

Money laundering in Nigeria's designated non-financial businesses and professions: The corruption nexus

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ABSTRACT

This study investigates Money Laundering within Designated Non-Financial Businesses and Professions (DNFBPs), which play critical roles in Nigeria's financial transactions and economic development. DNFBPs include notaries, accountants in metals and precious dealers, lawyers, real estate agents, among others that provide essential services in the formal and informal sectors of the Nigerian economy. The Anti-Money laundering operational legal instruments for combating financial and economic crimes in Nigeria lack monitoring and regulatory provisions on the operations of DNFBPs. This setback in the law opened a floodgate of criminality, especially money laundering in the institution. The study found a causal link between corruption and money laundering as the former paved the way for the latter, directly affecting the national economy. The study interrogated the sources of DNFBPS capital and investors, and findings revealed that while banks and other financial institutions are under frequent surveillance by the law to ensure economic stability, DNFBPS graces without boundaries in their operations, serving as safe havens for money launderers. Therefore, the government urgently needs to strengthen its anti-money laundering agencies to watch DNFBPs in the country against economic and financial crimes.

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1. INTRODUCTION

The problem of money laundering, corruption, and other financial crimes has continuously remained an intractable menace in developing countries, especially Nigeria (Orngu, 2006). Scholars in the literature agree that the phenomenon has eaten deep into the fabric of Nigerian society. According to Adams (2008), money laundering is the process whereby illegitimately acquired wealth, or funds are legitimised through a complex web of business transactions aimed at hiding the trail of the funds and the identities of the persons involved in every segment of the transactions. Money laundering became a genuine concern, especially to the developed countries, after the 9/11 attacks in the United States as a result of its direct link to developing economies and the threat of financing terrorism (FATF, 2007). Efforts at mitigating the threats were extended to the developing countries through the Financial Action Task Force (FATF). The task force was established in 1989 by the G-7 countries to fight against money laundering, with a special focus on terrorism. Among non-performing countries, Nigeria is listed in group two; others include Ethiopia, Cuba, Ghana, Bolivia, Kenya, Pakistan, Indonesia, Myanmar, Sao Tome and Principe, Syria, Thailand, Tanzania, Sri Lanka and Turkey (FATF, 2007). Nigeria has tried to combat money laundering; however, these efforts have yielded little result. Aloba (2006) avers that despite continuous efforts, Nigeria keeps featuring on the grey list of the Financial Action Task Force. Money launderers now resort to Designated Non-Financial sectors to conceal their illegally acquired wealth and criminal incomes. Governments across the globe have realised the importance of designated non-financial businesses and professions in the fight against money laundering and terrorism financing activities. Money launderers have found respite in the sectors to conceal the proceeds of their crimes. Many countries that quickly realised the risks have adopted measures to prevent the misuse of non-financial businesses and professions. According to Mitchell, Sikka and Willmott (1998) cited in GIABA (2007), vast amounts of money could not be easily laundered without the active involvement of professionals such as Lawyers, company secretaries, accountants, etc. These professionals make use of their expertise to create dynamic and complex transactions in concealing illegal funds and activities.

The professions recognised as Designated Non-Financial Institutions in Nigeria for this study include:

- Mortgage brokers
- Nonprofit Organisations
- Law firms, notaries and independent legal practitioners
- Accounting Firms and Accountants

- Trust and Company Services Providers
- Dealers in Real Estate, Estate Developers, Agents, Brokers, Valuers and Estate Surveyors
- Construction companies
- Hospitality, casinos, hotels, supermarkets
- Audit firms, tax consultants, and clearing and settlement companies
- Dealers in precious stones, jewellery, luxury goods, metals, importers and dealers in cars and other automobiles, etc (GIABA, 2009).

1.1 Stages of Money Laundering

Placement: entails the physical disposal of cash or property derived from criminal activity. The purpose of this step is to introduce funds. The proceeds are placed into traditional or non-traditional financial institutions without attracting attention, e.g., purchasing luxury goods, casinos, artwork, Estates, cash deposits, investing in nonprofit organisations, etc.

Layering: This stage involves separating the source of the proceeds from ownership by changing the form. This is aimed at hampering the audit trail, e.g., through complex wire transfers, reselling properties/assets and opening several bank accounts to disguise the origin of the funds, etc.

