



Assessing Knowledge of, and Predisposing Factors Towards Money Laundering in Nigeria: a Study of Bank Staff

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ABSTRACT

This study was meant to investigate knowledge of money laundering and predisposing factors towards money laundering among bank staff (i.e. bank executives and other bank staff). The study was a survey, which utilized structured questionnaire format for data collection. A total number of 1,032 bank staff were randomly selected for the study, in which 601(58.2%) were males while 431(41.8%) were females (Mean age=36.59yrs (SD=11.85). The study participants comprised 467 bank executives and other 565 category of bank staff. Data collected for the study were analyzed by both the Descriptive and Inferential statistics.

The results revealed that more of the study participants were knowledgeable of the criminal characteristics of money laundering. Also, the results showed that more of the study participants were more knowledgeable of the contributory factors towards money laundering. The results revealed further that bank executives reported more of knowledge of drug trafficking as a predisposing factors towards money laundering than other bank staff ($t(1032) = 2.14, p < .05$); other bank staff reported more knowledge of prostitution ring as a predisposing factors towards money laundering than bank executives ($t(1032) = -6.24, p < .05$). The results showed also that other bank staff reported more knowledge of embezzlement as a predisposing factor towards money laundering than bank executives ($t(1032) = -2.19, p < .05$). However, the results revealed that bank executives and other bank staff were not significantly different on knowledge of predisposing factors towards money laundering in terms of insider trading ($t(1032) = .57, p > .05$), and bribery ($t(1032) = .80, p > .05$) respectively.

The results were discussed adequately and it was hence recommended that more enlightenment programs should be put up for bank staff.

Keywords: Knowledge, Money Laundering, Predisposing Factors, Bank Staff, Bank

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INTRODUCTION

In Nigeria as today, a number of financial crimes detrimental to the smooth running of the country have been identified. These financial crimes include corruption, fraud, money laundering, embezzlement, internet and computer fraud etc. More importantly, of all these financial crimes, money laundering has received serious attention from governmental institutions, relevant stakeholders and even international community.

Essential, money laundering is the term used to describe the process by which criminals attempt to conceal the true origin and ownership of the proceeds derived from their illicit activities (such as fraud, drug trafficking, embezzlement, insider trading, computer fraud and theft) or attempt to use legally derived funds for illicit activities (such as terrorist financing) (<http://www.ipsaintl.com/pop-upsmoney-laundering-faqs-general.php>).

Money laundering process is commonly described as involving a three phase process of placements layering and integration. Placement involves the introduction of funds (which can be currency equivalents, such as check, money orders and wire transfers) acquired through criminal activities into legal financial system. Layering involves the concealment or disguising of the source of the ownership of those funds through the creation of complex layers of financial transactions designed to disguise the audit trail. In the integration phase, criminals seek to re integrate the illicit funds back into the legitimate financial system. Money laundering is a process that is critical importance to the criminal enterprise, because it enables the criminal element to enjoy the profits of the activities without jeopardizing their illegal source of funds. If the process gets successful, the laundered money can lose its criminal identity and appear legitimate (<http://www.ipsaintl.com/pop-upsmoney-laundering-faqs-general.php>).

Further, by its nature, money laundering is a concealed activity that occurs outside of the normal range of economic statistics. Nevertheless, rough estimates have been put forward by various government agencies that provide same sense of scale to the problem. The international Monetary Fund (IMF), for example has stated that the aggregate size of money laundering in the world could be somewhere

between two (2%) and five (5%) percent of the world's gross domestic product. Based on the 2003 statistics published by the IMF, these percentages would indicate that money laundering percentage between \$725 billion and \$1.8 trillion (<http://www.ipsaintl.com/pop-ups/money-laundering-faqs-general.php>).

