



VOL 5 NO 7 | JULY 2016

EFCCALERT!

Money Laundering

The ignoble role of lawyers, bankers, real estate agents,
and *bureaux de change* operators



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LEXICON

Money Laundering

It is on record that Africa loses more than \$50 billion every year as a result of illicit financial outflows. Notably, between 1970 and 2008 an estimated \$217.7 billion was illegally transferred out of Nigeria.

USAGE: As the name suggests, money laundering in its literal explanation, implies laundering (washing) "dirty money" in public with the aim of making it look clean. Dirty money in this sense, implies proceeds of criminal activities (stealing from state coffers, tax evasion, contract inflation, and drug trafficking), and making them appear legal - clean. It is the concealment of the origin of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses.

Money launderers usually engage in three covert activities - keeping the stolen funds in financial institutions or

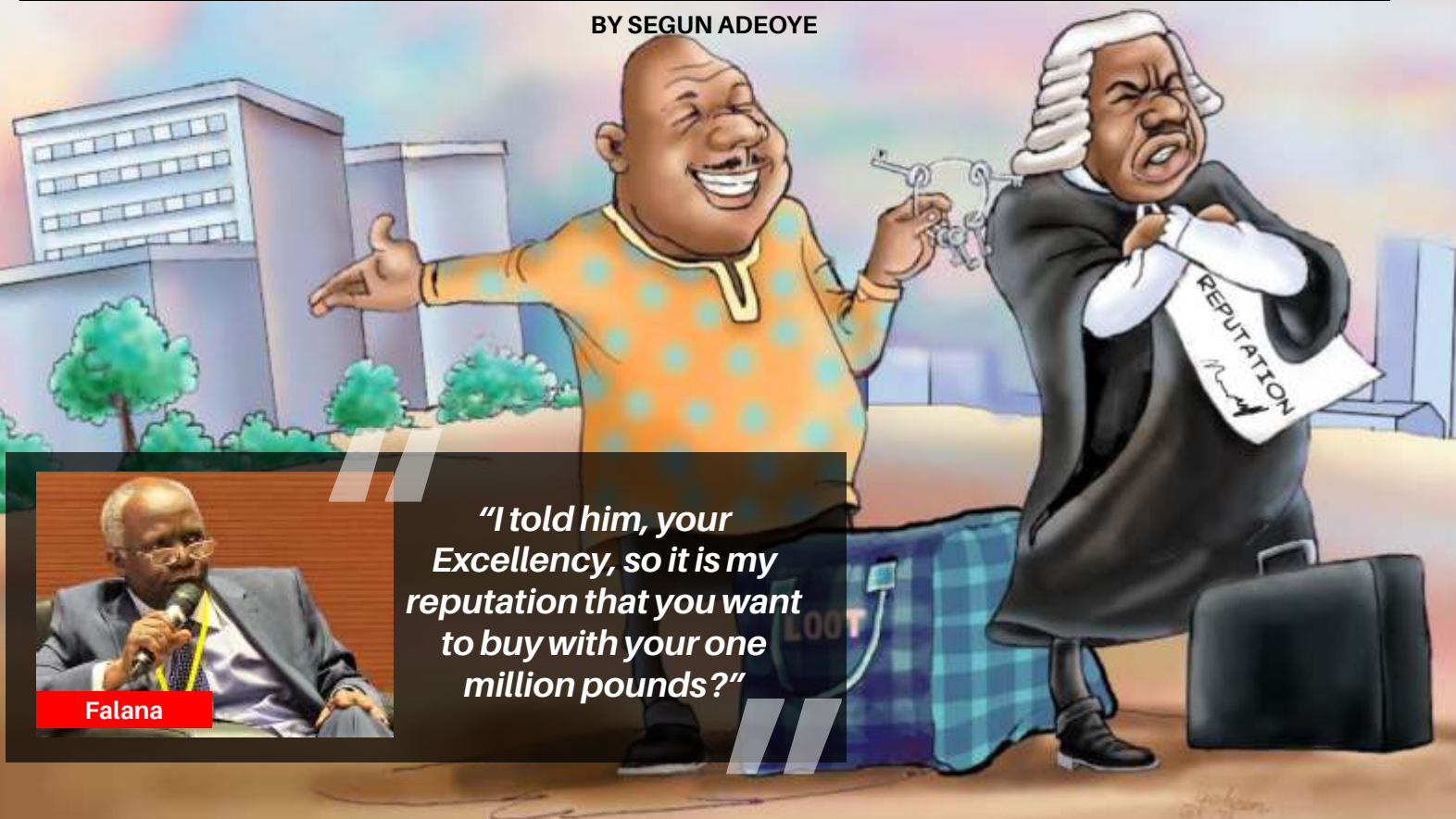
converting them into negotiable instruments; electronically transferring the stolen funds to foreign bank accounts, in an attempt to hide the origin of the funds; and investing the money in business ventures in which case it is no longer traceable to its origin as it would have mixed with funds of legitimate source.