Integration: The next stage involves rechanneling the laundered funds back to the designated non-financial system as legitimate funds (FATF, 2007).

The general aim of this study was to contribute to the development of measures that will improve the efforts of anti-money laundering in Nigeria by opening a new frontier of knowledge on how to act upon Designated Non-Financial Institutions and Professions, to eliminate the challenges of money laundering from the Nigerian economic circle.

1.2 Objective Of the Study

The following constitute the specific objectives addressed by the present study:

- The Analysis of available literature already undertaken on the link between money laundering and designated non-financial sectors and professions.
- Identification of money laundering techniques and trends in Nigeria.
- Determination of the impediments which money laundering creates in the way of implementation of international anti-money laundering standards in Nigeria.
- Suggestions on regulatory measures against the inhibition of anti-money laundering regimes by corrupt activities within designated non-financial sectors

The study's outcome was expected to provide a better understanding of the links between money laundering and designated non-financial sectors and professions, how the latter can undermine the effectiveness and implementation of anti-money laundering regimes, and the specific vulnerabilities of those regimes to corruption.

2. CONCEPTUAL AND THEORETICAL FRAMEWORK

The United Nations Convention against Transnational Organised Crime (2000) cited in Hann (2006), defined Money laundering as the transfer or conversion of property, knowing that such property or assets are derived from corrupt practices or offenses or an act of participation in such offenses, to disguise or conceal the illicit root of the property or of assisting any person who is directly or indirectly involved in the commission of such an offense to evade the legal consequences of his or her actions; The disguise or concealment of the true nature, source, location, disposition, movement, rights concerning, or ownership of property, knowing that such property is derived from an offense or offenses or an act of participation in such an offense or offense also it is the acquisition, possession or use of property, knowing at the time of receipt that such property was illegally acquired or from an act of participation in such offense (Haug, 2014).

The Financial Action Task Force on Money Laundering (FATF), the international standard-setting body for anti-money laundering (AML), defined money laundering as "the processing of criminal proceeds to disguise their illegal origin" in order to "legitimise" the ill-got gains of crime. For this study, money laundering refers to the underlying criminal activity that generated proceeds, which, when laundered, results in the offence of money laundering. The Technology Effectiveness Planning and Evaluation Model (TEPEM) will serve as the theoretical framework for this study (FATF, 2007). TEPEM is a multi-model consisting of the Technology Acceptance model (TAM) and the three-layered model (encompassing contingency theory, socio-technical system theory and structuration theory). Usman (2006) introduced infrastructure readiness as one of the contingency necessities. He suggested TEPEM as a valuable model for effective internal control prevention and detection of fraud, including money laundering, in developing countries, especially Nigeria. The model centres on the fact that technology effectiveness is a function of TAM variables (perceived benefits, organisational readiness, trust, external pressure), contingent factors such as (staff training, size of organisation, cost, and infrastructure readiness), and an optimal mix of human and technological capabilities. Proper planning, designing and implementing adequate infrastructure are important for swift and effective anti-money laundering activities and curtailing measures in developing countries, especially Nigeria (Alobo, 2006).

3. METHODOLOGY AND SCOPE

The study centres on the relationship between money laundering and designated non-financial sectors and professions. The type of information sought by the designed instruments used for data collection is guided by the research objectives. Information-items sought covered money laundering, designated nonfinancial institutions and professions, corruption techniques and trends, impediments created by money laundering acts in the way of effective implementation of standards by Anti-Money Laundering institutions and suggestions of measures against the inhibition of the effective functioning of Anti-Money Laundering efforts by corruption within the designated nonfinancial institutions and profession. The primary data collection instruments include official documents from judicial agencies, legal and socioeconomic publications, and newspapers/magazines for 2018-2022. The extraction included processed or ongoing cases of money laundering in Nigeria. It is important to state that the research is not "investigative" or evaluative in pursuing and documenting cases. Instead, it is more about gathering information; it is an explorative study that relies heavily on secondary and documentary sources from the perception of officials whose roles are directly or indirectly related to controlling money laundering and corruption within non-designated non-financial institutions and professions.

