Financialization and Financial Crime', in J. BECKERT and M. DEWEY, eds., *The Architecture of Illegal Markets: Towards an Economic Sociology of Illegality in the Economy*, 286–304. Oxford University Press.
- Transparency International/Corruption Watch (2014), *Unmask the Corrupt*. Transparency International.
- VAN DE BUNT, H. G., VAN KONINGSVELD, J., KROEZE, M. J., VAN DER VORM, B., WEZEMAN, J.-B., VAN WINGERDE, K. and ZONNENBERG, A. (2007), *Misuse of Corporate Vehicles in The Netherlands [Misbruik van buitenlandse rechtspersonen]*. Rotterdam: EITC.
- VAN DE BUNT, H. G., SIEGEL, D. and ZAITCH, D. (2014), 'The Social Embeddedness of Organized Crime', in L. PAOLI, ed., *The Oxford Handbook of Organized Crime*. OUP.
- VAN DER DOES DE WILLEBOIS, E., HALTER, E. M., HARRISON, R. A., WON PARK, J. and SHARMAN, J. C. (2011), 'The Puppet Masters: How the Corrupt Use Legal Structures to Hide Stolen Assets and What to Do About It', available online at <https://star.worldbank.org/star/sites/star/files/puppetmastersv1.pdf>. (last accessed 25 January 2019).
- WHYTE, D. and WIEGRATZ, J. eds. (2016), *Neoliberalism and the Moral Economy of Fraud*. Routledge.
- ZUCMAN, G. (2015), *The Hidden Wealth of Nations: The Scourge of Tax Havens*. University of Chicago Press.