In the view, Ribadu (2004), notes that money laundering is a process by which criminals attempt to hide and disguise the true origin and ownership of the proceeds of their criminal activities thereby avoiding prosecution, conviction and confiscation of criminal funds. Accordingly, he emphasizes that as a derivative, it flows from the following crimes amongst others: "Illegal arms sales, smuggling, activities of organized crime, including for example, drug trafficking and prostitution rings, embezzlement, insider trading, bribery and computer fraud schemes".

Ribadu(2004) stresses further that funds acquired from these sources that cannot be pushed through banks and other financial institutions by eluding financial regulators and law enforcement agencies around the world are laundered through trade malpractices such as; massive importation of all kinds of goods like; spare parts, pharmaceutical products, chemicals, automobiles, e.t.c. Very clearly, Ribadu(2004) highlights that since the motive of importing the goods is NOT PROFIT MAKING BUT TO LEGITIMATE THE CRIMINAL PROCEEDS, invariably, the imported items are quickly sold at give away prices in Nigeria. The effect of money laundered through imports is to undermine the genuine efforts of local manufacturers who share, compete and operate in same business environment with the launderers. The imported goods which most of the times are produced at cheap cost and higher quality abroad unfairly compete with local goods produced at perhaps high cost and lower quality in Nigeria therefore, causing prices to crash and massive losses occasioned by large stock of unsold products for lack of patronage and eventual collapse of industries. Accordingly, figures release recently indicate that Nigeria's foreign exchange figures of imports from China stood at about USD 797 million in 2003 while figures from other international sources for the same year puts it as USD 1.787 billion. This disparity is associated with trade malpractices where in goods which

are most probably sub-standard, and for which appropriate import duty may not have been paid were brought into the country (Ribadu, 2004).

More importantly, money which is laundered by criminals globally is estimated to be the equivalent to 2 – 5% of the world's GDP and is measured in millions of US Dollars. An estimated \$100 billion is laundered yearly in the US alone. Whilst many criminals deal in cash, the more serious criminals wish to find a safer home for the proceeds of their crime and in a financial institution, quite possibly in another country, where it is more secure and would excite less suspicion where the authorities would simply not care or the source of money was. The concept of the criminal wishing to distance the proceeds of his crime itself is nothing new (<http://www.antimoneylaundering.ukf.net/papers/solicitor.htm>).

Accordingly, from the point of view of the criminal, it is no use making a large profit out of criminal activity if that profit cannot be put to use Putting the proceeds to use is not as simple as it may sound. Although, a proportion of the proceeds of crime will be kept as capital for further criminal ventures, the sophisticated offender will wish to use the rest for other purposes If this is done without running an unacceptable risk of detection, the money which represents the proceeds of the original crime must be "laundered"; put in an estate in which it appears to have an entirely respectable provenance" (<http://www.antimoneylaundering.ukf.net/papers/solicitor.htm>).

In a clear revelation, it was highlighted that in September, 1998 the UK authorities investigating the Russia Mafia alerted the FBI as to irregularities involving the Bank of New York (BONY) and huge volumes of the cash that were being transferred from the International Monetary Fund to Moscow. The UK authorities suspected a link between YBM Magnex, a front company for suspected Russian gangster Semyon Yukovich Magilevich, and Benex, a company owned Peter Berlin, the husband of the then BONY vice-president. Accordingly, the treasury department in the US claimed to have known nothing of these irregularities or the investigations until April 1999 (<http://www.antimoneylaundering.ukf.net/papers/solicitor.htm>).

