

Financial Crisis: UN crime chief says drug money flowed into banks

By [Global Research](#)

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VIENNA, Jan 25 (Reuters) – The United Nations’ crime and drug watchdog has indications that money made in illicit drug trade has been used to keep banks afloat in the global financial crisis, its head was quoted as saying on Sunday.

Vienna-based UNODC Executive Director Antonio Maria Costa said in an interview released by Austrian weekly Profil that drug money often became the only available capital when the crisis spiralled out of control last year.

“In many instances, drug money is currently the only liquid investment capital,” Costa was quoted as saying by Profil. “In the second half of 2008, liquidity was the banking system’s main problem and hence liquid capital became an important factor.”

The United Nations Office on Drugs and Crime had found evidence that “interbank loans were funded by money that originated from drug trade and other illegal activities,” Costa was quoted as saying. There were “signs that some banks were rescued in that way.”

Profil said Costa declined to identify countries or banks which may have received drug money and gave no indication how much cash might be involved. He only said Austria was not on top of his list, Profil said. (Reporting by Boris Groendahl; Editing by Charles Dick)

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