4. PRESENTATION OF REPORT

The African Union (AU) Convention against Corruption defined corruption as the act and practices, including related offences, proscribed in their convention (FRN, 1999). The ECOWAS protocol on the Fight against Corruption did not clearly define corruption. However, it simply conceptualised it as the abuse or misuse of public or private corporate office for private gains, monetary or otherwise. ECOWAS also conceptualised money laundering as obscuring the illicit origins of money derived from crime. Based on these conceptions, the literature on money laundering and crime within designated non-financial institutions in Nigeria is considered (Walf, 2008). The Formal prohibition and conception of corruption and money laundering in Nigeria predates international conventions and

protocols on coverage; the crime, specificities, refinements, and intensification are consequences of the latter. What this implies is that Nigeria had manifested formal concerns regarding the issues of money laundering and corruption prior to international concerns and efforts at ameliorating the menace. For instance, Nigeria has had a specific schedule on the Code of Conduct for public officers in its 1979 constitution, which forbids unexplained wealth, ownership of foreign bank accounts and corruption in general (FRN, 1999: 151-7).

With the advent of FATF 40+9 recommendations, the ECOWAS protocol on the Fight against Corruption of 2001, the African Union Anti-corruption convention of 2003, and the United Nations convention against corruption of 2003. Nigeria has widened, refined and updated its legal and formal conception of corruption and money laundering crimes. The country has also subscribed to these protocols, recommendations, conventions and other related international measures and undertakings by domesticating the protocols. These formal conceptions by the Nigerian government institutionalise regulatory power for enforcement agencies. For instance, there is the independent Corrupt Practices and Other Related Offences Commission (ICPC), the Economic and Financial Crimes Commission (EFCC), and the Nigerian Financial Intelligence Unit (NFIU) (Shehu, 2006). The findings of the literature on the legal and formal conception of money laundering and corruption in Nigeria can be summarised as follows: the provision and enforcement are generally in line with the direction and conception of international protocol and convention; there is neither shortage of legal backings and provisions against money laundering and the instrumentalities for their enforcement and control. Although the agencies have inherent challenges, they can be effective watchdogs against money laundering.

4.1 Money Laundering Technique and Trends

Despite extant provisions against money laundering, the literature indicates a high and increasing prevalence of the crime in Nigeria. Moreover, the trends and techniques are not dissimilar from those of other African countries, even as the character and fortunes of the economy and the mode of governance make for slight differences. The techniques adopted in perpetrating corruption are myriad and are as follows:

- Tax and customs duty evasion
- Trading in influence/influence-peddling
- Over-billing for goods and services supplied to the State.
- Embezzlement, theft, and fraud.
- Bribery.
- Racketeering.
- Extortion.
- Favouritism, nepotism, and patronage
- Extraordinary "gifts" to decision-makers.
- Vote-Buying; and
- Rent-seeking/appropriation/sharing/transfers
- Improper contributions to political parties (Ribadu, 2006).

There is a direct link between corruption and money laundering. The proceeds of corruption are laundered, and the effects of these acts are poor governance institutions, which directly affect the operations of the anti-money laundering system. It has also been convincingly argued that the relationship between corruption and money laundering is a two-way phenomenon because, on one hand, corruption facilitates money laundering. That one encourages the other. The goal of money laundering is to legitimise "dirty money" for re-entry into the mainstream designated non-financial institutions. The process involves three stages:

- Placement (entry point); this is the stage where the money is being laundered and placed in either foreign accounts or other avenues for laundering
- Layering: This stage ensures that the origin of the funds becomes difficult to trace. It is mainly facilitated by designated non-financial professionals like lawyers, accountants, and their firms.
- Integration: This stage involves re-entering the funds into a legitimate economy, such as the construction of hotels, casinos, nonprofit organisations, real estate, construction companies, supermarkets, luxury goods, cars, etc. (FATF, 2007).

All three stages are necessary targets for different anti-money laundering actions, like the EFCC. Although the anti-money laundering agencies' laws and efforts appear to attach the most tremendous significance to the entry point, e.g. Suspicious Transaction Reports (STR), which banks and designated non-financial institutions are required to file/report. The emphasis placed on the placement stage often has its challenges, as the economy is mainly characterised by informal sectors and cash transactions,

making it difficult for EFCC to trace. Also in Nigeria, perpetrators of money laundering usually hide the proceeds of their acts in both local and foreign currency, in underground bunkers, graves of dead people, and roof-ceilings. They use such funds to purchase shares and stocks, real estate, and automobile businesses years after public services and the profits allow for integration.

