The Inter-Governmental Action Group against Money Laundering (GIABA) is a Specialized Institution of ECOWAS and a FATF-Style Regional Body that promotes policies to protect member States’ financial system against money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction. The FATF Recommendations are recognized as the global anti-money laundering (AML), counter financing of terrorism (CFT), and proliferation financing (PF) standard.

For further information on GIABA, please visit the website: www.giaba.org

This document and/or any data or map included herein are without prejudice to the status of or sovereignty over any territory, the delimitation of international frontiers and boundaries and nomenclature of any territory, city, or area.

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Credit is also due to GIABA’s Technical Partners, in particular the World Bank and the FATF Secretariat, for their interest and care in reviewing the report at various stages of its production. The members of the GIABA Risks, Trends and Methods Working Group (RTMG) and the Policy Review Group (PRG) were also central to the completion of this report. They have consistently worked closely with the GIABA Secretariat to ensure the overall quality and consistency of the report.

The Secretariat is delighted to commend the entire project team, consisting of staff from the Policy and Research Directorate and Country Researchers, especially Dr. Jeffrey Isima and Mr. Idrissa Ouattara, for working hard, under the effective supervision of Mr. Muazu Umaru, to ensure effective coordination and implementation of the project, despite the difficult health context of the COVID-19 pandemic. To all who contributed to this report in one capacity or another, we express our deep gratitude.

GIABA Secretariat
# LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AFRIMAP:</td>
<td>Africa Governance Monitoring and Advocacy Project</td>
</tr>
<tr>
<td>AGRACE:</td>
<td>Agency in charge of the management of assets and proceeds of crime and offences, corruption and money laundering after trial-Guinea</td>
</tr>
<tr>
<td>AJT:</td>
<td>Law Officer of the Treasury- Cote d’Ivoire</td>
</tr>
<tr>
<td>NA:</td>
<td>National Assembly;</td>
</tr>
<tr>
<td>NA/RM:</td>
<td>National Assembly of the Republic of Mali</td>
</tr>
<tr>
<td>ANJAC:</td>
<td>Niger Association of Anti-corruption Journalists</td>
</tr>
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<td>ANLC:</td>
<td>National Agency for Good Governance and Anti-corruption–Guinea</td>
</tr>
<tr>
<td>ANLC:</td>
<td>National Anti-corruption Authority – Benin</td>
</tr>
<tr>
<td>ANRMP:</td>
<td>Public Procurement National Regulatory Authority- Cote d’Ivoire</td>
</tr>
<tr>
<td>CPO:</td>
<td>Criminal Investigation Officer</td>
</tr>
<tr>
<td>ARCP:</td>
<td>Public Procurement Regulatory Authority-Burkina Faso (BF)</td>
</tr>
<tr>
<td>ARMP:</td>
<td>Public Procurement Regulatory Agency</td>
</tr>
<tr>
<td>ASCE/LC:</td>
<td>Higher State Supervisory and Anti-corruption Authority–BF</td>
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<tr>
<td>ML:</td>
<td>Money Laundering</td>
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<tr>
<td>ML/TFF:</td>
<td>Money Laundering and Terrorism Financing</td>
</tr>
<tr>
<td>BCEAO:</td>
<td>Central Bank of West African States</td>
</tr>
<tr>
<td>BCN:</td>
<td>National Coordination Office /Interpol</td>
</tr>
<tr>
<td>BCRG:</td>
<td>Central Bank of the Republic of Guinea</td>
</tr>
<tr>
<td>BEF:</td>
<td>Economic and Financial Legion- Benin</td>
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<tr>
<td>BVG:</td>
<td>Office of the Auditor General-Mali</td>
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<tr>
<td>CASCA:</td>
<td>Governing Structures Support Unit–Mali</td>
</tr>
<tr>
<td>ECA:</td>
<td>United Nations Economic Commission for Africa</td>
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<tr>
<td>ECOWAS:</td>
<td>Economic Community of West African States</td>
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<tr>
<td>FIU:</td>
<td>Financial Intelligence Unit</td>
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<tr>
<td>CGI:</td>
<td>General Tax Code</td>
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<tr>
<td>CGSP:</td>
<td>General Audit Office for Public Services– Mali</td>
</tr>
<tr>
<td>CIMA:</td>
<td>Inter-African Conference of Insurance Markets</td>
</tr>
<tr>
<td>CNC-LBC/FT:</td>
<td>National Coordination Committee on AML/CFT-Senegal</td>
</tr>
<tr>
<td>CNI:</td>
<td>National ID Card</td>
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<tr>
<td>CNT:</td>
<td>National Transition Council</td>
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<tr>
<td>UNCAC:</td>
<td>United Nations Convention against Corruption</td>
</tr>
<tr>
<td>CRIET:</td>
<td>Tribunal for the Prosecution of Economic and Terrorism offences-Benin</td>
</tr>
<tr>
<td>UNSC:</td>
<td>United Nations Security Council</td>
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<tr>
<td>CTIF:</td>
<td>Belgian Financial Intelligence Unit</td>
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<tr>
<td>DGD:</td>
<td>General Customs Directorate</td>
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<td>DGID:</td>
<td>Tax and Lands Department</td>
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MONEY LAUNDERING AND TERRORIST FINANCING RESULTING FROM CORRUPTION IN WEST AFRICA

