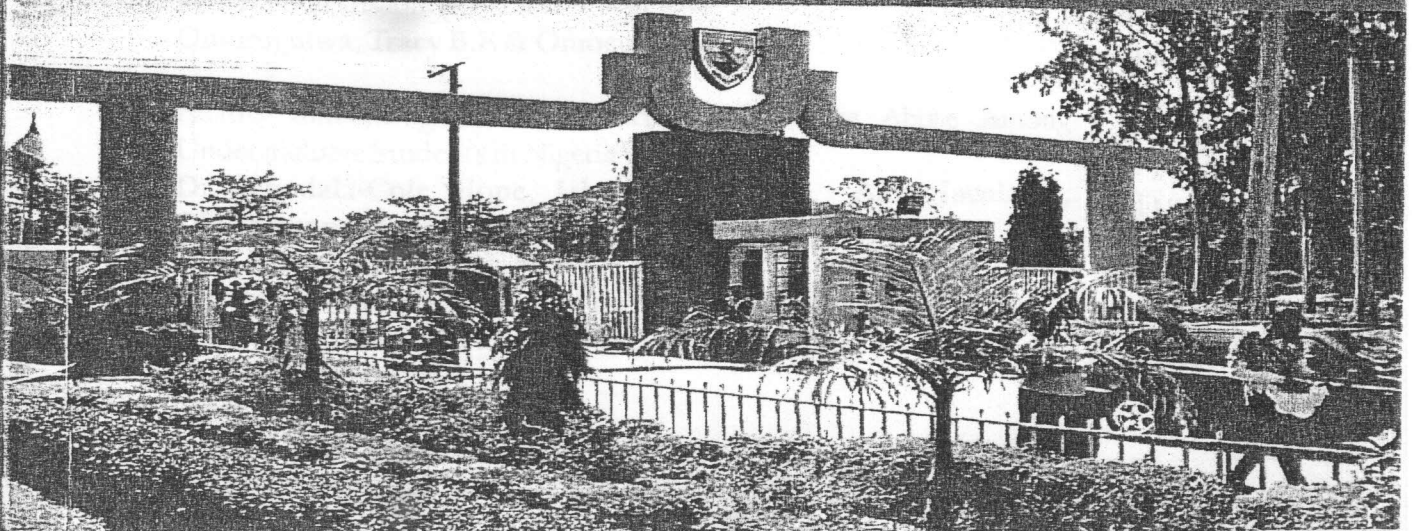


JOS JOURNAL OF SOCIAL ISSUES

Vol. 12, No.1, September, 2019

Published by:
DEPARTMENT OF SOCIOLOGY, UNIVERSITY OF JOS, JOS, NIGERIA.



CONTENTS

- Roles of Pre-trial Detention on the Rate of Recidivism in Nigeria Penitentiaries.
Sunday Ojuguwa Ameh, Ph.D, Plangshak Musa Suchi Ph.D.. 1 - 11
- Gender Influence and Parents Preferences for Girl Child Education in Kebbi State, Nigeria. **Dr. Mairo Danjuma (Mrs.).** 12 - 23
- Assessment of Decent Work and Job Satisfaction on Labour Turnover in Organization.
Micah, Damilola John, Omoudu, Monica O. 24 - 36
- Language, Culture and the Gender of Nigeria: A Study of the Nigerian National Anthem and Pledge.
Bassey A. Okon, Ihuoma, I Akinremi. 37 - 49
- Reserve Force: A Neglected Component of Security Sector in Nigeria.
Abdullahi, Muhammad Maigari, Uthman Abdullahi Abdul-Qadir, Muson, Mohammed Yelwa, Ibrahim Arafat 50 - 61
- Prison Reformation and Rehabilitation of Convicts in Oke-Kura Prisons, Ilorin, Nigeria. - **Fagbamila Olumide D, Aina J.M., Akinfenwa, O.S., Fagbamila Olawande.** 62 - 70
- The Perception of Legal and Financial Institutions on Money Laundering in Kwara State. **Monsurat Isiaka** 71 - 85
- Incidence of Mental Disorder and Resilience in Families of the Person with Mental Disability.
Omoroguiwa, Tracy B.E & Omosuvbe Joy I. 86 - 95
- Factors Influencing the Prevalence of Substance Abuse Among Undergraduate Students in Nigeria Universities.
Dr. Iguodala-Cole Hope, Ishaya Daniel L., Anto Jacob B., Obiabunmuo, Adaobi N. 96 - 112
- The Role of Social Workers in the Prevention of Adolescent Pregnancy in Oyo East Local Government Area, Oyo State.
Dr. Abimbola Afolabi. 113 - 127
- Causes, Effects and Remedies of Sexual Harassment in Tertiary Institutions. **Lucky Osaretin Odia Ph.D.** 128 - 139

The Perception of Legal and Financial Institutions on Money Laundering in Kwara State