How Money Laundering Hinders the Implementation of International AML Standards in Nigeria

From the foregoing, it can be deduced that to effectively implement anti-money laundering protocols in Nigeria in line with international provisions, there is a need for a good enabling environment for anti-money laundering agencies in the country. This is pertinent as there are various kinds of corruption interplay in the bureaucratic/administrative, monetary/financial, policy, legislative and political space which can stand as impediments against the functioning and perversion of the anti-money laundering provisions. The impediments identified in most of the reviewed literature include:

- Corrupt officials and personnel, especially at decision-making positions, have manned anti-money laundering agencies, leading to a lack of professional integrity that now hinders the effective implementation of anti-money laundering protocols and laws.
- The lack of a faithful declaration of assets by public office holders
- The incentive for pressure on enforcement officials by well-connected personnel, politicians and perpetrators of organised crimes
- The excessive interference with the functioning of anti-money laundering agencies by the executive arms of the government
- The low numbers of prosecutions and the slowness and unending trials of money laundering cases
- The lack of full cooperation by banks and designated non-financial institutions and professionals, especially regarding high-profile personnel in the country
- A significant issue is inadequate human capacity and resources for anti-money laundering agencies to function effectively. This also includes the absence of anti-money laundering technologies of world standards, such as analytic tools and investigative technologies, motivating salaries and allowances, training of personnel, and capacity-building endeavours.
- The legislative authorities lack commitment to enact appropriate laws or plug loopholes into extant laws. Many become potential perpetrators or collaborators in money laundering crimes.
- Many Western countries' financial institutions also display a lukewarm attitude toward collaborating with anti-money laundering agencies. These Western banks hardly consider stolen funds, which political leaders in Nigeria keep with them as laundered proceeds of corruption.
- The study also revealed that the issue of legal immunity from prosecution for political officeholders is a significant obstacle.
- The judiciary in Nigeria is another monster that constitutes significant impediments to anti-money laundering agencies. The anti-money laundering laws are punitive enough, and enforcement agencies are always ready to implement them well. However, the problem now resides with the schizophrenic behaviours and activities of legal practitioners in the country. How they handle such cases jeopardises the whole process (Prempeh, 2003; Odekunle, 2001; Haug, 2014).

Usman (2006), avers that the impediments corruption creates for the implementation of the provisions against money laundering shows that the two forms of crime work in hand and designated non financial institutions serves as avenue to lodge the laundered funds; also it is worth noting that designated non financial professionals also facilitates and ensure that these criminal elements are kept from the purview of anti-money laundering agents for prosecution. Corruption generates a lot of money for laundering, mainly from outside the country.

Practical Cases of Money Laundering in Nigeria and Impediments Possessed by the Nigerian Judiciary

- The former Governor of Delta State, (J.I) who along with some of his close associates were on trial for money laundering in the United Kingdom; the amount laundered amounted to billions; but they were discharged and acquitted by the Nigerian court on the ground that Delta State which he governed had not complained that money was laundered. This action alone deprived the United Kingdom court of the right to conviction for the predicate offence.
- Also, the former Governor of River State (P.O) obtained a perpetual injunction from prosecution from Justice Ibrahim Buba of the Federal High Court, Port-Harcourt, after the EFCC accused him of stealing billions of naira while Governor. Based on that legal injunction, the

ex-Governor escaped arrest, questioning, and prosecution. The EFCC could not arrest or detain him.

- The former Governor of Edo State (L.I) is another case for review. In 156-count charges of money laundering, he was found guilty of diversion of billions of State funds for private purposes, but he was only fined three million naira, which he paid on the spot.
- The list of politically exposed people guilty of money laundering is endless. Also, the ex-Federal Minister of Aviation (F.K.) was on trial for corruption and money laundering. However, the trial court judged the prosecution-obtained certified printout of his bank statement, which clearly showed the deposits and lodgments of public funds in question, with the mere excuse that electronically printed bank documents are inadmissible as evidence (GIABA, 2009).