DMC: Money and Credit Department-Senegal
DNCF: Financial Audit National Directorate-Mali
STR: Suspicious Transaction Report
DPEF: Directorate of Financial and Economic Brigade- Cote d'Ivoire
DPSD: Police Anti-drug Department-Cote d'Ivoire
DRN: General Delegation for Domestic Intelligence-Senegal
DRS/SFD: Directorate for the Decentralized financial system regulation and control-Senegal
EFCC: Economic and Financial Crimes Commission
EID: Forum for Democratic Discussion-Mali
EME: Electronic Money Issuer
NRA: National Risk Assessment
DNFBP: Designated Non-Financial Businesses and Professions
FICOB: National Registry of Bank Accounts
IFF: Illicit Financial Flows
IMF: International Monetary Funds
FONC: National Anti-corruption Organizations- Benin
FATF: Financial Action Task Force
GIABA: Inter-Governmental Action Group against Money Laundering in West Africa
GNF: Guinean Francs
Egmont Group: Financial Intelligence Units' International Forum
HABG: Higher Authority for Good Governance–Cote d'Ivoire
HALCIA: Higher Authority against Corruption and Related offences–Niger
HAPLUCIA: Higher Authority on counter corruption associated offences-Togo
IGE: General State Inspectorate
IGF: General Inspectorate of Finances
IGGA: General Inspectorate for Administrative Governance –Niger
IMF: Institute of Microfinance
INPCG: National Index of Corruption Perception in Guinea
INS: National Institute of Statistics-Guinea
INSEED: National Institute of Statistics and economic and Demographic Studies-Togo
CPI: Corruption Perception Index
EITI: Extractive Industries Transparency Initiative
AML: Anti-money Laundering
AML/CFT: Anti Money Laundering and Counter Financing of Terrorism
MRD: Ombudsman
NCA: National Crimes Agency (NCA) Liberia
NECC: National Economic Crime Centre, London, UK
OECD: Organization for Economic Co-operation and Development
<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>OCRC</td>
<td>Central Anti-cybercrime Office – Benin</td>
</tr>
<tr>
<td>OCRTIS</td>
<td>Central Office against Drugs – Senegal</td>
</tr>
<tr>
<td>OFNAC</td>
<td>National Anti-fraud and Corruption Office – Senegal</td>
</tr>
<tr>
<td>OHADA</td>
<td>Organization for the Harmonization of Business Law in Africa</td>
</tr>
<tr>
<td>OIPC-Interpol</td>
<td>International Criminal Police Organization</td>
</tr>
<tr>
<td>WCO</td>
<td>World Customs Organization</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>UNO</td>
<td>United Nations Organization</td>
</tr>
<tr>
<td>UNODC</td>
<td>United Nations Office of Drugs and Crimes</td>
</tr>
<tr>
<td>CIO</td>
<td>Criminal Investigation Officer</td>
</tr>
<tr>
<td>ORDEF</td>
<td>Office against Economic and Financial Offences – Guinea</td>
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<tr>
<td>CSO</td>
<td>Civil Society Organization</td>
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<tr>
<td>OSIWA</td>
<td>Open Society Initiative for West Africa</td>
</tr>
<tr>
<td>OTR</td>
<td>Togolese Revenue Office</td>
</tr>
<tr>
<td>PCC</td>
<td>Platform against Corruption and Unemployment – Mali</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>PEP</td>
<td>Politically Exposed Person</td>
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<tr>
<td>PPP</td>
<td>Public-Private Partnership</td>
</tr>
<tr>
<td>VASP</td>
<td>Virtual Asset Service Provider</td>
</tr>
<tr>
<td>RB</td>
<td>Republic of Benin</td>
</tr>
<tr>
<td>REN-LAC</td>
<td>National Anti-corruption Network – Burkina-Faso</td>
</tr>
<tr>
<td>RINLCAO</td>
<td>Network of West African Anti-Corruption Institutions – ECOWAS</td>
</tr>
<tr>
<td>ROTAB</td>
<td>Network of Organization for Fiscal Transparency and Analysis – Niger</td>
</tr>
<tr>
<td>PLL</td>
<td>Public Limited Liability</td>
</tr>
<tr>
<td>NIS</td>
<td>National Integrity System – Benin</td>
</tr>
<tr>
<td>MT</td>
<td>Military Tribunal</td>
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<tr>
<td>AU</td>
<td>African Union</td>
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<td>EU</td>
<td>European Union</td>
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EXECUTIVE SUMMARY