The EFCC is currently prosecuting politically exposed persons in courts across the country for economic and financial crimes. In Nigeria, money laundering is an offence that is punishable under the Money Laundering (Prohibition) Act 2011 as amended in 2012.

Breaking the Chain

Lawyers, bankers, real estate agents, bureaux de change operators and other professionals come under scrutiny, for their roles in covering up the tracks of money launderers

BY SEGUN ADEOYE



Falana

"I told him, your Excellency, so it is my reputation that you want to buy with your one million pounds?"

It was a juicy and irresistible offer that required guts to turn down. The brief put forward by a serving governor to human rights activist and Senior Advocate of Nigeria, Femi Falana came with a price tag of £1 million. But it was a brief that would put at stake the reputation of the learned silk to facilitate the money laundering activities of the governor.

Falana narrated the experience at a recent workshop in Abuja, to highlight the culpability of lawyers, and other professionals in facilitating the commission of money laundering offence. He lamented the fact that many of his colleagues at the Bar, have succumbed to the lure of filthy lucre to assist politically exposed persons, PEPs, to commit financial crimes.

"The governor asked me to assist him in transferring money abroad, and that I should claim it to be proceeds from sale of his property in Nigeria," he said. "And the price was extremely attractive, he was

going to pay me a million pounds then when money was money."

A circumspect Falana was stunned when the governor told him that he had chosen him for the shady deal, because "nobody will suspect you".

"I told him, 'Your Excellency, so it is my reputation that you want to buy with your one million pounds?'," he said, as he turned down the offer.

Some of his colleagues thought he was stupid, but according to him, "those who accepted the offer later found themselves in trouble, as they were arrested and humiliated; they were only lucky not to have been charged to court."

A Call to Action

At the workshop, which had in attendance professionals from the legal, finance, banking, mining sectors, among others, the need to ensure strict compliance with the Money Laundering

Act 2011 (as amended in 2012) came to the fore.

Francis Usani, Director, Nigeria Financial Intelligence Unit, NFIU, stressed the fact that money laundering had grave effect on the social and economic wellbeing of the country and "it allows criminals to grow in their criminal networks".

He urged lawyers and other professionals to assist anti-graft agencies to rid the country of economic and financial crimes, noting that "the laws are not meant to stop you from performing your legitimate duties, but to stop you from allowing criminals to leverage on your platform to commit money laundering offence".

He lamented the fact that even with the well entrenched laws and rules, particularly the Money Laundering (Prohibition) Act, "often times these laws are breached by professionals, and such non-compliance must be checked".

It is essential for lawyers and professionals in general, to report suspicious transactions to relevant regulatory institutions

- Usani

According to him, it was essential for lawyers and professionals in general, to report suspicious transactions to relevant regulatory institutions like the NFIU.

Coup against Money Laundering Act

Harping on the views of Usani, Falana expressed discontent at the ruling of Justice Gabriel Kolawole of a Federal High Court, Abuja which held that Section 5 of the Money Laundering (Prohibition) Act 2011 could not be applied to lawyers.

The judge in the ruling restrained the Federal Government, the Central Bank of Nigeria, CBN, and the Special Control Unit against Money Laundering, SCUML, from enforcing the section as it relates to legal practitioners.