To end this section, it is pertinent to note that money laundering is a social problem requiring the efforts of the judiciary before the anti-money laundering agencies will be able to implement standard protocols and function effectively; without the collaborative efforts of the judiciary, it will be a wasted effort on the part of the agencies. Aside from judiciary, the following officials can also hinder the efforts of anti-money laundering agencies; they include:

- Leadership of press/media
- Police and law enforcement officials
- High-level private sectors like banks and other companies
- High-level government officials and
- High-level political office holders (Haug, 2014).

The Relationship between Money Laundering and Designated Non-Financial Businesses and Professions (DNFBPs) in Nigeria

According to Adams (2008), designated non-financial institutions and professions are institutions, businesses, and professions that provide non-financial services. They comprise accountants, casinos, precious metals and stones dealers, real estate agents, lawyers, trust and company service providers, notaries and other legal practitioners, and various non-financial actors and entities.

Although the services provided by DNFBPs are often intertwined depending on their goals and objectives of establishment, and the services for which they are required. They are also different in their modes of service delivery. In Nigeria and West Africa generally, DNFBPs play a paramount role in economic and financial transactions. They are crucial because of their economic benefits to the people and the country. They may not be cross-national, but they depend solely on the nature of their economies, while others are large enough and cut across national boundaries (FATF, 2007).

Despite the enormous significance of DNFBPs to the Nigerian economy, there are cases of DNFBPs involvement in money laundering. DNFBPs are usually exploited by criminals, corrupt politicians, and government officials, or they knowingly collaborate with them to carry out corrupt transactions. There have also been impediments in enforcing anti-money laundering laws related to DNFBPs in Nigeria. In most cases, lawyers, accountants, and other professionals help these launderers create evidence and ensure that the source of the funds remains hidden with the sole aim of escaping justice (FATF, 2007).

In Nigeria, there are legal instruments and provisions for supervising, monitoring, and regulating the operation of DNFBPs. These instruments also meet the international provisions that provide the general framework for developing adequate measures to curtail money laundering within DNFBPs. The anti-money laundering laws and regulations in Nigeria are based on the requirements of the FATF recommendations, the international convention for the suppression of the financing of terrorism, the United Nations convention against transnational organised crimes, the United Nations convention against corruption, and other relevant instruments (FATF, 2007). These instruments are centred on measures of criminalising money laundering related to DNFBPs. The FATF Recommendations are the primary instruments that guide ICPC and EFCC in regulating money laundering, especially concerning DNFBPs. The Recommendations (specifically Recommendations 22, 23, and 28) stipulate measures for regulating, supervising, and monitoring the operations of DNFBPs. Recommendation 22 calls for applying customer due diligence (CDD) and recordkeeping requirements set out in Recommendations 10, 11, 12, 15, and 17 to DNFBPs. Recommendation 23 also calls for applying requirements set out in Recommendations 18, 19, 20 and 21 to DNFBPs (FATF, 2007).

Challenges in Regulating, Supervising and Monitoring the Operations of DNFBPs

- Large informal sectors characterise the Nigerian economy. The transactions are usually conducted in cash by unregulated businesses and semi-structured professionals. The widespread use of cash in DNFBPs in Nigeria means that most transactions are not even

conducted through the banking and formal financial systems. These breeds allow criminals to conduct illicit transactions without detection and prosecution. Although real estate agents and others that deal with significant funds use the formal financial system, the funding for these DNFBP and their investment methods are usually shrouded in secrecy (GIABA, 2009).