Monsurat Isiaka, Ph.D

1. Department of Criminology and Security Studies, University of Ilorin, Ilorin, Nigeria.

ABSTRACT

The incessant challenge posed by corruption in Nigeria has impeded economic growth and sustainable development. Money laundering as a product of corruption has become widespread in Nigeria. Therefore, this research examined the perception of both legal and financial institutions on the prevalence of money laundering in Nigeria. The study was guided by the elite and the theory of crying wolf. The theories see small minority that hold power as the perpetrators of money laundering and the excessive reporting of money laundering disrupting the processes involved in fight against money laundering. The study adopted mixed method research design with Kwara state purposively selected for the study. While five legal practitioners were purposively selected for in depth interview from Ministry of Justice Z Test formula was used to sample 385 respondents from all the Commercial Banks in Ilorin metropolis for quantitative data. Quantitative data generated were analyzed using the SPSS and the qualitative data were analysed through the use of content analytical technique. The results revealed that majority of the respondents were of the view that money laundering is high, and it is caused by the greed of the elite, corruption and ineffective legislation and policy frameworks on money laundering. Based on these findings, the study recommended effective legislation on money laundering and adequate supervision of flow of cash in the economy via an independent body attach to the financial sector.

KEY WORDS:

Money laundering;
Perception; Prevalence;
Legal; Financial
institutions

Background to the Study

Money laundering is a multi-dimensional form of criminality as it is linked with other forms of criminal activities like drug dealings (World Bank, 2006). In some countries, particularly sub-Saharan African countries, there is no adequate information and understanding regarding the phenomenon of money laundering (Enofe, Aliu & Ombu, 2018). Most government in the developing countries have not been able to devise a technology for monitoring, predicting and preventing the incidence of money laundering, even though the United Nations (The UNO) have put in place technological mechanisms for pre-empting the occurrences of money laundering specifically in developing countries (Walker and Unger 2009). However, Ogbodo and Miseseigha (2013) cited in Enofe et al (2018: 186) defined money laundering as the "concealment of the source, nature, existence, location and disposition of money and/or property obtained illegally or from criminal

activities such as embezzlement, drug trafficking, prostitution, 419, corruption and large scale crime". Money laundering is the process of making dirty money looks clean. It implies "distinguishing financial assets, so that they can be used without detection of the illegal activity that produced them" (Ndubuisi et al. 2016:1).

Researchers were of different opinion to when money laundering actually started (Silkscreen, 1994; Steel, 2006). While to some, it started with the Chinese merchants some decades back, scholars like Silkscreen (1994) and Steel (2006) argued that money laundering started when some criminal networks in the United States of America established businesses in order to make their illegally gotten funds appeared legal. The contemporary usage of the term money laundering was first used in a legal parlance in the legal case of US vs \$4,255,625.39 relating to the confiscation of laundered Columbian drug proceeds in 1982 (Walker, 2007). As argued by Ogbodo and Miseseigha (2013), the growth of money laundering has been stupendously worrying, and Nigeria has gradually becoming the headquarters of money laundering in African continent. It is argued that the growth of money laundering in Nigeria has been phenomenal because of the presence of financial structures that could facilitate the process of money laundering. These financial structures, where money laundering is likely to carry out, include "exchange house, brokerage firms, trading organisations, car dealership, casinos" (Enofe et al., 2018: 186). These organisations have structures in place to conceal the financial returns gotten from illegal businesses or activities.

While the implications of money laundering on economy may be difficult to quantify, it negatively affects the financial institutions. Ribadu (2004) opined that the implications of money laundering on financial health of citizens are quite disastrous. The financial institutions are fundamental to economic growth and development. If the financial institutions of a country are affected, the productivity of the country is more likely to be affected. Idowu and Obasan (2012) argued that money laundering leads to the diversion of resources from the country, and this culminates into reduction in economic growth and distortion of external economic sector. Money laundering has also affected the images of decent and hardworking people in the country (Efenyumi, 2013; Akpabio, 2014). To Ribadu (2014), the cumulative consequences of money laundering on the socio-economic well-beings of the Nigerians are quite frightening as money laundering causes stagnation in the revenues from oil and gas. Falana (2010) stressed that revenues from oil and gas have subjected to money laundering by the politicians.

Despite the reality and enormity of money laundering in Nigeria, Nigerian government, like many other countries in the developing world, until recently, has been very slow and reactive in providing necessary policy measures and legislative and institutional frameworks to truncate the growth of money laundering in the country (Okoye & Gbegi, 2013). It should be mentioned that public knowledge about money laundering in the country appears minimal. Nigerians do not actually

have adequate understanding of what constitutes money laundering in the country and the processes involved. Hence, the increasing level of money laundering in Nigeria is of concern to the public because shareholders of financial institutions, retirees, customers, present employees among others rely on and use financial institutions for transactions. Therefore, it is imperative to survey public knowledge on the awareness of the phenomenon of money laundering in the country. The main objective of this study was to examine the perception of the legal and financial institutions on the prevalence of money laundering in Kwara state.

