

INTER-GOVERNMENTAL ACTION GROUP AGAINST
MONEY LAUNDERING IN WEST AFRICA

GIABA REPORT

CORRUPTION - MONEY LAUNDERING NEXUS: AN ANALYSIS OF RISKS AND CONTROL MEASURES IN WEST AFRICA

May 2010

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FOREWORD

Conceptually, corruption (along with corrupt institutions and personnel) is a "collaborator" in money laundering and, in practice, it represents a major opposition to anti-money laundering system and measures as the latter can hardly thrive in the absence of the former. The problem is particularly dire in the African region where, for many countries, good governance, integrity, and transparency are uncommon attributes in the conduct of public affairs – which explains why most African countries have consistently **been** rated poorly on the corruption index of Transparency International (TI).

The costs and consequences of the problem are hardly quantifiable, yet, the costs and consequences entailed for Africa in particular, in terms of damage to public and corporate life can, generally speaking, be summed up as follows: enormous loss of government revenue; the undermining of national development efforts and economic potentials; erosion of efficiency, effectiveness and productivity of public services; the tainting of national images and the collaterality of this for foreign investments; the triggering of failures of states as occurred in Liberia or Sierra Leone during the war; and, probably, the financing of armed conflicts and terrorist activities.

In appreciation of the enormity of these twin-problems, their symbiotic relationship, and the cost to development, stability and progress, several global, regional and national legislative and enforcement initiatives have emerged from the 1980s to combat corruption and money laundering e.g. the various U.N. legal instruments; the Transparency International (TI); the Financial Action Task Force (FATF) and its network of Regional Style Bodies (FSRBs); the Extractive Industry Transparency Initiative (EITI); the African Union's Convention on Preventing and Combating Corruption; the Economic Community of West African States Protocol on the Fight against corruption; the Southern African Development Community (SADC) Protocol against Corruption; etc. That is, there has been no shortage of anti-corruption/money laundering instruments, monitoring/enforcement agencies.

Despite the awareness of the problem, the appreciation of the damaging costs, and the well-intentioned prevention/control initiatives, the problem does not seem to be abating, occasional "flashes in the pan" notwithstanding. Among factors responsible for this situation is the dearth of accurate, or at least near-accurate, data on the various dimensions of the problem especially in the West African region. On this problem, even the "digitalized" world only struggles to obtain estimates, talk less of a region that is still virtually "analogue", if not manual, in its operations.

The mutual evaluation reports of GIABA member States revealed that corruption constitutes a main predicate offence for money laundering and that counter measures are encumbranced by the prevalence of corruption. It was in recognition of this that GIABA commissioned a comprehensive study to among others:

(i) Determine, as accurately as possible, the volume, prevalence, types, dominant-character, cost and trend of corruption and money laundering in West Africa as well as the pattern of the relationship between the "twins".

(i) Estimate the proportion of corruption-funds which goes into laundering and for what purposes.

(ii) Determine the usual direction of the money-laundering "flow".

(iii) Find out the extent and category of population involvement.

(iv) Find out the ratification/domestication status of various anti-corruption and money laundering instruments among the West African States.

(v) Examine legislation and enforcement organs specifically targeted against corruption and money laundering to determine their levels of statutory appropriateness and operational efficacy as well as identify their problems and constraints; and

(vi) Make recommendations that would enhance the regional and international efforts to combat these twin scourges.

This report reveals among others that the nexus between corruption and money laundering is a powerful manifestation of the evil of organized crime. It further revealed that the weak level of compliance with extant anti-money laundering standards can be attributed to corruption. That is corruption not only produces, but as well protects, money laundering! This is the message conveyed in this report.

With great pleasure, I note the completion of this project and the far reaching recommendations in this report and commend same to all concerned in order to accelerate the fight against these twin scourges in this region and the world at large.

Abdullahi Shehu
Director General, GIABA

ABBREVIATIONS AND ACRONYMS	
AML	Anti Money Laundering (Provisions/Agency)
APG	Asia Pacific Group
APRM	African Peer Review Mechanism
AU	African Union
AUCPCC	African Union Convention on Preventing and Combating Corruption
BCEAO	Banque Centrale des Etats d'Afrique de l'Ouest
CBN	Central Bank of Nigeria
CDD	Customer Due Diligence
CDD/G	Centre for Democratic Development (Ghana)
CENTIF	Cellule Nationale de Traitement des'Information financière
CHRAT	Commission for Human Rights and Administrative Justice (Ghana)
CPI	Corruption Perception Index (TI)
DFID	Department for International Development
DNFPBs	Designated Non-Financial Businesses and Professions
EAGB	Electric Power Corporation of Guinea-Bissau
ECOWAS	Economic Community of West African States
EFCC	Economic and Financial Crimes Commission (Nigeria)
EITI/NEITI	Extractive Industries Transparency Initiative/Nigerian Extractive Industries Transparency Initiative.
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FATF	Financial Action Task Force on Money Laundering
FIRS	Federal Inland Revenue Service(Nigeria)
FRN	Federal Republic of Nigeria

GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
HDI	Human Development Index (UNDP)
ICPC	Independent Corrupt Practices Commission (Nigeria)
MER	Mutual Evaluation Report
MLA/MLAT	Mutual Legal Assistance/ Mutual Legal Assistance Treaty
NDLEA	National Drug Law Enforcement Agency (Nigeria)
PEP	Politically Exposed Person
FIU/NFIU	Financial Intelligence Unit/ Nigeria Financial Intelligence Unit
SAR	Suspicious Activity Report
SFO	Serious Frauds Office (Ghana)
STR	Suspicious Transaction Report
TANA	Technical Assistance Needs Assessment
TI	Transparency International
UNAC	United Nations Convention against Corruption (a.k.a Merida Convention)
UNTOC	United Nations Convention against Transnational Organized Crime (a.k.a Palermo Convention)
VI	Vulnerable Individual
WAEMU	West African Economic and Monetary Union
WGTYP	Working Group on Typologies

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EXECUTIVE SUMMARY

Introduction

I. In furtherance of its mission to support member states in establishing efficient and effective AML/CFT regimes consistent with international standards and best practices, the Inter-governmental Action Group against Money Laundering in West Africa (GIABA) commissioned this research on the corruption/money laundering nexus in West Africa. The overriding aim is to provide a contextual and better understanding of the nexus between corruption and money laundering in order to enhance the implementation of international and regional AML standards in the region.

II. The following constitute the specific objectives addressed by the study:

- **i.** Analysis and understanding of available literature and work already undertaken on the link between corruption and money-laundering;
- **ii.** Identification of corruption techniques and trends in the region;
- **iii.** Determination of the impediments which corruption creates in the way of effective implementation of international anti-money laundering standards in the region;
- **iv.** Examination of the adequacy of existing Mutual Legal Assistance (MLA) Agreements to assist with the pursuit and recovery of the proceeds of corruption;
- **v.** Identification and case studies of PEPs (Politically Exposed Persons) or VIs (Vulnerable Individuals); and
- **vi.** Suggestions on regulatory safeguards, education and training programmes against the inhibition of anti-money laundering regimes by corrupt activities.

III. The expected outcome included the provision of a deeper understanding of the nexus between corruption and money laundering, knowledge about how the former undermines the implementation of provisions against the latter, and suggestions to minimize the vulnerabilities of AML regimes to corruption in member states of the region.

Methodology

IV. The research design on sampling, variables, methods of data-collection, and techniques of data-analysis were dictated by the study objective. Research Associates were identified and appointed for the sampled member States: Benin, Cote d'Ivoire, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal and Sierra Leone. Thereafter, a pre-Project Experts Meeting was convened to brief the Research Associates about the objectives and overall design of the research; to expose them to relevant background international literature documents; to acquaint them with the seven (7) field instruments for their in-put and fine-tuning; and to outline standard modalities for the actual execution of the field-work as well as a uniform format for data-analysis and write-up of Country Reports. A post-

Project Experts Meeting of the Research Associates was convened for the consideration of a draft integrated Report based on the Country-Reports and the background literature.

V. The types of information sought by the designed variables, the instruments used for data-collection and the information-sources and target-respondents were again guided by the objectives of the research. The main instruments of data-collection, seven (7) in all, consisted of Questionnaires to obtain information on perceptions/opinions directly from target-respondents, and Formats to extract both quantitative and qualitative data from control, regulatory, enforcement and judicial agencies, as well as from official legal and socio-economic documents, "local" literature and newspapers/magazines for the period of 2003-2007. And the target-respondents were largely made up of high-echelon officials of control/regulatory/law-enforcement/judicial agencies as well as those of private corporate organizations.

VI. The tenor and emphasis of the research is neither technically "investigative" nor "evaluative". Rather, it is more of an information-gathering and exploratory study which relies on a combination of documentary sources and primary data (especially the latter) from the perceptions and opinions of officials whose work is directly or indirectly related to the control of corruption and money laundering.

VII. The execution of the study experienced certain methodological challenges in the field: a dearth of "local" literature, especially on money laundering and its link with corruption; virtual lack of reliable and valid official statistics on the "twin crimes" and processed PEP cases; respondents' unwillingness/reluctance to spare required time/offer information on the types of crime in question; and respondents' relative low-awareness of relevant conventions/ protocols and of GIABA. However, these challenges were fairly well-managed and the patterned-findings and recommendations contained in this Report should be taken as valid, being reflections of the dominant or "aggregated" tendencies in the region.

Findings

VIII. Broadly considered, the findings of the field-survey (primary data) are significantly and substantially confirmatory of the available existing literature (secondary data) on all the substantive terms of reference.

IX. Corruption is prevalent, virtually endemic and institutionalized, with the following most dominant variety of techniques for its perpetration:

- **i.** Embezzlement, misappropriation, or other diversions of public property/funds by government officials;
- **ii.** Bribery of Government officials;
- **iii.** Inflation of contracts and over-invoicing for public works and procurement;
- **iv.** Abuse/ misuse of office for personal gains
- **v.** Trading in "influence" to get things done or not done; and

vi. Illegal transfer or taking of money abroad.

X. Trend-wise, the problem of corruption in 2007 suggests both quantitative and qualitative increase when compared with 2003, even though the period also shows a trend towards increased anti-corruption and money laundering legislation and enforcement efforts.

XI. Awareness of international AML provisions (e.g. FATF Recommendations) is very low, even among high-echelon functionaries of agencies and bodies (public and private) responsible for the prevention and control of money-laundering. Relatedly, the issue of organizational compliance with the international standards is a "non-starter" i.e. very weak in most of the sample states.

XII. Even though a greater proportion of the proceeds of corruption appears overall to be laundered and used internally, the proportion illegally transferred abroad is through financial corporate organizations (banks and non-banks) and business/trade "partners".

XIII. In spite of "local" anti-money laundering legislations/regulations and control/enforcement agencies, however rudimentary or nominal in certain cases, their enforcement is impeded by an assortment of corrupt practices, especially by PEPs, and disabled/corrupt institutions and personnel. Differently put, observed weak level of organizational compliance with extant anti-money laundering provisions cannot be seriously attributed to a lack of knowledge of the provisions nor an absence of primary/specialized AML agencies. The responsibility lies somewhere else: abuse/ misuse of office for personal enrichment/benefit in isolation or, in combination with bribery/corruption of enforcement and judicial personnel, constitute the major impediment to the effective implementation of AML provisions. That is corruption not only produces, but as well protects, money laundering.

XIV. There is little knowledge of the meaning of "Mutual Legal Assistance" and most of the member states do not have formal MLA Agreements or treaties with pertinent other countries. Rather, they rely on their membership of ECOWAS/GIABA as well as on non-mandatory inter-governmental bilateral understandings and/or non formalized routes for such assistance. However, there is expression of overwhelming support for entry into MLA Agreements, given the recovery-benefits of such Agreements with respect to stolen/laundered funds.

XV. "*A priori*" identification of PEPs is rare even though they are "obvious" or "known" to the general population. Their "identification" is usually "*posteriori*", through arrests/indictment/prosecution/trial/conviction (of which there are relatively few officially recorded cases) and/or exposure by the mass-media (which are somewhat constrained in the Franco-phone countries). Still, the primary survey data suggest that PEPs are made up mostly of high-level government officials, political office-holders, police/law-enforcement and judicial officials, as well as high level private personnel.

XVI. More insidious and reflective of the prevalence of corruption in the region is the identification of "Vulnerable Individuals", middle and lower cadre officers who are

"forced", as it were, by their socio-economic conditions of existence (largely created by the development problems occasioned via adverse effects of the corruption and money-laundering of PEPs proper) to engage in corrupt practices . The insidiousness inheres in the reality that it is this cadre of officers that is better positioned to block the corrupt and money laundering activities of PEPs e.g. as routine government workers, bank operatives, potential "whistle blowers", etc

Recommendations

XVII. Based on a combination of suggestions from existing literature/knowledge and the patterned-findings from the survey, particularly opinions on "best practices", the following recommendations are made for the minimization of the impediments which corruption creates in the way of the effective implementation of anti-money laundering provisions.

XVIII. Since corruption produces the proceeds for laundering as well as helps in frustrating the effective functioning of the agencies for the prevention and control of laundering, Governments of the region must, first and foremost, show observable political will and commitment to combat corruption. Such will and commitment have to be manifested with the following:

i. Ensuring the meaningful domestication of the ECOWAS protocol, AU and UN conventions against corruption within the shortest possible time where this has not been done;

ii. Ensuring that anti-corruption laws are strict and punitive/deterrent enough, and are free of loopholes as well;

iii. Ensuring the empowerment, operational and funding independence of anti-corruption agencies, without any executive interference whatsoever; and

iv. Ensuring leadership by example in terms of integrity, transparency and accountability of high-level political office holders, public officers, and private sector chieftains and management. The importance of this recommendation is underscored by the fact that laws and their enforcement agencies cannot be effective in the face of leaders interfering political convenience and/or protection of self-interest. It also emphasizes the need to recognize the imperative of a wider integrity system and a virile anti-corruption agency for effective implementation of AML regimes.

XIX. The foregoing recommendation that relevant or applicable national anti-corruption and money-laundering laws should be amended/upgraded to bring them to par with international standards also implies the following, among others:

i. Coverage of private sector corruption and corporate service providers;

ii. Provisions for investigation and necessary action against unexplained wealth;

iii. Provision for "whistle blower" protection safeguard;

iv. Closing known loopholes in legislations and their enforcement;

v. Separation of the post of Minister of Justice from that of Attorney General, as applicable;

vi. Establishing and monitoring Asset Registrars for the pertinent categories of the population to discover illicit wealth/enrichment; and

vii. Statutory guarantee of the operational and financial independence of anti-corruption and money-laundering enforcement agencies and of their freedom from control or interference by the executive arm of governments, in order to protect their integrity and enhance their effective performance.

XX. For speedy dispensation, specialized courts should be created, and in adequate number, for the exclusive handling of corruption and money-laundering cases, subject to the emplacement of strict code of conduct and restricted immunity for the judges of such Courts.

XXI. Both informal (proactive) and formal(reactive) types of MLA should be employed, as appropriate to circumstances and, similarly, both the civil and criminal routes should be used, again as dictated by circumstances, in pursuit of asset recovery.

XXII. Governments should align the structure of their anti-corruption and money laundering agencies to function in an organic and integrated manner. In the alternative, inter-agency cooperation should be made mandatory, with structured inter-agency checks and balances. And importantly, there should be recognition of the desirability of exploiting the anti-corruption potential of AML regimes to fight corruption, in order to reverse the observed trend of relative failure by each of the two categories of agencies as they currently operate in isolation of each other.

XXIII. Governments of the region, perhaps with support of international and regional organizations, should deliberately build and strengthen both the human and material capacities of their specialized agencies for the prevention and control of money-laundering e.g. appropriate training in investigative skills, knowledge of the global financial system, information technology, etc, as well as provision of modern technical equipments and tools of detection and investigation, which GIABA has been trying to provide.

XXIV. Governments should provide personnel of their anti-corruption/money laundering agencies with enhanced pay and other attractive conditions of service, well over and above those applicable to the general public service, along with penalties that are stricter than those applicable to the general population for any act of corruption or collaboration on their part.

XXV. Specialized training should be provided on periodic basis, with the aid of international and regional anti money laundering institutions, for policy and executive personnel of relevant public and private sector organizations on anti-money laundering conventions

and instruments e.g. the provisions and essence of the FATF 40 + 9; the objectives, modalities, and benefits of MLA Agreements, etc.

XXVI. Central Banks in the region should strengthen their oversight and monitoring functions over private-sector commercial banks and other non-bank financial institutions, with particular regard to their due diligence and reporting obligations, and should sanction erring ones accordingly and timely and to the public knowledge of relevant others.

XXVII. In addition to whatever existing "understandings" with international bodies and/or foreign governments, all countries in the region should endeavor to consummate MLA Agreements with other countries that are actual or potential havens for their stolen and laundered money. However, such Agreements should take the following into consideration:

i. The need for simplification of the process of request for assistance and its service, devoid of cumbersome legal technicalities;

ii. The need for the simplification of the process for the recovery/return of proven stolen/ laundered money, without extortionist commission charges and within specified time-limit;

iii. The need to include foreign individuals and business enterprises as liable parties; and

iv. The need to have a recourse to an arbitrative third-party authority in case of default.

XXVIII. The definition of PEPs should be guided by the governments on the basis of a risk-based approach, instead of relying on the definition and discretion of commercial banks and DNFBPs.

XXIX. Civil-society organizations should be statutorily empowered and encouraged to assume the role of "naming and shaming" in matters of corruption and/or money laundering.

XXX. Governments of the region must endeavor to progressively improve the socio-economic conditions of existence of the generality of the population, particularly the lower and middle cadres of the public service.

XXXI. GIABA should carry out a separate study of the phenomenon of "internal money laundering" indicated by findings in this research.

XXXII. GIABA should contextualize the current international conception of PEPs to take into account the region's characteristics and peculiarities with respect to corruption and related practices e.g. predominance of cash transaction economy, informal sector, and the existence of VIs.

XXXIII. GIABA should construct/design Data-collection Formats for standardized and uniform application in the region to collect, for analysis and publication on an annual basis, valid

and reliable information on money-laundering cases and socio-economic and other characteristics of arrested/indicted PEPs.

XXXIV. GIABA in collaboration with relevant national agencies in member States, should be provided funds to engage in deliberate propagation of its existence, mandate, programmes and activities among both target public and the general population in the region.

CHAPTER ONE: INTRODUCTION

Background and Objectives

1. The West-African region is made up of countries that vary on a number of demographic and economic characteristics: land-mass, population-size, political stability, growth rate (GDP), foreign-reserve, inflation and unemployment rates. While a few of the countries rely on oil and minerals (e.g. Nigeria, Liberia and Sierra-Leone) for their foreign earnings and the others mainly on agricultural exports, the overwhelming majority of their populations are employed in the agricultural sector. See Table 1 below.

2. However, there are observable important commonalities among the states of the region. Besides commercially-useful geographical contiguity ,and rich exploitable coastlines, majority of their populations are poor, regardless of whether this manifests as "poverty in a poor economy" or as "poverty in a rich economy". The GDP rate of growth or the amount of foreign reserve notwithstanding, they all rank low in the UNDP Human Development Index (HDI), year-in-year-out. And perhaps most relevant here, they all score very high, and rather perennially too, on the Corruption Perception Index (CPI) of Transparency International (TI). In addition to Table 1 below, see GIABA's TANA Report (2009) for a fairly comprehensive description of the demographic, socio-economic, and political characteristics of all the countries of the region as of 2007.

3. Furthermore, they are all members of the Economic Community of West-African States (ECOWAS) and its anti-money-laundering organ, the Intergovernmental Action Group against Money Laundering in West Africa (GIABA) which is mandated to deal with the problem of money-laundering and related crimes across the region. Thus, it is in furtherance of its mission to support member states in establishing efficient and effective AML/CFT regimes consistent with international standards and best practices that the Inter-governmental Action Group Against Money Laundering in West Africa (GIABA) commissioned this research on the corruption/money laundering nexus in West Africa. The overriding aim is to provide a contextual and better understanding of the nexus between corruption and money laundering in order to enhance the implementation of international and regional AML standards in the region. This effort is in line with a global initiative which started in 2006 [1].

[1] The FATF and APG had agreed, in 2005, to explore the relationships between AML/CFT and anti-corruption efforts, with particular reference to how corruption might undermine AML/CFT implementation [see FATF/PLEN (2007)37 of 21 Sept. 2007].

TABLE 1: AGGREGATED DEMOGRAPHIC, SOCIO-ECONOMIC AND POLITICAL CHARACTERISTICS OF THE SURVEY SAMPLE OF WEST-AFRICAN STATES (2003-2007).

	Country	Land-Area (Sq. Km)	Population (Millions)	Political Stability	GDP (Growth Rate)	Main Forex Earner	Foreign Reserve (US$D Billion)	Inflation Rate	Unemployment Rate	UNDP HDI	T.I./CPI (Total of 179)
1	Benin	114,763	9.08	Stable	4.3%	Agriculture	0.82	2.60%	9.0%	0.442	118
2	Cote d'Ivoire	322,000.	18.00	Unstable	1.5%	Agriculture	1.73	3.20%	3.20%	0.922	150
3	Ghana	239,460	22.00	Stable	5.50%	Agriculture	1.69	14.00%	14.00%	0.553	69
4	Guinee-Bissau	36,125	1.70	Unstable	3.50%	Agriculture	0.08	15.00%	N.P.	0.374	147
5	Liberia	96,000*	3.48	Fairly Stable	6.30%	Minerals	0.05	11.4%*	N.P.	0.351	150*
6	Nigeria	923,768	148.50	Fairly Stable	6.90%	Oil	29.20	12.30%	4.86%	0.470	147*
7	Senegal	196,712	12.40	Stable	4.72%	Services	1.33	5.90%	48.00%	0.499	71
8	Sierra-Leone	73,325	4.90	Stable	10.3%*	Minerals	0.12	11.00%	5.6%*	0.340	150 *

Source: Extraction from Country-Reports by Research Associates.

source Foreign Reserve: IFS foreign exchange (IMF)

N.P. = Not Provided (by the Research Associate)

* Source: African Economic Outlook

* Given Nigeria's performance on the HDI, the macroeconomic picture may not fully or accurately reflect the performance of the economy in terms of progression along the path of human development. And this observation may apply in varying degrees to the data provided and presented here on the other Countries.

4. The following constitute the specific objectives addressed by the present study:
    - **i.** Analysis and understanding of available literature and work already undertaken on the link between corruption and money-laundering;
    - **ii.** Identification of corruption techniques and trends in the region;
    - **iii.** Determination of the impediments which corruption creates in the way of effective implementation of international anti-money laundering standards in the region;
    - **iv.** Examination of the adequacy of existing Mutual Legal Assistance (MLA) Agreements to assist with the pursuit and recovery of the proceeds of corruption;
    - **v.** Identification and case studies of PEPs (Politically Exposed Persons) or VIs(Vulnerable Individuals); and
    - **vi.** Suggestions on regulatory safeguards, education and training programmes against the inhibition of anti-money laundering regimes by corrupt activities.

5. It was expected that the outcome of the study would provide a better understanding of the links between money-laundering and corruption, of how the latter can and does undermine the effectiveness of anti-money laundering regimes, and of the specific vulnerabilities of those regimes to corruption. The outcome was also expected to provide guidance to member states to reduce the vulnerabilities of their AML regimes to corruption.