The Act categorized legal firms as Designated Non-Financial Institutions, DNFI, mandated to "record all transaction under this section in chronological order, in a registered number" and forward to the Federal Ministry of Commerce for onward delivery to the NFIU.



Usani

Falana noted that lawyers had a paramount role to play in the fight against economic and financial crimes, as they are the ones usually employed by well-heeled members of the society to help perfect documents for illicit transactions, and to cover up their tracks.

Questioning the legitimacy of the ruling, Falana averred that it was inappropriate, as it suggests that other professionals could also go to court to seek for a favourable ruling, thus nullifying the good intentions behind the promulgation of the Act.

"It is my submission that, the judgement with profound respect, cannot exculpate any lawyer who commits any offence under the law," Falana said, warning lawyers not to rely on "this judgement which cannot stand the test of time."

Indeed, the SCUML has appealed the ruling.

We will not stop going after people who are involved in money laundering

- Magu

Falana warned that the recent bill at the National Assembly seeking to amend the Money Laundering (Prohibition) Act 2012 would unwittingly weaken anti-graft agencies like the EFCC, hampering the effective discharge of their duties in combating financial crimes.

He urged the National Assembly, to call for a public hearing to ensure that "the amendment of the Money Laundering Act, would not be done hastily".

Challenge to professionals

Secretary to the Government of the Federation, Babachir Lawal, who was represented by Tor Tsavar, Director, Nigerian National Volunteer Service, NNVS, noted that the workshop was essential, considering the rather ignominious role that the banking sector played in incidents of money laundering.

"It is no news that most stolen funds are laundered through our banks and other



Sagay

offshore entities that are owned and managed by professionals," he said, urging them to implement their rules, and discipline erring members.

Sharing his thoughts, Prof. Itse Sagay, SAN, Chairman, Presidential Advisory Committee Against Corruption, PACAC, said "It is regrettable that professionals particularly those in the banking sector, offered direct and indirect support for those who commit financial crimes, to beat the law, and so lawyers and professionals are important in this fight."

Sagay advised lawyers to avoid the urge of committing fraud, money laundering, and perjury while trying to defend their clients.

Otite Igbuzor, civil society activist, added that there was a need for professional bodies, to ensure that they adhered to their ethics, stressing that, "there's need for better enforcement of laws".

Ibrahim Magu, the EFCC boss, used the opportunity to charge professional bodies to join hands with the agency in the fight against corruption.

"Instead of conniving with people to launder the proceeds of financial crime, I plead with you to join hands with the EFCC to fight corruption," he said. "We will not stop going after people who are involved in money laundering."

Magu has, at other platforms, challenged lawyers and *bureaux de change* operators not to allow themselves to be used to perpetrate money laundering offence. He has also expressed the resolve of the agency to bring to book bank officials complicit in committing financial crimes. ■

PHOTO GALLERY



Ibrahim Magu, EFCC boss, decorates Bayo Onanuga, Managing Director, News Agency of Nigeria, NAN, during a recent visit



Magu and James Entwistle, outgoing US ambassador to Nigeria



Waziri Adio, Executive Secretary, Nigeria Extractive Industries Transparency Initiative, NEITI, presents report to Magu



Magu with Victor Muruako, Chairman, Fiscal Responsibility Commission, FRC, during a visit



Magu, Joseph Malegho, Cameroonian official, and Emmanuel Aremo, Secretary, EFCC



Magu in a handshake with Dr. Paul Angya, acting Director-General, Standard Organisation of Nigeria, SON



Magu with members of the Senate Committee on Anti-Corruption and Financial Crimes, led by Senator Chukwuka Utazi

Be Warned!

Beware you might be guilty of money laundering offence; in this first part of a series, **EFCCA!ert!** sheds light on it

BY **SEGUN ADEOYE**



Do you know that it is an offence for you to make or accept cash payment of a sum exceeding N5 million (or its equivalent in dollars, pound sterling or any other foreign currency), outside of the involvement of a financial institution? Do you know that it is also an offence for you to have cash in excess of \$10,000 or its equivalent in naira on you when travelling out of the country, without declaring everything to the Nigeria Customs Service?