Despite the complexities of African markets and peculiarities of the sociological development context, West Africa continues to attract massive foreign investment in all areas. Paradoxically, this rush of American, European, Asian and Australian investors to the region has been going on for decades and is yet to translate into any significant improvement in the living conditions of the populace. Among the African assets that attract private flows to the continent are the natural resource potential, emergence of a middle class, improved business climate, demographic dynamism and the growing diversification of the economies.

While various national development strategies are being put in place by the countries of the region to address unemployment and wealth creation, the issue of dependence on official development assistance continues to question the adequacy of public policies and the ability to finance accelerated and sustained development from domestic capital. Several diagnoses have been made to examine the factors responsible for this critical loss of resources. Among these factors are illicit financial flows (IFFs). Indeed, the UNCTAD (2020), OECD (2018) and Thabo MBEKI (2014) reports on illicit financial flows from Africa have in common to have identified three (3) categories of sources of IFFs namely: criminal activities, business activities and corruption.

The West African region is characterized by a high population density and an increasing diversification of its economy. Over the past forty (40) years, it has experienced an unprecedented spate of urbanization. The low level of international transfers, high level of public debt in several countries in relation to their repayment capacities, and persistent challenges in mobilizing domestic savings and fiscal resources amplify the challenges to be met in order to achieve the social, environmental and economic objectives of sustainable and equitable development. In such a context, also marred by a low banking population and a strong prevalence of cash, corruption takes on a severe expression that is difficult to control.

Corruption has always been a major obstacle to the emergence of West African economies. In fact, it impairs the integrity of economic indicators and skews development forecasts. In several countries in the region, corruption, especially that involving public authorities, is a major source of enrichment and money laundering (ML). It hinders the promotion of transparency, the security of people and their property, and seriously compromises the integrity of the financial system. Worst of all, corruption serves as a catalyst for many criminal activities including terrorism and its financing. Its negative effects on governance, human development and stability are well documented.

The international community, under the aegis of the Financial Action Task Force (FATF), has intensified its efforts to combat corruption, focusing on the objective of dispossessing the perpetrators of the income derived from corrupt activities, through mechanisms for the prevention and repression of money laundering and terrorism financing. Despite these efforts, corruption persists insidiously, both in the private and public sectors.