Literature Review

Cases of Money Laundering in Nigeria

In the case of Federal Republic of Nigeria vs. James Ibori & 5 others, the EFCC (Economic and Financial Crime Commission) charged Ibori, a former Delta State governor, with embezzlement of money from the state treasury and laundering them via associates to UK, thereby breaking the provisions of the Money Laundering Prohibition Act (2004) of Nigeria. EFCC lost the case; however, the government convicted and jailed Ibori through a UK court of law (Siobhan, 2016). Another case is that of the former governor of Edo State, Lucky Igbinedion. EFCC charged him with embezzling about N4.4 billion and money laundering while serving for 8 years as governor. He settled through plea bargaining, paid some fine and forfeited some properties. The case of the former Inspector General of Police (IGP), Tafa Balogun vs. EFCC was also settled through plea bargaining. EFCC also revealed that past Nigerian politicians stole about US \$521 billion and hid it in foreign banks while past military rulers laundered about US \$400 billion (Victor, 2017).

An Empirical Review

Commer (2008) cited in (Enofe et al., 2018:186) revealed that the main causes of money laundering include "personal greed; possibility of getting away; low prosecution rate; societal pressures; opportunity; staff morale problems and anti-institutional posture" (cited Enofe et al., 2018: 186). Hammouri and Al-Wedian (2013) revealed that technological advancement also influenced the development of money laundering. Al-Baziei (2002) cited in Hammouri and Al-Wedian (2013:62) reported that money is laundered in Saudi Arabia through falsification of currency, illegal trade in drugs and stealing the public money. Al-Hamadneh (2001) also cited in Hammouri and Al-Wedian (2013:63) revealed that money laundering was prominent in Jordan, and politicians were mostly the perpetrators with the assistance of some senior bank officials.

Regarding the effects of economic crimes on economic growth, Nwogwugwu and Uzoechina (2015) reported a non-linear significant relationship and a bi-directional causal relationship between economic crimes and economic growth in Nigeria. Enofe et al (2018) argued that money laundering led to the siphoning of funds and resources meant for the development into the hands of few individuals

for their own selfish purposes. Money laundering has economic implications not only on the individuals in the state but also on the nation's economy. Money laundering has adverse effect on the economy of the country (Ihsan and Razi 2012; Okoye and Gbegi, 2013; Oluwadayisi and Mimiko 2016; Ndubuisi et al. 2016) and Ihsan and Razi (2012) further recommended strict government laws to stifle the growth of money laundering in the country. Accordingly, Ogbodo and Mieseigha (2013) reported that money laundering has significant effect on Nigeria's economy and that anti-money laundering policies in Nigeria have not significantly reduced money laundering in the country. Also, Fabayo, Posu and Obisanya (2011) reported that low Corruption Perception Index ranking implied high level of corruption and led to low investment and economic growth. From the literature reviewed, it is evident that most of the studies were on the relationship between money laundering and economic growth. While some of the studies examined the processes of detecting and apprehending the perpetrators of money launderers, some were conducted by economists using econometric techniques. However, there is no study on the public perception on the phenomenon of money laundering in Nigeria. Therefore, this study examined the perception of both legal and financial institutions (specifically the commercial banks) on money laundering in Nigerian in order to fill the gaps in literature on money laundering in Nigeria.

Theoretical Framework

Two theories were used in this study, Elite theory and the theory of crying wolf.

Elite Theory

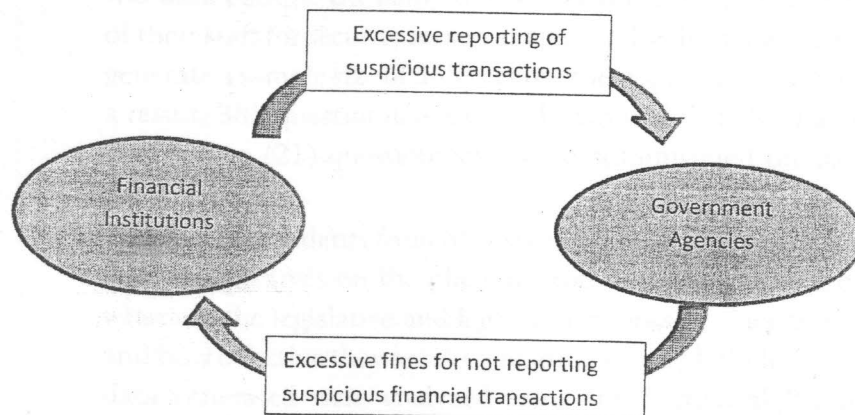
Elite theory is a theory of the state which seeks to describe and explain power relationships in the contemporary societies. The theory posits that a small minority hold the most power and the power is independent of a state democratic election process (power is concentrated). The theory also stipulated that elite are unified, non-elite are diverse and defenceless (Shannon, 2011). The concept of 'elites' is based on the belief that every society holds a ruling minority that controls and disputes the most important power sources that attracts different levels of conflict and violence (Lopez, 2013). Contemporary elite theory defines 'elites' as actors controlling resources, occupying key powerful positions, and relating through power networks (Yamokoski & Dubrow, 2008; Reis & Moore, 2005; Higley & Burton, 2006).