Perhaps, Samuel Duru, a businessman who was arrested by Customs officials at the Akanu Ibiam International Airport, Enugu, Enugu State, in December 2015 onboard a flight to China, would claim ignorance of this section of the Money Laundering (Prohibition) Act 2011. But, ignorance is not a defence in law.

Section 2 (3) of the Money Laundering (Prohibition) Act 2011 as amended in Section 2 of the Money Laundering (Prohibition) Act 2012 states that:

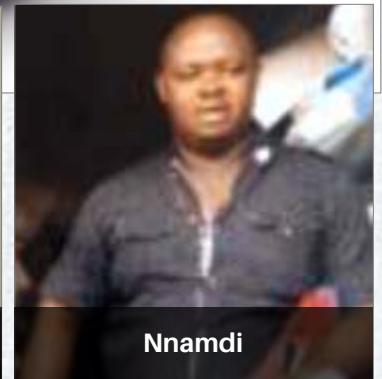
“Transportation of cash or negotiable instruments in excess of US\$10,000 or its equivalent by individuals in and out of the country shall be declared to the Nigerian Customs Service.” It further adds in sub-section five that an individual who falsely declares or fails to make full disclosure to officials, “commits an offence and shall be liable on conviction to forfeit the undeclared funds or negotiable instrument or to imprisonment of not less than two years or to both.”

Duru was a legitimate businessman at Ariariah International Market, Aba, with his company registered with the Corporate Affairs Commission. He was on a business trip to China, but declared only \$10,000 to Customs officials at the airport, out of \$96,000 which he had on him. Officials found out he had made a false declaration, and he was handed over to the EFCC for investigation and prosecution for money laundering offence.

On June 16, 2016 Justice N. Yunusa of the Federal High Court, Enugu found him guilty of the offence, and sentenced him to



Duru

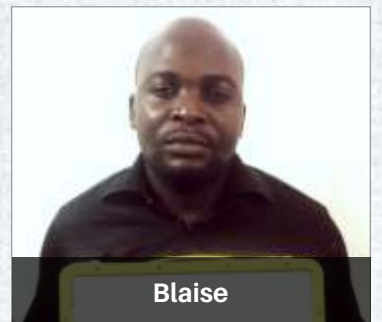


Nnamdi

six months in prison taking effect from December when he was arrested. He was also ordered to forfeit the undeclared \$86,000 to the federal government.

Like Duru, yet another businessman, Christopher Nnamdi, on May 24, 2016 was ordered by a Federal High Court, Enugu, to forfeit \$41,000 to the government. It was the shortfall of \$51,000 which he failed to declare to the Presidential Trans-border Task Force team of the Nigeria Customs Service, at the Akanu Ibiam International Airport on September 5, 2015. His business trip to China was cut short as he was arrested and handed over to the EFCC.

The Money Laundering Act is no respecter of persons – race, religion or nationality. On July 8, 2015 a citizen of the Democratic Republic of Congo, Kutumisana Blaise, was arrested at the Murtala Mohammed International Airport, Lagos, for failing to declare \$511,225 he had on him to Customs officials. He was prosecuted by the EFCC on a one-count charge of money laundering before Justice Ibrahim Buba of the Federal High Court, Lagos. He forfeited the \$511,225 to the government after the trial judge found him guilty of the charge.



Blaise

To be forewarned is to be forearmed. ■

EFCC Not Involved!



The Economic and Financial Crimes Commission, EFCC, is constrained to respond to a report trying to link the anti-graft agency to alleged fraud involving a member of the Presidential Investigative Committee on Arms Procurement, Air Commodore Umar Muhammed (retd).

The report quotes anonymous sources alleging that Muhammed is "fronting for some members of the committee", including "high ranking officials in the EFCC and ONSA".

Though it surreptitiously did not name the so-called officials, it is common knowledge that Ibrahim Magu, the EFCC boss, is the only member of the Arms Procurement Committee from the Commission.

The Commission views with grave concern the malicious attempt to create doubts in the minds of Nigerians, and the international community regarding the integrity of the Magu-led EFCC.