Further, in August 1999, the New York Times reported that it was suspected around \$10 billion had been laundered through the Bank in New York. Two thirds originated from the Island of Nauru which had not previously been known as a money centre. Many transactions originated from a Moscow bank chaired by the Yeltsin family financial adviser. The New York Times reported the \$4.2bn passed through the bank in more than 10,000 transactions between October 1998 and March 1999. Many of these passed through BONY accounts of Benex. Authorities left the account open after March as they continued their investigation. In line with this, three bank employees, Lucy Edwards (former VP of the Bank), Peter Berlin (her husband) and Svetlana Kudryavesev (who worked for Lucy Edwards) were charged and later entered guilty pleas in connection with the case. Another VP was fired for failing to declare supplemental income from one of the Russian clients and another employee resigned because of the scandal. It was reported that the sums involved were laundered through 4 bank accounts at BONY and one at the Republic National Bank which was also based in New York. Russia, was said to lack hard currency, therefore the US and Western countries provided the liquidity to enable the laundering to carry on. Essentially, the money trail followed from the International Monetary Fund to through the Bank of the New York to Moscow. This was the USA's largest ever money laundering scandal and investigation extended to Switzerland, London, Russia and New York (<http://www.antimoneylaundering.ukf.net/papers/solicitor.htm>).

In another way round, money laundering can actually make businesses twindle. This fact has been well illustrated by financial action task force (FATF). Accordingly, it is noted by this body that since the integrity of the banking and financial services market place depends heavily on the perception that it functions within a framework of high legal professional and ethical standards. Essentially, reputation for integrity has been recognized as one of the most valuable assets of a financial institution (http://www1.oecs.org/fatf/Mlaundering_en.htm). It is expressed further that if it is noted that funds from criminal activity can be easily processed through a particular institution either because its employees or directors have been bribed or because the institution terms a

blind eye to the criminal nature of such funds-the institution could drawn into active complicity with criminals and become part of the criminal network itself. Accordingly, evidence of such complicity will have a damaging effect on the attitude of other financial intermediaries and of regulatory authorities, as well as ordinary customers (http://www1.oecs.org/fatf/Mlauding_en.htm).

In line with this, it is established that the potential negative macro economic consequences of unchecked money laundering as cited by international monetary fund. Include: inexplicable changes in money demand, prudential risks to bank soundness, contamination effects on legal financial transactions, and increased volatility of international capital flows and exchange rates due to unanticipated cross border asset transfer (http://www1.oecs.org/fatf/Mlauding_en.htm).

Based on these stated consequences, money laundering has been seen as a serious financial crime. Basically, it is viewed that since international banking continues to evolve, both in terms of the worldwide connections among banks among banks, as well as the increasing sophistication of banking methods, the constant challenge has been to ensure that every bank account for its customers, that every government has laws which ensure the prosecution of financial crimes, and that every society sets a moral and ethical standard for the conduct of commerce (INCSR, 1996).

In view of this, many important financial centers have now adopted legislation to curb drug-related money laundering, and the number of governments which have ratified the 1998 UN convention continued to increase in 1996. But, the race between criminals seeking new venues and oversight bodies seeking more widespread compliance still goes to the crooks (INCSR, 1996).

In 1987, when the first INSCR money laundering chapter was published, the priority concern was with twelve leading financial centers including the United States, United Kingdom, France, Germany, Italy, Switzerland, Hong Kong, Singapore, Panama, the Bahamas, the Cayman Islands and Columbia. When Fatf was founded in September, 1989, the belief was that major relief could be achieved through a congruence of laws and policies among 15 major

industrialized countries. The U.S, UK, Germany, France, Italy, Canada, Japan, Netherlands, Australia, Switzerland, Luxembourg, Spain, Sweden, Belgium and Austria. By 1991, FATF and expanded to include all 24 members of the organization for economic cooperation and development, as well as Hong Kong and Singapore (INCSR, 1996).

Accordingly, the 1998 INCSR noted that Cyprus, for example, was not a priority, while Mexico was treated marginally, Russia was still the heartland of the soviet empire, and Israel, Turkey, Aruba, The Netherlands Antilles, Antigua and other did not appear most money laundering maps. Yet, Russia, Turkey and the Netherlands Antilles were raised to High priority in 1996, where Mexico and Aruba remain containing concerns; Israel and Antigua are medium high priority and Cyprus has been raised to high priority in 1997 (INCSR, 1996).