Methodology and Limitations

6. With a well-considered research design on sampling, variables dictated by the research objectives, methods of data-collection, and techniques of data-analysis, Research Associates were identified and appointed for the sampled member states: Benin, Cote d'Ivoire, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal and Sierra Leone. Thereafter, a pre-Project Experts Meeting was convened **to brief** the Research Associates about the objectives and overall design of the research; **to expose** them to relevant background literature/documents; **to acquaint** them with the field instruments for their in-put and fine-tuning; **and to outline** standard modalities for the actual execution of the field-work as well as a uniform format for data-analysis and write-up of Country-Reports. A post-Project Experts Meeting of the Research Associates was convened for the consideration of the draft integrated Report based on the Country-Reports and the background literature.

7. A note on the sample states may be pertinent at this point because of issue representativeness and extrapolation off the findings to the entire region. To start with, the cost of covering the entire population of states is rather prohibitive and actually unnecessary, considering certain commonalities germane to the subject matter of the study and shared by countries of the region as highlighted in paragraph 2 above. Furthermore, and importantly so, the eight sampled countries purposively selected for the sample are representative of observable variations in population, size, economic attributes and language. Again, regulatory and control instrumentalities targeted by the study in the sample States are similar to those in the other States of the region in terms of mandate and expectations. In other words, the sample can be considered representative enough for the purpose of the study and the findings can, with appropriate caution, be extrapolated to the whole region.

8. Now, it should be helpful to highlight the types of information sought by the designed variables, the instruments used for data-collection and the information-sources and target-respondents. Guided by the objectives of the research, information-items sought covered corruption techniques and trends, impediments created by corruption in the way of effective implementation of standards by AML institutions, existence and adequacy of MLA Agreements, characteristics of PEP/VI cases, and suggestions of safeguards against the inhibition of the effective functioning of AML regimes by corruption.

9. The main instruments of data-collection, seven (7) in all, consisted of Questionnaires **to obtain** information on perceptions/opinions directly from target-respondents, and formats **to extract** both quantitative and qualitative data from control, regulatory, enforcement and judicial agencies, official, legal and socio-economic documents, "local" literature and newspapers/magazines for the period of 2003-2007. The extractions included a total of 130 PEP processed or ongoing cases across the sampled States (excepting Cote d'Ivoire, Liberia and Senegal where the Research Associates did not report such processed cases).See Table 2 below.

10. The target-respondents were largely made up of high-echelon officials of control/regulatory/law-enforcement/judicial agencies as well as those of private corporate organizations, such as banks. Covering an average of about fifteen (15) such agencies and organizations per each sampled state, a total of 291 target-respondents were involved, ranging from 26 in Benin, through 34 Cote d'Ivoire and 36 in Guinea-Bissau, to 78 in Nigeria[2].

TABLE 2: FIELD RESEARCH INSTRUMENTS AND METHODS*

INSTRUMENT	POPULATION/MATERIAL COVERED	METHOD
A	Public and Private Corporate Organizations	Sample Survey/Descriptive Statistics
B	Corruption /ML Cases	Secondary Data from Control/ Regulatory bodies
C	Politically-Exposed Person (PEPs)	Sample Survey/Descriptive Statistics
D	Dailies, Magazines, and Documents	Content Analysis
E	Extant Statutory Provisions	Content Analysis
F	Available Local/Country-Specific Literature	Literature Search and Review
G	Socio-Economic and Political Context Data	Secondary data collation

* See Appendices I^A to I^G and II

[2] Organizational-types covered included the following: Police and other law-enforcement and security agencies; anti-corruption and money-laundering-specific outfits; customs immigration and tax/revenue collection bodies; central banks; judiciary; government ministries and parastatals; law-making/parliamentary institutions; and private sector corporate bodies such as banks, chambers of commerce and professional institutes.

11. Again, it is important to state here that the research is not "investigative" in the manner of the "pursuit" and documentation of cases from detection through the labyrinth of investigation/arrest to prosecution, disposition etc. It is also not directly "evaluative" because the ingredients that could enable an evaluative research on the subject across borders in the region are not present at the moment. Rather, it is more of an information-gathering and exploratory study which relies on both secondary/documentary sources and primary data from the perceptions and opinions of officials whose work is directly or indirectly related to the prevention/control of corruption and/or money-laundering.

12. In other words, though similar in terms of objectives, this study is methodologically varied from that of the Eastern and Southern Africa Anti-Money Laundering Group (ESSAMLG). For instance, while the latter relied heavily on an analysis of international anti-corruption/money laundering regimes and the regions inter-country peer-review/mutual evaluation reports (ESSAMLG, 2009:14), this study jettisons the "legalistic" and dwells on the "social-scientific" and the non-attributive knowledge and understanding of officials in relevant agencies and bodies. This distinctive orientation is important and noteworthy because, regardless of the form and contents of international/regional protocols and national legislations, it is the knowledge and understanding of the protocols and legislative by these officials that matter and make a difference in implementation at the end of the day.

13. Perhaps not unexpectedly, Research Associates and their Field Assistants experienced a number of limitation-imposing challenges in the administration of the research instruments across sampled states in varying degrees. These need highlighting, even if summarily ,and they include the following:

    a) Dearth of literature on money laundering and its link or relationship with corruption;
    b) Lack of complete, rich, valid, or reliable official control/enforcement records on corruption and money laundering as well as on PEPS;
    c) Respondents' unwillingness to spare the time required for the completion of questionnaires;
    d) Respondents' reluctance to offer information on matters of corruption and money-laundering for "fear" of tarnishing the image of their organization and/or country, or reprisals;
    e) Respondents' ignorance of international/regional protocols and national legislative regimes[3];
    f) Sheer refusal to cooperate with the study[4]; and
    g) Low-awareness of GIABA as an "authority" in the region, relative to, say, the UN or the World Bank.

[3] The Ghana Country-Report, for instance, says: "There was also 'fear' and embarrassment of public officials exposing their ignorance about legislative regimes to which Ghana is a signatory".

[4] Illustrative of this "sheer refusal" is the case of Nigeria's Economic and Financial Crimes Commission (EFCC) and the NFIU (Nigeria Financial Intelligence Unit)-both generally acclaimed as most active in the region. The Country-Report states: "The most uncooperative organizations surprisingly were the EFCC and NFIU. Several attempts were made to get data for 'B' instrument on known cases of AML/CTF for 5 years as well as for the 'C' instrument without success. Although some of the EFCC and NFIU staff were willing to give the needed information, it was on condition that the Chairman of the EFCC granted them permission. In view of this, a letter was written to the Chairman with a sample of the instrument attached. This also did not yield any result----".

14. To the extent that these challenges were not evenly distributed across the sample states, the sum of their impact on the preparation of the Country-Reports was varied. However, regardless of the difference of the impact across the states, they created problems for the production of this overall/organic Report as indicated below.

15. Upon the receipt of the Country Reports, except in about three cases, certain emergent limitations[5] were revealed, probably arising from the difficulties encounted in the execution of the field-work, as well as the challenges related to the harmonization of instruments across three language borders (English, French, and Portuguese). In sum, the limitations created some problems of consistency, comparability, and integration with respect to the production of the overall Report. The planned monitoring by the Chief Consultant to the sampled locations during the execution of the field-work, and which would have minimized the challenges identified, was not carried out due to financial constraints by the part of GIABA.

16. However, as the integrated Report has cleaned-up the Country-Reports and worked around the emergent problems to override the limitations, the validity of this final Report is guaranteed, especially in terms of patterned-findings and recommendations. That is, the substance of the "integrated" findings and recommendations therefrom, are un-affected by the emergent problems highlighted.

17. The findings and recommendations presented are based on a combination of the review of available literature and the analysis of the survey data (both quantitative and qualitative), the latter being found to be substantially confirmatory of the former. And the findings reflect only the dominant tendencies, mostly insignificant variations in emphasis, here and there, notwithstanding.

Organization and Presentation of Report

18. The remainder of this Report is organized into six Chapters, along the lines of the objectives of the study as presented below. Chapter Two is an analysis of available literature and work already undertaken with respect to the matters covered by each of the objectives. Chapter Three dwells on the identification of the dominant corruption techniques in the region as well as on the observed trend. In Chapter Four, the impediment which corruption creates in the way of effective implementation of anti-money laundering regimes in the region are determined and highlighted. Chapter Five is a consideration of the existence and adequacy of Mutual Legal Assistance (MLA) Agreements in the region for the pursuit and recovery of the proceeds of corruption. In Chapter Six, Politically Exposed Persons (PEPs) and Vulnerable Individuals (VIs) are identified and discussed. And Chapter Seven provides suggestions on regulatory safeguards, education, training programs, and related matters to minimize the inhibition of the implementation of anti-money laundering regimes by corrupt practices in the region.

[5] Examples of lapses that create the limitations include instances of the following: submission of raw/nominal figures without any analysis, even in percentages; incomplete tables/internally-contradicting tables; general observations where statistical data are required; non-categorical statements on status of ratification/domestication of protocols; non-adherence to prescribed analytic and/or write-up frameworks; deficient acknowledgement of sources, etc. perhaps understandably, these instances are rather pronounced with non-English speaking countries.

CHAPTER TWO: BACKGROUND LITERATURE

19. This Chapter is aimed at meeting the first objective of the study: an analysis of available literature and work already undertaken by relevant international and national bodies and individuals on the link between corruption and money laundering. The literature examination covers the formal/legal conceptions of corruption and money-laundering; corruption techniques and trends; the nexus between corruption and money-laundering; impediments corruption creates for the effective implementation of AML regimes; Mutual Legal Agreements in the region; Politically Exposed Persons; and suggestions to minimize the adverse effects of corruption on the implementation of AML regimes. The review here is also informed by what is provided in the Country Reports[6].

20. It is important to state, *ab initio*, that while literature on corruption in the region may be considered fairly rich (particularly if the mass-media is accepted as a veritable source), its quantum and quality on money laundering and the nexus between corruption and money laundering almost amount to a "dearth". This dearth should be understandable in the contexts of the usual lag in knowledge and policy between developed and developing countries as well as the recency of the appreciation, even in international organizations, of the crucial symbiotic relationships between corruption and money laundering (Chaikin and Sharman, 2009: 2-3).

On Formal/Legal Conceptions of Corruption and Money-Laundering

21. The United Nations Convention Against Corruption (2003) did not define corruption but dealt with its various manifestations 'the Africa Union (AU) Convention Against Corruption defined it only as "the acts and practices including related offences proscribed in this Convention' 'and, the ECOWAS Protocol on the Fight Against Corruption did not provide a definition of corruption. However, simply conceptualized, corruption is the abuse and/or misuse of public or private-corporate office for private gain, monetary or otherwise. And money laundering is "obscuring the illicit origins of money derived from crime" (Chaikin and Sharman, 2009:14). It is on the basis of these conceptions that the literature on the statutory provisions in the region against the offences is considered.

22. The formal conceptions (and prohibitions) of corruption and money-laundering in the region appear to pre-date international/regional conventions and protocols on the crimes, even though their coverage, refinements, specificities, and intensifications are definitely consequences of the latter. The meaning of this is that, with the possible exceptions of Guinea-Bissau, Liberia, and Senegal, the countries of the region had manifested a formal concern with the issue of corruption, if not with that of money-laundering. [7] For instance:

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[6] While some of these (e.g. Ghana) cite numerous sources, others (e.g. Benin) fail to provide any. The Ghana Country-Report for example, lists more than thirty (30) literature-items, ranging from reports of commissions of enquiry, annual Auditor-Generals reports, to national surveys on corruption by anti-corruption and other research bodies and/or academic publications. On the other hand, again for example, the Benin Report lists no citation whatsoever, and Cote d'Ivoire's Report states: "We could not get written documents or others relating to the fight against corruption---".

[7] On this, it has been justifiably argued in some literature that the recent or belated concern of developed countries and international bodies with money-laundering has been occasioned only by its link with the financing of terrorism.

i. Benin has had Order No. 73-51 of 18 June, 1973 for the suppression of frauds in examinations and public competitions; Order No. 76-04 of January, 1976 for the disciplinary suppression of embezzlements by military and paramilitary elements; and Order No. 86-06 of 11 February, 1980 for the disciplinary suppression of embezzlements and certain criminal offences committed by Government officials and local government employees.

ii. Cote d'Ivoire has had an anti-corruption law since 1977: Law No. 77-427 of 29 June, 1977.

iii. Prior to the 1992 Republic Constitution of Ghana, the country's Provisional National Defence Council (PNDC) Law 78, Sections 9(1)(a) and (b), had made corrupt or 'reckless' practices that could lead to losses to the state an offence.

iv. Nigeria has had a specific Schedule on "Code of Conduct for Public Officers" in its 1979 Constitution as the Fifth Schedule which forbids corruption, un-explained wealth, and ownership of accounts in foreign countries/banks (FRN, 1999: 151-7).

23. However, with the advent of the FATF 40 + 9 Recommendations, the ECOWAS Protocol on the Fight Against Corruption (2001), the African Union Anti-Corruption Convention (2003), and the United Nations Convention Against Corruption (2003), etc., the countries of the region have updated, widened, and refined their formal/legal conceptions of the crimes of corruption and money-laundering. That is, in addition to subscribing to these Recommendations, Protocol, Conventions and other related international undertakings on the matter, most have domesticated them, even if only partly and/or indirectly.[8] Indication of such subscriptions and domestication can be illustrated with respect to the FATF Recommendations on which ECOWAS member States decided in 2000 to establish GIABA "to promote and coordinate the regional AML/CTF efforts" as well as with the fact that "all member States have specifically enacted their AML legislations"(GIABA, 2009:10). Indeed all the Fifteen member States of ECOWAS have signed the UNCAC and most of them have ratified it, even though ironically the ECOWAS protocol Against Corruption is yet to come into force as the minimum required signature of Nine States has not been procured.

24. Benin has the following legal provisions. Directive No. 02/200/CM/UMOA of 29 June, 2000 on the adoption of the Code of Transparency in the Management of Public Funds; Decree No. 2001-39 of 15 February, 2001 on the General Regulation of Public Accounting; Decree No. 2004-436 of 12 August, 2004 on the Ratification of UNCAC; Decree No. 2004-564 of 1 October, 2004 on the Mission, Organization, and Operation of Public Contracts Awarding Units; and Decree No. 2008-180 of 8 April 2008 on the Establishment, Mission, Organization and Operation of the Anti-Corruption Observation.

25. In Cote d'Ivoire, besides the anti-corruption law No. 77-427 of 29 June, 1977, there is Law No. 2005-554 of 2 December, 2005, against money-laundering. And to assist in the repatriation of stolen funds, the country has signed Mutual Legal Assistance Agreements with France and Switzerland (Europe), and Mali and Tunisia (North Africa). Furthermore,

[8] The accurate status/dates of ratification of the protocol and conventions by the member states in the source cannot be verified from the Country Reports but legal provisions referred to therein suggest their domestication in varying degrees.

her membership of the West African Economic and Monetary Union (WAEMU) confers additional regional assistance in tackling the problem.

26. With regard to Ghana, she has an array of legislations against corruption and (more recently) money-laundering. The 1992 Republican Constitution mandates the State to "take steps to eradicate corrupt practices and the abuse of power". Others are the Serious Fraud Act (466) of 1993; the Declaration of Assets and Disqualification Act of 1998; the Audit Service Act of 2000; the Financial Administration Act (645) of 2003; the Internal Audit Agency Act (658) of 2003; the Procurement Act (663) of 2003; the Financial Administration Regulation Act (645) of 2003; and the Whistle Blower Act (720) of 2006. Specifically against money-laundering, there is the Money Laundering Act of 2007, an upgrade of the Narcotic Drugs (Control, Enforcement and Sanctions) Law (PNDCL 236) of 1990 which contained express provisions on money laundering related to narcotic offences.

27. Perhaps most comprehensive in coverage are Nigeria's specific anti-corruption and money-laundering legislations as provided for in the Corrupt Practices and Other Related Offences (Establishment) Act of 2000 and the Economic and Financial Crime Commission Act of 2003, respectively. The latter Act also pointedly empowers the Commission to co-ordinate the enforcement of all earlier pertinent laws on regulations relating to economic and financial crimes e.g. the Banks and Other Financial Institutions Act of 1991, as amended; the Failed Banks (Recovery of Debts) and Financial Malpractice in Banks Act of No. 18 of 1994, as amended; the Advance Fee Fraud and Other Related Offences Act No. 13 of 1995; the Anti-Money Laundering Act No.3 of 1995; Etc. (Shehu, 2006: 295-323). In addition, the country has operationalized its accession to the Extractive Industries Transparency Initiative (EITI) with NEITI Act of 2007 to combat corruption and enhance transparency in the oil, gas, and mineral sector (APRM, 2008:197) as well as enacted a Public Procurement Act, also in 2007.

28. Importantly, these formal/legal conceptions provide for institutionalized regulatory, control and/or enforcement agencies. For instance, there is the Anti-Corruption Observatory in Benin; the CENTIF in Cote d'Ivoire; the Serious Frauds Office (SFO) and the Commission for Human Rights and Administrative Justice (CHRAJ) in Ghana; the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Economic and Financial Crimes Commission (EFCC), and the Nigerian Financial Intelligence Unit (NFIU). Even in Guinea-Bissau, Liberia, Senegal and Sierra-Leone where the Country Reports declare an absence of corruption-and-money-laundering-specific legislation, there exist "rudimentary" regulatory/control/enforcement instrumentalities against the offences: the Higher Anti-Corruption Inspectorate in Guinea-Bissau; the Central Bank of Liberia; the National Commission Against Lack of Transparency, Corruption and Embezzlement and the CENTIF in Senegal; and the Anti-Corruption Commission and an Anti-Money Laundering Unit in the FIU of the Bank of Sierra-Leone.

29. The position of the literature on the formal/legal conceptions of corruption and money laundering in the region can be summarized as follows: there is neither a shortage of legal provisions against corruption and money laundering nor instrumentalities for their control and enforcement; and that the provisions and modes for their enforcement are, generally

considered, in line with the direction and conceptions of applicable regional and international protocols and conventions.

On Corruption Techniques and Trends

30. In spite of extant necessary provisions against corruption, the literature indicates a high and increasing prevalence of the crime in the region. And the techniques and trends are not dissimilar, even as the character and fortunes of the economy and the mode of governance make for slight differentiations.

31. For example, a 2007 Survey conducted with the support of the World Bank (WB) and the African Development Bank (ADB) on the theme of "Corruption and Governance in Benin" found that nine (9) out of ten (10) households interviewed considered corruption a "pre-occupying phenomenon". It was also reported that a senior Minister of the Country wrote, in 2007, that "corruption had become, over the years, an endemic phenomenon that was ruining development, eroding the civic spirit, and adversely affecting the scale of values".The picture portrayed by that survey, in terms of prevalence and trend applies, more or less, to other States in the sample region.

32. The techniques employed in perpetrating corruption are a myriad, varied over and above the typologies identified in international literature and documents:
    - **i.** Bribery;
    - **ii.** Tax and custom duty evasion;
    - **iii.** Over-billing for goods and services supplied to the State;
    - **iv.** Embezzlement, theft, and fraud;
    - **v.** Racketeering;
    - **vi.** Trading in influence/influence-peddling;
    - **vii.** Extortion;
    - **viii.** Extra-ordinary "gifts" to decision-makers;
    - **ix.** Favouritism, nepotism, patronage;
    - **x.** Improper contributions to political parties;
    - **xi.** Vote-Buying; and
    - **xii.** Rent-seeking/appropriation/sharing/transfers.

33. On these techniques identified in the literature, it is important to reiterate that there are slight variations in emphasis of usage across the States, depending on the prevailing macro socio-economic and institutional opportunities for corruption in each country. For instance, in the political realm, while favouritism/nepotism/patronage may be rife in a fairly established or oligarchic "democratic" dispensation, improper contributions/vote-buying may be the observable technique in emergent "democracies". Ditto for rent-related corruption techniques in a country with a dominant extractive industry as opposed to one that is dependent on agriculture.

On the Nexus between Corruption and Money-Laundering and the Impediments Corruption Creates for Implementation of Standards

34. As indicated in paragraph 18 above, local literature on money-laundering in the region is virtually nil, with the possible exception of Nigeria, even though extant legislations suggest the existence and formal recognition of the problem. Following from this dearth, inferences from international literature, and extrapolations from the Nigerian literature have to suffice and be considered helpful.

35. Apart from the FATF Recommendations, the ECOWAS Protocols, the AU and UN Conventions against corruption explicitly and implicitly indicate that the effective implementation of anti-money laundering regimes requires not only appropriate legislative, regulatory and organizational structures but also a robust system of "good governance" in order to ensure the integrity of such structures. Corruption does not only pose as a significant threat to good governance, its proceeds are also consequentially a debilitating threat to the meaningful implementation of anti-money laundering provisions.

36. The link between corruption and money laundering is, at least, two-fold: the proceeds of corruption, particularly when substantial, are susceptible to be laundered; and the combined effects of corruption and poor governance institutions can and do blunt the effective operation of anti-money laundering systems. And furthermore, it has been convincingly argued that the relationship between the two forms of crime is a symbolic or two-way phenomenon because just as corruption facilitates money-laundering, the latter encourages the former (Chaikin and Sharman, 2009: 23).

37. The primary goal of money laundering to legitimize "dirty money" for re-entry into the mainstream economy is acknowledged to involve three stages: placement (entry point); layering (making the origin hard to trace); and integration (re-entry into the legitimate economy). Even though all three stages are necessary targets for anti-money laundering action, the region's laws and efforts appear to attach the greatest significance to the entry point e.g. Suspicious Transaction Reports (STR) which banks and designated non-financial institutions are required to file/report.

38. The value of the emphasis on the placement stage must be considered doubtful in the context of a region significantly characterized by informal sectors and cash transactions. In Nigeria, for instance, perpetrators of grand corruption have been reported to "hide" huge sums of money, in both local and foreign currency, in roof-ceilings and/or underground "bunkers". Such funds then become available for cash payments for conspicuous-service-consumption and for purchase of goods and assets (e.g. real estate, shares and stocks, automobile business etc) whose "profits" allow for integration. The point here is indicated in a newspaper report (Walfadjri/WALF, 2008) about the concern with a rather "sudden" property boom in Dakar in relation to a suspected growth of money laundering in Senegal.

39. However, it is in an outline of the impediments which corruption constitutes for the effective implementation of anti-money laundering regimes that the nexus between the two crimes comes alive. GIABA's TANA exercise has revealed many of such impediments in the region (GIABA 2009a). A similar outline of impediments abound in other available literature

(Shehu, 2006: 235-256; ESSAMLG, 2009: 29-40; and Chaikin and Sharman, 2009:21-30 and 59-80), and they encompass a relatively comprehensive view of impediments that recognize the global character of both corruption and money laundering; the dominant or operative value system; the institutional capacities of control and enforcement agencies; the socio-economic and political contexts; the resource base of economies; and the external environment.

i. The manning of AML agencies by corrupt personnel resulting in lack of professional integrity which thereby stands against effective enforcement (Usman, 2006:56).

ii. The lack of faithful enforcement of disclosure of declarations systems at many of the borders in the region.

iii. The pressure on, and incentives for, enforcement officials by politically and otherwise well-connected perpetrators of organized crime (Fwa, 2006:158).

iv. The overbearing control of, and/or interference with, the functioning of AML agencies by the government, especially the executive arm (Orngu, 2006).

v. The inexplicably low number of prosecutions relative to reported and suspected cases, the even lower rate of convictions, and the slowness or apparently unending trials of corruption/money laundering cases.[9]

vi. The lack of full cooperation by banks[10] and other financial institutions in performing roles required of them by law, especially with regard to PEPs.

vii. The lack of adequate material and human capacities for AML agencies to function effectively (e.g. appropriate technological investigative and analytic tools, motivating salary and conditions of employment, continuous training/capacity building)

viii. The lack of political will and commitment by legislative authorities to enact appropriate/adequate legislations or plug loopholes in extant laws, being themselves actual or potential perpetrators and/or collaborators in the related crimes of corruption and money laundering (Odekunle, 2001:165-6; and Alobo, 2006).

ix. The lukewarm attitude of many western countries and banks which appear not to wish to consider funds stolen and kept with them by leaders of developing countries as laundered proceeds of corruption.