Suffice to state, that this is another case of corruption fighting back. Some people have been uncomfortable with the uncompromising stance of Magu, who has remained resolute in leading the EFCC in the fight against corruption.

The EFCC asserts that no official of the agency that is directly or remotely connected with the activities of the Committee is involved in any dealings that border on fraud with Mohammed or any other member of the Committee. The agency challenges anybody with contrary information to come forward with it.

In view of this, the EFCC calls on the Presidency to set up a panel of inquiry to investigate the claims in the report and those who have made it their sole business to impugn the integrity of others and cast doubts on the credibility of the anti-corruption war.

No matter the distraction and attempt by dark forces to derail its work through negative propaganda, the EFCC will remain steadfast in carrying out the mandate freely given to it by the Nigerian people to hold all public officers accountable.

Meanwhile, the EFCC also warns members of the public not to fall for tricks of fraudsters parading the streets posing as Magu's representatives with the intent of using his good name to extort money from persons under investigation, promising them a soft-landing, and in some instances, giving them assurances that their cases before the EFCC would be closed.

What to Note

Magu has not, and will never mandate any individual to demand gratification from persons under investigation. Members of the public are also advised to report anyone who approaches them with a request for gratification in the name of Magu, to the nearest EFCC office or police station. You can also call any of our hotlines

08093322644 and 08183322648

or send an email to:

alert@efccnigeria.org OR info@efccnigeria.org

Enugu Accord

The EFCC rallies members of the media in the Coal City of Enugu

BY CHRIS OLUKA//ENUGU



Nwajah (left) during the visit

The fight against corruption is fundamental to everything we do in this country; It is a fight we cannot afford to lose.

The visit of the Director, EFCC's Public Affairs, Osita Nwajah, to media organizations in Enugu, Enugu State, was to further emphasize the important role of the Press in the war against economic and financial crimes.

Nwajah, who was received by Hadiza Lawal, Zonal Director, Nigeria Television Authority, NTA, Enugu Network Centre, stressed the benefits of media partnership as a major tool in ridding the country of corruption.

"Your organisation has been a strong and dependable ally in disseminating information regarding our efforts to rid Nigeria of economic and financial crimes," Nwajah said.

Commending the agency, Lawal noted that belief in the EFCC had risen tremendously under the leadership of Ibrahim Magu, the EFCC boss, and "NTA has confidence in the Commission's fight against corruption, which is why we ensure adequate coverage of your activities."

At Dream FM, Antonio Cruise, Managing Director of the radio station, and Nwosu Chidozie, the station's



Magu planting a tree at previous visit to the zone

NTA has confidence in the Commission's fight against corruption.

Head of Operations, who both received Nwajah, appreciated the agency's drive in carrying out its mandate.

"We appreciate your efforts in ensuring that the EFCC makes its presence known through rigorous media engagement," Cruise said.

The media sensitization tour took Nwajah to the Federal Radio Corporation of Nigeria, FRCN, and the News Agency of Nigeria, NAN. He used the platforms to solicit for a renewed support for the EFCC.

During the state's flagship radio programme, *Executive Chat*, Nwajah urged Nigerians to partner with the EFCC, noting that: "The fight against corruption is fundamental to everything we do in this country; it is a fight we cannot afford to lose."

In another related event, Obioha Okorie, South-East Zonal Head of the EFCC, on June 21, 2016 planted a tree to beautify the zonal office. His action, followed in the steps of Magu, who during a visit to the zone in December 2015 also set the laudable example of tree planting. ■



Okorie following in the steps of Magu

CRIME

Fall of a Conman

BY TITILOLA OLEJIYA / PORT HARCOURT

An internet fraudster is to spend 10 years in jail for defrauding a Chinese businessman to the tune of N2.5 million

For Frank Emeh, who defrauded a Chinese businessman, Wang Xin, of N2.5 million, the next 10 years of his life would be spent in prison. Emeh had cloned the email account of Vhelbberg International Limited and used same to extort the money from Xin.