Presently, it is revealed by INCSR (1996) that new trafficking routes in Africa and in the lower region of the old soviet regime pose the concern whether traffickers will soon take advantages of the minimally regulated banking systems along these routes. An ever lengthening list of low priority governments include several which were of no concern as recently as two years ago (INCSR, 1996).

In the same vein, too many priority financial centers have still not adopted needed legislation or ratified the convention (the latter include Aruba, Columbia, Mexico, Netherlands Antilles, Nigeria, Singapore, Thailand, Turkey and Venezuela). There is also a substantial question whether the drug trafficking oriented money laundering laws, which many governments adopted in earliest part of this decade are adequate, given recent developments in money laundering practices, the upswing in non drug financial crimes, and the need to adapt to new technologies used in banking, as well as extending laws to include non bank financial institutions (INCSR, 1996).

In line with what has been said above, now, it is very much clear of what is meant by money laundering and its various characteristics features. Essentially, this study was targeted on bank staff of some selected banks. In a simplified analysis, the study was basically meant to investigate knowledge of money laundering and

predisposing factors towards money laundering in Nigeria. The study is meant to be an eye opener concerning extent of knowledge bank staffs have in area of what constitutes money laundering. The study hopes to assess differences between bank executives and other bank staffs on knowledge of predisposing factors towards money laundering. It is believed that this study will add to the existing body of knowledge in the area of financial crimes, and most particularly money laundering. This study is really set to add empirical results on knowledge of predisposing factors towards money laundering. In another vein, it is expected that this study will ignite need for serious control measures by relevant stake holders to know the implications of money laundering especially its damaging effects. In essence, this study will account for the state readiness to co-operate (join hands) to fight money laundering to a stand still. It is hypothesized that there would significant difference between bank executives and other bank staffs on knowledge of drug trafficking as a predisposing factor towards money laundering. It is hypothesized that there would significant difference between bank executives and other bank staffs on knowledge of prostitution ring as a predisposing factor towards money laundering. It is hypothesized that there would significant difference between bank executives and other bank staffs on knowledge of embezzlement as a predisposing factor towards money laundering. It is hypothesized that there would significant difference between bank executives and other bank staffs on knowledge of insider trading as a predisposing factor towards money laundering. It is hypothesized that there would significant difference between bank executives and other bank staffs on knowledge of bribery as a predisposing factor towards money laundering.

METHOD

DESIGN

The study was a survey which specifically adopted and utilized ex-post facto design. This design was found appropriate because the author was not involved in active manipulation of variables (s) of interest. All that was done was mere distribution of questionnaires to the selected participants (i.e. bank staff).

Settings

The study was conducted in three (3) major cities in South Western part of Nigeria, namely Ibadan, Lagos and Abeokuta. Bank staffs of some selected banking institutions in the selected locations were approached for the study. A total of six (6) banks were selected for the study.

Participants

A total of 1,032 participants took part in the study. The personal data of the participants are shown below:

Variables	Group	Frequency	%
Sex	Male	601	58.2
	Female	431	41.8
Marital Status	Single	274	26.6
	Married	493	47.8
	Divorced	143	13.9
	Separated	72	7
	Widow	50	4.8
Educational Status	Less than SSCE/GCE	100	9.7
	SSCE/GCE	218	21.1
	OND/NCE	242	23.4
	BSC/HND	352	34.1
	MSC/MBA/MED	120	11.6
Professional Status	CIBN	71	6.9
	ICAN	422	10.9
	CIMN	379	36.7
	OTHERS	160	15.5
Category of Staff	Bank Executive	467	25.9
	Other Staff	565	74.1
Religion	Christianity	276	26.7
	Islam	486	47.1
	Traditional Worship	190	18.4
	Others	80	7.7
Family Background	Monogamous	676	65.6
	Polygamous	366	34.5
Number of Dependants	1-4	714	69.2
	5-8	278	26.9
	9 and above	40	3.9