In the word of Mills (1956), power elite calls attention to the interwoven interest of leaders of the military, corporate and political element of the society and suggest that the ordinary citizens are relatively powerless subjects of manipulation by those entities. Accordingly, those who are involved in money laundering are the elites who are seemingly untouchable, difficult to control and powerful enough to influence laws and decisions. This also explains why money laundering is prevalent in the country and why it is a crime of the politicians and the rich public officials.

The Theory of Crying Wolf

The study drew on the theory of Crying Wolf developed by Előd Takáts (2007). According to the theory, excessive reporting (crying wolf) can disrupt the informative value of reports. When an activity is reported over and over again, its information qualities and values are lost in the process. This theory is specifically developed to explain the reporting of money laundering by financial institution(s) and how the reporting has either increased or decreased the phenomenon of money laundering. The officials of the government use the reports submitted to them by financial institutions to identify the investigation targets. If financial institutions do not report money laundering to government departments, they will be fined. However, excessive fines force financial institutions to give excessive report of some transactions that are even less suspicious. Consequently, this excessive reporting has diluted the information value of money laundering phenomenon. Thus, the theory suggested that fines should be reduced and reporting fees should be introduced.

Figure 1: Theoretical Framework



Source: Adapted from Előd (2007)

According to Előd (2007), there are five processes in the theory. These are:

- Nature selects the true nature of the transaction (legal or money laundering).
- The bank exerts monitoring effort to learn the signal.
- The informed bank, which has observed the signal, decides to report. (If the bank has not observed the signal, it cannot report).
- The government observes the report and sets investigation effort.
- The government fines the bank, if money laundering was prosecuted and the bank did not report the transaction.

To theory of crying wolf, the excessive fines of the financial institutions negatively affect the quality and value of their reporting of money laundering incidents, the general public should be equipped and encouraged to report the incidents.

Nevertheless, they may not report if they do not have adequate knowledge about the phenomenon of money laundering. It is against this backdrop that the study examined public knowledge on the phenomenon of money laundering in order to know how the public can help in the reporting of money laundering incidents to the appropriate government agencies or departments.

Methods

The research is a descriptive research that employed mixed method of data collection. For qualitative data, five legal practitioners were purposively selected from Ministry of Justice, Ilorin, Kwara State for an in-depth interview. The Ministry was purposively selected because the researcher believed the legal practitioners would have vast knowledge on the prevalence of money laundering in Nigeria. 385 respondents were sampled randomly from all the Commercial Banks in Ilorin metropolis (UBA, WEMA, POLARIS, FCMB, ACCESS, FBN, JAIZ, STANBIC, STERLING, GTB, UNITY, ZENITH, FIDELITY, KEY STONE, UNION, ENTERPRISE and ECO BANKS) using Z-Test formula. This formula was used because the banks did not allow the researcher to access the total number of their staff for security reason as claimed by the banks. Z-Test formula was used to generate a sample size of 385 because the population was an infinite population. As a result, 385 questionnaires were distributed equally among the banks, meaning, twenty one (21) questionnaires were administered on each bank irrespective of their branches.

The five respondents from Ministry of Justice were interviewed to understand the legal perspectives on the phenomenon of money laundering in the country, and what are the legislative and legal frameworks in place to checkmate the incidents and how effective they are in combating money laundering. While the quantitative data generated were analyzed using the Statistical Package for Social Science (SPSS) 16.0 to generate frequencies and percentages, the qualitative data were analyzed through content analytical technique.

Data Presentation and Analysis

Out of the three hundred and eighty-five (385) copies of questionnaires that were administered, only 377 copies were retrieved and analyzed. Since the 377 questionnaires were properly filled, the response rate was considered adequate enough to provide reliable analysis of the administered questionnaires. As expected, the five legal practitioners (who were all male) in the Ministry of Justice responded to the interview.

Socio-demographic Characteristics of Respondents

Table 1 presents the socio-demographic characteristics of the 377 respondents selected from all the commercial banks in Ilorin metropolis, Kwara State. Findings from the table revealed that approximately 54.32% (201) of the respondents were males and 46.68% (176) of them were females. By implication, majority of the respondents were males which imply that males are more politically conscious and

economically inquisitive than female bankers.

Table 1: Distribution of Respondents by Socio-demographic Characteristics

Characteristics	Category	Frequency	Percentage (%)
Gender	Male	201	53.32
	Female	176	46.68
	Total	377	100
Age	25-34	89	23.61
	35-44	175	46.42
	45-54	79	20.95
	55-64	34	9.02
	65 and above	-	-
	Total	377	100
Marital Status	Single	12	3.18
	Married	355	94.16
	Divorced	07	1.86
	Widowed	03	0.8
	Total	377	100
Academic Qualifications	NCE	85	22.55
	OND/HND	101	26.79
	B. Sc	108	28.65
	M. Sc	83	22.01
	Total	377	100

Source: Researcher's Survey (2019)

The data on age revealed that all of the respondents were still in their productive ages as presented in the table. No respondent was found within the category of '65 and above'. The distribution of the respondents' age showed that 23.61% (89) of the respondents were within the age range '25-34' years as represented in table 1. Within the age bracket of '35-44' years, 46.42% (175) of the respondents were recorded. 20.95% (79) of the respondents fell within the range of '45-54' years; while 9.02% (34) of them were between ages '55-64' years. This information revealed that majority (46.42%) of the respondents fell within the age limit of '35-44'. About 70 per cent of the respondents fell between 25 and 44 years of age. This is an indication that majority of the respondents were youths since the age definition of youth are people within the age of 15 and 45 years.