40. To reiterate, in the foregoing outline of impediments, various types of corruption are at play– monetary/financial, bureaucratic/administrative, policy, legislative and political. The point however is that the dominant corruption-type notwithstanding, the manifest function is the perversion of the provisions of anti-money laundering provisions.

[9] The Country Reports of Liberia and Senegal, for instance, highlight instances of non-prosecution of reported/known cases. And Nigeria has tens of such cases involving highly placed public-officials (e.g. Governors, Ministers, Legislators) that have been on trial for ages or have been able to avoid prosecution altogether!!!See also Note 20 below.

[10] Illustrative of the role of banks is the sacking of the Chief Executives of five of the leading banks in Nigeria by the new Governor of the CBN (Central Bank of Nigeria) in the last quarter of 2009 for corporate corrupt practices and related money laundering running into billions of dollars.

41. Before ending this issue of the nexus between the two related forms of crime and the impediment the one creates for the implementation of provisions against the other; it should be noteworthy to state that the literature also identifies situations where, ironically, corruption may impede money-laundering. While acknowledging that corruption generates a lot of money for laundering, mostly outside the country, Shehu (2006:264) states that "institutionalized corruption is a disincentive for money laundering". In other words, criminals from other countries would not find Nigeria, for example, conducive enough to hide their "illegal income at least for fear of being defrauded". This, along with other factors, may explain why the countries of the region are more of exporters, rather than receivers, of stolen/laundered money.[11]

On the Existence and Adequacy of Mutual Legal Assistance (MLA) Agreements

42. The FATF recognizes the importance of MLA in the fight against money laundering. A most concise, realistic, and practical analysis of the instrumentality that is constituted by the applicable[12] FATF Recommendations has been provided by Blanchflower (2002:175-179): rationale, importance, and nature of MLA; informal and formal types of MLA; its deficiencies and limitations in actual practice; and suggestions for their mitigation in order to make it the invaluable anti-money laundering resource it was designed to be.

43. Considering the reality that countries of the region are more of exporters, than receivers, of stolen funds and that the overriding goal of MLA is the repatriation or recovery of stolen funds, the MLA instrument should be a staple in the anti-money laundering arsenal of each of the countries in the region. The literature in the Country Reports indicate the contrary: most do not have formal MLA Agreements in existence and, therefore, the issue of adequacy becomes rather moot. Liberia and Sierra-Leone are "extreme" exemplary of this situation.

44. Apart from Nigeria which has a formal MLAT with the USA[13] and Cote d'Ivoire which reported the signing of MLA Agreements with Mali, Tunisia, France and Switzerland "in order to help repatriate stolen funds", none of the other countries in the sample indicated having such formal MLA Agreements. What appears to obtain in most of the countries is the "usage" of the demands and benefits of their membership of ECOWAS and GIABA in relation to money laundering and/or the employment of intergovernmental bilateral understandings. While the Franco-phone countries[14] (e.g. Benin, Senegal) seem to depend on the former, Ghana and Nigeria are illustrative of reliance on the latter mode of assistance.

[11] The highlighting of this "nexus" in no way suggests any "usefulness" of corruption or a desire for the countries of the region to be repositories of stolen/laundered funds from other countries.

[12] FATF Recommendations 35-40.

[13] Nigeria is reported to be in the process of formalizing similar MLA Agreements, through treaties, with several other countries.

[14] For illustration, Senegal's Law 2004-09 of January 27, 2004 against money laundering is reported to be a domestication of WAEMU Uniform Law.

45. Even though Ghana has placed before her parliament a Mutual Legal Assistance Bill[15], as at the time of this study, she has been relying on collaboration with other ECOWAS member-states, through her membership of GIABA, and on "bilateral agreements" with the United Kingdom, Germany, Brazil and Italy for the exchange of information and possible action on money laundering. The pitfalls of non-obligatory bilateral agreement or understanding are highlighted with the outline of the Nigerian scene on the matter immediately below.

46. Nigeria appears to have fared relatively well with MLA and assets recovery, even in the absence of binding MLA treaties with several western nations which, after initial foot-dragging, came to her rescue. For example, Chene (2006:9) notes that "the asset recovery of (late Military Head of State) Abacha's embezzled funds in Switzerland is a successful cooperation between governments in the absence of a formal bilateral agreement between Nigeria and Switzerland." In this regard it should pointed out that Article 53 of UNCAC made provisions for State party to take measures for direct recovery of property by initiating civil action in the courts of other States to establish title to or ownership of property acquired through corruption, including the payment of compensation or damages.

47. However, in the absence of formal agreements, cooperation may not be provided as and when requested or required. For instance, in the case of Nigeria's funds looted by late Abacha and his cronies and deposited in UK banks, the British authorities had to be subjected to so much criticism even by her own public before it cooperated with Nigeria's request for their recovery. Pallister, et al. (2001:2) note that Swiss, French, Luxembourg, USA, and Leichtenstein banking authorities responded relatively promptly to Nigeria's request for MLA and went on to "name and shame banks and individual employees who processed the------stolen cash-----in stark contrast, British authorities working through the MLA section of the Home Office have handed over nothing to Nigeria and its legal team". It is noteworthy, however, that the situation changed subsequently and the British authorities have aided Nigeria to bring more than a few Nigeria PEPs to book as well as assisted with the recovery of parts of the stolen funds[16].

48. To the extent that the "agreements" are not formal treaties, Nigeria has had to seek the assistance of concerned countries in ad hoc fashion whenever she decides there is a need to recover her stolen money. And this has to be on a case-by-case basis. She also receives assistance from, and cooperates with, relevant international and regional bodies. The former EFCC boss, Nuhu Malam Ribadu, offered the following assessment of such assistance and cooperation:

> "EFCC has excellent working relationship with Law Enforcement Agencies all over the world. These include the INTERPOL, the UK Metropolitan Police, FBI, Canadian Mounted Police, the Scorpions of South Africa, etc. The relationship with the FBI has been particularly special. This has manifested in the following:

[15] "The Bill seeks to guarantee mutual legal assistance on the basis of a reciprocal agreement between Ghana and a foreign state, and legal assistance is subject to the existence of criminal procedure in the requesting state and the criminality of the offence under Ghanaian law as well as the law of the requesting state in question"- Ghana's Country Report, paraphrasing a Statement credited to the country's Attorney-General and Minister of Justice, Hon. Joe Ghartey.

[16] Notable among these were funds stolen by late Head of State General Abacha, and Governors Alamiesigha and Dariye of Bayelsa and Plateau States, respectively.

Joint Controlled delivery operations and investigations with officers of the US Postal Service;
Joint Investigations and collaboration with the Resident Regional Agent of the United States Secret Service, with Pretoria/South Africa, especially in cases of document and currency counterfeiting"(Ribadu, 2006).

49. Even though Nigeria has comparatively benefitted from the "bilateral understanding" and "informal-type" (Blanchflower, 2007:176) kinds of Mutual Legal Assistance, the pitfalls exist nonetheless. The fact that agreements are not formalized implies that cooperation is discretionary and, hence, can neither be guaranteed nor enforced. Furthermore, the absence of formal agreements generates effectiveness-limiting selective cooperation and/or differentials in degrees of cooperation if and when provided.

50. The explanation for the dearth of formal MLA Agreements in the region may be found in the context of the origins of AML regulations, the considered priorities of the countries of the region, and the character of their economies (Chaikin and Sharman, 2009:22, 30, and 55). The authors' arguments can be summarized thus: that the western concerns (drugs and/or terrorism) which informed AML and related provisions are different from those of developing/African countries; that the differentials between western and developing/African economies creates the problem of applicability of AML provisions formulated by the former in the latter; and that, in practice, the "existence" of the provisions and related institutions in developing/African countries appear to be more for the purposes of "impressing" western nations and their international organizations and donor agencies, than as sincere manifestations of domestic priorities.

On The Identification of Politically Exposed Persons (PEPs)

51. The literature show that the FATF 40 + 9 Recommendations and subsequent international and regional conventions have provided measures to address the challenges posed by corrupt senior public official and the required AML measures to deal with the problem. That is, they all recognize that these officials, now usually referred to as politically exposed persons (PEPs), constitute a very high risk in corruption-related money-laundering. Accordingly, FATF Recommendation 6 obliges Financial Institutions to go beyond the normal Customer Due Diligence in relation to Politically Exposed Persons, and to take steps to have in place appropriate risk management systems to determine whether any customer of theirs is a politically exposed person and obtain senior management approval for establishing business relationship with such customers. It also requires them to take reasonable measures to establish the source of wealth and source of funds and continue to conduct enhanced monitoring of the business relationship. Equally, Article 12(2(f)) of the UNCAC obliges States parties to ensure that private enterprises, taking into account their structure and size, have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and that the accounts and required financial statements of such private enterprises are subject to appropriate auditing and certification procedures.

52. However, in designing rules for their appropriate and adequate identification, there are different problems of definition, scope, and content (Chaikin and Sharman, 2009:83-113) as well as of varied national/cultural character or leadership ethos. Derivative questions from

such problems are more than a few. For instance, which institution should determine the parameters? What categories or levels of public office holders should be included? To what extent should the coverage include such officials? Family, relatives, aides, political and business associates, etc? What about high-level officials of the organized private sector (e.g. banks, business enterprises) without whose participation or collaboration the public officials may not be able to engage in corrupt practice or money laundering? And, taking national/cultural/ leadership character or ethos into consideration, how to avoid designing an identification profile that will not be too broad as to be over-burdening and ineffective in implementation in, say, polities with endemic, systemic, and institutionalized corruption?

53. With particular regard to the last question, Nigeria (for example) would pose a problem: a design for identification of PEPs (even when it excludes family/relatives/associates and the private sector) may either be too restrictive and inherently leave out a significant proportion of those liable or too broad and be impossible to operate effectively. It has been asserted that "were Sharia laws[17] applicable to corruption all over Nigeria, majority of our elite and leaders, past and present, would have been one-handed by now"(Odekunle, 2001:166). And Guest(2000) says that "for as long as many Nigerians can remember, the rewards for honesty and industry have been miserable, whereas corruption has paid magnificently" and that "punishing everyone who took bribes in the past would mean sacking virtually the entire civil-service, thereby bringing government to a standstill".[18]

54. In light of the foregoing questions and problems, GIABA (2009:87) has developed and provided, for the region, a checklist "for the guidance of financial institutions and designated non-financial businesses and professions to enable them conduct effective PEP screening processes" e.g. Customer Due Diligence (CDD), Suspicious Transaction Report (STR) etc. They include Head of State, government, and cabinet ministers; Heads of Government Ministries, departments, and agencies; Senior Judges and judicial officers; Senior political party functionaries; Members of ruling royal families; Senior military officers; Family members and close associates of PEPs; Middlemen, consultants and advisers to PEPs; and Private Companies, trusts and foundations linked to PEPs".

55. The above-specified and fairly comprehensive coverage notwithstanding, a generic problem subsists. While the interest of the west and international organizations in PEPs is informed by the concern with terrorist financing–the propensity of PEPs for corruption and their associated disposition to money-laundering being a possible source of such financing–the region's interest in the instrument (and apparently not too enthusiastic) seems limited to the detection/investigation of corruption and, probably, money laundering. Thus, as in Eastern and Southern African Countries where many have no provisions specifically directed at "profiling" and identifying PEPs or executing Customer Due Diligence (ESSAMLG, 2009:42-51), the literature do not show that the countries of the region execute PEPs-

[17] "Sharia Laws" are a body of substantive and procedural legal provisions based on the Islamic religion, and it includes the chopping-off of the hand (from the wrist) of a convicted thief.

[18] Since the point here is to show the very serious limitation of western-determined definition of PEPs, there is a need to point out that guest's apparent limitation of the problem of corruption in Nigeria to "civil servants" ignores its reality and extent. Virtually all sectors and categories of the population have been shown to be liable: political and other public office-holders; private-sector operatives, contractors, and professionals (e.g. bankers, lawyers, accountants/auditors); journalists; traditional rulers; university administrators and lecturers.

profiling seriously or meaningfully. Consequently, prosecuted cases (which are relatively few in number) and mass-media-reported instances of corruption are the indirect, "after-the-fact", literature sources available to this study on identification of PEPs.

56. For instance, the background literature in the Benin and Cote d'Ivoire Country Reports are "silent" on the matter while those of Ghana, Liberia and Sierra-Leone only indicated possible involvement of PEPs in reported instances of corruption e.g. the latter states that the "report of the transition team established to look into the activities of the various government ministries, departments and agencies of the previous regimes of Alhaji Ahmed Tejan Kabbah of the Sierra-Leone Peoples Party (SLPP) brought out many cases of corruption".

57. Guinea-Bissau's Report lists three cases of corruption involving PEPs. One, the General Manager of the Electric power Corporation (EAGB) who was arrested on suspicion of misappropriation of about U$D 378, 365.^{00} meant for the purchase of hydrocarbons for Guinea-Bissau's electric power plant. Two, a former Manager of the Institute for the Support to Migrants who was convicted and sentenced to a 3-year jail term for mismanagement and fraudulent use of corporate property. And three, the disappearance of files, from the Bissau Regional Court, about the case of a business man accused of stealing about U$D 5.5 million from the public treasury in 2001, under President Kumba Yala's rule with the complicity of the Secretary of State for the Public Treasury and two other officials of the Ministry of Finance, under the pretext that he supplied food to all military barracks in the country.

58. In the case of Nigeria, it is the operations of the ICPC and EFCC, particularly the latter, as well as the investigative vibrancy of a relatively free press [19] that have revealed many PEP cases. No arm of government (be it executive, legislative or judiciary) or section of the private sector has been spared from exposure with regard to corruption and related crimes. For instance, in addition to exposure by the print media, the EFCC now has a regular informative and advocacy magazine (see, for example, EFCC ZERO TOLERANCE, 2008 and 2009 volumes) as well as older bulletins which report the Commission's progress in terms of the following: wanted individuals and their alleged crimes; ongoing arrests and trials; convictions; and recovery of stolen funds.

59. Some of the celebrated cases of PEPs exposed, arrested, tried and/or convicted for corruption and/or money-laundering includes late former military Head of State and his son, an Inspector General of Police, five cabinet Ministers, three Permanent Secretaries, about ten ex-Governors, some Senators (including the daughter of former President Obasanjo) and members of the House of Representatives, a Vice-Chairman of the ruling party, some Chief Executive Officers of government parastatals, and at least five Managing Directors of the country's leading banks. Alobo (2006:48) provides lucid details of these and other PEPs, including Local Government officials and middle-level civil-servants.

60. In spite of the relative success of this "*posteriori*" identification of PEPs in Nigeria, a major criticism is that only actual or perceived enemies of the government of the day get

[19] This is unlike the case in the Franco-phone states in the sample where the fear of libel suits "gags" the press. The Benin Country Report states that---"the complexity of the issues and the law on the media in Benin are behind the caution of media organs. In the absence of material evidence, journalists would not like to be taken to court for libel". Ditto for Senegal where the Report claims dearth of mass-media information on corruption, "especially those involving politically exposed persons", for fear of court action.

exposed/identified while PEPs who are supporters of the Administration have been allowed to escape exposure/identification and/or the wrath of the law. Shehu (2006: 90-91) has documented several cases of biases in the handling of cases against PEPs and notes that the dilemma confronting government is "how to strike a balance between the need to retain power on the one hand and therefore compromise corruption involving political supporters, and on the other hand, the need to sanitize the society by confronting the menace head-on, no matter whose ox is gored"[20].

61. To round off this review on identification of PEPs, it should be safe to observe that if profiles were appropriate and faithfully applied and executed, identification would be "*a priori*" and meaningful in proactive detection and prevention rather than the current situation where identification is "*posteriori*" via arrests/trial/prosecution/conviction[21]. It is also pertinent to observe that as appropriate as the GIABA checklist may be, it is doubtful that bank and other finance-house workers who routinely "market" for and process accounts would have the commitment and/or spare the time and energy to identify PEPs, let alone their other-named or un-named relatives, local and foreign associates.

On Suggestions to Minimize the Inhibition of AML Regimes by Corruption

62. International and local literatures, particularly the former, have adequately recognized the role of corruption in the fact of money-laundering, in its facilitation, and in its inhibition of effective implementation of AML and related regimes. Not unexpectedly therefore, policy and operational suggestions to minimize corruption's obstacles in the way of implementation of provided standards abound with justified emphasis on improved/effective enforcement of anti-corruption legislations and measures (or emplacement where none exists), *ab initio*, as well as on enhanced legal, human, technical, and operational capacity of AML agencies (Lame and Odekunle, 2001ed:252-254; Shehu, 2006: 324-372; ESSAMLG, 2009: 62-63; Chaikin and Sharman, 2009: 151-152 and 187-198; GIABA, 2009; Ekeanyanwu, 2006; Gyimah-Boadi, 2002; Prempeh, 2003; Blanchflower, 2002:176)

63. To avoid repetition or pre-empting the Chapter on "Recommendations" coming up much later in this Report, it should suffice here to simply outline the direction and/or emphasis of what the literature reviewed have offered:
    - **i.** That there is a need to recognize the importance of a virile anti-corruption agency to AML regimes.
    - **ii.** That relevant or applicable national anti-corruption and money-laundering laws should be amended/ upgraded to bring them to par with international standards e.g. coverage of private sector corruption and corporate service providers;

[20] Illustrative of this problem is a recently concluded case of corruption against ex-Governor James Ibori (Delta State of Nigeria), a reported campaign-financier and supporter of current President Yar'Adua. His associates (and by implication, Ibori himself) are on trial in a UK court for money-laundering, which successful prosecution would largely depend on his prosecution and conviction for corruption in Nigeria. Upon the expiration of his statutory immunity, the EFCC arrested him and embarked on his prosecution for over 170 counts of corruption. Employing legal technicalities, his defense successfully got the case transferred to the state where he served as Governor but which, at the time, had no court with the required jurisdiction. Within the "twinkling of an eye", as it were; the Federal Government created such a court in that State and appointed a Judge to boot. The Court, relatively soon thereafter, discharged and acquitted him on all charges, employing legal technicalities and loopholes.

[21] This is not to deny that, perhaps, many cases are pre-identified and prevented through faithful application of designed profiles and that the "posteriori" identifications are only "leakages" whose subjection to the invocation of the criminal process must been aided by the profiling and reporting process.

provisions for investigation and necessary action against un-explained wealth; provision for "whistle blower protection safeguard"; closing known loopholes in legislations and their enforcement; separation of the post of Minister of Justice from that of the Attorney-General where combined in one official; etc)

iii. That Asset Registrars for the pertinent categories of the population be established and monitored to discover illicit wealth/enrichment.

iv. That both informal (proactive) and formal (reactive) types of MLA be employed, as appropriate to circumstances and that, similarly, both the civil and criminal routes be used, again as dictated by circumstances, in pursuit of asset recovery.

v. That the operational and financial independence of anti-corruption and money-laundering enforcement agencies be ensured and that interference by the executive arm of governments be eschewed, in order to protect their integrity and enhance their effective performance.

vi. That the agencies be empowered and equipped with appropriate and adequate human, material, and technical capacity, by governments and the auspices of appropriate international organizations and donor agencies.

vii. That Government, using a risk based approach, should provide comprehensive guidelines to reporting entities with respect to PEP identification

viii. That civil-society organizations be statutorily empowered and encouraged to assume the role of "naming and shaming" in matters of corruption.

ix. That there should be a recognition of the desirability of exploiting the anti-corruption potential of AML regimes to fight corruption, in order to reverse the observed trend of relative failure by each of the two categories as they currently operate in isolation of each other.

x. Finally, that governments should manifest observable political will and commitment in the fight against corruption and money-laundering, since the laws and their enforcement agencies cannot be effective in the face of leaders' interfering political convenience and/or protection of self-interest.

Summary of Background Literature

64. Summarily, the available and reviewed international and local literature indicate that corruption is prevalent in the region and that, in terms of trend, the phenomenon is on the rise in both volume and seriousness. The techniques employed for the perpetration of corruption are myriad. Even though there are anti-money laundering legislations and their enforcement agencies are in place, however rudimentary or nominal in certain cases, their enforcement is impeded by an assortment of corrupt practices, especially by PEPs and other corrupted institutions. Most do not have formal MLA treaties or agreements with pertinent other countries but they rely on their membership of ECOWAS/GIABA as well as on intergovernmental bilateral understanding and/or non-formalized routes for each assistance. Identification of (and information on) PEPs is usually "after-the-fact", through arrests/trial/prosecution/conviction and/or exposure by the mass-media. Finally, the literature

is “rich” in suggestions on how best to combat corruption and minimize its inhibition of the effective implementation of AML regimes, generally and as applicable to the region.

65. The subsequent five (5) Chapters are a report of the findings of the field-survey executed across the eight (8) member-states in the sample. Generally speaking, the survey data are significantly confirmatory of the existing reviewed literature on all the substantive terms of reference.

CHAPTER THREE: CORRUPTION TECHNIQUES AND TRENDS.

66. Employing the field-survey data, this Chapter deals with the identification of corruption techniques, trends, prevalence and related issues in the region, in furtherance of the demand of the second term of reference of the study. Generally, the various techniques or methods employed for the perpetration of corruption, the general upward trend of the phenomenon, and its sheer prevalence in the region – as indicated by the background literature (Paragraphs 28-31 above) – are essentially corroborated by the findings of the field-survey across the states in the sample. See Tables 3, 4, and 5 below.

67. The understanding of corruption and its manifestations in the region captures the term as defined in UNCAC. The techniques employed to perpetrate corruption are virtually myriad[22] but the six (6) most dominant methods across the states are:
    - **i.** Embezzlement, misappropriation, or other diversions of public property/funds by government officials;
    - **ii.** Bribery of Government officials;
    - **iii.** Inflation of contracts and over-invoicing;
    - **iv.** Abuse/misuse of office for personal gains;
    - **v.** Trading in "influence" to get things or not done; and
    - **vi.** Illegal transfer or taking of money abroad.

68. Perhaps most animating of these corruption techniques and their variations are the qualitative data extracted for the study from purposive samples of mass-circulation print media (dailies and magazines) and investigation-reports over the 2003-2007 period covered .The Country Reports of Guinea-Bissau, Liberia, and Nigeria provide such data[23] and a list of most of the reported cases is provided in Appendix III because they vividly concretize the reality of the techniques.

69. The variety of the techniques becomes most alarming when it is realized that, on the surface, they seem to affect only the public sector that is usually under public scrutiny, in comparison with the private sector. Yet, most of the techniques identified can hardly be executed without the collaboration and/or participation of the private sector and its personnel. This point was brought to the fore recently in Nigeria when a new Governor of the Central Bank of Nigeria (CBN) discovered and exposed the gargantuan corrupt practices of the Chief Executives and Management of, at least, five of the leading banks, amounting to U$D billions of fraud and laundering and capable of wrecking the country's financial system[24].

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[22] Confirmatory of the ingenuity with reference to techniques of corruption is the following anecdote by Dowden (2008:444-445): "Colin Powell, the American Secretary of State, once let slip the opinion that all Nigerians are crooks. All? Maybe not but a lot of Nigerians dedicate their lives to fulfilling the stereotype------An official of the U.S Drug Enforcement Agency spoke in awe of the Nigerian drug smuggling gangs. "We thought we knew most of the tricks of the drug trade until we came up against the Nigerians" he told me. 'Then we realized we were just beginners'."