Job Tenure	1-5 yrs	265	25.7
	6-10 yrs	649	62.9
	11 yrs and above	118	11.4

N = 1,032

\bar{x} = 36.59 years Standard Deviation = 11.85

Minimum age = 18yrs, Maximum age = 56 yrs

Instrument

The study adopted the use of structured questionnaire for data collection. The questionnaire was made up of two sections, namely Section A and section B. Section A of the questionnaire was designed to measure some personal characteristics of the study participants which included gender, age, marital status, educational status etc. The section B of the questionnaire was designed to assess knowledge of money laundering and knowledge of predisposing factors towards money laundering. The items in this section included: Do you see money laundering as a crime? "Do you agree that money laundering is the processing of criminal proceeds to disguise their illegal origin", "Are you aware of money laundering prohibition Act 2004? e.t.c.

The questionnaire was designed and developed by the author of this study based on literature search done on financial crimes and money laundering and also focus group discussions conducted among some bank staff.

Procedure

The study, being a survey research, was targeted on a number of bank staff. Twelve (12) research assistants were recruited and trained for this task. They were distributed across the three selected cities. The purpose of the study was clearly explained to the study participants and they asked to give very sincere responses to all the questionnaire items. They were therefore assured of utmost confidentiality of their responses. They were asked not to include names.

Out of the distributed 1,200 copies of questionnaire among the selected participants, only 1,032 copies were returned. The retrieved questionnaire was hence subjected to coding

and analysis. This study lasted for 4½ weeks.

Statistical Analysis

Both the descriptive and inferential statistics were employed in analyzing the collected data. The descriptive statistic employed was in form of obtaining Frequencies (Fs), Percentages (%), Means (\bar{x}), Standard deviation (σ) etc. for the data collected. The inferential statistics employed was meant to test the stated hypothesis and this was t-test for independent measures.

RESULTS

The results of the study are shown below:

Table 1: General Knowledge for Money laundering

Table 1.1 Do you see money laundering as a crime?

Response	F	%
Yes	924	49.4
No	108	50.6
Total	1,032	100

Table 1.2 Do you agree that money laundering is the criminal proceeds to disguise their illegal origin?

Response	F	%
Yes	886	57.9
No	116	42.1
Total	1,032	100

Table 1.3 Does money laundering constitute fear to you?

Response	F	%
Yes	648	52.8
No	384	47.2
Total	1,032	100

Table 1.4 Degree of fear of money laundering.

Response	F	%
No Fear	262	6.0
Little Fear	230	41.7
Moderate Fear	200	29.1
Much Fear	240	23.3
Total	1,032	100

Table 1.5: Are you aware of money laundering prohibition Act 2004?

Response	F	%
Yes	652	63.2
No	380	36.8
Total	1,032	100

Table 1.6: Effectiveness of money laundering prohibition Act 2004

Response	F	%
Not Very Effective	14	1.4
Not Effective	225	21.8
Not Sure	349	33.8
Effective	244	23.6
Very Effective	200	19.4
Total	1,032	100

The results above, all through tables 1.1 to table 1.6, indicated general knowledge of money laundering among bank staff. Based on table 1.1, it was revealed 510 (49.4%) of the study participants saw money laundering as a crime while 522 (50.6%) did not see as it as a crime. Similarly, in table 1.2, it was shown that 598 (57.9%) saw money laundering as the processing of criminal proceeds to disguise their illegal origin while 434 (42.1%) of the participants did not see money laundering as that. Furthermore, on table 1.3, the results showed that 545 (52.3%) of the participants indicated that money laundering constituted fear to them while 437 (47.2%) indicated that it was not. The result on table 1.4 which meant to understand the degree of fear money laundering constituted no fear to them; 430 (41.7%) laundering constituted moderate fear to them while 240 (23.3%) indicated that money laundering constituted much fear to them.