Based on the marital status of the respondents, the table presents 3.18% (12) of the respondents as single (unmarried); 94.16% (355) as married; 1.86% (07) as divorced, and 0.8% (03) as widowed. From this result, the overwhelming majority of the respondents were married which contradict the public opinion that single men or women are mostly preferred for banking job. On the basis of academic qualifications, table 1 revealed that majority of the respondents were Bachelor degrees holders, representing 28.65% (108) of the total respondents; 22.55% (85) of the respondents were holders of NCE certificates; 26.79% (101) of the respondents were holders of OND/HND and 22.01% (83) of the respondents were holders of Master's Degree.

The Prevalence of Money Laundering in Nigeria

Table 2 presents the perception of commercial banks on the prevalence of money laundering in the country.

Table 2: Perception of Commercial Banks on the Prevalence of Money Laundering

Question	Strongly Agreed	Agreed	Indifference	Disagreed	Strongly Disagreed
The crime of money laundering is prevalent in the country	286 (75.86%)	69 (18.30)	02 (0.53%)	14 (3.71%)	06 (1.6%)
Money laundering is mostly the activities of politicians and government officials in the country	287 (76.13%)	78 (20.69%)	01 (0.27%)	07 (1.86%)	04 (1.06%)

Source: Researcher's Survey (2019).

From table 2, more than 90 per cent (either strongly agreed or agreed) of the participants were aware that money laundering is prevalent in the country. Also, more than 96 per cent (either strongly agreed or agreed) of the respondents believed that money laundering is perpetrated mostly by the politicians and government officials. These results indicate that the general public is aware that money laundering is prevalent in the country and mostly perpetrated by the politicians and government officials. In support of this, a respondent participant submitted during an interview that:

...apparently, the menace of money laundering in the country is something that is very common among the politicians, influential public servants and government officials. This category of people will hide their money in different accounts under different banks and with different names and signatories to escape audit trails. The very recent corruption charge against the Chief Justice of Nigeria, CJN, Onnoghen is a clear case of money laundering. There are also several politicians and civil servants of the country that have been accused of several counts of corruption charges, majority of which are money laundering (IDI/Male/2019)

While commenting on the causes of money laundering, a participant stressed that:

...greed remains one of the several root factors that explain the prevalence of money laundering in the country. Other factors would include corruption (embezzlement, bribery, extortion, etc), too much access to the country's resources, abuse of political positions and powers, and improper checking of

public accounts. (IDI/Male/2019)

Based on the argument of this participant, it can be inferred that the main causes of the pervasiveness of money laundering in the country include continuous access to resources, abuse of powers, and improper checking of public accounts. Just like the Elite theory believes, that elites majorly the politicians are those in possession of the country's material and resources (Reis & Moore, 2005) thereby dominating all the institutions (Mills, 1956) which are capable of affecting political outcomes of the country (Higley & Burton, 2006).

The Institutional Causes of Money Laundering

Table 3 presents data on the institutional causes of money laundering in Nigeria. From the table, close to 90 per cent of the respondents either strongly agreed or agreed that the degradation in the economic system of the country contributed to the widespread of money laundering in Nigeria. Also, about 70 per cent of the respondents either strongly agreed or agreed that lack of severe punishments on the perpetrators of money laundering makes money laundering more prevalent in the country. Moreover, about 75 per cent of the respondents either strongly agreed or agreed that lack of transparency of the Economic and Financial Crime Commission (EFCC) contributes to the increase in money laundering in the country.

Table 3: Perception of the Commercial banks on the Institutional Causes of Money Laundering

Question	Strongly Agreed	Agreed	Indifference	Disagreed	Strongly Disagreed
The degradation in the economic system of the country contributes to the widespread of money laundering in Nigeria.	232 (61.54%)	104 (27.59%)	13 (3.45%)	20 (5.31%)	08 (2.11%)
Lack of severe punishments on the perpetrators of money laundering makes money laundering more prevalent in the country.	134 (35.54%)	121 (32.10%)	36 (9.55%)	54 (14.32%)	32 (8.49%)
Lack of transparency of the EFCC contributes to the increase in money laundering in the country.	157 (41.64%)	123 (32.63%)	11 (2.92%)	70 (18.57%)	27 (4.24%)
Inadequate and ineffective legislation on money laundering are the major factors responsible for the widespread of money laundering	201 (53.32%)	96 (25.46%)	04 (1.06%)	49 (13.00%)	27 (7.16%)

Source: Researcher's Survey, (2019).