[23] Though provided for by the research design, the Country-Reports of the others in the sample do not contain such qualitative data on cases of corruption and related crimes.

[24] The Chief Executives and a number of their key Senior Management Staff have been sacked, and are presently being prosecuted in court for corruption/money laundering crimes by the EFCC. (See Note 10 above)

TABLE 3: PERCEPTION OF "VERY COMMON" CORRUPTION TECHNIQUE

CORRUPTION TECHNIQUE	Benin (25)	Cote d'Ivoire (34)	Ghana (30)	Guinea-Bissau (36)+	Liberia (22)	Nigeria (80)	Senegal (32)	Sierra-Leone (34)
Bribery of government officials	40.0%	55%	56.7%	44.4%	45.5%	87.3%	28.0%	85.3%
Bribery of foreign officials	4.0%	14%	6.7%	16.7%	4.5%	23.6%	0.0%	5.9%
Embezzlement, misappropriation or other diversions of property by government officials	52.0%	58%	56.7%	66.7%	54.5%	88.6%	25.0%	82.4%
Abuse of misuse of office	35.0%	50%	46.7%	58.3%	40.9%	79.7%	19.0%	76.5%
Trading in influence to get things done or not done	44.0%	62%	50.0%	58.3%	36.4%	67.9%	44.0%	64.7%
Bribery or embezzlement in the private sector	12.0%*	23%	10.0%	8.3%	22.7%	41.6%	13.0%	44.1%
Illegal transfer or taking of money abroad	32.0%	14%	13.3%	36.1%	45.5%	57.0%	9.0%	35.3%
Inflation of Contracts	28.0%	56%	56.7%	55.56%	45.5%	86.1%	16.0%	82.4%

PERCENT (%) TOTAL NO. OF RESPONDENTS (N) WHO CONSIDER TECHNIQUE AS "VERY COMMON"

Source: Collation from Country Reports of Field-Survey.

[+] = Percentages in column computed from nominal figures provided by the Research Associate.

TABLE 4: PERCEPTION OF TRENDS OF CORRUPTION (2003-2007)

COUNTRY	Increased (%)	Decreased (%)	Un-changed (%)	Total (N)
Benin	36.0	24.0	40.0	(25)
Cote d' Ivoire	62.0	4.0	34.0	(34.)
Ghana	53.3	26.7	20.0	(30)
Guinea-Bissau	67.0	13.5	19.5	(34)
Liberia	22.7	59.1	18.2	(22)
Nigeria	37.7	33.8	28.5	(77)
Senegal	56.0	19.0	25.0	(31)
Sierra-Leone	41.2	35.3	23.5	(34)

TABLE 5: PERCEPTION OF RATE OF PREVALENCE OF CORRUPTION

COUNTRY	High (%)	Medium (%)	Low (%)	Total(N)
Benin	32.0	64.0	4.0	(25)
Cote d'Ivoire	35.0	60.0	5.0	(34)
Ghana	46.7	40.0	13.3	(30)
Guinea-Bissau	67.0	28.0	2.5	(35)
Liberia	36.4	59.1	4.5	(22)
Nigeria	69.2	29.5	1.3	(78)
Senegal	38.0	50.0	12.0	(30)
Sierra-Leone	67.6	32.4	0.0	(34)

Source: Collation from Country Reports of Field Survey
Total (N) corresponds with effective number of responses

70. In terms of trends, a higher proportion of respondents were of the opinion that compared to five (5) years earlier (2003), the problem of corruption has increased, than the proportions who stated that the problem has decreased or remained unchanged. The Nigeria Country Report exemplifies the former: "The data supports the general perception that corruption is growing ---. The level of arrests/petitions received in 2007 is more than twice that of 2003. The number being prosecuted in 2007 is more than 10 times that prosecuted in 2003, while the number of convictions in 2007 is 5.5 times that of 2003".

71. However, qualitative data also indicate a trend towards increased anti-corruption and money laundering legislations and their enforcement, the frustrations of such efforts by certain impediments notwithstanding. It also appears though that the more the anti-graft legislations and enforcement agencies and efforts, the more devious the trend of the techniques becomes. For instance, after Guinea-Bissau took measures to institute bank-payments for workers in order to thwart fraud of ghost public workers, fake identity cards surfaced to thwart the efforts. In Nigeria, the anti-corruption provision of amount-thresholds of contracts that can be awarded at various levels of government is being corruptly breached through the technique of "contract-splitting"[25].

72. Prevalence-wise, law-enforcement /judicial figures would suggest a relatively low-prevalence level of corruption in the region, partly for the reasons indicated in paragraph 11 much earlier. Similarly, far less than half of the target-respondents in half of the countries rated the prevalence as "high". However, about two-thirds of the respondents in Guinea-Bissau, Nigeria, and Sierra-Leone rated the prevalence as "high". The latter perception of "high" prevalence appears corroborated by TI's 2007 "Corruption Perception Index" covering 179 countries: excepting Ghana and Senegal with ratings of 69 and 71 respectively, the ratings for the other six ranged from 118 for Benin to 147 for Nigeria. And perhaps more indicative of "high" prevalence is the qualitative data across the States which suggest that corruption is systemic, "routinlzed" and endemic, ubiquitous in virtually all areas of public and corporate life. See, again, Appendix III.

73. Another pointer to pervasiveness of corruption and the associated techniques is the respondents' estimates of the proportion/percentage of their organization's annual budget lost to corruption which ranged from "up to 20%" to "over 40%" by about 50% and about 10% of the respondents, respectively, across the states, thus cross-validating the findings on prevalence. See Table 6 below.

TABLE 6: RESPONDENTS' ESTIMATE OF PROPORTIONS OF THEIR ORGANISATIONS' ANNUAL BUDGET LOST TO CORRUPTION IN 2007

COUNTRY	Up to 20% of Budget	21-40% of Budget	41% and higher of Budget	Total (N)
Benin	52%	12%	8%	(25)*
Cote d'Ivoire	54%	15%	31%	(34)
Ghana	66.7%	13.4%	0.0%	(30)*

[25] "Contract-splitting" refers to the breaking-down of one single public works contract(construction, supply or service) into two or more "pieces" for separate awards at a lower level of government in order to avoid the threshold barrier provision and, thereby, the corruption-inhibiting due-process. Never altruistic, contract-splitting is motivated by corruption. The former Chairman of the Nigerian Ports Authority (NPA) and a Vice-Chairman of the ruling Party in Nigeria, Chief Olabode George has recently been convicted and jailed along with others, for the offence.

Guinea-Bissau	45.0%	25.0%	11.0%	(36)*
Liberia	72.7%	22.8%	4.5%	(22)
Nigeria	50.9%	28.5%	20.6%	(80)
Senegal	31.0%	9.0%	3.0%	(32)*
Sierra-Leone	47.1%	44.1%	8.8%	(34)

Source: Collation from Country-Reports of Field Survey

*= Totals include "Don't know"/"No Answer": 28% (Benin), 19.9% (Ghana), and 19% (Guinea Bissau) and 57% (Senegal)

74. Finally, on the role of donor agencies and foreign/ transnational companies in contributing to the problem of corruption and money-laundering in the region, it is considered minimal or nil by a majority of respondents; The singular exception is Liberia where over half of the respondents are of the opinion that they "contribute to a great extent" through bribery of Government officials;. tax-evasion, fraudulent transfer of money abroad, and service provision as conduit "business partners" to corrupt nationals.

75. The next Chapter is a consideration of the findings of the survey on the extent to which corruption constitutes an impediment to the effective implementation of AML regimes.

CHAPTER FOUR: CORRUPTION AS IMPEDIMENT TO IMPLEMENTATION OF STANDARDS BY AML INSTITUTIONS

76. This Chapter addresses the third term of reference of the study and thereby focuses on the survey's findings with respect to the determination of the impediments caused by corruption in the way of effective implementation of standards by AML institutions and/or agencies in the region. Covered are issues such as awareness of FATF Recommendations and of their local varieties, the 'what' and the 'how' of the application of the proceeds of corruption, the factors considered most responsible for the incidence of money laundering, and the role of PEPs in the phenomenon.

77. To start with, an overwhelming majority of the target-respondents[26] were unaware of the existence of the "FATF Forty + Nine Recommendations", even though most of them are high-echelon functionaries of agencies and bodies responsible for the prevention and control of money-laundering. The high rate of unawareness of the Recommendations range from 56% and 69.7% in Senegal and Ghana, respectively, to 80% and 90% in Benin and Liberia respectively. See Table 7 below. From this finding, the issue of organizational compliance with the Recommendations becomes difficult across the three States; with definitive response to the question of compliance, only an average of 20% assessed their organizations as having been compliant. The Ghana Country Report, for instance, is illustrative of the issue of compliance: "For those who knew about these Recommendations, 10% said their organizations have complied, 13.3% said their organizations had not complied. The rest---did not know whether their organizations were compliant or not".

TABLE 7: AWARENESS OF FATF RECOMMENDATIONS

COUNTRY	Yes (Aware)	No (Unaware)	DK/NR	TOTAL (N)
Benin	20.0%	80.0%	0.0%	(25)
Cote d'Ivoire	**60.0%**	**20%**	**20%**	**(34)**
Ghana	30.3%	69.7%	0.0%	(30)
Guinea-Bissau	19.4%	50%	30.6%	(36)
Liberia	9.1%	90.9%	0.0%	(22)
Nigeria	33.8%	64.9%	1.3%	(80)
Senegal	44.0%	56.0%	0.0%	(32)
Sierra-Leone	52.9%	47.1%	0.0%	(34)

Source: Collation from Country-Reports of Field Survey

78. However, a majority of the same set of respondents stated that they were aware of "legal provisions against illegal taking or transferring of money" abroad as well as of a specialized

[26] It is instructive here to observe that the respondents' appreciation of the "essence and import" of AML provisions **does not** include the generic concerns that informed western-inspired international conventions on money laundering e.g. finance of terrorism.

agency/institution or of conventional port/border/banking organizations for the enforcement of such provisions. The level of awareness on these ranges from 56.7% and 68% in Ghana and Benin respectively, to 81%, 82.4% and 91.8% in Senegal, Sierra-Leone and Nigeria, respectively. The exceptions to this pattern are Cote d'Ivoire, Guinea-Bissau, and Liberia, the latter recording the highest level of unawareness of such "local" provisions/agency, perhaps because of the simultaneous currency of the Liberian and US dollar in the country. See Table 8 below.

TABLE 8: AWARENESS OF COUNTRY'S LEGAL PROVISIONS AGAINST ILLEGAL TAKING/TRANSFER OF MONEY ABROAD

COUNTRY	Yes (Aware)	No (Unaware)	DK/NR
Benin	68.0%	32.0%	0.0%
Cote d'Ivoire	75%	15%	10%
Ghana	56.7%	40.0%	3.3%
Guinea-Bissau	56.0%	44.0%	0.0%
Liberia	18.2%	81.8%	0.0%
Nigeria	91.8%	8.2%	0.0%
Senegal	81.0%	19.0%	0.0%
Sierra-Leone	82.4%	17.6%	0.0%

Source: Collation from Country Reports' Survey Data
D.K/NR= Don't Know/No Response.

79. Incidentally, literature reveals the existence of such provisions even before the advent of FATF Recommendations and the qualitative data indicate that the respondents across the States know the "import or essence" of the provisions against "illegal taking or transfer of money abroad" as:
    - **i.** Prevention of money-laundering;
    - **ii.** Prevention of fraud/embezzlement; and
    - **iii.** Protection of the economy.

80. From the foregoing findings, and discounting differences in nomenclature of provisions and/or enforcement instrumentality as indicated in Chapter Two, the observed apparently very weak level of compliance by both public and private/corporate organizations with international AML standards cannot be seriously attributed to lack of knowledge of legal provisions against illegal transfers of money abroad or of the non-existence of primary/specialized AML institutions. And neither can it be fully explained by any distinction between corruption-free illegal transfers[27] and money-laundering proper (i.e. transfer from the proceeds of corruption). The responsibility has to be located somewhere else.

[27] There is need for this distinction because there are transfers which (by their amounts and/or channels of transfer are against legal provisions) are not from the proceeds of corruption nor meant for illegal purposes at their destination.

81. Consequently, perhaps a better place to start the considerations of the issue of corruption as impediment to effective implementation of AML standards is the application of the monetary and other proceeds of corruption. That is, having earlier established the prevalence of corruption and knowledge of AML-related provisions, information on the modes of the application of the proceeds of corruption would indicate, *ab initio*, its hindering role in the implementation of standards.

82. Most of the respondents in the majority of the sampled States on which quantitative data is available state that the monetary "gains" from corruption is largely "saved and/or used for consumption of goods and services in the country". This perception of "internal" usage of the proceeds of corruption ranges from 47% (Guinea-Bissau) and 72% (Benin) to 79.4% (Sierra-Leone) and 81% (Senegal). See Table 9 below.

TABLE 9: APPLICATION/USAGE OF THE MONETARY PROCEEDS OF CORRUPTION

COUNTRY	Savings/Consumption of Goods/Services in the Country	Savings/Consumption of Goods/Services Abroad	TOTAL (N)
Benin	72.0%	20.0%	(25)+
Cote d'Ivoire	75%	25%	(34)
Ghana	56.7.	40.0	(29)+
Guinea-Bissau	47.0%	50.0%	(36) +
Liberia	13.6%	81.8%	(22)+
Nigeria	31.5%	68.5%	(80)
Senegal	81.0%	6.0%	(32) +
Sierra-Leone	79.4%	20.6%	(34)

Source: Collation from Country Reports' Survey Data
+ = Missing/No Response cases make up the total

83. (Before delving further into the interpretation of this finding, it is important to observe, even if in parenthesis, that it suggests that the existing conceptualization of money-laundering, its generic purposes, and the provisions derived there from, may require a review to accommodate the no-less-important dimension of "internal money laundering", at least in overall interests of the economies of the countries concerned. For instance, the Cote d' Ivoire Country Report States thus: Respondents were of the opinion that monetary gains from corruption were destined to savings and/or consumption of goods and services in the country. Generally, the gains obtained are used to satisfy subsistence-related expenses, real-estate investment needs and purchase of public transport vehicles, or personal investment for financial and material well-being".)

84. Still, the "internal-laundering" countries, along with the countries (e.g. Guinea-Bissau and Nigeria) where the majority of respondents are of the opinion that corruption proceeds are mostly "saved and/or used for consumption of goods and services abroad" significantly

indicate the impediment that corruption poses for implementation. And this indication is strengthened by the perceptions of respondents with respect to the methods or channels used to transfer the proceeds of corruption abroad, in the following order of importance or usage (see Table 10 below).

i. Banks and other non-bank financial institutions (pre-ponderant in Liberia, Nigeria, and Sierra-Leone);
ii. Business/trade partners and other third parties (pre-ponderant in Ghana, Senegal, and Guinea);and
iii. Cash through ports and borders (pre-ponderant in Benin).

TABLE 10: CHANNELS/METHODS FOR TRANSFERRING "GAINS" OF CORRUPTION ABROAD.

COUNTRY	Banks and Other Non-Bank Financial Institutions	Business/Trade Partners/Other Third Parties	Cash through Ports and Borders	TOTAL (N)
Benin	32.0%	24.0%	40.0%	(25)+
Cote d'Ivoire	20.0%	55.0%	25.0%	(34)
Ghana	30.0%	60.0%	26.7%	(30) +
Guinea-Bissau	25.0%	39.0%	28.0%	(36) +
Liberia	86.3%	13.6%	0.0%	(22)
Nigeria	51.4%	38.6%	10.0%	(80)
Senegal	19.0%	45.0%	36.0%	(32)
Sierra-Leone	58.8%	20.6%	14.7%	(34)+

Source: Collation from Country Reports' Survey Data
+ = Missing/No Response cases make up the total.

85. This set of findings suggests that banks and other financial institutions, along with businesses, do corruptly undermine the implementation of standards. This suggestion appears confirmed by GIABA First Round of Mutual Evaluation Reports where out of the ten member States whose MER have been published, only 2 were rated partially complaint on Recommendation 5 with regard to Customer Due Diligence – the others were rated Non Compliant. However, this should not suggest any underestimation of the "leakages" of cash through borders and ports, particularly with the pre-ponderance of non-digitalized transactions in the economies of the region. As the Guinea-Bissau Country Report points out, people "may think that these methods are preferred over the others because they are safer and they make it possible to bypass easily controls by competent authorities on the one hand, and transactions can be kept secret, since they leave no traces and do not give rise to distrust on the other".

86. When asked about the factors responsible for the incidence of money-laundering in spite of extant laws and specialized and/or conventional agencies to enforce their provisions, a higher percentage of respondents across the States ironically identified factors in the following order(see Table 11 below):

i. Enforcement agency weak/ill-equipped/not independent enough;

ii. Laws not strong or punitive enough;
iii. Those involved in money-laundering are "powerful" in government and society; and
iv. Bribery/corruption of enforcement personnel.

TABLE 11: FACTORS CONSIDERED MOST RESPONSIBLE FOR THE INCIDENCE OF MONEY LAUNDERING.

COUNTRY	Laws not strong or Punitive enough	Enforcement Agency weak/ill-equipped/not independent	Bribery/Corruption of Enforcement Personnel	Perpetrators "powerful" in Govt./Society	TOTAL (N)
Benin	28.0%	16.0%	4.0%	36.0%	(25)+
Cote d'Ivoire	20.0%	15.0%	5.0%	60.0%	(34)
Ghana	20.0%	60.0%	3.3%	13.3%	(30)+
Guinea-Bissau	33.0%	28.0%	6.0%	22.0%	(36)+
Liberia	54.5%	13.6%	9.1%	13.6%	(22)+
Nigeria	9.5%	32.4%	14.9%	37.8%	(80)+
Senegal	28.0%	28.0%	6.0%	34.0%	(32)+
Sierra-Leone	26.5%	50.0%	11.8%	11.7%	(34)

Source: Collation from Country Reports' Survey Data
+ = Missing/No Response cases make up the total.

87. This particular finding is ironic because lower proportions identified "power" of PEPs and bribery/corruption of enforcement personnel as factors[28]. Regardless of differentiations among these factors however, they all indicate official corruption (political, policy or administrative) or its consequence. For instance, weakness of laws and sanctions could be deliberated safeguards against effectiveness in enforcing AML regimes that are comparable to internationally acceptable standards. Ditto for manifestations of lack of political will to allow enforcement agencies or judicial authorities sufficient independence to operate unfettered or allow even the invocation of the process against exposed cases as reveled by qualitative data on Nigeria or Liberia. These require, however briefly, illustrations from the Country Reports and other media sources.

88. For Liberia, the Country Report contains sourced details of these kinds of impediments(e.g. T.I 2005) that the Government has been unwilling to domesticate applicable provisions, that there are no "incentives" to enact or implement anti-corruption or AML regimes as many officials are "beneficiaries" of the offences that arrested persons (69 and 81 for corruption

[28] It appears ironic because both literature and the survey findings show that "strong" and adequately-punitive laws against money laundering (and corruption) exist. Perhaps, the control and enforcement component of the respondents' population is "responsible" for the apparent de-emphasis of "bribery/corruption of enforcement personnel" as the "least" of the factors.

and money-laundering offences, respectively from 2003 to 2007 were released without asset-recovery or prosecution for "lack of concrete evidence", and that a Government Reform Commission study of the judicial system found it seriously confronted with bribery and political interference. The Country Report concludes thus:

"corruption in the Judiciary poses a serious threat to the implementation of AML/CFT recommendations, because people involved in money laundering, corruption and predatory crimes are often left out of the noose of prosecution irrespective of the hard efforts made by investigating agencies to ensure that these criminals are brought to justice. Bribery still permeates the judicial system up to date".

89. Apart from the legal immunity from certain political office holders from prosecution and subtle but observable political interference, the judiciary in Nigeria constitutes a significant category of impediments. The anti-corruption and money laundering laws are strong and punitive enough and the enforcement agencies are relatively committed and active but the judiciary, taken as a whole, has been "schizophrenic" at best in handling such cases. While a few of the offenders brought to court are sensationally convicted and imprisoned to the acclaim of the population, scores of cases against PEPs (e.g. ex-Governors, Ministers, Legislators, and the likes of these) have remained pending in the courts for ages [29].

90. More instructive of the impediments the Nigerian judiciary constitutes however can be illustrated with a few of their judgments and rulings, e.g.

i. Ex-Governor Lucky Igbinedion of Edo State was found guilty of diversion of billions of naira of state funds in a 156-count charge of corruption and money-laundering but was only fined a mere three million naira which was paid "on the spot", as it were.

ii. Former Federal Minister of Aviation (Mr. Femi Fani-Kayode) was on trial for corruption but the trial court rejected the prosecution-obtained certified print-out of his bank Statement which showed the lodgments of the funds in question, with the "excuse" that electronically-printed bank-statements are inadmissible as evidence!!!

iii. Ex-Governor James Ibori of Delta State who, along with close associates, are on trial in the UK for money-laundering running into billions has recently been discharged and acquitted of the related corruption charges by a Nigerian court (See Note 20), essentially on the ground that the State he governed for eight years had not complained that any money was missing, thereby potentially depriving the UK Court of the benefit of conviction for the predicate offence.

iv. Ex-Governor Peter Odili of Rivers State obtained a "perpetual injunction" from arrest and prosecution from Justice Ibrahim Buba of the Federal High Court in Port-Harcourt after accusation (and before he could be arrested) by the EFCC of stealing billions of naira in eight years of ruling the State (EFCC, 2008:5). The

[29] Inherently, but unfortunately nonetheless, lawyers as a group contribute in no small way to this situation with their exploitation and abuse of legal loopholes and technicalities to stave off the actual trial of their defendant-clients.

Judge ruled: "Therefore, there is a perpetual injunction restraining the EFCC from arresting, detaining and arraigning Odili on the basis of his tenure as Governor based on the purported investigation".

91. The irony just "vacated" with the last three paragraphs becomes more evident with regard to the extent to which Politically Exposed Persons (PEPs) adversely affect the effectiveness of the functioning of AML and related agencies. The overwhelming response across the States is that they do "to a great extent", ranging from a relatively low 59% and 64% in Senegal and Benin/Guinea-Bissau respectively, to 91.2% and 94.7% in Sierra-Leone and Nigeria, respectively. And the most frequently used modality to frustrate the effectiveness of the agencies is a combination of "power/influence of their office/position" and money to bribe/corrupt the enforcement personnel"------53.5%, 54.8%, 57%, and 64% for Nigeria, Sierra-Leone, Senegal, and Benin, respectively. See Tables 12 and 13 below.

TABLE 12: EXTENT OF ADVERSE EFFECTS OF PEPs ON EFFECTIVENESS OF ANTI-CORRUPTION/MONEY LAUNDERING AGENCIES.

COUNTRY	To a great extent	Only to a fair extent	DK/NR	TOTAL (N)
Benin	64.0%	24.0%	12.0%	(25)
Cote d'Ivoire	45.0%	30.0%	25.0%	(34)
Ghana	83.3%	16.7%	0.0%	(30)
Guinea-Bissau	64.0%	22.0%	14.0%	(36)
Liberia	95.5%	0.0 %	4.5%	(22)
Nigeria	94.7%	2.7%	2.6%	(80)
Senegal	59.0%	34.0%	7.0%	(32)
Sierra-Leone	91.2%	8.8%	0.0%	(34)

Source: Collation from Country Reports' Survey Data
DK/NR = Don't Know/No Response.