In the light of the foregoing, GIABA undertook a typology study to highlight, through case studies, the main ML/TF methods and techniques arising from the various corrupt practices in West Africa.

The study revealed that corruption fuels money laundering to a serious extent, as the proceeds derived from it are reinvested in various ways in the economic circuit to make it look legitimate. In turn, money laundering provides opportunities for perpetrators to enjoy the proceeds of corruption with impunity.

It also revealed that to launder the proceeds of corruption, offenders use various techniques and methods. In the most sophisticated cases of money laundering, there is the layering of banking transactions, including money transfer to several national and international accounts. In the case of international transfers, certain countries considered...
to be protective of banking secrecy are chosen as the final destination of the funds when they are to be kept in a bank account. Other sophisticated methods involve the creation of shell companies indirectly controlled by PEPs or the use of front men to collect and recycle corrupt funds. In the vast majority of cases, funds derived from corruption are channeled in cash directly to lifestyle expenses, real estate acquisitions, etc.

On the whole, the culprits are mostly public officials, primarily PEPs, who abuse their privileged position as state officials in charge of providing a public service in accordance with the laws and regulations applicable to each sector of activity. The proceeds generated by their corrupt practices are systematically laundered, notably in financial or stock market products offered by financial institutions, and also through the real estate, agriculture, livestock and other formal or informal business activities. The re-introduction of corrupt funds into the legal economic circuit is done through cash payments, cheque remittances, account to account and bank to bank transfers, etc. In addition, national legislation on whistleblower protection is in various stages of deployment. Not only are asset recovery frameworks and policies generally not adapted to AML/CFT objectives, but failure to comply with asset declaration obligations and other transparency measures is also not accompanied by proportionate and dissuasive sanctions.

Significantly, most countries with national anti-corruption agencies have not given these institutions the status of judicial police officers, although in a few countries (e.g. Benin, Burkina Faso, Niger) they are allowed to exercise the rights of civil parties.

In terms of challenges, countries face the difficulty of ensuring effective coordination of national responses to money laundering and corruption, due to a lack of cooperation between agencies. Besides, the detection and investigation of corruption cases does not take into account the AML/CFT requirements, including tracing and confiscation of the proceeds of corruption.

Although this typologies exercise did not establish and document the nexus between corruption and terrorist financing, it did give some indication of the level of TF risk associated with the phenomenon. Indeed, the ability of corruption to fuel organized crime and other predicate offences to money laundering makes it imperative for Member States’ competent authorities to fully understand and appreciate this interrelation.
CHAPTER 1: INTRODUCTION
CHAPTER 1:

INTRODUCTION

General Background

1. Corruption has always been a major impediment to the emergence of West African economies. It impairs the integrity of economic indicators and skews development forecasts. The severity of this phenomenon takes on a particularly difficult manifestation in West Africa, where the prevalence of cash and the low rate of bank penetration make it difficult to deal with the problem. Worst of all, corruption serves as a catalyst for many criminal activities, including terrorism and its financing. Its negative effects on governance, human development and stability are well documented.

2. The international community, under the aegis of the Financial Action Task Force (FATF), is aware of the extent of the phenomenon and has intensified its efforts to combat corruption, focusing on the confiscation of income derived from this category of offence, through the mechanisms for the prevention and suppression of money laundering and the financing of terrorism.

3. Against this backdrop, and in a bid to support global and regional efforts to curb corruption and related offences, GIABA has produced two reports (2010 and 2014) on the link between corruption and money laundering. These reports, while highlighting the extent and manifestations of this phenomenon in Member States, as well as its close interrelationship with money laundering, were not intended to provide an in-depth understanding of the risk factors, trends and methods that could assist competent authorities in developing appropriate countermeasures.

4. Given the persistence of corruption in the region and its apparent nexus to ML/TF, it was deemed necessary for GIABA to undertake a typologies study to highlight, through case studies, the main ML/TF methods and techniques resulting from the various corrupt practices in the region.