In the same vein, the result in table 1.5 which was on awareness of money laundering prohibition Act (2004), revealed that 652 (63.2%) were aware of the Act while 380 (36.8%) were not aware of the act. Based on knowing the effectiveness of the money laundering prohibition Act 2004, it was shown on table 1.6 that 14 (1.4%) of the study participants indicated it was not very effective; 225 (21.8%) revealed that it was not effective, 349 (33.8%) indicated their indecisiveness to this; 244 (23.6%) indicated that it was effective while 200 (19.4%) indicated it was very effective.

Table 2: Knowledge of levels of contribution of predisposing factors to money laundering

	Predisposing factors	No contribution	Little contribution	Much contribution
i.	Illegal Arms Sales	181 (17.5%)	423 (41%)	428 (41.5%)
ii.	Smuggling	279 (27%)	532 (51.6%)	221 (21.4%)
iii.	Activities of organized crime	189 (18.3%)	477 (46.2%)	366 (35.5%)
iv.	Drug Trafficking	139 (13.5%)	503 (48.7%)	390 (37.8%)
v.	Prostitution rings	400 (38.8%)	548 (53.1%)	84 (8.1%)
vi.	Embezzlement	272 (26.6%)	515 (49.9%)	245 (23.7%)
vii.	Insider Trading	271 (26.3%)	520 (50.4%)	241 (23.4%)
viii.	Briberies	568 (55%)	384 (37.2%)	80 (7.8%)
ix.	Computer Fraud	602 (58.3%)	306 (29.7%)	124 (12%)

x.	Schemes	209 (20.3%)	422 (40.9%)	401 (38.9%)
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The table 2 above shows knowledge of predisposing factors toward money laundering. The results showed that 181 (17.5%) of the study of participants saw illegal arms sales as contributing nothing to the prevalence of money laundering; 423 (41%) showed that illegal arms sales had little contribution to the prevalence of money laundering while 42 (41.5%) indicated that illegal arms sales had much contribution of money laundering. Similarly, 279 (27%) of the study participants indicated that smuggling had no contribution to the prevalence of money laundering; 532 (51.6%) indicated it had little contribution to the prevalence of money laundering while 221 (21.4%) participants indicated that it had much contribution to the prevalence of money laundering. Also, 189 (18.3%) showed that activities of organized crime had no contribution on towards money laundering 477 (46.2%) indicated that it had little contribute on while 366 (35.5%) indicated it had much contribution.

Further, 139 (13.5%) indicated that drug trafficking had no contributing towards money laundering; 503 (48.7%) indicated that it had little contribution while 390 (37.8%) indicated that it had much contribution. As regards to prostitution rings, 400 (38.8%) of the study indicated it had no contribution to money laundering activities; 548 (53.1%) indicated that it had little contribution. Based on embezzlement, 272 (26.3%) of the participants indicated it had no contribution to money laundering activities; 515 (49.9%) indicated that it had little contribution while 245 (23.7%) indicated that it had little contribution vein, 271 (26.3%) of the participants, indicated that insider trading had no contribution to money laundering activities; 520 (50.4%) indicated it had little contribution while 241 (23.4%) showed that it had much contribution to money laundering. Similarly, as regards to bribery, it was indicated by 568 (55%) of the participants showed that it had no little contribution to money laundering activities; 384 (37.2%) indicated that it had little contribution; 306 (29.75%) indicated that it had little contribution while 80 (7.8%) indicated that it had much contribution. Along this line, it was also revealed, still based on table 2, that 602 (58.3%) of the study participants indicated that

computer fraud had no contribution to money laundering activities; 306 (29.7%) indicated it had little contribution while 124 (12%) indicated it had much contribution. On the last note, it was established that 209 (20.3%) of the study participants saw schemes as contributing nothing to money laundering activities; 422 (40.9%) of these study participants indicated it had little contribution while 401 (38.9%) indicated it had much contribution.