TABLE 13: TECHNIQUES/METHODS EMPLOYED BY PEPs TO ADVERSELY AFFECT THE EFFECTIVE FUNCTIONING OF ENFORCEMENT AGENCIES.

Country	Power/Influence of Office or Position	Money to Bribe/Corrupt Enforcement Personnel	Combination of Power and Money	TOTAL (N)
Benin	4.0%	4.0%	64.0%	(16)+
Cote d'Ivoire	20.0%	18.0%	62.0%	(15)
Ghana	53.8%	0.0%	46.1%	(26)
Guinea-Bissau	36.0%	30.0%	17.0%	(23) +
Liberia	42.9%	9.5%	47.6%	(21)

Nigeria	35.2%	9.9%	53.5%	(75)[+]
Senegal	29.0%	14.0%	57.0%	(19)
Sierra-Leone	38.7%	6.5%	54.8%	(31)

Source: Collation from Country Reports' Survey Data.
[+] = Missing/No Response cases make up the total

92. In addition to the findings which indicate that corruption, conceptualized broadly, is a major impediment to the effectiveness of AML and related agencies, a majority of the respondents across the States agree that money-laundering cannot thrive without corruption; the proportions of respondents who "definitely agree" averaged almost 60%, but this rose over 90% when combined with those who "agree to a certain extent". See Table 14 below.

TABLE 14: POSITION OF THE RESPONDENTS ON THE OPINION THAT MONEY LAUNDERING CANNOT THRIVE WITHOUT CORRUPTION.

Country	Definitely Agree	Agree to a Certain Extent	Disagree	Total (N)
Benin	68.0%	24.0%	0.0%	(25)*
Cote d'Ivoire	62.0%	30.0%	8.0%	(34)
Ghana	35.7%	42.9%	21.4%	28
Guinea-Bissau	36.1%	55.5%	5.6%	36
Liberia	47.4%	42.1%	10.5%	(19)
Nigeria	59.5%	35.1%	4.9%	(74)
Senegal	41.0%	56.0%	3.0%	(32)
Sierra-Leone	61.8%	32.4%	5.9%	(34)

Source: Collation from Country Reports' Survey Data.
*= 8% Missing / No Response cases make up total
Total (N) = Number of effective response

93. Summarily, on this most important objective of the study, the findings are that:

- **i.** The awareness of FATF 40 + 9 Recommendations by personnel of public and private corporate organizations, policy and enforcement agencies inclusive, is very low.
- **ii.** A greater proportion of the proceeds of corruption are laundered and used internally.
- **iii.** For the proportion illegally transferred abroad, financial corporate organizations (banks and non-banks) and business/trade partners are the major conduits or channels;
- **iv.** Knowledge of legal provisions against money-laundering and/or the existence of specialized and/or conventional AML agencies are not a major factor in the incidence or channels of money-laundering;

v. Abuse/misuse of office (i.e. corrupt use of office for personal enrichment) in isolation or, in combination with bribery/corruption of enforcement personnel, is the major impediment to the effectiveness of AML organizations; and

vi. Corruption produces and protects money-laundering, before, during and after the corruption event, respectively.

94. In ending this Chapter, it should be helpful to note that though figures and statistics are useful in providing a picture and indicating observed patterns, they are sometimes limited because they essentially amount to skeletons: it is the qualitative data that provide the spirit/soul, the blood and the flesh. This point should be borne in mind with this and other data-based Chapters of this Report.

CHAPTER FIVE: EXISTENCE AND ADEQUACY OF MLA AGREEMENTS FOR THE PURSUIT OF PROCEEDS OF CORRUPTION

95. It needs to be reiterated that provisions of Conventions and Protocols in UN/AU and ECOWAS respectively provide the basis for MLA instrumentality and for entry into MLA Agreements. Therefore, in line with the fourth objective of the study, this Chapter looks at the issue of the existence and adequacy of Mutual Legal Assistance Agreements in assisting countries of the region with the tracing and recovery of stolen/laundered money i.e. the proceeds of corruption. It needs to be stated from the onset that the paucity of knowledge about MLA by the majority of respondents and the relative absence of formal/standard MLA Agreements in the region constitute a problem for adequate examination of the issue by the survey as had been intended.

96. As shown by findings in the preceding Chapter, the level of awareness of AML-related regional and international protocols/conventions (e.g. ECOWAS, AU, UN) is very low in most of the public and private corporate organizations "represented" by the respondents, including policy-making and anti-corruption/money laundering related organizations. And perhaps not un-expectedly therefore, awareness of signing/ratification/domestication status is dismally low. Here, it is helpful to point out that background literature had indicated the problem of non-domestication of such international and regional instruments even though many of the countries have anti-corruption/money laundering legislation or regulations and specialized/conventional enforcement agencies (e.g. Nigeria) or some semblance of these (e.g. Sierra-Leone).

97. Majority of respondents across the States had no knowledge of what is referred to as "Mutual Legal Assistance Agreements", in the first place (See Table 15 below). And while insignificant proportions claim existence of MLA Agreements between their countries and others, such claims appear misinformed by their lack of knowledge of the meaning of the term. The claims are based on their countries' membership of ECOWAS and WAEMU and perceived obligations therefrom and/or their countries' bilateral "understandings" with control and enforcement organs of foreign governments and international organizations e.g. UK Metropolitan Police, FBI, Interpol and the like of these. MLA Agreements impose mandatory obligations to cooperate and provide required assistance as and when needed while "understandings" allow for discretion.

98. Illustratively, the Guinea-Bissau Country Report says the survey "shows that the various stakeholders are not fully conversant with these provisions", that "very few stakeholders know what Agreement on mutual legal assistance means", and there is "an urgent need to conduct extensive and systemic campaigns of awareness and information throughout the country". Worried about the answers of the respondents to the questions on MLA, the Benin Report similarly emphasizes the need for increased "communication and education". For Liberia, the Report pointedly states that "throughout this research, ------, there were no indications or evidence of Liberia having any Mutual Legal Assistance Agreement with any country". And the Senegal Report concludes thus: "Actually, and with regard to MLA

Agreements on the repatriation of stolen funds, our investigations found that no agreement has been signed to date between Senegal and a country or any organization".

99. For Nigeria, where some respondents even claim existence of MLA Agreement with Transparency International (!!!), the Country Report vividly highlights the problem: that the awareness of Nigeria's MLA Agreements with other countries, as claimed by some respondents may be "mis-placed" since the literature reveals that the country "does not have contractual agreements but understanding"; and that what the data reveal "must be of great concern to those driving the efforts to recover the stolen wealth of Nigeria–the respondents from the main law-enforcement agencies (ICPC, Police, NDLEA, Judiciary), Federal Ministries (Finance, Commerce and Industry) and FIRS[30] as well as respondents from the National Assembly claim ignorance of international MLA Agreements!".

100. In actual fact, the low response rate to the questions on MLA Agreements, given their highest response rates to other sets of questions, is indicative of the low level of awareness on the subject amongst the respondents and, by extension, their organizations as well as of the relative absence of formal MLA instrumentality in the region. The number of "empty" or "Not Provided" cells in Table 15 to 18 is another index of the problem. Yet, this kind of low level of awareness or lack of knowledge is unexpected, given the type of public and private corporate organizations "represented" by the respondents in the survey across the region.

101. Among those who responded to the existence of MLA Agreements in the affirmative, a majority were of the opinion that they are neither adequate nor helpful. See table 16 and 17 below. The reasons offered are:
    - **i.** The Agreement has not resulted in the return of any substantial stolen/laundered money;
    - **ii.** Returned money is subject to corruption/laundering all over again; and
    - **iii.** The processes involved are long, cumbersome, and frustrating.

102. Even though a majority of respondents (56.9%) in Nigeria, as a singular exception, perceive the country's MLA "Agreement" as helpful, the remainder who stated that they are not share the reasons specified above.

103. Those three articulated reasons can be exemplified by two instances quoted by the Liberian Report as having been indicated in a DFID Report and the UN Security Council Panel of Experts Report of June 7, 2007. In the first instance, the DFID Report is quoted directly:

> "Recently, three senior public officers were charged with economic sabotage involving amounts of U$D 2.5 million and £700, 000.[00]. No prosecutions have been effected as yet. One person absconded and is believed to be in the USA. Some attempt was made to confiscate the proceeds of the offenders where money had been deposited in overseas banks. This was unsuccessful. Bail that has been set as a condition for release was not surrendered as the insurance company that set up the bail went into liquidation. We were made to understand that the failure to confiscate the overseas assets of the accused was

[30] Federal Inland Revenue Service.

due to the apparent unwillingness of the overseas government in question or its inability to comply with a request for seizure and confiscation by Liberia. However, there is doubt in our minds that a proper process to obtain mutual international legal assistance was followed. In any event, any investigation and prosecution involving grand corruption on the scale that is prevalent in Liberia today will inevitably involve international cooperation if it is to succeed".

104. In the second instance, the report claim that despite UN Security Council Resolution 1532 which authorized the seizure of assets of some Liberians by all countries and had been effected by France, Italy, Germany, Lebanon, Syria, UAE, UK, USA, it had been problematic or difficult[31] for Liberia to benefit from the Resolution. For clarification, the resolution in question was adopted unanimously by the Council on 12 March 2004, and was aimed at preventing former Liberian President Charles Taylor, his immediate family members and senior officials of his regime, and other close allies from using misappropriated funds and property to interfere in the restoration of peace and stability in Liberia and the sub-region. The Report also states that the Ghana Government had quickly allowed the release of 90% of the funds of a Ms. Grace Minor (a Liberian) within fifteen days of her designation on the assets freeze list in 2004. And Nigeria has not given consent to Liberia's request for investigation of former President Charles Taylor's alleged wealth/investments in Nigeria for possible freezing and repatriation.

105. Ironically, when informed of the recovery-benefit of MLA Agreement regarding stolen/laundered money, most of the respondents who expressed lack of knowledge of the meaning of the term and/or stated that their countries had no MLA Agreements (e.g. Senegal and Ghana) overwhelmingly expressed support for their countries' entry into such Agreements henceforth (see Table 18 below). Qualitative data on the other countries express similar support. Such support is perhaps a reflection of respondents' frustration with the recalcitrance of the problem of corruption and associated money laundering and the need to recover stolen/laundered money.

106. From the foregoing findings, it is safe to state that awareness and knowledge of the instrumentality of MLA against money laundering is very low in the region; that formal MLA Agreements are virtually a rarity in the countries covered by the survey; and that MLA Agreements are not considered adequate or very helpful in the recovery of stolen/laundered funds. However, in spite of these adverse observations, entry of countries of the region into MLA Agreements is supported.

[31] The Country Report places part of the blame on unwillingness or lukewarm attitude of the Liberian Government in pursuing the enforcement of the Resolution in question.

TABLE 15: KNOWLEDGE OF THE MEANING OF "MUTUAL LEGAL ASSISTANCE" AGREEMENT

COUNTRY	Yes	No	Total (N)
Benin	32.0%	60.0%	(25)
Cote d'Ivoire	82.0%	18.0%	(34)
Ghana	16.7%	76.7%	(30)*
Guinea-Bissau	19.4%	50.0%	36*
Liberia	0.0%	100.0%	(22)
Nigeria	28.8%.	71.2%.	(78)
Senegal	31.0%	69.0%	(32)
Sierra-Leone	23.5%	76.5%	(34)

Source: Collation from Country Reports' Survey-Data

*= Missing / Do Not Know/ NA (8% Benin, 6.6% Ghana, 30.6% Guinea-Bissau)

TABLE 16: HELPFULNESS OF MLA AGREEMENT IN RECOVERING STOLEN/LAUNDERED MONEY.

COUNTRY	Yes	No	DK/NA	Total (N)
Benin	0.0%	32.0%	68.0%	(25)
Cote d'Ivoire	54.0%	26.0%	20.0%	(34)
Ghana	3.3%	16.7%	73.3%	22
Guinea-Bissau	13.9%	27.8%	47.2%	36
Liberia	4.5 %	22.7%	72.7%	(22)
Nigeria	56.9%	15.7%	27.4%	(51)
Senegal	0.0%	59.0%	22.0%	(26)*
Sierra-Leone	37.5%	62.5%	0.0%	(8)

Source: Collation from Country Reports' Survey-Data

TABLE 17: REASONS FOR UNHELPFULNESS OF MLA AGREEMENTS

COUNTRY	Non-Return of Most Stolen/Laundered Money	Process Long; Cumbersome and Frustrating	Returned Money subject to Corruption and Laundering Again	D.K/N.A	TOTAL(N)
Benin	25%	12.5%	0.0%	62.5%	(8)
Cote d'Ivoire	50%	38.0%	12%	0.0%	(9)
Ghana	0.0%	25.0%	0.0%	75.0%	(16)
Guinea-Bissau	8.3%	8.3%	16.7%	61.1%	(36)
Liberia	38.1%	0.0.%	4.8%	57.1%	(21)
Nigeria	15.4%	7.7%	26.9%	50.0%	(26)
Senegal	38.0%	13.0%	3.0%	46.0%	(15)
Sierra-Leone	0.0%	60.0%	40.0%	0.0%	(5)

Source: Collation from Country Reports' Survey-Data

TABLE 18: SUPPORT FOR COUNTRY'S ENTRY INTO MLA AGREEMENTS

COUNTRY	Yes	No	Will Not Make Any Much Difference.	D.K/N.A	Total(N)
Benin	76%	0.0%	0.0%	24.0%	(25)
Cote d'Ivoire	78%	0.0%	15%	7.0%	(34)
Ghana	73.4%	3.3%	0.0%	23.3%	(30)
Guinea-	55.5%	8.3%	2.8%	33.4%	(36)
Liberia	86.4%	4.5%	0.0%	9.1%	(22)
Nigeria	72.9%.	6.3%	6.3%	14.6%	(78)
Senegal	100%	0.0%	0.0%	0.0%	(32)
Sierra-Leone	82.4%	5.9%	0.0%	11.8%	(34)

Source: Collation from Country Reports' Survey-Data

CHAPTER SIX: IDENTIFICATION/ CASE STUDIES OF POLITICALLY-EXPOSED PERSONS AND VULNERABLE INDIVIDUALS

107. In previous chapters, particularly Chapter Two, politically exposed persons (PEPs) have been indicated. However, for the identification and study of cases of PEPs across sampled States in this survey, the research employed three sources. One, extractions from documentary and newspaper reports covering the period 2003-2007. The limitation of this source is that they are un-structured, usually anecdotal, and sometimes biased. Besides, while the source is "rich" in one or two countries (e.g. Nigeria and Liberia), it is rather "dry" in the Franco-phone States where the fear of the law of sedition or libel appears to be the beginning of wisdom for media houses and journalists. Two, extractions of cases of arrest/indictment from official records of anti-corruption/money laundering and related enforcement agencies, again covering the 2003-2007 periods. The major draw-back of this source is the relative nominality of the figures and non-uniform incompleteness of the records for required information, in addition to the reported virtual absence of arrest/ indictment for such cases in some countries (e.g. Senegal).

108. The third and most instructive source consists of the primary data from the perceptions of respondents in the survey. Here, the fifteen (15) occupational/socio-economic categories provided for assessment as PEPs go beyond the international conception to include those "vulnerable" to corruption in our regional context e.g. lower and middle category public and private sector workers, professionals, law-enforcement and judicial officials, traditional rulers, and leaderships of trade/ student unions, market women and the media. Here, it should be reiterated that this "expansion" is an attempt at correcting perceived deficiency in the international conception of the term, a shortcoming that has even been raised in the literature (Chaikin and Sharman, 2009: 83-113)[32]. The findings reported hereunder are based largely on this primary source and extractions from arrest/ indictment records.

109. Respondents' ratings of the 15 occupational/socio-economic categories in terms "exposure" to, or manifestation of, corruption and related practices, reveal the following as "most exposed" by significantly high proportions of respondents across the States with only slight variations in emphasis among the countries (see Table 19 below):

- **i.** High level political office holders;
- **ii.** High level government officials;
- **iii.** Police and law-enforcement officials;
- **iv.** Judiciary Officials;
- **v.** High level private sector officials; and
- **vi.** Leadership of press/media:

[32] "Related to the point here about adequate conceptualization of PEPs is an observation in the Liberia Report: At one point in time, there was a widely held notion that it was better to be friend-of-the-president than to be a Minister in the cabinet, because these friends wielded enormous power, and they still do today".

110. There was also “unique” or out-of-pattern PEP identifications: for instance in Guinea-Bissau, over 70% identified “Military Commanders” as most-exposed; 72% and 59% for “Leadership of Trade unions” and “Professionals” (e.g. Lawyers and Accountants) respectively, in Senegal; and 64.7% for “Professionals” in Sierra-Leone. These unique cases, taken together with some of the six preponderant identifications, lend credence to the argument that the current international conception of PEP should be contextualized by regions or regions, even though the data still confirm the essence of the extant conception i.e. high-level political and government office-holders.

111. Further confirming the prevalence of corruption in the region, about 10% to 20% of respondents, again across the States, rated each of lower occupational socio-economic categories as also “most exposed”. However, because they are unlike the PEPs proper, who are material and/or esteem seeking, these categories are better regarded as “Vulnerable Individuals(Vis)” i.e. individuals who are “forced”, as it were, by their socio-economic conditions of existence (largely created by the corruption and money-laundering of PEPs proper) to engage in corrupt practices. Supporting this position is the finding that majority of respondents hold “socio-economic conditions of existence” more responsible, than “leadership by the elite”, for the prevalence of corruption and money laundering: the proportion with this opinion ranges from 51.5% in Nigeria, 60% for Benin and Senegal to 82.4% in Sierra-Leone, respectively.

See Table 20 below.

TABLE 19: IDENTIFICATION OF POSITIONS/PERSONS "MOST EXPOSED/VULNEARBLE TO CORRUPTION*

POSITIONS/PERSONS	Benin %	Cote d'Ivoire%	Ghana %	Guinea-Bissau %	Liberia %	Nigeria %	Senegal %	Sierra-Leone %
Lower-category of Govt. Workers e.g. Clerks/Messengers	8.0	23.0	20.0	11.1	38.1	21.3	34.0	14.7
Lower-category private sector workers and artisans e.g. mechanics/tailors, clerks, messengers.	4.0	12.0	3.3	2.8	4.8	11.8	13.0	2.9
Middle-Cadre Govt. Officials e.g. Admin Officers	32.0	70.0	33.3	30.6	52.4	28.9	16.0	38.2
Middle-Cadre private sector officials e.g. Assistant Managers.	12.0	10.0	13.3	11.1	19.0	10.3	44.0	26.5
Professionals e.g. lawyers, accountants, doctors.	32.0	15.0	43.3	30.6	52.4	38.7	59.0	64.7
High-level private sector officials e.g. Chief Executives of Banks.	56.0	15.0	56.7	36.1	100.0	70.9	59.0	58.8
High-level Govt. officials e.g. Heads, Directors of Ministries/Agencies.	88.0	60.0	86.7	61.1	80.0	93.7	72.0	91.2
High-level Political office holders e.g. Ministers, Parliamentarians.	92.0	45.0	86.7	77.8	80.0	91.1	69.0	91.2
Police and law enforcement officials	84.0	75.0	100.0	72.2	66.7	74.4	77.0	91.2
The Judiciary Officials	68.0	60.0	80.0	77.8	57.1	59.5	81.0	85.3
Traditional Rulers	12.0	20.0	20.0	72.2	9.5	23.7	28.0	20.6
Leadership of Trade Unions	44.0	23.0	23.3	77.8	28.6	27.8	72.0	17.6
Leadership of Student Unions	24.0	15.0	20.0	30.6	23.8	19.5	47.0	11.8
Leadership of Market Women Associations/Other Grassroot Associations.	20.0	10.0	-	N.P.	28.6	12.8	13.0	11.8
Leadership of the Press/Media.	84.0	64.0	53.3	N.P.	9.5	32.1	75.0	14.7

Source: Collation from Country Reports' Survey Data

N.P. = Not Provided by the Research Associate

*= Rankings are "Most Exposed", "Somewhat Exposed", and "Least Exposed". The percentages in the Table refer only to proportions of respondents who categorize the positions as "Most Exposed".

TABLE 20: FACTOR CONSIDERED "MORE RESPONSIBLE" FOR PREVALENCE OF CORRUPTION AND MONEY LAUNDERING

Country	Socio-Economic Conditions of Existence %	Leadership by the Elite %	Total (N)
Benin	60.0	32.0	(25)*
Cote d'Ivoire	70.0	30.0	34
Ghana	53.3	46.7	30
Guinea-Bissau	70.0	22.0	(36)*
Liberia	60.0	40.0	20
Nigeria	51.5	48.5	(68)
Senegal	60.0	40.0	(37)
Sierra-Leone	82.4	17.6	(34)

Source: Collation from Country Reports' Survey Data

*= 8% Do not Know (Benin); 8% "Do Not Know (Guinea-Bissau)

Total (N) = Number of effected responses

112. Owing to problems of aggregating arrest/indictment data from the official records of the various jurisdictions with varied record-keeping practices, the data from Nigeria's Country Report has been employed here to illustrate findings on profile of arrested/indicted PEPs and their processing through the criminal justice systems on a number of variables. The Nigerian data was chosen for illustration for two main reasons: they are relatively more complete than others; and they were derived from the records of one agency (the ICPC) only, unlike others that were derived from an amalgam of records of various "conventional" law enforcement agencies.

- **i.** The overwhelming majority were male, within the 36-55 age bracket and particularly the 41-50 age group.
- **ii.** Most were high-level political office holders or high-level public officers
- **iii.** Slightly over half (54%) were indicted with a single offence while 46% were charged with multiple offences.
- **iv.** Slightly over half were charged along with others while the remainders were charged alone.
- **v.** Most of the cases were corruption-specific (75%) while combined corruption and money-laundering cases constituted about 18%,
- **vi.** Abuse of office and demanding/receiving gratification were their dominant techniques of corruption.
- **vii.** Amounts of money involved in corruption-specific cases were usually far higher than those involved in money-laundering-specific or combined corruption/money-laundering cases.
- **viii.** Virtually all arrested/indicted persons were granted bail, usually by the courts.
- **ix.** Money-laundering and combined corruption/money-laundering cases stayed longer in court than corruption-specific cases, and the former was less likely to result in loot-recovery than the latter.

113. Fragments of data on arrested/indicted PEPs from the other countries are generally in support of the substance and direction of the Nigerian findings on the issue. For instance, in Guinea-Bissau, of the eleven (11) reported arrested/indicted cases, 64% were 35 years of age or younger; 54% were high-level political or government office-holders; and were about evenly distributed in terms of single/multiple offence-type and recovery/non-recovery of amounts involved. Again, for Sierra-Leone, most of the arrested/indicted cases were occasioned by police and were specific to corruption (misappropriation of government or donor funds); over 63% were convicted and "recovery" of the funds was obtained in over 60% of the cases, which lasted from between 10 to 24 months.

114. All in all, the variables from the Nigerian case-studies, as well as fragments of data from the other countries, suggest the profile of a PEP as a middle-age male who is either a highly-placed political office-holder or public servant, charged with a single corruption-specific offence, along with accomplices. Usually granted bail, his trial is protracted for years in court and only loses his proceeds from corruption, partially or fully, if and when

the case is decided. Even though the profile suggested here confirms respondents' identification in terms of socio-occupational categories, it has to be taken as tentative for, at least, two reasons: the Nigerian cases studied for the 2003-2007 period covered do not include those arrested/indicted by the specialized anti-money laundering agency during that same period in the country (due to lack of cooperation on the part of the agency)[33]; and the profile has not benefitted from probable variations that case-studies from the other countries might occasion had they provided comparable processed/analyzed data.

