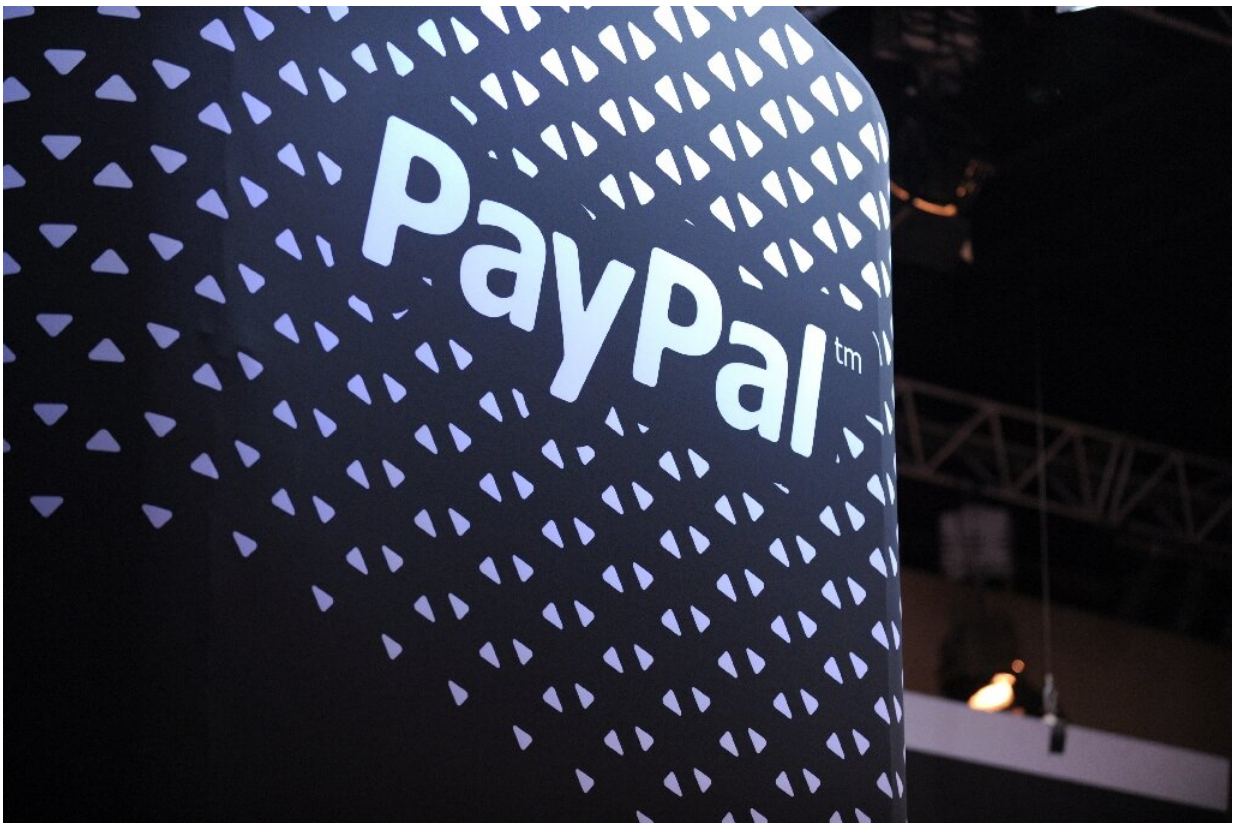


Australia probes PayPal amid child abuse payment fears

September 24 2019



The Australian Transaction Reports and Analysis Centre (AUSTRAC) will appoint an external auditor to examine what it calls 'ongoing concerns' over PayPal's alleged breaches of the country's anti-money laundering and counter-terrorism financing laws

Australia's financial regulator on Tuesday ordered an investigation into

global money transfer platform PayPal, amid concerns it may be being misused by sex offenders to buy child abuse material from Asia.

The Australian Transaction Reports and Analysis Centre (AUSTRAC) demanded an external auditor investigate "ongoing concerns" about breaches of the country's anti-money laundering and counter-terrorism financing laws.

Announcing the appointment in a statement Tuesday, AUSTRAC said it was working with its partners to "combat serious crimes such as child sex exploitation" using funds transfer information reported by the financial services sector.

"Online child abuse material can be ordered from Australia to areas such as the Philippines in quite often small amounts that are repeated often, and PayPal unfortunately is one of the areas that they can use to do that," AUSTRAC CEO Nicole Rose told the ABC.

"That's why we want to get the auditor in to really (determine) what sort of risks there have been and continue to be with PayPal systems or their reporting regime."

A PayPal Australia spokesperson said the review was prompted when the company realised it had not been fully reporting international payments in line with obligations.

"These reporting obligations are important protections in the international fight against financial crime and the misuse of payment platforms, which PayPal takes very seriously," they said in a statement.

The company added that the audit was not "instigated" was in response to the discovery of child sex exploitation connections."

An audit report must be compiled within 120 days and will be used to determine whether the regulator takes any further action against the digital payments platform.

© 2019 AFP

Citation: Australia probes PayPal amid child abuse payment fears (2019, September 24)
retrieved 26 April 2024 from

<https://techxplore.com/news/2019-09-australia-probes-paypal-child-abuse.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