Lastly, close to 80 per cent of the respondents either strongly agreed or agreed that inadequate and ineffective legislation on money laundering are the major factors responsible for the widespread of money laundering. This research confirms the arguments of Babalobi cited in Nwoba & Nwoku, (2018), Moshih, (2007), Ekweremadu (2013) that money laundering is an indication of pervasive corruption

in the country which resulted from a weak government and poor financial policies. To Moshih (2007), money laundering as a type corruption can only be curbed if severe punishments like death are meted on the perpetrators. Furthermore, a respondent presented that:

...the menace of money laundering has been left in operation unchecked for a long period to the extent that it has gotten to the psychic of the younger generation. Had it been it was curbed effectively from onset, the younger generation will have been deterred. Also, the flexibility of the economic system is a major reason while the menace of money laundering is still prevalent in the country (IDI/Male/2019)

This contradictory view is supported by a participant in an interview session who argues that:

...there are enough laws with regards to money laundering but the lack of or the inadequate implementations of these laws are reasons for the prevalence of money laundering in the country, despite the establishment of the Money Laundering Act (IDI/Male/2019).

From the above analysis, the degradation in the economic system of the country, lack of severe punishments on the perpetrators of money laundering, lack of transparency of the Economic and Financial Crime Commission (EFCC) and inadequate and ineffective legislation on money laundering were perceived by the public to be the major factors responsible for the widespread of money laundering. Accordingly, Ekweremadu (2013) reported that money laundering is widespread in the country because of the intra-elite political rivalry that ensures the use of agencies established to fight corruption to witch hunt political oppositions.

Table 4: Effects of Money Laundering

Question	Strongly Agreed	Agreed	Indifference	Disagreed	Strongly Disagreed
Undermining the integrity of financial institution	266 (70.56%)	92 (24.40%)	03 (0.80)	10 (2.65%)	06 (1.59%)
Loss of individual, corporate and national revenues	246 (65.25%)	111 (29.44%)	02 (0.53)	15 (3.98%)	03 (0.80%)
Destroying the image of the country	257 (68.17%)	114 (30.24%)	00 (00.00%)	05 (1.33%)	01 (0.26%)
Increased criminality	234 (62.07%)	87 (23.08%)	15 (3.98%)	25 (6.63%)	16 (4.24%)

Source: Researcher's Survey (2019)

From the table 4, 95 per cent of the respondents were either strongly agreed or agreed that money laundering undermined the integrity of financial institution; close to 95 per cent of the respondents either strongly agreed or agreed that money

laundering led to the loss of individual, corporate and national revenues; almost all the respondents either strongly agreed or agreed that money laundering could destroy the image of the country; and 85 per cent of the respondents were either strongly agreed or agreed that money laundering could lead to increased criminality. Accordingly, a respondent during an in-depth interview reported that:

Money laundering has an adverse effect on the country's economy. It has crippled the economic activities of the country, killed productivity, prosperity and development and has also increased the rate of corruption and impunity in the country. The effects of money laundering are enormous. Hard-earned Nigerian material resources are being diverted into foreign accounts and wasted on frivolities but the effect is momentous and gigantic on the country's national purse as billions of 'nairas' are diverted into foreign accounts in different foreign countries on almost regular basis (IDI/Male/2019)

It is evident from the narratives of the respondent that the menace of money laundering has undermining effects on the country's economic system and social development. The respondent added that the practice of money laundering in the country distorted business decisions, caused bank failures and soiled the good image and reputation of the country. This further strengthened the arguments of Efenyumi, (2013), Akpabio, (2014) and Ribadu (2014), the money laundering has also affected the images of decent and hardworking people in the country with cumulative consequences of money laundering on the socio-economic well-beings of the Nigerians as it causes stagnation in the revenues from oil and gas. Still on the negative implications of money laundering, a participant noted that:

The effects and implications of money laundering in the country's growth and development cannot be overstated. Either directly or indirectly, money laundering has affected so many major economic sectors of the country, including the health, finance, employment, education sectors, etc. Money laundering has registered its effect on the country's finance (national income), national image, foreign investment, direct foreign investment, security, national growth and development, trade (commerce), politics, etc. In fact, money laundering may be among the key reasons for the swelling rates of chronic poverty and unemployment in the country. And if care is not

taken, the country's national purse will yield no more revenues and the country will forever be remembered in history as a victim of corruption and money laundering (IDI/Male/2019)

Both qualitative and quantitative data indicated that the majority of the respondents perceived that money laundering undermined the integrity of financial institution, led to the loss of individual, corporate and national revenues; destroyed the image of the country and lead to increased criminal activities as observed by the World Bank in 2006.

Discussion of Findings

While money laundering is prevalent in the country, males are more politically conscious and economically inquisitive about the menace. Accordingly, Moshih (2007), Ekweremadu (2013), Nwoba & Nwoku (2018) reported that the crime of money laundering is still common in the country in spite of the efforts of the Economic and Financial Crime Commission (EFCC). The ineffectiveness of the EFCC to combat money laundering in the country is because the perpetrators are the few elites who are in power and in possession of the country's material and/or symbolic resources (Reis & Moore, 2005), at the same time, dominating all the institutions of the country.