115. In Benin, for instance, over 80% of those arrested/indicted during the period were traders and "economic operators" (not PEPs as presently known); 99% of them were charged alone; over 88% of the charges were specific to money-laundering/"illegal carriage of currency"; 80% of the arrests were made by the Customs agency; 76% of the cases involved amounts that were less than U$D 100, 000.^{00}; 86% of them were were fined; and all amounts involved were "recovered"(seized) in 78% of the cases. And Liberia's Country Report refers to about three (3) PEP cases of arrest/indictment for "misapplication of entrusted property"/"economic sabotage" involving amounts ranging from U$D 28, 000.^{00} to U$D 3.2 million, as well four (4) "low-level" Custom Brokers (arrested by the Custom Anti-Smuggling Office) for amounts ranging from U$D 2, 000.^{00} to U$D 9, 000.^{00}.

116. To conclude this Chapter on PEPs, an observation on the implications of the findings is in order. If the perception of the respondents is correct, the region faces an uphill task in the fight against corruption and money laundering. Where and when the two top-most players in the design and implementation of anti-graft policies are the "most exposed" to corruption, and are evidently also material or esteem seeking, institutions, structures and processes are more likely (than not) to get compromised. Where and when the enforcement agencies and the judiciary that carry the execution-responsibility for law enforcement and justice administration are also as the "most expose" to corruption as perceived by the respondents, the statutory/legislative provisions aimed at countering corruption and money laundering are more likely (than not) to be fairly "toothless". And where and when high level private sector officials are also as "most exposed" to corruption as perceived by the respondents in this study, it follows that they are more likely (than not) to find it more profitable to collude with political office-holders and government officials in sharing and laundering gains of corruption than in effectively observing and enforcing FATF-derived provisions. Overall, the full implication here is that corruption does interfere with effective implementation of FATF Recommendation 5 and by extension Recommendation 6 and consequently undermines full compliance by Financial Institutions

117. Had the foregoing not been the reality of the situation, the quantum and quality of officially-processed PEP cases available over the 2003-2007 period of the region should have been far much more than observed by the survey, given the background literature and the findings reported in Chapters Three and Four. That is, beyond "identification" and case-studies of PEPs, there are implications for corruption, the impediment it creates for effective implementation of anti-money laundering standards, and the appropriate emphasis and direction for policy and implementation strategy and mechanisms, all of which constitute the crux of the next and final Chapter.

[33] See Note 4 above.

CHAPTER SEVEN: RECOMMENDATIONS.

118. In pursuance of the sixth and final objective of the study, the focus of the recommendations presented in this final chapter are aimed at minimizing inhibitions of anti-money laundering regimes by corruption and related practices. They are informed by a combination of the existing literature/knowledge as highlighted in Chapter Two (Para. 61), the findings of the empirical research reported in preceding Chapters, and respondents' specific opinions on "best practices" and measures to effectively combat corruption and money laundering, particularly the impediments the former creates in the way of effective implementation of provisions against the latter.

119. Interestingly, and perhaps not surprising, the recommendations from this study substantially correspond with those of a similar study of East and South African Countries, just as the findings/observations of the two studies are not dissimilar with respect to the contribution of corruption to money laundering and the relative ineffectiveness of AML agencies, the existence of adequate anti-laundering provisions, and non-appreciation of the umbilical cord between the two crimes, the low rate of arrest and/or successful prosecution (if at all) of money laundering cases, the poor documentation of cases and related matters, the restricted independence/autonomy of control institutions and enforcement agencies, and the latter's non-accountability to the general public (ESSAMLG, 2009: 59-63). The only "difference" in the two sets of recommendations appears to be in tenor, direction, and emphasis: while the one emphasizes the legal/technical with regard to provisions, the other dwells on the social-scientific parameters of the problem.

120. It is also pertinent to point out that many of the recommendations occasioned by this study have been offered earlier in more specific operational terms by GIABA's comprehensive and detailed TANA exercise from 2007 to 2008 and disseminated to member States (GIABA, 2009a) e.g. the need for political will and commitment; for a functioning and effective FIU with adequate, qualified, appropriately-trained, and well renumerated personnel; for establishment of National AML/CFT Committees; for targeted and public awareness and sensitization campaign about the ills of money laundering; for appropriate reforms in the law/justice sector; for allocation of adequate operational budget to the anti-graft entities; etc Ditto for the recommendations of the organizations WGTYP to counter the vulnerability of countries of the region to ML/TF arising from cash transactions and cash couriers (GIABA, 2007: 30-32)

121. Before articulating the recommendations being put forth by this survey, it should be instructive to itemize, in summary fashion, the respondents' "raw" suggestions as to "best practices" and/or measures to mitigate the adverse effects of corruption on the effective implementation of AML provisions. See Table 21 below. First, even though the literature suggest the existence of fairly adequate anti-corruption/money laundering statutory provisions, by whatever name called, respondents emphasize enactment of strict/punitive laws as anti-dote. Secondly, but correctly this time around, they dwell on the need for enhanced capacity, human and technical, for enforcement agencies and their personnel as well as on the imperative for their operational autonomy/independence. Still it should be pointed out that apart from these general patterns, there are other recommendations that

reflect each country's peculiarities e.g. Liberia suggests the abrogation of that country's dual-currency

TABLE 21: SUMMARY OF RESPONDENTS' OPINIONS ON "BEST PRACTICES" TO COMBAT C. AND M.L. MEASURES TO MINIMISE CORRUPTION-INDUCED IMPEDIMENTS TO EFFECTIVE ENFORCEMENT OF AML PROVISIONS

SUGGESTIONS	Benin	Cote d'ivoire	Ghana	Guinea-Bissau	Liberia	Nigeria	Senegal	Sierra-Leone
Improvement in the living conditions of public/civil servants	X	X				X	X	X
Strong political will/commitment; leadership by example						X	X	X
Enactment/adoption of strict and punitive laws and their enforcement without discrimination	X	X	X	X	X	X	X	X
Enhancement of the capacity of anti-corruption/money-laundering agencies through training, equipment, funding and salary/welfare of their personnel.	X	X	X	X	X	X	X	X
Public civic education on the "evils" of corruption/money laundering and specific education on AML provisions for higher echelons of government and private sector organizations.	X	X			X		X	X
Greater integration (or actual merging) of the functions and activities of anti-corruption and money laundering agencies.	X		X	X			X	X
Autonomy/independence of anti-corruption/money laundering agencies in functioning.	X	X	X	X	X	X	X	X
Creation and regular updating of database on actual and potential PEPs/VIs					X			
Strengthening of regional, regional and international cooperation against money laundering and entry into MLA Agreements with actual and potential receivers of laundered money.					X	X	X	X

Source: Collation from Country Reports Survey Data

122. Since corruption produces the proceeds for laundering as well as helps in frustrating the effective functioning of the agencies for the prevention and control of laundering, governments of the region must, first and foremost, show observable political will and commitment to combat corruption. Such will and commitment have to be manifested with the following:

- **i.** Ensuring the meaningful domestication of international, regional and regional anti-corruption conventions/protocols where these have not been done;
- **ii.** Ensuring that anti-corruption laws are strict and punitive/deterrent enough, and are free loopholes as well;[34]
- **iii.** Ensuring the empowerment through funding and operational independence of anti-corruption agencies and avoidance of any executive interference whatsoever; and
- **iv.** Ensuring leadership by example in terms of integrity, transparency and accountability of high-level political office holders, public officers, and private sector chieftains and management.

123. Relatedly, governments of the region must endeavour to progressively improve the socio-economic conditions of existence of the generality of the population, particularly the lower and middle cadres of the public service, since "petty-corruption", by design or default , also helps "grand corruption" and inhibition of effective implementation of standards. How else can a culture of "whistle blowing" be developed and encouraged?

124. In furtherance to political commitment to the fight against corruption, the ECOWAS Commission in collaboration with its relevant institutions and other stakeholders should institute an Annual Civil Society Forum on Tackling Corruption in West Africa spearheaded and driven by the Civil Society.

125. Governments should align the structure of their anti-corruption and money laundering agencies to function in an organic and integrated manner in accordance with the FATF Recommendation 31 which called for countries to ensure that policy makers, the FIU, law enforcement and supervisors have effective mechanisms in place which enable them to co-operate, and where appropriate coordinate domestically with each other concerning the development and implementation of policies and activities to combat money laundering and terrorist financing. Furthermore, as Chaikin and Sharman (2009:21-30) have convincingly argued, the tremendous potential of AML regimes in fighting corruption should be deployed.

126. Governments of the region, perhaps with the support of international and regional organizations, should deliberately build and strengthen both the human and material capacity of their specialized agencies for the prevention and control of money-laundering. There should be systematic appropriate training in investigative skills, impartation of knowledge of the global financial system, information-technology, etc as well as provision

[34] For instance, legislations should include provisions that would make it statutorily mandatory for professions that "inherently" collaborate with perpetration of corruption and money-laundering at present to patently cooperate with the pertinent enforcement and judicial authorities e.g. the legal banking, accounting/auditing professions.

of modern technical equipments and tools of detection and investigation, efforts which GIABA has been spearheading in the region.

127. Governments should provide personnel of their anti-corruption/money-laundering agencies with enhanced pay and other attractive conditions of service well over and above those applicable to the general public service, along with codes of conduct that are stricter and penalties that are heavier than those applicable to the general population for any act of corruption or collaboration in their part.

128. For speedy dispensation, specialized courts should be created, and in adequate number, for the exclusive handling of corruption and money-laundering cases, subject to the emplacement of strict rules of conduct and restricted immunity for the judges of such Courts.

129. Specialized training should be executed on periodic basis, with the aid of international, regional, and regional anti-money laundering institutions, for policy and executive personnel of relevant public and private sector organizations, on anti-money laundering conventions and instruments e.g. on the provisions and essence of the FATF 40 + 9; objectives, modalities, and benefits of MLA Agreements, etc.

130. Central Banks in the region should strengthen their oversight and monitoring functions over banks and other non-bank financial institutions to ensure the full implementation of FATF Recommendations 5 on Customer Due Diligence and Recommendation 6 on PEPs. Since Recommendation 6 is dependent on the good application of Recommendation 5, failure to implement Recommendation 6 should attract higher penalty because it means that even Recommendation 5 is not being implemented. Sanctions of erring institutions should be done accordingly and timely and to the public knowledge of relevant others.

131. Relatedly, GIABA, in collaboration with member States, should immediately develop an effective and efficient strategy to monitor and ensure that Financial Institutions are complying with FATF Recommendation 5 and 6.

132. In addition to whatever existing "understandings" with international bodies and/or foreign governments, all countries in the region should endeavour to consummate MLA Agreements with other countries that are actual or potential havens for their stolen and laundered money. In this regard the Legal Department of the ECOWAS Commission should assist in fostering the entry of member States into MLA Agreements at both regional and international levels. However, such Agreement should take the following into consideration:

- **i.** The need for simplification of the process of request for assistance and its service, devoid of cumbersome legal technicalities;
- **ii.** The need for the simplification of the process for the recovery/return of proven stolen/laundered money, without extortionist commission charges and within specified time-limit;
- **iii.** The need to include foreign individuals and business enterprises as liable parties; and
- **iv.** The need to have recourse to an arbitrative third-party authority in case of default.

133. GIABA should carry out a separate study of the phenomenon of "internal money-laundering" indicated by findings in this research, particularly since such laundering distorts the local economy and the proceeds from the "legitimate" enterprises (stocks, shares, estates) could later be sent abroad as legitimately-earned income. In the meantime countries in the region should give special attention to the locally generated proceeds of crime laundered internally as they do with regards to illicit money generated locally and laundered abroad or generated abroad and laundered locally. Here, the hitherto apparent inattention to unexplained wealth and the underutilization or non-use of the Suspicious Activity Report tool should be reversed with a view to using these as anti-corruption and AML measures

134. GIABA should contextualize the current international conception of PEPs to take into account the region's characteristics and peculiarities with respect to corruption and related practices e.g. the peculiarities of the preponderance of cash-transactions, informal sectors, absence of proper identification of persons, etc. Instructive here are the findings of GIABA's WGTYP with regard to the vulnerability of the countries of the region to ML/FT arising from cash transactions and cash couriers indicated earlier.

135. GIABA should construct/design Data-Collection Formats for standardized and uniform application in the region to collect, for analysis and publication on an annual basis, valid and reliable information on money-laundering cases and socio-economic and other characteristics of arrested/indicted PEPs.

136. GIABA should create and continuously update a data-base on actual and potential PEPs and regularly circulate the information to anti-corruption and money laundering agencies in the region.

137. GIABA should involve a cooperate strategy on information dissemination aimed at keeping target public as well as the general population in member States well informed about its existence mandate, programs, and activities. In addition to heightening needed awareness of the organization such propagation would assist in adding stimulus for the implementation of anti-corruption and AML measures in the region.

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APPENDIX I[A]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"A". [CORPORATE ORGANIZATIONS: PUBLIC AND PRIVATE SECTORS]

Dear Sir/Madam,

1. GIABA, an inter-governmental agency of ECOWAS, is conducting a research on the relationship between corruption and money laundering in the West African region. The ultimate purpose of the project is to provide guidance for Member States of ECOWAS to enable them make their anti-money-laundering/terrorists financing systems less vulnerable to corruption and, thereby, more effective.

2. Your country is included in the survey-sample of Member States being covered: Benin, Cote d'Ivoire, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal and Sierra Leone.

3. It is in this regard that your kind cooperation and assistance, either as an official/corporate entity or individual, is required and solicited for our completion of this Questionnaire or Data Format as the case may be. **GIABA assures you of the integrity, anonymity and confidentiality of responses and information obtained for the Survey.**

4. Thank you for your cooperation and assistance.

GIABA

[August-September, 2008]

I. CORRUPTION TECHNIQUES AND TRENDS

1. Presently, in your opinion, how common are the following manifestations of corruption in the country?

		Very Common	Fairly Common	Not Common
(i)	Bribery of government officials			
(ii)	Bribery of foreign officials			
(iii)	Embezzlement, misappropriations, or other diversion of property by government official			
(iv)	Abuse or misuse of office by government official for unlawful gain			
(v)	Trading in "influence" to get things done or not done			
(vi)	Bribery or embezzlement in the private sector			
(vii)	Illegal transfer or taking of money abroad			
(viii)	Inflation of contracts			

2. Taken as a whole, how would you rate your country today on the level of prevalence of corruption?
   (i) - High
   (ii) - Medium
   (iii) - Low

3. Compared to five years ago [about year 2003], would you say that the problem of corruption in the country has decreased or increased?
   (i) - Problem of corruption has decreased
   (ii) - Problem of corruption has increased
   (iii) - Problem of corruption remains as it was

4. Out of the total budget expenditure of your organization last year, what is your rough estimate of the proportion/percentage that was lost to corruption?
   (i) - About 10% or less
   (ii) - Between 11 and 20%
   (iii) - Between 21 and 30%
   (iv) - Between 31 and 40%
   (v) - Between 41 and 50%
   (vi) - Over 50%

5. In your opinion, **which one** of the following takes **more** of the monetary "gain" from corruption?
   (i) - Saving and/or consumption of goods and services in the country
   (ii) - Saving and/or consumption of goods and services abroad

6. Again, in your opinion, **which one** of the following methods is **mostly used** in transferring the "gains" from corruption abroad?
   (i) Cash through the ports and/or borders
   (ii) Through the banks [e.g. wire transfer, letter of credit, etc]
   (iii) Through financial agencies other than banks [e.g. forex bureaux]
   (iv) Through business partners
   (v) Through other "third parties [specify ……..]

II. CORRUPTION-RELATED IMPEDIMENTS TO IMPLEMENTATION/ ENFORCEMENT OF ANTI-MONEY LAUNDERING PROVISIONS

7a) Are you aware of the FATF (Financial Action Task Force) document referred to as the Forty + Nine Recommendations?

(vi) Yes
(vii) No

7b) If yes to question 7a) How would you rate the extent of compliance of your organization to most of the provisions of the recommendations?

(i) Compliant
(ii) Non Compliant
(iii) Do Not Know

7c) Are you aware of legal provisions in your country against illegally taking or transferring of money abroad?

(i) - Yes
(ii) - No

8. If "yes" to Question 7c, please state the import or essence of such provisions:
……
……..……
……..……
……

9. Does your country have at least one specialized agency or institution to enforce provisions against illegal taking or transfer of money abroad [i.e. "money laundering"?]
   (i) – Yes [specify the name of the main agency/institution……..]
   (ii) – No [reliance only on the functioning of the conventional port/border/banking organization e.g. Customs/ Immigration/Central Bank]

10. If your country has anti-money laundering laws **as well as** specialized and/or conventional agencies to enforce such laws, **which one** of the following do you think is **most responsible** for the incidence of money-laundering?
    (i) – The laws are not strong/punitive enough
    (ii) – The enforcement agency is ill-equipped weak/not independent enough
    (iii) – Bribery/Corruption of the personnel of the enforcement agency
    (iv) - Those involved are "powerful" in government and/or society
    (v) – Other reason [specify …….
    ……..……..

11. Let us, for once, assume that corruption is the major obstacle to the effectiveness of anti-money laundering laws and their enforcement in your country **which one** of the following would you recommend as the **most needed** remedy for the impediment?
    (i) – Strict punitive laws against corrupt enforcement officials
    (ii) – Adequate equipment, strengthening and independence for the enforcement agencies
    (iii) – Increased integration [or merging] of the functions and activities of anti-corruption and anti-money laundering agencies.
    (iv) – Other reason [specify …….
    ……..

III. ADEQUACY OF MUTUAL LEGAL ASSISTANCE [MLA]

12. Which regional, regional and international anti-corruption/anti-money laundering conventions are you aware of?
    (i) –:
    ……
    (ii) –:
    ……
    (iii) –:
    ……
    (iv) –: None

13. If any of (i), (ii), (iii) or all in response to Question 12, which of them has your country ratified?
    (i) –:
    ……
    (ii) –:
    ……
    (iii) –:
    ……
    (iv) –: None
    (v) -: Not Applicable

14. If any of (i), (ii), (iii) or all in response to Question 13, which of them has your country domesticated [i.e. made it part of its applicable laws]
    (i) –:
    (ii) –:
    (iii) –:
    (iv) –: None
    (v) -: Not Applicable

15. Are you aware of what is referred to as "Mutual Legal Assistance" [MLA] Agreements?
    (i) - Yes
    (ii) - No

16. If "Yes" to question 15, please list countries with which your country was has [MLA] Agreements, if any?
    (iii) –: In Africa (specify…….……)
    (i) –: In Europe (specify……..…..…)
    (ii) –: In North America (specify……)
    (iii) –: In Asia (specify……..……)
    (iv) –: In South America (specify…….……)
    (v) –: Not Applicable

17. If your country has MLA Agreement(s), has it been helpful in getting stolen and laundered money returned?
    (i) - Yes
    (ii) - No
    (iii) - Not Applicable

18. If "No" to question 17, **which one** of the following is responsible for your answer?
    (iv) – Has not resulted in the return of any substantial stolen/laundered money, if at all
    (v) – The processes are long, cumbersome and frustrating
    (vi) – Returned money are subject to corruption/laundering all over again
    (vii) – Other reason [specify …….
    (viii) – Not Applicable
19. If your country presently has no MLA Agreement with other countries **and** you are now aware that such Agreements can help in recovering stolen and laundered money for the country, would you support her entering into such Agreements henceforth?
    (i) - Yes
    (ii) - No
    (iii) – Will not make any or much difference
    (iv) - Not Applicable

IV. IDENTIFICATION OF PERSONS "EXPOSED"/"VULNERABLE" TO CORRUPTION/MONEY LAUNDERING

20. Some people, by virtue of their positions in society, are more exposed to corruption and related practices than others. Please, in your opinion, rate the following positions in terms of such exposure/vulnerability to corruption.

		Most Exposed	Somewhat Exposed	Least Exposed
(i)	Lower-Category of **Government Workers e.g.** clerks and messengers			
(ii)	Lower-Category **private sector** workers and artisans **e.g.** clerks, messengers, mechanics and tailors			
(iii)	Middle-Cadre Government Officials **e.g.** Admin Officers			
(iv)	Middle-Cadre private sector official **e.g.** Assistant Managers			
(v)	Professionals **e.g.** lawyers, accountants, doctors			
(vi)	High-level private-sector officials **e.g.** Chief Executives of Companies, Banks			
(vii)	High-level Government officials **e.g.** Heads, Directors of Ministries and Agencies			
(viii)	High-level Political Office Holders **e.g.** Ministers, Chairmen of Parastatals, Parliamentarians, Political Party Officials			
(ix)	Police and Law-Enforcement Officials			
(x)	The Judiciary Officials			
(xi)	Traditional Rulers			
(xii)	Leadership of Trade Unions			
(xiii)	Leadership of Student Unions			
(xiv)	Leadership of Market Women Associations/Other Grassroots Associations			
(XV)	Leadership of the Press/Media			

21. In your opinion, to what extent do these "most exposed" persons adversely affect the effectiveness of anti-corruption/anti-money laundering agencies?
    (i) – To a great extent
    (ii) – Only to a fair extent
    (iii) - Not Applicable

22. If "to a great extent", **which one** of the following is **mostly used** to adversely affect the work of the agencies?
    (i) – The power/influence of their office/position
    (ii) – The money to bribe/corrupt the enforcement personnel
    (iii) – Combination of (i) and (ii)
    (iv) – Other reason [specify …….

V. SUGGESTION

23. To what extent would you say that, in your country, the operations and functioning of donor agencies and foreign/transnational companies contribute to the problem of corruption and money laundering?
    (i) – Contribute to a great extent
    (ii) – Contribute only to a small extent
    (iii) – Do not contribute at all

24. If your response is that it "contributes to a great extent", briefly explain how, with illustration:……..……..
    ……..……..

25a. Would you agree that, without corruption, money-laundering cannot thrive?

    (i) – Yes, I definitely agree
    (ii) – yes, to a certain extent
    (iii) – No, I disagree

25b. If response to question 25a is "No I disagree," please give reasons.

……...

……

……

……

26. Considering the prevalence of corruption and money laundering in the country, **which one** of the following two factors would you hold **more responsible** than the other?
    (i) - Socio-economic conditions of existence
    (ii) – Leadership by the elite

27. From your view point, what three measures would you immediately recommend as "best practices" to effectively combat corruption and money laundering in your country?:

    (i) ……
    ……
    (ii) ……
    ……
    (iii) ……
    ……

28. Taking the problem of the relationship between corruption and money-laundering as a whole, **what suggestions** would you offer to eliminate, or minimize, the impediments that corruption places in the way of effective enforcement of anti-money laundering provisions? **Please,** comment freely:
    ……..……
    ……..……
    ……
    ……..……

VI. CONTEXT OF RESPONDENT

29. Work sector of Respondent
    (i) - Public Sector
    (ii) - Private Sector

30. Specific organization of Respondent:
    ……..……
    ……
    ……
    ……

31. Official Title of Respondent: ……..……
    ……
    ……

32. Place of Respondent in the hierarchy of the Organization
    (i) - In the high echeleon
    (ii) - In the middle echeleon

33. Country/City of Questionnaire Administration ……/……

Date Questionnaire administered/collected ……/……

Name/Signature of Questionnaire Administrator ……..…/……

……..
Certification by Research Associate
[Name and Signature]

APPENDIX I[B]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"B". [DATA-COLLECTION FORMAT]

Dear Sir/Madam,

GIABA, an inter-governmental agency of ECOWAS, is conducting a research on the relationship between corruption and money laundering in the West African region. The ultimate purpose of the project is to provide guidance for Member States of ECOWAS to enable them make their anti-money-laundering/terrorists financing systems less vulnerable to corruption and, thereby, more effective.