He was arrested on March 6, 2013 by EFCC operatives, and arraigned before Justice A. Nganjiwa of the Federal High Court, Port Harcourt, Rivers State, on a two-count charge bordering on obtaining money by false pretence.

One of the counts read: "That you Frank Emeh and Peter Njoku (now at large) on or about December 2012 in Port Harcourt within the jurisdiction of this court did conspire among yourselves to commit felony to wit: obtain money by false

pretence from Sinopec Changjiang Engineering Services Limited by using a false email address *trutobingsolutions@yahoo.co.uk* to communicate with him making him to believe that you are one of his clients and thereby committed an offence contrary to Section 8 (a) of the Advance Fee Fraud and Other Related Offences Act 2006, which is punishable under Section 1 (3) of the same Act."

The trial judge found him guilty on the two counts and sentenced him to 10 years in prison on each, without an option of fine. The sentence takes effect from the day he was arrested. He was also ordered to pay N2.5 million in restitution to Xin. ■



Emeh

Caught in the Web

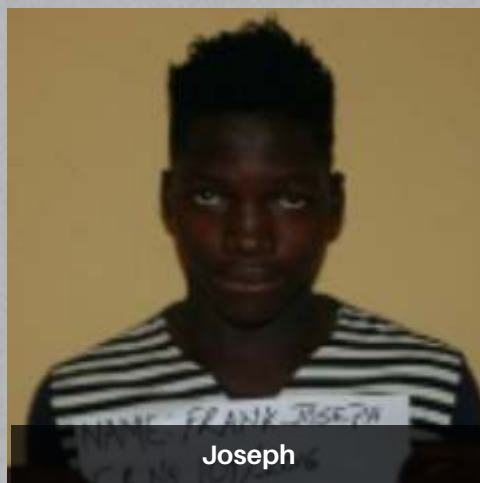
BY THERESA NWOSU// ENUGU

Luck runs out on two fraudsters as they are ensnared in their deadly game of fraud

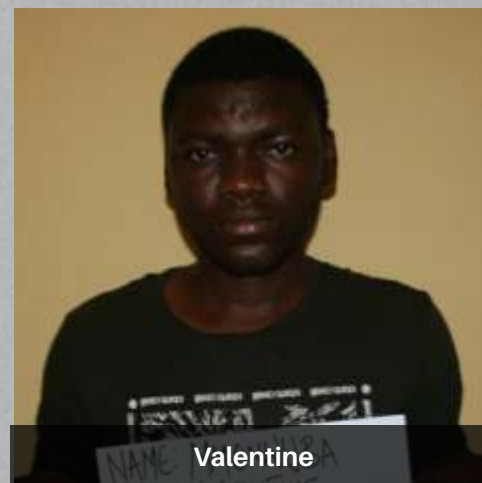
After all the intrigues and claim of "not guilty", Frank Joseph and Muonwuba Valentine, who were first arraigned before Justice N. Yunusa of the Federal High Court, Enugu State, on April 19, 2016 for offences bordering on advance fee fraud, changed their plea to "guilty" on June 16, 2016.

On March 21, 2016 Joseph went to the Kenyatta branch of Access Bank in Enugu, posing as a customer of the bank with account number 0046119649, in the name of Abdullahi Adamu, using the identity to request for ATM card on the pretext that it belonged to his grandfather who was "seriously sick".

The bank suspected foul play and reported the case to the EFCC. They were arraigned on a five-count charge



Joseph



Valentine

bordering on conspiracy, impersonation, and attempted theft which contravene Section 8 (a) (b) of the Advance Fee Fraud and Other Related Offences Act 2006.

Justice Yunusa found them guilty of the charges, and sentenced them to two years on each count, to run concurrently. ■

Bank Crook

BY BELLO BAJOGA // KANO

A Federal High Court in Kano, okays trial of a former banker wanted for money laundering offence, even while she remains in hiding

If Yagana Bukar, a former banker with a new generation bank, had thought that by absconding from trial, she would evade being prosecuted by the EFCC, she must be having a rethink, wherever she is hiding.

On June 9, 2016 Justice Fatun Riman, of a Federal High Court, Kano State, granted the application of the EFCC, to prosecute her in absentia on a 10-count charge bordering on money laundering.