Table 3: Differences between bank executives and other bank staffs on knowledge of predisposing factors towards money laundering activities.

D.V	Group	N	x	SD	Df	t	P
Trafficking	Bank Executives	467	2.31	.65	1030	2.74	< .05
	Other Bank Staffs	565	2.19	.69			
Prostitution Ring	Bank Executives	467	1.57	.62	1030	-6.24	< .05
	Other Bank Staffs	565	2.01	.75			
Embezzlement	Bank Executives	467	1.92	.64	1030	-2.19	< .05
	Other Bank Staffs	565	2.01	.75			
Insider Trading	Bank Executives	467	1.96	.81	1030	-.57	> .05
	Other Bank Staffs	565	1.98	.61			
Bribery	Bank Executives	267	1.54	.62	1030	.80	> .05
	Bank staffs	765	1.56	.65			

The results in table 3 above showed the difference between bank executives and other bank staffs on knowledge of predisposing factors in money laundering activities. In the first place, it was revealed clearly that there was a significant difference between bank executives and other bank staffs on knowledge of drug trafficking as a predisposing factor towards money laundering ($t(1030) = 2.74, p < .05$), with bank executives ($x = 2.31$) found to report higher mean score than other bank staffs ($x = 2.19$). Similarly, the results showed that there was a significant difference between bank executives and other bank staffs on knowledge of prostitution ring as

a predisposing factor towards money laundering ($t(1030) = -6.24, p < .001$), with other bank staff ($x = 1.80$) found to report higher mean score than bank executives ($x = 1.57$). Further, the results portrayed that there was a significant difference between bank executives and other bank staffs on knowledge of embezzlement as a predisposing factor in money laundering ($t(1030) = -2.19, p < .05$), with other bank staffs ($x = 2.01$) found to report higher mean score than bank executives ($x = 1.92$). However, the results showed that there was no significant difference between bank executive and other bank staffs on knowledge of insider trading, as a predisposing toward money laundering ($t(1030) = -.57, p > .05$). It was also shown on table above that there was no significant difference between bank executives and other bank staffs on knowledge of bribery as a predisposing factor in money laundering ($t(1030) = -.80, p > .05$).

Discussion

The issue of money laundering has been a major issue of concern to most Government officials in many countries. It is really a serious financial crime that can actually impede the development and growth of any country experiencing it. And as such, various efforts have been put in place to really combat the problem of money laundering. For examples in Nigeria, Former President, in person of Chief Olusegun Aremu Okikiola Obasanjo and some of his officials have decided to wage a serious war against the widespread of money laundering among Nigerians (individuals, corporate institutions such as banks etc.), and this gesture has made Nigeria to be supported by the international community. The genuineness of the fight against money laundering made two serving Governors in the Nigeria to be indicted and tried over money laundering activities in London, over which one of the governors was been impeached.

Essentially, therefore not all Nigerians may see money laundering as a serious financial crime and also factors that can possibly promote the prevalence of this financial crime. This was what the study has actually done (i.e. to measure levels of knowledge among bank staff of what money laundering is and factors promoting or encouraging perpetration of money laundering).

Based on the results of the study, it was revealed

and established that fewer participants still saw money laundering as a crime. However, when it was stated what money laundering entails, more participants now saw money laundering as being what it is. Based on the question that “does money laundering constitute fear to them”, more of the study participants indicated that it constituted fear to them while less number of the study participants noted that it did not constitute fear to them. Based on the question of knowing the degree of fear associated with money laundering, 23.3% of the participants indicated it constituted much fear to them; 29.1% indicated it constituted moderate fear to them; 41.7% indicated it constituted little fear to them while 6.0% indicated it contributed no fear to them. Similarly, in order to know the awareness study participants about money laundering prohibition Act 2004, the results indicated that more of the study participants were knowledgeable of the Act. This is really an interesting part of the study. It has meant that Nigerian Government through the Central bank is really trying to raise people’s (i.e. bank staff and the general public) awareness of the prohibition Act against money laundering activities. In fact, there is no bank (both and new generation banks) that one would get to that one would not see the inscription. In order to know the perception of the participants concerning the effectiveness of money laundering prohibition Act 2004, at least more study participants still indicated that it was effective in fighting money laundering.