2. Your country is included in the survey-sample of Member States being covered: Benin, Cote d'Ivoire, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal and Sierra Leone.

3. It is in this regard that your kind cooperation and assistance, either as an official/corporate entity or individual, is required and solicited for our completion of this Questionnaire or Data Format as the case may be. **GIABA assures you of the integrity, anonymity and confidentiality of responses and information obtained for the Survey.**

4. Thank you for your cooperation and assistance.

GIABA

[August-September, 2008]

1. Name of Country/City: …… …….

2. Name of Organization or Agency …… ……

3. Number of **Arrests, Prosecution and Convictions** for "known" illegal transfer/taking of money abroad [i.e. "money laundering"] and related offences like currency-trafficking [2003 to 2007]

TABLE OF KNOWN AML/CFT CASES: 2003 TO 2007

Item	2003	2004	2005	2006	2007
(i) Arrests					
(ii) Under Prosecution					
(iii) Discharged/Acquitted					
(iv) Already Convicted					
(v) Total Amount Involved					
(vi) Amount Recovered					
(vii) Still Pending Investigation.					

4. Number of **Arrests, Prosecutions and Convictions** for "known" corruption and related offences [2003 to 2007]

TABLE OF KNOWN CORRUPTION CASES: 2003 TO 2007

Item	2003	2004	2005	2006	2007
(i) Arrests					
(ii) Under Prosecution					
(iii) Discharged/Acquitted					
(iv) Already Convicted					
(v) Total Amount Involved					
(vi) Amount Recovered					
(vii) Still Pending Investigation.					

5. Explanation for Number of "Discharge/Acquittals":

……

……

……

……

6. Explanation for Number of “Still Pending Investigation”

……

……

……

……

7. Observations and/or comments by Data “extractor” e.g. on status of record-keeping, level of computerization, specialized data-personnel, etc

……

……

……

……

Date of Data Extraction/Collection ……/……

Name/Signature of Data Collector ……/……

……..

Certification by Research Associate
[Name and Signature]

APPENDIX I[C]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"C". [IDENTIFICATION OF POLITICALLY EXPOSED PERSONS [PEPS] 2003 – 2007]

Dear Sir/Madam,

1. GIABA, an inter-governmental agency of ECOWAS, is conducting a research on the relationship between corruption and money laundering in the West African region. The ultimate purpose of the project is to provide guidance for Member States of ECOWAS to enable them make their anti-money-laundering/terrorists financing systems less vulnerable to corruption and, thereby, more effective.

2. Your country is included in the survey-sample of Member States being covered: Benin, Cote d'Ivoire, Ghana, Guinea-Bissau, Liberia, Nigeria, Senegal and Sierra Leone.

3. It is in this regard that your kind cooperation and assistance, either as an official/corporate entity or individual, is required and solicited for our completion of this Questionnaire or Data Format as the case may be. **GIABA assures you of the integrity, anonymity and confidentiality of responses and information obtained for the Survey.**

4. Thank you for your cooperation and assistance.

GIABA

[August-September, 2008]

1. Name of Country/City: ……/….. …….
2. Name of Arrestee……
3. Sex of Arrestee:
    (i) - Male
    (ii) – Female

4. Age of Arrestee:
    (i) – 35 or younger
    (ii) – 36 – 40
    (iii) - 41 – 45
    (iv) - 46 – 50
    (v) – 51 – 55
    (vi) – 56 – 60
    (vii) – 61 or older

5. Official/occupational/position of Arrestee prior to the arrest?
    (i) – Political Office Holder
    (ii) – High level civil servant/public officer
    (iii) – High level private-sector executive
    (iv) – private/self employed professional
    (v) – Other reason [specify …….
6. Occupational/position of Arrestee **before** the one occupied in Question 5 above: …….

7. Year of Arrest:
    (i) - 2003
    (ii) – 2004
    (iii) – 2005
    (iv) – 2006
    (v) - 2007

8. Was Arrestee charged with one offence or multiple offences?
    (i) – Single Offence
    (ii) – Multiple Offences

9. Was Arrestee charged alone or along with others:
    (i) – Charge alone
    (ii) – Charged along with others

10. Was the offence specific to corruption **or** to money-laundering **or** both?
    (i) – Specific to corruption
    (ii) – Specific to money-laundering
    (iii) - Both

11. Main specific offence Arrestee was charged with: ……..
……
……
……

12. Which law enforcement agency effected the arrest?
    (i) – The Police
    (ii) – Anti-Corruption Agency
    (iii) – Anti-money laundering agency
    (iv) – Other reason [specify …….

13. Amount of money [and or monetary value of property] involved in the offence: ……..……
……..……
……..

14. Was Arrestee charged to court for trial?
    (i) – Yes
    (ii) – No, case has been dropped
    (iii) – Not yet

15. Was Arrestee granted bail?
    (i) – Yes, by the police or arresting agency
    (ii) – Yes, by the courts
    (iii) – No, refused bail

16. Was any of the amount involved recovered from Arrestee?
    (i) – Yes, all of it
    (ii) – Yes, most of it
    (iii) – Yes, some of it
    (iv) – No, nothing was recovered

17. Has the case been concluded by the court?
    (i) – Yes, Arrestee was convicted/sentenced
    (ii) – Yes, Arrestee discharged and acquitted
    (iii) – Yes, prosecution discontinued the case
    (iv) – No, case is still ongoing in Court

18. If case not yet concluded, how long has the case been in court on trial? ……..…

……..……
……..

Date of Data Extracted from Records ……

Name/Signature of Data “Extractor” ……

……..

Name and Signature of Research Associate

APPENDIX I[D]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"D". [CONTENT-ANALYSIS OF DAILIES/MAGAZINES/OFFICIAL INQUIRIES: 2003 – 2007]

1. Name of Country/City: …… …….
2. **TABLE OF NO. OF CORRUPTION AND MONEY LAUNDERING CASES REPORTED BY DAILIES/MAGAZINES/OFFICIAL INQUIRIES: 2003 – 2007]**

SOURCES	2003	2004	2005	2006	2007
One Major National Daily:					
One Major National Weekly/Monthly Daily:					
Reports of Official Inquiries					

3. Sample of about 10 cases from the sources above, with "qualitative" information **[about a paragraph on each case]**, indicating the offence, the agency or organization affected, the occupation, official position, and other socio-economic attributes of the person(s) accused, the amount involved, and the processing or non-processing of the alleged offence by the appropriate authorities.

Name/Signature of Field Assistant ……

……..

Name and Signature of Research Associate

APPENDIX I[E]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"E". [EXAMINATION OF EXTANT STATUTORY PROVISIONS]

1. Name of Country: …….
2. Does the country have an anti-corruption-specific legislation?
   (i) Yes **[specify** title: ……..]
   (ii) No

3. Does the country have an anti-money laundering specific legislation?
   (i) Yes **[specify** title: ……..]
   (ii) No

4. Does the country have an anti-corruption-specific enforcement agency?
   (i) Yes **[specify** title: ……..]
   (ii) No

5. Does the country have an anti-money laundering specific agency?
   (i) Yes **[specify** title: ……..]
   (ii) No

6. Status of the country's ratification and domestication of anti-corruption and anti-money laundering conventions of the following bodies:

CONVENTION	RATIFICATIONS [YES/NO]	DOMESTICATION [YES/NO]
ECOWAS		
AFRICAN UNION		
UNITED NATIONS ORGANISATION		

7. Does the country have MLA [Mutual Legal Assistance] Agreements with other countries to assist with the repatriation of stolen monies?
   (i) Yes **[specify** the countries: ……..]
   (ii) No

……..

Name and Signature of Research Associate

APPENDIX I[F]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"F". [EXISTING/AVAILABLE LOCAL/COUNTRY – SPECIFIC LITERATURE/DOCUMENTS]

1. Name of Country: …….
2. On "Corruption techniques and trends": ……
   ……..……
   ……..

   ……..

3. On "impediments corruption causes to the effective implementation of AML/CFT standards by AML agencies" in the country **and** suggestions for remedy:
   ……..

   ……..

   ……..

4. On the country's MLA [Mutual Legal Assistance] Agreements with other countries, if any, to assist with the return of stolen monies to the country:
   ……..

   ……..

   ……..

5. On PEPs and corruption/money-laundering offences:
   ……..

   ……..

   ……..

6. On suggestions to minimize the adverse effects of corruption on the functioning and effectiveness of anti-money laundering standards:
   ……..

   ……..

……..

Sources of Literature/Documents Used:

……..

……..

……..

……..

Name and Signature of Research Associate

APPENDIX I[G]

INTER-GOVERNMENTAL ACTION GROUP AGAINST MONEY LAUNDERING AND TERRORIST FINANCING IN WEST AFRICA [GIABA]

RESEARCH ON CORRUPTION AND MONEY LAUNDERING IN WEST AFRICA

"G". [SOCIO-ECONOMIC AND POLITICAL CONTEXT]

1. Name of Country: …….

2. Population [2007] …….

3. Mean of GDP [2003 – 2007] ……..

4. Mean of Foreign Reserve [2003 – 2007] ……

5. Mean of Inflation Rate [2003 – 2007] ……

6. Mean of Unemployment Rate [2003 – 2007] ……

7. UNDP Human Development Index [2007] ……

8. Major source of foreign earnings
   (i) - Agriculture
   (ii) – Extractive Industry
   (iii) - Other [specify ……..……]

9. Political and social stability last 5-years:
   (i) - Stable
   (ii) – Fairly Stable
   (iii) - Mostly Unstable

10. Rating on IT Corruption Perception Index:
   (i) – 2003 ……..
   (ii) – 2004 ……..
   (iii) - 2005 …….
   (iv) – 2006 ……
   (v) – 2007 ……..

11. Rating on Global Integrity Index on Corruption and Governance (GI)

   (i) – 2003 ……..
   (ii) – 2004 ……..
   (iii) - 2005 …….
   (iv) – 2006 ……
   (v) – 2007 ……..

……..

Name and Signature of Research Associate

APPENDIX II

MATCHING "RESEARCH INSTRUMENTS" WITH "PROBABLE" RESPONDENTS AND INFORMATION SOURCES

A. CORPORATE ORGANIZATIONS: PUBLIC AND PRIVATE SECTORS

Two [2] officials [in **different echelons and** with separate work schedules] from **each** of the following types of organization or agency:

1. Ministry of Finance
2. Central Bank
3. One Large-Size Bank
4. One Medium-Size Bank
5. Customs Department
6. Immigrations Department
7. Ministry of Justice/Prosecutors
8. The Police [Investigation/Fraud Departments]
9. Anti-Corruption Agency/Unit
10. Anti-Money Laundering Agency/Unit
11. The Judiciary
12. The Central Tax Authority
13. Chamber of Commerce
14. Ministry of Commerce/Tourism
15. Bar Association
16. Bankers Association
17. Accountant/Auditors Association
18. Parliament/National Assembly or Congress

B. DATA-COLLECTION FORMAT

To be applied in collecting data/information from the following bodies:

1. The Police/Fraud Division
2. Anti-Corruption Agency
3. Anti-Money Laundering
4. Financial Intelligence Unit/Agency
5. Customs
6. Immigration
7. Central Bank/Forex Division

Note: Avoid duplication of entries

C. IDENTIFICATION OF "POLITICALLY EXPOSED PERSONS" [PEPS]: 2003-2007

- For collection of information on socio-economic characteristics/ profiles of highly-placed persons [**both** from the public and private sectors] **who had been arrested** for corruption, money-laundering and related offences during the period 2003-2007.

- As many cases as possible **but not less than** five [5] per each of the five years covered.

- Sources of information:
    - Police/Fraud Division
    - Anti-Corruption Agency
    - Anti-Money Laundering Agency/Financial Intelligence Unit
    - Customs Department
    - Drug Law Enforcement Agency

D. "CONTENT-ANALYSIS" OF DAILIES/MAGAZINES/OFFICIAL INQUIRIES ["PROBES"]: 2003-2007

- For collection of additional information [from "non-legal" sources] on the incidence and character of corruption, money-laundering and related offences as well as on PEPs.

- While it should suffice to obtain the details specified in the Instrument for at **least ten** [10] of such reported/inquired cases, it is important to indicate the tally/total number of the reported/inquired cases, year by year.

- Sources of information
    - **i.** One or two major/leading daily newspaper with national coverage

ii. One or two major/leading weekly/monthly magazines with national coverage
iii. Reports of Panels of Inquiry instituted by Government or its agencies.

E. EXAMINATION OF EXTANT STATUTORY PROVISIONS

- The Instrument here is aimed at determining existing anti-corruption and anti-money laundering provisions [if any] **as well as** the status of ratification and/or domestication of relevant regional, regional, and international conventions on the subject.

- Sources of information:
  i. Statute books
  ii. Ministry of Justice
  iii. Ministry of Foreign Affairs

F. EXISTING/AVAILABLE LOCAL COUNTRY-SPECIFIC LITERATURE ON CORRUPTION AND MONEY LAUNDERING

- In line with the background literature **and** in relation to items [ii] to [vi] under "Purpose and Scope" of the research, it should be helpful to locate local/country-specific literature on the subject.

- Source: Search local literature/documents on corruption and money laundry.

G. SOCIO-ECONOMIC AND POLITICAL CONTEXT

- In order to put the findings of the research in relative context and allow for probable differences among the sampled countries, it should be helpful to obtain and have certain macro socio-economic and political data e.g. population size, GDP, Foreign Reserve, Extractive Industry, Poverty-level, ranking on IT corruption-rating, recent history/level of political stability, etc.

- Sources of information:
  i. Ministry of Planning and/or Finance
  ii. UNDP Human Development Index
  iii. Etc

APPENDIX III

Sample of Corruption/Money Laundering Cases Extracted from Large-Circulation Print-Media

CASE 1 (GUINEA-BISSAU)

Report traces an embezzlement of ninety (90) million francs CFA and the existence of six thousand (6,000) ghost civil servants. (NO-PINTCHA, State-owned Newspaper, 5th March 2003).

CASE 2 (GUINEA-BISSAU)

The World Bank suspended financial assistance to Guinea-Bissau as a result of irregularities in government-implemented projects, inconsistently with transparency and good governance. The situation has also raised concerns over the purchase by the Government of a power system from Energy Alliance Limited (GAZETA DE NOTICIAS, 12th January, 2006).

CASE 3 (LIBERIA)

LPRC Assets Recovery Task Force Report includes about twenty-six (2) cases of fraudulent disbursements (ranging from cheque for U$D 5000.00 to U$D 100,000. 00) via numerous "techniques" from February 10, 2004 to January 12, 2006, and totaling about U$D 1, 075,500. 00

CASE 4 (LIBERIA)

Two central Bank of Liberia (CBL) staff and unknown persons at the Ministry of Finance are linked to the stealing of Government funds at the CBL, through the recircling of cashed cheque (New Democrat Newspaper, "Big Stealing at CBL", November 18, 2008).

CASE 5 (LIBERIA)

A standard 5% deduction is made from the salary of government workers at the country level. This arises as a result of the need to cash their salary cheques through middle men who take their cheques in exchange for cash. It is necessary to go into this peculiar arrangement because when they go to the Central Bank directly, they are informed that the bank has no cash and when the cash is available, the notes are usually in very poor condition and therefore unusable. In order to get immediate and usable cash, they have to go through these middle men who extort a minimum of 5% of their salaries. The workers alleged connivance between the Bank officials and the middlemen because the middle men stay right outside the Banks for this transaction. They wondered why the middlemen are able to have ready and clean cash when the Banks do not have. They further identified the non availability of identity cards as part of the problem. The workers cannot present themselves at the bank to cash their cheques because they don't have valid identity cards. (UNDP Scoping Study on Integrity, November, 2005).

CASE 6 (LIBERIA)

The Anti-Corruption task force made a finding that it had become the practice for Public Officers to claim money for foreign travels which were never undertaken. As a result the General Audit Bureau undertook the Foreign Expenditure Travel Audit which uncovered massive fraud and embezzlement by public servants. As a result of the audit, several people were indicted and asked to make restitution. As a result of the audit, several people were indicted and asked to make restitution. So far only five people have complied (UNDP Scoping Study on Integrity, November, 2005).

CASE 7 (LIBERIA)

New pieces of evidence are emerging about corruption trends in the public sector, particularly around state owned enterprises, due to the fact that little attentions is paid these entities in terms of monitoring their deliverables and how they are run internally. The top management team uses public resources at will without even contributing to the national revenue basket. This has now emerged as an area of extreme concern, in the wake of current audit reports covering the period 2006-2007 for entities such as the National Social Security and Welfare Corporation (NASSCORP); the National Housing Authority (NHA), and the Independent Human Rights Commission (IHRC). At NASSCORP, during a case involving the former Managing Director and the Corporation, the corporation and government lawyers requested over Sixty-five thousand dollars intended to 'facilitate' the case through handouts to jurors and judges.

The note of September 4, 2006, from the lawyers read: "……we are arguing the motion to set aside the verdict in the R.L vs Gould et all case. This is a very crucial stage of the case. It will determine whether or not we resume the case. Please therefore make available to us the amount of U$D 4, 000.00 to handle pleadings, filing and court process in the matter." "The Government subsequently lost the case, and there is no evidence to indicate whether the money was given or not, it is however proven by the memo from the Deputy Director of the entity did request the money for intended bribery in favor of the government in the case (News Newspaper, 19th November, 2008)

CASE 8 (LIBERIA)

A large NGO called for tenders for some printed materials. Their tendering rules called for multiple quotations, from which the best one would be selected. Staff in the NGO invited suppliers to tender but corrupted the process by contributing which tenders were accepted.

The staff accepted two authentic tenders but modified them, made two further fake tenders, and colluded with another supplier to make a tender at a lower price than that of the other four. By modifying and forging the other four, the tenders were all for a price some four times more than they should have been. What should have been a $15,000 contract became $60,000, providing $45,000 surplus to share among the colluding staff and the supplier.

In this way they arrived at five tenders that could from the documentation for the process and give the appearance of following procurement procedures. However the (expatriate) project manager responsible did not carry out a documented bid analysis. The contract was awarded to the supplier with which the staff had colluded and the payments were signed off by the project manager.

a. The use of receipts from suppliers as an integral part of financial control is a particular weakness of existing practice. Existing practice relies on external financial regulations and controls to ensure that receipts issued by a business are authentic and correct; however, in a context of endemic corruption with little if any regulation and control of private business, receipts are quite useless. Because receipts rarely form any part of a regulated control system inside the businesses, they are generally given out freely to NGO workers who ask for them, and filled out for any amount requested. Other examples were given of whole communities being falsely listed as having received relief goods. In these cases, several individuals from a programme had to collude in order to carry out the deception. Paperwork was completed and procedures followed, but final receipt lists of beneficiaries were filled in with false signatures or thumbprints and the goods released from stock were delivered elsewhere. (Excerpts from a Report commissioned by the Overseas Development Institute).

CASE 9 (LIBERIA)

The team analyzed all of the Letter of Payment Instructions, and found:
"…the team settled on the total amount of U$D 4, 764, 464.00(Four Million, Seven Hundred and Sixty Four Thousand, Four Hundred and Sixty Four United States Dollars) and U$D 11, 500,000.00 (Eleven Million, Five Hundred and Ninety Thousand Liberian Dollars) disbursed in cash from the CBL, upon Letter of payment from the Ministry of Finance.

U$D 355, 255.00 was withdrawn from the CBL for "Security related" matters out of which U$D 230,030.00 was paid to Hon. Wilfred Clarke, National Security Advisor, and U$D110,225.00 to Hon. Jacob A. Mends-Cole of the National Security Advisor's office. Both recipients, with the tacit encouragement of the Chairman of the NTGL, declined to assist in the investigation (if even only to acknowledge receipt of the moneys on record as having being paid, and received by them) on account of "the sacrosanct nature of matters of national security.

U$D 2, 655, 845.00, representing over 60% of the cash withdrawn was paid to the Chairman of the NTGL…save 139, 400.00 which he admitted to either receiving or authorizing.

Also included in the U$D 2, 655, 845.00…was one particular transaction ….of U$D375,000.00 in cash from the Deputy Finance Minister Hon. Tugbe Doe. It goes without saying that (the amount) in cash was a lot of money to carry about but the Chairman indicated that after receipt he had given the whole amount…in cash back to Deputy Minister Doe and the Executive Director of the

(NCDDRR), Dr Moses Jarbo for the purchase of assorted materials for ex-combatants. ..The team had earlier also interviewed the Executive Director of the NCDDRR, Dr. Jarbo, who averred in total surprise that he was learning about the transaction for the first time, over one year after it is said to have taken place"(Excerpts from ECOWAS Financial Crimes Investigation Team on Liberia, 2005).

NOTE: CASES 10-52 BELOW ARE SELECTIONS FROM THE FIFTY (50) CASES RELATING TO CORRUPTION AND MONEY LAUNDERING COMPILED FROM THISDAY NEWSPAPER AND NEWSWATCH WEEKLY MAGAZINE, 2003-2007 FOR THE NIGERIA COUNTRY REPORT.

2003.

CASE 10 (19th JANUARY)

This case had to do with the financial scam that was revealed by the Auditor General's audit report relating to the federation accounts involving the federal government of Nigeria (precisely the executive arm). The report showed that every aspect of the federation account had a case of corrupt practice and improper accounting. The amount involved totaled over billions of naira cutting across all sections of the federation account. The processing of the alleged offence was contained in a report of the Acting Auditor general (Vincent Chukwudi Azie) submitted to the National Assembly.

CASE 11 (26th JANUARY)

The offence had to do with financial impropriety in Enugu State government accounts involving the governor, Chimaroke Nnamani. A total of ₦ 4.2 billion was involved and the investigation was handled by the Independent Corrupt Practices Commission (ICPC).

CASE 12 (29th JANUARY)

The offence was actually in three fold: first about a contract deal; secondly about alleged graft offences and; thirdly relating to abuse of office contrary to the provisions of the anti-corruption law. The agency involved was the Agricultural State commission of Benue State, office of the secretary to the state government (SSG) and Works commission of Benue state. The persons involved in the offences are Hon. Terhemba Shiya (a former commissioner for local government and chieftaincy Affairs). Mrs. Elizabeth Shuluwa (the serving commissioner for agriculture) and Bartholomew Oche (the secretary to the Benue state government). Mr. Shiya stood trial over a ₦ 4.7 million contract deal, while Mrs. Shuluwa Graft offence involved ₦ 22, 919, 984. Mr.Batholomew's case involved ₦44, 498, 889. The processing of the case was done by the ICPC.

CASE 13 (8th MAY)

The offence was a case of embezzlement involving the Benin (i.e. Edo state) High court and Zenith Bank Benin branch. The person involved in this offence is Mr. Lawson Mochi (the chief accountant of the state High court of Justice), who had been standing trial on a five-count charge of stealing and was sentenced to three years in jail on the first count charge for stealing ₦ 7.3million. On the second charge for embezzling ₦ 2 million, he was dismissed from service. On the third, fourth and fifth charges for stealing ₦ 3.7 million, ₦ 2.4 million and ₦ 600,000 respectively, Mochi bagged two years and one year in prison as well as dismissal from service. Total amount involved in the case was about ₦ 16 million. The case was handled by the Judiciary of Edo state (i.e. both by the High court and magistrate court).

CASE 14 (30th MAY)

The offence was a case of 'Advanced fee fraud' (419) involving a member of Nigeria's lower House (the House of Representative) Hon. Maurice Ibekwe for allegedly obtaining U$D 300, 000.00 and 75, 000 DM under false pretence from one Munch Klause, a German national and Head of Munch System organization Company, Germany. The case was processed by the Economic and Financial Crimes Commission (EFCC) in Nigeria.