Objectives and Relevance of the Study

5. The overall objective of this study is to highlight the most common methods and techniques used to launder the proceeds of corruption in West Africa and the impacts of this phenomenon on the economic development of the region, in order to facilitate the adoption of appropriate and effective countermeasures. In other words, it aims to provide an in-depth knowledge and understanding of the issue of corruption to AML/CFT actors, particularly law enforcement agencies, prosecution and trial authorities. Specifically, this study sought to:

- Provide an overview of corruption in West Africa;
- Conduct an exhaustive review of the existing legal, regulatory and institutional framework in the fight against corruption;
- Analyze the nexus between corruption, money laundering and terrorist financing;
- Present and analyze typical ML/TF cases related to corruption;
- Identify the profile of actors involved and present the methods and techniques they use;
- Identify the factors that undermine anti-corruption efforts;
- Map out strategic and operational measures that can effectively protect economies and safeguard the integrity of national financial systems against corruption abuses and related ML/TF activities.
6. The effective fight against corruption, organize crime and terrorism requires the implementation of measures that can neutralize the wealth generated by these various criminal activities. Hence the importance of the fight against money laundering and the financing of terrorism (AML/CFT) and the relevance of using the FATF standards to combat corruption. The adaptation of national AML/CFT policies to the growing demands of the security environment is the ultimate goal of this exercise, which also aims to sufficiently document the criminal phenomena underlying AML/CFT through typology and research studies. This report is intended to enable GIABA to strengthen the capacity of its member countries for them to implement international AML/CFT standards.

Scope and Methodology

7. For the purpose of this study, and in accordance with the GIABA research policy, fifteen (15) national consultants were recruited from member States to conduct this study in their respective countries, and under the technical coordination of the GIABA Secretariat. Only the consultant from Cabo Verde who was recruited for this study was unable to honour his commitments to the Secretariat. The researchers were urged to use a wider range of data collection techniques.

8. For primary data, the experts conducted interviews and discussions with relevant stakeholders such as anti-corruption agencies, relevant ministries, financial intelligence units, law enforcement agencies and supervisors of financial institutions and DNFBPs, to name a few. In some cases, questionnaires were also developed and delivered to relevant stakeholders. In other cases, case studies were collected from FIUs and law enforcement agencies.

9. As regards secondary data, the experts relied on the literature review, including consultation of various GIABA, FATF and UNODC reports, press articles, court case law, academic publications, reports from civil society organizations and other open-source information.

10. The data collected from the field surveys and the literature review enabled the Country Researchers, after analysis, processing and interpretation, to draw conclusions in line with the objectives of the study and to submit a first and second draft report to the GIABA Secretariat for comments and observations. In addition, an expert meeting was organized by the GIABA Risks, Trends and Methods Working Group (RTMG) and Policy Review Group (PRG) to discuss the initial findings of the typologies exercise and to provide further guidance to the Country Researchers for its finalization. The Secretariat then set about drafting a regional report based on the submissions of the country consultants and presenting it successively to the Plenary meetings in December 2020 and February 2022 for discussion and validation.

Concepts and Definitions

- Corruption and Related Offences

11. The different countries covered by this study used different definitions of corruption and related practices. These definitions all concur with Transparency International’s definition of corruption as «the abuse of the power entrusted to you for personal gain». Similar definitions are used in legal glossaries and by international organizations such as the World Bank and UNDP. The abuse may be perpetrated by a person with decision-making power in the public or private sector, but it may come from or be encouraged by a person trying to influence the decision-making process.

12. In sociological terms, corruption is understood as behaviour whereby offers, promises, gifts or presents are solicited, agreed or received, for the purpose of performing or refraining from performing an act, obtaining favours or special advantages. Corruption is said to be passive when it is committed by the bribe-taker, and active when it is committed by the briber. A distinction is made between petty corruption and large-scale corruption.
13. It is important to note that corruption is a manifestation of institutional weaknesses, low ethical standards, distorted incentives and weak law enforcement. Corrupt acts create illicit advantages for one person or a small group by allowing them to circumvent rules designed to ensure fairness and efficiency. This leads to unfair, and inefficient results and a waste of resources. The small group that breaks the rules receives illicit rewards at the expense of the community as a whole. There are also individual losers such as those who are extorted for payments, those who are disenfranchised because they cannot make such payments, and those who lose tenders for the supply of goods and services because bribes were paid by less scrupulous counterparts.