- A weak legal and institutional framework in the country is another challenge; there is a lack of clarity in the laws, which often leads to failure in the implementation, especially concerning DNFBP. Although in Nigeria, as earlier stated, strictly adhere to the FATF recommendations and other legal instruments for supervising, monitoring and regulating the operations of DNFBP. However, the rule governing the monitoring of the operation of DNFBP remained unclear. The regulatory is not explicitly stated. The law only gave the Minister of Trade and Commerce the power to enforce the Money Laundering Provision Act. However, it did not give power to establish a supervisor or regulator for the supervision of DNFBP; there is also no provision in the legal framework to penalise DNFBP for non-compliance with the regulations (FATF, 2007).
- There is also the problem of low knowledge of Anti-Money Laundering Laws among DNFBPs, making implementation difficult for the agencies. For instance, non-compliance with the Customer Due Diligence (CDD) procedure can be attributed to a lack of knowledge. There were poor efforts to educate the public on the dangers of money laundering, as many operators of DNFBP consider any opportunity to launder as "God's grace" and favour them. Only a few people operating in the DNFBP sector know and understand the Anti-Money Laundering laws. Many operators are unaware of the laws and policies guiding the sector. There is a need for the authorities to reach out to DNFBPs by guiding them on how to report issues of money laundering and illegal practices within their business. Although there is daily media sensitisation, there is still a wide gap in knowledge about the laws. Also, significant efforts by the authorities have been centered on sectors such as NBA and NIESV, etc. Other unauthorised sectors are not sensitised to anti-money laundering laws (FATF, 2007). Other challenges include:
 - Lack of appropriate IT infrastructure
 - High cost of training of regulatory agencies
 - Lack of Mandatory Associations to Coordinate DNFBPS
 - Lack of Compliance by DNFBPs.

4.2 Judicial Challenges in AML Enforcement

While the judiciary plays a critical role in upholding the rule of law, it has also been identified as a significant impediment to AML efforts in Nigeria—high-profile cases, such as the acquittal of former Governor J. I and legal injunctions obtained by figures like P. O. illustrate how judicial processes can be exploited to delay or obstruct prosecutions. However, it is important to recognise that judicial independence is a cornerstone of democracy, and not all delays or acquittals indicate corruption. Strengthening judicial capacity through specialised training on AML/CFT laws and ensuring transparency in judicial proceedings can help address these challenges without undermining the judiciary's integrity.

4.3 Recent Developments in AML Legislation and Enforcement in Nigeria

In May 2022, Nigeria enacted the Money Laundering (Prevention and Prohibition) Act 2022, which introduced more stringent measures to combat money laundering, particularly targeting Designated Non-Financial Businesses and Professions (DNFBPs). This legislation mandates specific compliance requirements for DNFBPs, including conducting customer due diligence, maintaining records for at least five years, and reporting suspicious transactions to the Nigerian Financial Intelligence Unit (NFIU). The Economic and Financial Crimes Commission (EFCC) and the Special Control Unit Against Money Laundering (SCUML) have engaged with DNFBPs through sensitisation programs to ensure compliance with the new laws. For instance, in August 2022, the EFCC held a workshop in Lagos for DNFBPs, emphasising the importance of adhering to AML regulations to avoid sanctions (EFCC Sensitisation). More recently, in September 2024, another program focused on beneficial ownership and targeted financial sanctions. Nigeria has also been working to address its strategic deficiencies, which were identified by the Financial Action Task Force (FATF). Since February 2023, Nigeria has committed to strengthening its AML/CFT regime, focusing on improving supervision of financial institutions and DNFBPs, enhancing beneficial ownership information, and increasing investigations and prosecutions related to money laundering and terrorist financing (FATF Nigeria).

4.4 Specific Compliance Requirements for DNFBPs

Under the Money Laundering (Prevention and Prohibition) Act 2022, DNFBPs are subject to several key compliance requirements:

- Recordkeeping: DNFBPs must maintain records sufficient for reconstructing or reviewing each transaction for a minimum of five years from the completion of the transaction or termination of the business relationship. These records must be made available to regulatory authorities upon request.
- Cash Transaction Limits: Individuals are prohibited from making cash payments exceeding ₦5,000,000, while corporate bodies are restricted to ₦10,000,000. Transactions exceeding these limits must be conducted through financial institutions to ensure transparency.
- Suspicious Transaction Reporting: DNFBPs are required to report any suspicious transactions to the NFIU. A suspicious transaction is defined as one that may be related to money laundering, terrorist financing, or other unlawful activities.
- Internal Policies: DNFBPs must develop and implement internal policies, procedures, and controls to prevent money laundering and terrorist financing, including risk assessments and employee training (Andersen AML/CFT).