CASE 15 (14th JULY)

The offence was a case of a shady dealing in the procurement of two obsolete drilling rigs involving the Commissioner for Water Resources in Osun state, Mr. Bisi Alamu. The amount involved totaled ₦ 115 million. The case was processed by the EFCC.

CASE 16 (29th AUGUST)

The offence relates to forgery and impersonation. The offender was a lawyer from Ibusa, Delta state. Mr. Fred Ajudua had been in and out of detention on several cases of Advanced fee fraud was arraigned at the Lagos High Court in connection with a ₦ 234 million scam against Remy Cima and Pierra Vijgen, two Dutch had allegedly fallen to the proposition by Ajudua and his group to transfer a sum of ₦ 36 million to their accounts from the Federal Ministry of Aviation. Ajudua had posed as Isah Audu, the Auditor-General of Nigeria, and had visited London three times but did not take note that he was been filmed by BBC reporter. The case was then investigated by the EFCC.

CASE 17 (29th AUGUST)

This case has to do with defrauding. Emmanuel Nwude-Odenigwe masterminded the defrauding of Nelson Sakaguchi, a Brazilian Bank manager, of the sum of U$D 242 million. Nwude and Ikechukwu Anajemba (now late) had in 1995 embarked on the journey to defraud Sakaguchi which not only turned out to be the collapse of banco Noroeste, a bank in Brazil. Sakaguchi was a

director of the international department of Branco Noroeste in Sao Paulo, Brazil. Nwude had posed as Paul Ogwuma, Nigeria's Central Bank Governor. His accomplice, Ikechukwu played out as Rasheed Gomwalk, Director of International Remittance in CBN.

2004

CASE 18 (16th MAY)

The offence had to do with bribery involving an American firm, Halliburton and the Liquefied Natural Gas (NLNG) Bonny, River State. The amount involved totaled U$D 180 million. The case was processed by the House of Representatives.

CASE 19 (31st MAY)

The offence was about the illegal transfer of funds. The person involved was Joshua Dariye, the governor of Plateau state. The amount involved was about £1.3 million. The case was at this stage been processed by the appropriate authority in London.

CASE 20 (7th JUNE)

The offence was about the alleged disbursement of funds by the Managing Director of Federal Mortgage Bank (FMBN), Alhaji Tanimu Yakubu. The alleged disbursement totaled ₦ 3.6 billion. ₦ 3.6 billion was transferred to an undisclosed account with All States Trust Bank Plc on April 29th 2003 in breach of the bank's financial rules. Another ₦ 545.5 million was then transferred from FMBN's account with Access bank to the account with All States Trust Bank. Also on the same day, N1.97 billion was transferred from the bank's account with the First Bank of Nigeria Plc, ₦ 413.5 million from Guarantee Trust Bank Plc and ₦ 24.72 million from Intercity Bank Plc to All States Trust Bank. The same day, again, ₦ 4.2 million was moved from Bank of the North, ₦ 7.09 million from Citizen's Bank Plc respectively to All States Bank. The case was processed by the Presidency and the National Assembly of Nigeria.

CASE 21 (21st JUNE)

The offence had to do with illegal transfer of millions of naira from salary account to overhead account of Ahmadu Bello University Teaching Hospital (ABUTH), making ABUTH the major agency involved. The persons affected are the Medical Director, Professor Alhassasn Mela Yakubu and the hospital's former Director of Finance and supplies, Alhaji Abdullahi Dan-Asabe. The two were charged to court in June 2003 by the ICPC on a twelve count charge for the illegal transfer which is contrary to section 22(5) of the ICPC Act, 2000.

CASE 22 (13th SEPTEMBER)

The offence was a case of fraud and inflation of contract price. The organization involved is the National Insurance Commission (NAICOM). The Commissioner for Insurance NAICOM, Chief Oladipo Bailey inflated the unit price of vehicle insurance sticker (VISER) by ₦ 11.00k. The total

amount from the inflation of contract price then amounted to ₦ 550 million. The case was looked into by the Commission and Rockstone International Contractors to NAICOM.

CASE 23 (26th APRIL)

This offence was about Nigeria's National Identity Card project, and the financial scandal surrounding it. The organizations involved are the Security Printing and Minting Company (NSPMC) and Sagem (a French Company). The persons involved are Chief S.M Afolabi (former Minister of Internal Affairs), Husseini Akwanga (former Permanent Secretary in the ministry who later became Minister of Labour and Productivity) Mohammed Shata (former Minister of State, Internal Affairs) and Okwesilieze Nwodo (former Secretary General of the ruling People's Democratic Party, PDP). Adelagun is the Nigerian business partner of Sagem who won the U$D 214 million contract for the National Identity card project. Niji Adelagun is alleged to have given monies totaling U$D 1.7 million to secure his contract. The case was handled by the ICPC.

CASE 24 (2nd FEBRUARY)

The offence had to do with misappropriation and smuggling of public funds. The agency involved was ECONET Wireless payphone and three state governors of Akwa Ibom, Delta and Lagos respectively. The amount involved totaled about ₦ 1 billion and the case was processed by the ICPC and the law court.

CASE 25 (21st OCTOBER)

The offence had to do with bribery and corruption in the Nigerian Liquefied Gas project. The person involved was Alhaji Mohammed Dikko Yusufu (former Chairman of the NLNG project and one time presidential aspirant). The amount involved totaled U$D 180million. The alleged offence was being processed by the ICPC.

CASE 26 (3rd JANUARY)

The offence had to with misappropriation of disbursed bursary awards to students of Kogi state. The agency involved is the Kogi State Commission of Education. The person involved is Chief James Akor, the Executive Secretary of the state Scholarship Board and one Reverend Roseline Awodi and 23 other government officials of Kogi State. The amount involved was ₦ 133million. The case processed by the Judiciary in Kogi State.

CASE 27(1st APRIL)

The offence had to do with the inflation of budget figures involving the Senate President, the National Assembly, the Ministry of Education and the Minister of Education. The major persons involved are the Senate President, Adolphus Wabara and Professor Fabian Osuji (the Minister of Education). The names of other senators involved are Chris Adighije, John Azuta-Mbata, Ibrahim Abdul-Azeez, Hon. Dr. Shehu Matazu, Senator Badamasi Macido and Emmanuel Okpede. The amount involved was ₦55million. The Case was processed by the EFCC.

CASE 28(28th APRIL)

The offence had to do with payment of bribe by KBR to some Nigerian government officials to win LNG contracts. The agencies/organizations involved include NNPC, US oil firm (Chevron Texaco) and the embattled oil services company, Halliburton. KBR gave U$D 180million bribe to some Nigerian government officials to win LNG contract. The case was investigated by the House of Representatives and the EFCC.

CASE 29 (20th DECEMBER)

The offence is a case of money laundering involving the office of the Governor of Bayelsa state. The person involved was the Governor, Diepriye Alamieyeseigha for using ₦1.5billion of government funds to buy Chelsea Hotel in Abuja (F.C.T). The case was processed by the EFCC.

CASE 30 (30th SEPTEMBER)

The offence was an alleged case of advance fee fraud involving the speaker of Edo state House of Assembly (Mr. David Iyola), Edo state Accountant- General and Head of Service. U$D 20,000 was given as bribe to Mr. David Iyola to the Accountant General and Head of Service to facilitate a U$D 200,000 contract proposal with the state government. The case was investigated by the EFCC.

CASE 31 (7th OCTOBER)

The offence was a case of money laundering involving the governor of Bayelsa State, Diepreye Alamieyeseigha over £10million assets. The case was investigated by the specialist Directorate of the new Scotland Yard in London and the London magistrate court.

CASE 32 (4th APRIL)

The offence relates to official corruption and diversion of public funds involving the Vice-Chancellor, Federal University of Technology, Owerri (Professor J.E. Njoku), Hon. Dr. Shehu Matazu, Hon. Gabriel Suswan and Hon. Osita Izunaso. Matazu, Suswan and Izunaso demanded ₦ 15million to facilitate an increase of ₦150million in the allocation to the Federal University of Technology Owerri. The case was investigated by the EFCC.

CASE 33 (31th JANUARY)

Tafa Balogun, the Inspector General of Police sacked for cornering police funds (LT and T fund) totaling N11billion. Balogun made use of Fountain Trust Bank to facilitate illegal transfers. The case was investigated by the EFCC.

The case reveals further looting of money from police accounts by Tafa Balogun (the Inspector General of police). The amount totaled ₦ 90billion and was investigated by the EFCC.

CASE 34 (19th MAY)

The offence is a case of fraud tagged 'monumental fund', involving the Minister of Agriculture, Mallam Adamu Bello over ₦ 3.557billion fraud in the Ministry. The case was processed by the Senate Committee on Agriculture and the EFCC.

2006

CASE 35 (12th APRIL)

It was a case of money laundering. the final audit report of the Nigeria Extractive Industry Transparency Initiative (NEITI) revealed various sums of money from U$D 55million to U$D 240million as discrepancies in payment schedules of oil companies operating in the country to the Central Bank of Nigeria (CBN) . The report was prepared by the Hart Group for the NEITI. The investigation was carried out by the EFCC.

CASE 36 (11th SEPTEMBER)

Governor's wife involved in money laundering. The wife of Bayelsa Governor Goodluck Jonathan, Mrs. Patience Jonathan instructed Hannah Offor to launder the said amount of money into the account of Nansolyyvan Public Relations Limited with FBN Plc and another account with Access Bank. The case was investigated by the EFCC.

Case 37 (27th SEPTEMBER)

Alleged money laundering case. A topmost aide of Governor Joshua Dariye of Plateau State, Mr. Babatunde Lucky Omoluwa (also the Managing Director of Pinnacle Communications Limited) was arrested by the Metropolitan Police at the Heathrow International Airport, London for money laundering offence to £365,000 and £11,560. The case was investigated by the London Metropolitan Police Department.

CASE 38 (15th MAY)

Bribery in Nigeria's National Assembly over third term involving members of the National Assembly and the Presidency. A member of the House of Representatives, Alhaji Nasiru Garba Dantiye declared that he was offered U$D 1million (an increase from ₦50million) and an oil bloc to support third term by the presidency (involving President Olusegun Obasanjo). The case was investigated by the EFCC.

CASE 39 (10th OCTOBER)

The offence relates to financial theft affecting the Lagos State Judiciary (the Lagos High Court). The persons involved are Mrs. Hannah Kappo, Messrs Adetola Onasanya, Afolayan Baba, Oranuba George, Linus Idu, Yusuff Rasaq and Abe Dada. Kappo is the Assistant Chief Registrar in the Office of the Deputy Sheriff, Lagos State Judicial Division. The amounts involved are ₦3million and ₦105, 000. The case was investigated by the Magistrate Court Ikeja, Lagos.

CASE 40(1ST DECEMBER)

The offence was a case of illegal deduction of monthly allocation due to Local Government Councils in Ogun State by the State Accountant General by name Mr. Babatunde Salawu. The amount was however not reported. The case was investigated by the EFCC and ICPC.

CASE 41 (5th DECEMBER)

This was a case of corruption and money laundering against former governor of Kogi state, Prince Abubakar Audu. Though the amount was not reported, the EFCC had earlier arrested Audu in Jos and arraigned him in court to face charges of corruption and money laundering.

CASE 42 (16th JANUARY)

The offence was a case of siphoning public funds into the personal account of the Plateau state governor by state commissioners. These commissioners include Commissioner of Works (Mr. Noel Donjul), Commissioner for Finance (Mr. Emmanuel Agati), the state Accountant General (Mr. Nuhu Madaki) and Mr. Aminu Zang (the Local Government and Chieftaincy Affairs boss). It was alleged that they siphoned ₦1.7billion from public purse into the private account of the state governor. The case was investigated by the EFCC.

CASE 43 (9th JANUARY)

The offence relates to misappropriation of funds involving the former Managing Director/Chief Executive Officer of Assurance Bank Plc, Mr. Chika Mbonu. Mbonu had been sacked by the CBN in July 2005 after being indicted by the apex bank's investigation over an alleged fraud of about ₦500million in Assurance Bank. He was however arrested for an amount of ₦ 700million by the EFCC. A first class graduate of Civil Engineering from the Obafemi Awolowo University, Ile Ife (formerly University of Ife), Mbonu was also the first overall best student in order of merit at the Institute of Chartered Accountants of Nigeria (ICAN). He was formerly the MD of Citizens Bank limited. The case was investigated by the EFCC.

CASE 44 (26th AUGUST)

The offence had to do with inflating of contract funds. The affected agency is the House of Representatives and the office of the Speaker of the House. The affected person is Mrs. Patricia Olubunmi Etteh (the Speaker of the House of Representatives from the Peoples Democratic Party). The amount involved is ₦ 529million. The case was investigated by the David Idoko Ad Hoc Committee of the House of Representatives and thereafter, the EFCC.

CASE 45(14th DECEMBER)

It was a case of bribery involving the EFCC and the Delta State governor. The governor of Delta state, Governor James Ibori was alleged to have offered the EFCC bribe amounting to U$D 15million to influence investigations into his activities. James Ibori had earlier used 15 fictitious

names to acquire shares in Afribank PLC to the tune of about N2.77billion. The case was investigated by the EFCC.

CASE 46 (19th DECEMBER)

The offence was a case of money laundering and stealing against Governor James Ibori (the former governor of Delta State). The investigation found governor Ibori to have used one lady, named Udoamaka Okonkwo (a.k.a Nee Onuigbo) and three other companies (Sagicon Nigeria Limited, Bainenox Limited and MER Engineering Limited) to aid his money laundering activities. The amount involved includes N165million which he illegally withdrew from the Delta State account to offset a loan granted by United Bank of Africa (UBA) PLC to MER Engineering and Bainenox Limited at different times between 2006 and 2007. The case was investigated by the EFCC.

CASE 47 (24th DECEMBER)

The offence was a case of bribery involving the NNPC and Wilbros Group Incorporated. Wilbros Incorporated is an American company. The bribe was allegedly paid by Wilbros to some officials of the Peoples Democratic Party (PDP), NNPC and Shell Petroleum to facilitate a gas pipeline contract. The individuals involved are the immediate past Minister of Energy, Dr. Edmund Daukoru and the former Group Managing Director (GMD) of Nigerian National Petroleum Corporation (NNPC), Mr. Funsho Kupolokun. The amount involved is U$D 16million and the case was investigated by the EFCC.

CASE 48 (29th DECEMBER)

The offence was a case of vehicle bribe. The affected agency was Elizade Nigerian Limited. The affected person is Iyabo Bello-Obasanjo (daughter to the former president of Nigeria, Olusegun Obasanjo) and the senator representing Ogun Central Senatorial District. The amount involved includes ₦11, 200, 000 and ₦ 11, 660, 000 on separate occasions. The case was investigated by the EFCC.

CASE 49 (28th FEBRUARY)

The offence is a case of aiding and abetting the diversion of public funds. The agencies involved are the Petroleum Technology Development Fund (PTDF) and Office of the Vice President of Nigeria. The person involved is Vice president Atiku Abubakar. The amount involved includes U$D 125million and U$D 20million on different occasions. The case was investigated by the Senate Ad-Hoc Committee on Petroleum Technology Development Fund (PTDF) and the EFCC.

CASE 50 (14th JULY)

This was a case of money laundering involving the former state governors (governors Saminu Turaki of Jigawa State, Joshua Dariye of Plateau State and Orji Kalu of Abia State). The amount involved was about ₦40billion. The case was investigated by the EFCC.

CASE 51 (20th JULY)

This publication contained another case of stealing by the Taraba State governor, Reverend Jolly Nyame for allegedly stealing ₦1.637billion from the state account. He was taken to Kuje prison in Abuja to join Joshua Dariye, Saminu Turaki and Orji Kalu. The case was investigated by the EFCC.

CASE 52 (9th APRIL)

This was a case of corruption and financial misappropriation in the Federation Account (FA). The agencies/persons involved include the Accountant-General of the Federation (AGF) and the Federal Ministry of Finance (FMF). The major case involved U$D 3.221billion withdrawn from the FA between 2004 and 2006. The case was raised by the Revenue Mobilization Allocation and Fiscal Commission (RMAFC). The EFCC paid little attention when RMAFC demanded to know the where about of the money.

APPENDIX IV:

BRIEF PROFILE ON MEMBERS OF THE RESEARCH TEAM

1. **Femi Odekunle:** A senior and pioneering Professor of Criminology in Nigeria, he has B.Sc in Sociology from the University of Ibadan, Nigeria and M.A. and Ph.d in Criminology from Ivy League University of Pennsylvania, Philadelphia, USA, where he studied as a Rockefeller Foundation Scholar.

   For well over three decades, he has been engaged in teaching research, technical/policy advice and advocacy in matters of crime prevention and control from his institutional base, Ahmadu Bello University, Zaira, Nigeria. He has edited two published volumes on corruption and organized crime, in addition to over one-hundred scholarly publications and conference papers.

   In addition to invited consultancy policy advice for various governmental crime prevention/control and security agency in Nigeria as well as the relevant UN organs, he was the pioneer Director of the United Nations African Institute for the Prevention of Crime and Treatment of Offenders (UNAFRI), Kampala, Uganda.
   Currently, he is the Director, Center for Corruption Studies, University of Abuja, Nigeria and serves as the Chairman of the Administrative and Legal Matters Sub-Committee of the country's Ministerial Police Reform Implementation Committee.

2. **Dr. B.F. Okeshola (Mrs.)**: A Senior Lecturer in Department of Sociology at the Ahmadu Bello University, Zaria -Nigeria. Her area of specialization is criminology. She is also the coordinator of Masters in Law Enforcement and Criminal Justice and a member of the Security committee .in the same institution. She has conducted research in drug related issues, human trafficking, child labour, rape, and health issues such as harmful traditional practices, traditional and modern family planning methods, proliferation of small arms, corruption etc.

   In addition she is a member of the following committees: technical committee for National Agency of Trafficking in Persons and Other Related Matters(NAPTIP), member of the technical review HAF3 proposal for National Action Committee on AIDS (NACA) Abuja - Nigeria 2005 -2006. member of technical review committee for Federal Ministry of Environment on EnvironmentaI Impact Assessment (EIA) of the peoposed BONGA SOUTH WEST/APARO ProjectPhase I, 2007.and a course developer for National Open University, Nigeria titled: Patterns and Trends of Crime in Nigeria.

3. **Dr. Jean-Baptiste Elias:** Is the Vice President of the National Institution Network against Corruption in ECOWAS member States. He holds a master degree in law from the National University of Benin, Cotonou. He has served both in public institutions and non governmental organizations as a member of the Social and Economic Council of Benin, Director of Technical Support Program for Communication and Information on the Protection of Environment (ISPCIPE/PACIPE) and as the 1st Vice Chairman and Spokesman for National Organizations Front against Corruption (FONAC/NOFAC).

4. **Jean-Baptiste DIAI**: Is the Senior Officer in charge of Anit-Money Laundering / Combating Financing of Terrorism policy at the Department of Treasury domiciled within the Ministry of Finance in Côte d'Ivoire. He holds a Master of Arts degree in Post-War Recovery Studies from the University of York in the United Kingdom. He currently is on special assignment in Haiti as the United Nations Civil Affairs Officer.

5. **Rui Correia Landim:** Is the current Director General of the National Institute for Educational Development (INDE) in Bissau, Guinea Bissau. He also serves as the Coordinator of the Education for All Scheme and member of the Technical Team on the National Elaboration Plan for Development in the Educational Sector. He has been in service of building the educational system of Bissau since 1985 and written orco-authored several publications on the education system.

6. **Dr Abdul-Ganiyu Garba** is a Professor of Economics, at the Ahmadu Bello University (ABU), Zaria where he teaches undergraduate and post-graduate students courses such as microeconomics, econometrics and Nigerian Economy. The research and publications of Dr Garba are in the areas of Fiscal Federalism, Domestic Debt, Globalization of Finance, Aids for Trade/Trade Facilitation, Political Economy of Oil as well as, Philosophy and, Philosophy and Methodology of Economics. He has received generous funding support for social and economic research from the Social Science Council of Nigeria and the Africa Economic Research Consortium (AERC) which also, facilitated his Visiting Scholarship appointment at the IMF in 1995 and 1997. Dr Garba has conducted studies for the National Planning Commission, UNRISD, UNDP, UNIFEM, ECOWAS/European Commission and so on. His most recent assignments are as consultant to UNDP on its Fiscal Capacity Building Project, Director 2008 Gender Institute of CODESRIA and Editor of the Nigerian Journal of Social and Economic Studies (NJESS).

7. **Dr Kwesi ANING** currently serves as Head, Conflict Prevention Management and Resolution Department (CPMRD) of the Kofi Annan International Peacekeeping Training Centre (KAIPTC) in Accra, Ghana. Prior to taking up his new position in January 2007, he served as the African Union's first Expert on Counter-terrorism, defense and security with responsibility for implementing the continental counter-terrorism strategy and oversight of the African Centre for the Study and Research on Terrorism (ACSRT) in Algiers, Algeria.
   Dr. Aning holds a doctorate from the University of Copenhagen, Denmark. His primary research interests deal with African security issues broadly, comparative politics, terrorism and conflicts. He has taught in several universities in Europe and Africa and has several publications to his name. In 2007, he served as a senior consultant to the UN Department for Political Affairs, New York and completed a UN Secretary-General's report on the relationship between the UN and regional organisations, particularly the African Union in maintaining peace and security. He reviews for several scholarly journals and serves on diverse Boards.

8. **Dr. Osman Gbla** is currently the Chairman of the Sierra Leone African Peer Review Mechanism National Governing Council (APRM-NGC) as well as the Dean of the Faculty of Social Sciences and Law, at Fourah Bay College, University of Sierra Leone.

Dr. Gbla holds is a Doctor of Philosophy in Political Science from Fouirah Bay College, University of Sierra Leone and an Advance Diploma in International Conflict Resolution from University of Uppsala in Sweden. He has served as an expert consultant in the areas of peace, security and governance for several regional and international organizations. His extensive experience in this areas has seen to several publications most notably with regards to Sierra Leone, the Mano River Union, and West Africa.

9. **Mr. Kotchi Rigobert Kouadio**: is the Director General of CIBLAGE, a Market research and opinion poll organization in Dakar, Senegal. He has conducted several market research and opinion poll for several countries notably Cameroon, Senegal, Côte d'Ivoire, Guinea, Mali, Burkina Faso, Guinea Bissau, The Gambia, Congo and Kenya respectively. He is highly adept in the areas of social economic matters, public opinion, political polls, and governmental matters.

10. **G. Jasper Cummeh, III**; (Stanford Fellow on Democracy, Development and the Rule of Law) is the Senior Policy Director for Actions for Genuine Democratic Alternatives (AGENDA), a Civil Society Organization that works with local and international activists on issues of governance, transparency, accountability and participation in the administration of public trust, in Liberia. Mr. Cummeh serves as a member on the Global Panel of Experts on Political Finance, working on ways to determine minimum standards for transparency in political party financing. He also represents the Civil Society on the Liberian Constitutional Review Committee, and is an influential member of the National Civil Society Advisory Committee, the umbrella body of Liberian Civil Society.

    Mr. Cummeh is the founding member and first Director of the Center for Transparency and Accountability in Liberia (CENTAL), focal point for Transparency International in Liberia, where he served for four years. As a certified West African trainer, he is working with the West African Civil Society Institute (WASCI), the Open Society Initiative for West Africa (OSIWA), and the Local Government Initiative (LGI), based in Budapest, Hungary; to conduct capacity building training, for Civil Society actors in West Africa, on Policy Engagement and Advocacy.