Based on the results similarly stated above, one would understand that more participants for the study actually understood what money laundering entails. Along this line, the study went further to understand levels of knowledge of predisposing factors towards money laundering (see table 2). It was indicated that more study participants saw illegal arms sales as having much contribution to money laundering. However, more participants identified smuggling as contributing a little contribution towards money laundering. In the same vein, more participants identified drug trafficking as having little contributions towards money laundering. Also, more of the study participants indicated that prostitution rings, embezzlement insider trading and schemes as having little contribution towards money laundering respectively. However, it was revealed that more participants identified bribery

and computer fraud as having no contribution toward money laundering.

Based on the analysis given above, one can understand how the study participants saw various factors that have been identified in the literate as contributors towards money laundering. It was made clear by the results that the participants for the study were differed on knowledge of predisposing factors in money laundering.

Further, the study went further to understand differences between bank executive and other bank staff on knowledge of predisposing factors toward money laundering. The results showed that there was a significant difference between bank executives and other bank staff on knowledge of drug trafficking as a predisposing factor in money laundering whereby bank executives were found to report a higher mean score than other bank staffs. In the same vein, the results showed that there was a significant difference between bank executives and other bank staffs on prostitution ring as predisposing factor towards money laundering in which other bank staffs were found to report a higher mean score than bank executives. This reflects that other bank staffs tend to have more knowledge of the operations of prostitution ring as a relevant factor in money laundering. . In the same vein, the results showed that there was a significant difference between bank executives and other bank staffs on embezzlement as predisposing factor towards money laundering in which other bank staff were found to report a higher mean score than bank executives. This reflects that other bank staffs tend to have more knowledge of the operations of embezzlement as a relevant factor in money laundering than bank executives. However, there was no significant difference between bank executives and other bank staffs on knowledge of insider trading and bribery as predisposing factors towards money laundering respectively.

CONCLUSION

The results above have shown the level of knowledge of predisposing factors towards money laundering. The results revealed that more of the bank staff (both bank executives and other bank staff) were more knowledgeable of predisposing factors towards money laundering. The results

revealed very clearly that other bank staff reported more knowledge of predisposing factors towards money laundering (e.g. prostitution ring, and embezzlement) than bank executives. However, the results revealed very clearly that bank executives reported more knowledge of predisposing factors towards money laundering (e.g. drug trafficking) than other bank staff. The direction of these results reflected that other bank staffs were more knowledgeable of some predisposing factors towards money laundering than other bank executives (i.e. bank staff on top management cadre and upward). However, bank executives and other bank staff were not significantly different on insider trading and bribery as predisposing factors towards money laundering respectively.

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IMPLICATIONS/RECOMMENDATIONS

The study results that some bank staff reported more knowledge of what money laundering is and its different characteristic nature means that more enlightenment programs should be put in place to enlighten the bank staff and some other employees of financial institutions of what money laundering is all about and its characteristic nature. This is important now that a number of techniques that can encourage money laundering have been identified. However, the study findings that other bank staffs seemed to have more knowledge of predisposing factors towards money laundering in terms of prostitution ring, and embezzlement than bank executives indicated that bank executives need to be focused on in the area of the enlightenment programs on money laundering and its dimensions. However, bank executives were found to report more knowledge of predisposing factors towards money laundering in terms of drug trafficking than other bank staff. Aside from promoting knowledge, there is still need for concerted efforts to be put in place to try those found guilty in money laundering activities. The punishment meant for individuals found guilty in money laundering must be great so as to deter people (bank staff and some members of the general public) from getting involved in it.

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