The prevalence of money laundering in the country has largely been attributed to several factors including greed, lack of transparency of the EFCC, inadequate and ineffective legislation on money laundering were perceived by the public to be the major factors responsible for the widespread of money laundering. This is plausible with the arguments of Babalobi (cited in Nwoba & Nwoku, 2018) that corruption is caused by weak governmental institutions, lack of key anti-corruption agencies, the absence of the required legislative framework, lack of effective criminalization of money laundering and the relative lack of effective supervision of the financial sector. Thus, "it is only when money launderers are severely punished that the menace would be reduced in the country". To Ekweremadu (2013), the crime of money laundering is prevalent in the country because of the intra-elite political conflict where the agencies established to fight corruption are used to damage political oppositions. Elite theorists see the anti-graft agencies been used by the political elite to fight against one another for political power and gains. Money laundering undermines the integrity of the financial institution, leads to the loss of national revenue and increased criminality. This agreed with the argument of Ikpong (2011), Ogbodo and Meiseigha (2013), McDowell and Gary (2018) that money laundering affects indigenous entrepreneurs and cripples the nation's economy. For instance, Nuhu Ribadu cited in Ogbodo and Meiseigha (2013) reported that money laundering affects the integrity of domestic economics as well as the global financial system. Money laundering has infiltrated the economic and political structure of most developing countries resulting to economic

taken, the country's national purse will yield no more revenues and the country will forever be remembered in history as a victim of corruption and money laundering (IDI/Male/2019)

Both qualitative and quantitative data indicated that the majority of the respondents perceived that money laundering undermined the integrity of financial institution, led to the loss of individual, corporate and national revenues; destroyed the image of the country and lead to increased criminal activities as observed by the World Bank in 2006.

Discussion of Findings

While money laundering is prevalent in the country, males are more politically conscious and economically inquisitive about the menace. Accordingly, Moshih (2007), Ekweremadu (2013), Nwoba & Nwoku (2018) reported that the crime of money laundering is still common in the country in spite of the efforts of the Economic and Financial Crime Commission (EFCC). The ineffectiveness of the EFCC to combat money laundering in the country is because the perpetrators are the few elites who are in power and in possession of the country's material and/or symbolic resources (Reis & Moore, 2005), at the same time, dominating all the institutions of the country.

The prevalence of money laundering in the country has largely been attributed to several factors including greed, lack of transparency of the EFCC, inadequate and ineffective legislation on money laundering were perceived by the public to be the major factors responsible for the widespread of money laundering. This is plausible with the arguments of Babalobi (cited in Nwoba & Nwoku, 2018) that corruption is caused by weak governmental institutions, lack of key anti-corruption agencies, the absence of the required legislative framework, lack of effective criminalization of money laundering and the relative lack of effective supervision of the financial sector. Thus, "it is only when money launderers are severely punished that the menace would be reduced in the country". To Ekweremadu (2013), the crime of money laundering is prevalent in the country because of the intra-elite political conflict where the agencies established to fight corruption are used to damage political oppositions. Elite theorists see the anti-graft agencies been used by the political elite to fight against one another for political power and gains.

Money laundering undermines the integrity of the financial institution, leads to the loss of national revenue and increased criminality. This agreed with the argument of Ikpong (2011), Ogbodo and Meiseigha (2013), McDowell and Gary (2018) that money laundering affects indigenous entrepreneurs and cripples the nation's economy. For instance, Nuhu Ribadu cited in Ogbodo and Meiseigha (2013) reported that money laundering affects the integrity of domestic economics as well as the global financial system. Money laundering has infiltrated the economic and political structure of most developing countries resulting to economic

digression and political instability (Ikpong, 2011; Ayodeji and Bagheri, 2012).

Conclusion and Recommendations

The effects of money laundering on the Nigeria's economy and national development cannot be overemphasized. For the past decades, money laundering has been on the increase and has been described as the criminal activities of political elites and rich government officials. Money laundering in the country has largely been attributed to corruption and the greed of politicians and public servants in charge of the nation's resources. This effect becomes evidential on the country's economic growth and development and seriously need to be curtailed. Efforts must also be geared towards eliminating other effects and consequence of money laundering in Nigeria. Thus, it is recommended that there should be adequate and effective legislation on money laundering which will include severe punishments on the perpetrators. People without integrity, record of financial discipline and good leadership should not be voted for and appointed into public offices. Excess flow of cash in the economy should be monitored via effective supervision of the financial sector. The anti-corruption agencies like the Economic and Financial Crime Commission (EFCC) should not be politicalised and should be granted autonomy for competency and effectiveness.