5. KEY FINDINGS

The study revealed that corruption produces or facilitates laundering and helps frustrate anti-money laundering agencies' effective monitoring, control, and functioning. To address this problem, the federal government must show political will and commitment to fight corruption. Related to the first findings, the study also revealed that the government needs to improve the socioeconomic conditions of its citizens, particularly the lower and middle classes, in public services to ensure that they are not tempted to engage in corrupt acts. Petty corruption, by design or default, also watered-down corruption and inhibits the implementation of standards. Related to the issue of the federal government's political will and commitment to fight corruption, the study revealed the role played by the Nigerian judiciary in impeding the implementation of anti-money laundering standards. There should be an avenue to track corruption within the judiciary, and judicial injunctions should be scrutinised to meet international standards and moral decency. Seated non-financial businesses and professions are important in the country's economic and financial development. However, their control, supervision, and regulation of operations remain very poor. The study also pointed out that DNFBPs are highly susceptible to money laundering. They are likely to be exploited by money launderers, criminals, and even terrorist financiers. They can also willingly collaborate with launderers to criminally divert funds and conceal them for other activities. DNFBPs also faces challenges related to a lack of knowledge of the regulations and laws guiding their sectors and other identified challenges in the study. The study also revealed that most DNFBPs operate mainly in the informal sector, aside from creating job employment for the Nigerian youths, they have also become easy channels and medium for money launderers to use in several economic and financial transactions, which are usually hard to trace and regulate.

6. CONCLUSION

The reviewed literature has adequately recognised the impact of corruption in facilitating money laundering, its diversion into designated non-financial institutions by professionals, and its inhibition of effective implementation of anti-money laundering-related activities. Therefore, this study will also focus on making suggestions and operational measures to curtail corruption, as it is an obstacle to implementing international and local standards for curtailing money laundering. Lack of cooperation of actors in the DNFBP sector in reporting, weak legal regulatory framework, level of knowledge about anti-money laundering regulations, high cost of training of regulatory agencies, lack of appropriate IT systems and expertise to coordinate information about DNFBPs and lack of mandated agencies to coordinate activities of DNFBPs are the major identified factors that impede the effective monitoring, control and regulation of DNFBPs. To avoid repetition of measures, the follow-up subheadings will discuss appropriate measures and recommendations to improve the abovementioned challenges.

7. RECOMMENDATIONS

In pursuance of the final objective of this study, which relates to providing measures for mitigating money laundering and strengthening the anti-money laundering agencies. The following measures are recommended.

- The federal government should take measures to minimise corruption's inhibition of anti-money laundering agencies. This can be done by intensifying the fight against corruption, especially within the judiciary and executive arms of government, which frequently interfere with the anti-corruption agencies' activities.

- The government should strengthen anti-money laundering agencies by providing them with the necessary financial support, training, and technological support to carry out their activities effectively.
- The federal government should align the structure of anti-money laundering agencies to function in an integrated and organic way, as per FATF Recommendation 31, which advocates policymakers to put mechanisms in place to enable agencies to implement anti-money laundering standards successfully.
- With the support of international organisations, the federal government should deliberately strengthen the human and material capacity of NFIU, ICPC and EFCC, as well as other anti-money laundering agencies in the country. This can be achieved by providing appropriate research and information technology skills training.
- The study revealed that the legal framework governing the activities of DNFBPs in Nigeria is weak. Therefore, it is recommended that the legal and regulatory environment for DNFBPs be reviewed and enforced. Penalties should be applied for infringement of the anti-money laundering standards.
- Law enforcement agencies should have clear guidelines for regulating and enforcing money laundering-related crimes. They should also be empowered to seize, trace, and confiscate criminally acquired assets.
- The government should also strengthen the institutional capacity of regulatory and supervisory agencies.
- Anti-money laundering agencies should set up sensitisation programs to enlighten the public and operators of DNFBPs on the dangers of money laundering and the regulations.
- Develop and utilise digital platforms for transaction monitoring, reporting, and compliance. This can help DNFBPs identify suspicious activities more efficiently and reduce the burden of manual recordkeeping.
- Provide specialised training for judicial officers on AML/CFT laws to ensure that cases are handled effectively and without delay.
- Launch nationwide campaigns to educate the public about the risks of money laundering and the importance of reporting suspicious activities.
- Finally, it is recommended that DNFBPs should cooperate with anti-money laundering agencies to ensure effective monitoring and implementation of the standards.

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