Bukar was first arraigned on October 24, 2013 and granted bail on October 25, 2013. She, however, absconded shortly after the commencement of trial on October 28, 2013.

As an account officer at Skye Bank Plc, Bukar allegedly stole N12,626,250 of

depositors' fund, posting the money into three Skye Bank accounts belonging to her sister, Hajja Fanna; her brother, Grema Bukar, and her child, Ummu Kulthum.

In order to conceal the source of the money, she allegedly used part of the money to open a store in the Kawo area of Kano.

The EFCC had pursuant to Section 352(4) of the Administration of Criminal Justice Act 2015, applied to the court, to continue with the trial in her absence, as "she has failed to appear before the court eight times".

Her trial is ongoing. ■



Bukar

Chronic Offender

BY FATIMAH ABUBAKAR // KANO

An inmate gains his freedom, but faces prosecution for another set of offences

After serving a four-year jail term, Usman Umar, became a free man on June 30, 2016; but his freedom lasted only a few hours, as on the same day, the EFCC began his prosecution for allegedly defrauding Jibrin Umar.

On June 14, 2016 Umar was arraigned before Justice Idrisa Kolo of a Federal High Court, Kano, on a two-count charge bordering on obtaining by false pretence.

One of the charges against him read: "That you Usman Umar sometime in 2013 at Kano within the jurisdiction of the Federal High Court, Kano with intent to



Umar

defraud, obtained the sum of N6 million from Alhaji Jibrin Umar by falsely representing that a property situated at Tsamiyar Boka, Hotoro Kano, is put up for sale and which you knew to be false and thereby committed an offence contrary to Section 1 (1) (a) of the Advance Fee Fraud and Other Fraud Related Offences Act, 2006 which is punishable under Section 1(3) of the same Act."

He pleaded "not guilty" to the charges when they were read to him.

His trial is ongoing. ■

NOTEBOOK

Defender of the Defenceless

The EFCC takes proactive step to seal off office of TFG Real Estate Limited, which operates in Nigeria as The First Group, a Dubai-based real estate firm

BY SEGUN ADEOYE

"Thank God the EFCC is working for us, so we won't make mistake."

Those were the terse words of one of the two men, who stood arms akimbo in front of the entrance to the office of *The First Group* company, located on the seventh-floor at the Bank of Industry building, in the Central Business District, Abuja.

It was Wednesday, July 13, 2016. The two men had the mission of striking a business deal with the company, which claims to assist interested investors to purchase choice properties in Dubai.

Their enthusiasm to be Dubai property owners, however, fizzled out – right in front of them were EFCC stickers placed on the door leading to *The First Group* office, with the inscription – **UNDER INVESTIGATION**. The two men had arrived a few minutes after EFCC



operatives, who were still standing by, had just sealed off the office.

A member of staff of the company, who was still standing by, told them, "We've closed for the day." But the comment,

merely elicited a rapturous laughter from the men, who staring at the stickers and sighting EFCC operatives, turned back and quipped: "Thank God the EFCC is working for us, so we won't make mistake." ■

PICK OF THE MONTH'S CARTOON



Published in *Leadership* newspaper, July 4, 2016

ON THE RUN



AKINLADE TOFUNMI

Akinlade Tofunmi, is an alleged Automated Teller Machine, ATM, fraudster, who targets victims at ATM points and Point of Sale, POS, stores.

She lures unsuspecting victims to give her their ATM cards, and Personal Identification Numbers, PINs, which she subsequently uses to withdraw money from their bank accounts, without their authorization or knowledge.

She has so far swindled her victims to the tune of N3 million.

Anybody with useful information about her movement should contact the Commission in its Ibadan, Lagos, Enugu, Port Harcourt, Gombe, Maiduguri, Kano, Kaduna or Abuja offices or through these numbers 09-9044751-3, 08093322644, 08183322644, 070-26350721-3, 070-6350724-5; its e-mail address: info@efccnigeria.org .

EFCC will get you.
Anywhere. Anytime.

www.efccnigeria.org