References

- Akpabio, U. (2014). Money Laundering, Politically Exposed Persons; effect on the economy of the oppressed and down-trodden people in the developing economy (Nigeria as a case study). Being a dissertationsubmitted to faculty of law, Buckingham University, London in partial fulfilment for the award of Master Degree in Law (LL.M).
- Ayodeji, A., & Bagheri, M. (2012). The Impact of Money Laundering on Economic and Financial Stability and on Political Development in Developing Countries: The Case of Nigeria. *Journal of Money Laundering Control*, 15(4), 234-251.
- Commer, M. (2008). *Corporate fraud: Nature, Typologies and Essential theories*. A paper delivered by B.I.G. consulting in conjunction with Association of National Accountants of Nigeria (ANAN) Ikeja Branch at Tourist Garden Hotel, Awka, June 4th – 6th.
- Efeyunmi, P. (2013). *The economic implications of money laundering in Nigeria*. Seminar Paper. Unpublished.
- Ekweremadu, D.U. (2013). *Anti-corruption policies in Nigeria under Obasanjo and Yar'Adua: What to do after 2011?* Friedrich-Ebert-Stiftung.
- Elod, T. (2007). *The theory of 'crying wolf'. The economics of money laundering enforcement*. IMF Working Paper. Western Hemisphere Department.
- Enofe, A.O., Aliu, A.K., & Ombu, A. (2018). Money laundering and the Nigerian economy. *International Journal of Advanced Academic Research*, 4(4), 185-201.

- Fabayo, J. A., Posu, S., & Obisanya, A. A. (2011). Economic crime and the investment climate in Nigeria. *Journal of Economic and Sustainable Development*, 2(4), 45-56.
- Hammouri, A., & Al-Wedian, A.M. (2013). the role of commercial banks towards money laundering an empirical study. *European Scientific Journal*, 9(34), 60-70.
- Higley, J., & Burton, M.G. (2006). *Elite Foundations of Liberal Democracy*. Lanham: Rowman and Littlefield
- Idowu, A., & Obasan, K. A. (2012). Anti-money laundering policy and its effects on bank performance in Nigeria. *Business Intelligence Journal*, 1(2), 367-373.
- Ihsan, I., & Razi, A. (2012). Money laundering-A negative impact on economy. *Global Journal of Management and Business Research*, 12(17), 50-58.
- Ikpang, A.I. (2011). A critical analysis of the legal mechanism of combating money laundering in Nigeria. *African Journal of law and criminology*, 1(1), 120-134.
- McDowell, J., & Gary, N. (2018). The consequences of money laundering and financial crimes. *ThermoFisher Scientific Journal*, 2(3), 267-288.
- Mills, C.W. (1956). *The power elite*. Oxford: Oxford University Press.
- Moshih, H.P. (2007). *Fighting money laundering: The challenges in Africa*. Institute for Security Studies.
- Ndubuisi, A.N., Chidoziem, A.M., Christian, O.E., & Chinyere, O.J. (2016). Effect of Money Laundering on Nigerian Economy. *Research Journal of Financial Sustainability Reporting*, 1(2), 143-300.
- Nwoba, M.O.E., & Nwoku, P.M. (2018). *Appraisal of Economic and Financial Crimes Commission (EFCC), in the fight against corruption in Nigeria (2007-2017)*. Department of Public Administration, Ebonyi State University, Abakaliki, Nigeria. Medwell Journals.
- Ogbodo, U. K., & Miseseigha, E. G. (2013). The Economic Implications of Money Laundering in Nigeria. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 3(4), 170-184.
- Okoye, E. I., & Gbegi, D. O. (2013). An evaluation of the effect of fraud and related financial crimes on the nigerian economy. *Arabian Journal of Business and Management Review*, 2(7), 81-91.
- Oluwadayisi and Mimiko (2016). *Effects of money laundering on the economy of Nigeria*. Lagos: Ludwan Publishers.
- Oluwadayisi, A. O., & Mimiko, M. O. (2016). Effects of money laundering on the economy of Nigeria. *Beijing Law Review*, 7, 158-169.
- Reis, E. & Moore, M (eds) (2005). *Elite Perceptions of Poverty and Inequality*. London: Zed Books.
- Ribadu, N. (2004). The role of EFCC in sanitizing the Nigeria economic

- environment in a democratic setting. Being a Paper presented at the Adamawa State, Nigeria. Economic Conference and Financial Exhibition, December 9 – 10.
- Shannon, D. (2011). *Political Sociology: Oppression, Resistance, and the State*. London: Pine Forge Press.
- Silksreen, H. (1994). Fraud: Its economic consequences. *Journal of Finance and Accounting*, 5(3), 12-21.
- Steel, F. (2006). *Money laundering: Concept and trend in contemporary society*. Ikeja, Lagos: Arthill Publishers.
- Ugochukwu, U. C., & Uzoechina, B. I. (2015). Impact of economic crimes on Nigeria's economic prosperity under a democratic framework. *International Journal of Business and Management*, 10(9), 163-181.
- Victor, U. (2017). *Money laundering in Nigeria-Meaning, causes, history, laws and cases*. Retrieved from [https://infoguidenigeria.com/money-laundering in Nigeria](https://infoguidenigeria.com/money-laundering-in-Nigeria). Retrieved on 4th March, 2019.
- Walker, F., & Unger, B. (2009). How to dodge drowning in data? Rule- and Risk-Based Anti Money Laundering Policies Compared. *Review of Law & Economics*, 5(2), 7-19.
- Walker, J. (2007). *Measuring global money laundering. Paper presented at the conference, 'Tackling money laundering', University of Utrecht Netherlands, November 2007.*
- Yamokoski, A., & Dubrow, J.K. (2008). How do elites define influence? Personality and respect as sources of social power. *Sociological Focus*, 41(4): 319-36