14. Corruption includes a wide range of criminal behaviour, from high-level embezzlement of public funds to petty bribery of traffic wardens or officials selling permits to high-powered sectors such as Customs, Transport, Education etc. Corruption is as much about national activities as it is about transnational activities. It can occur in the public or private sector and could take the form of bribes paid to public officials, high or low, national or foreign. It may also involve bribes to private sector employees.

15. Assimilated or corruption-related offences: Assimilation is a «technical process whereby the legislator attaches a situation, case or legal concept to a neighbouring category, disregarding their differences, in order to subject all or part of the assimilated element to the same legal regime as the secondary category. Offences assimilated to corruption include illicit enrichment and false declaration; abuse of office; illegal taking of interest; influence peddling; insider trading; obstruction of justice; misappropriation and illicit use of public or private property; offences relating to OHADA uniform acts: abuse of corporate assets, abuse of power or vote, fraudulent issue of shares (e.g. during the capital increase of a public limited company) etc.

- Money Laundering

16. Many criminal acts are intended to generate profits for the individual or group committing them. Money laundering involves the reprocessing of these criminal proceeds to disguise their illegal origin. This process is of vital importance as it allows the criminal to benefit from these profits while protecting their source. Illegal arms sales, smuggling and organized crime activities, including drug trafficking and prostitution rings, can generate huge amounts of money. Fraud, insider trading, bribery or computer fraud can also generate large profits, giving offenders an incentive to «legitimize» these ill-gotten gains through money laundering.

17. Indeed, when a criminal activity generates significant profits, the individual or group involved must find a way to control the funds without drawing attention to their criminal activity or to the people involved. Criminals therefore work to disguise the sources, either by altering the form of the funds or by moving them to locations where they are less likely to attract attention.

18. Proceeds of crime refers to the pecuniary or material profit derived from the commission of a crime, and such proceeds are subject to the laundering process.

- Terrorism Financing

19. Terrorism financing refers to the financing of terrorist acts, individual terrorists or terrorist organizations. It can involve funds raised from legitimate sources, such as personal donations and profits from businesses and charities, as well as from criminal sources, such as drug trafficking, smuggling of weapons and other goods, fraud, abduction and extortion. Terrorist financing seriously undermines the exercise of state functions, erodes the quality of life of the population and hinders the free movement of people and goods.

Challenges and Constraints

20. Corruption tends to protect itself and vitiate the integrity of natural or legal persons. It is publicly denounced and condemned, as much as it arouses the fear of reprisals everywhere. Collecting relevant data for a study on corruption in this context is not an easy task.

21. The year 2020 was an election year for West Africa. Several countries, including Ghana, Togo, Burkina Faso, Côte d’Ivoire, Guinea, Guinea-Bissau, Niger, and Togo, have held elections.

2. Article 2, ej de la convention de Mérida.
It is common knowledge that elections in Africa in general, and presidential elections in particular, tend to arouse fears of reprisals and of losing certain privileges. In their fieldwork, some country researchers have faced significant difficulties in accessing case studies on corruption and factual information that could inform the research, due to the electoral climate.

22. In addition, the coronavirus pandemic with its attendant health measures and barrier actions made it difficult to conduct several face-to-face interviews. The reduction in working hours and the rotation of administrative services undoubtedly complicated the availability of key actors and competent authorities.

23. Despite these various constraints, the country researchers were able to benefit from the technical guidance and effective coordination of the GIABA Secretariat to optimize the analysis and processing of the data collected for this important study.
Le Mali dispose d'un Pôle judiciaire spécialisée dans les affaires de BC et de FT, le Bénin a mis en place une Cour de répression des infractions économiques et du terrorisme (CRIET)
CHAPTER 2: OVERVIEW OF CORRUPTION IN WEST AFRICA
CHAPTER 2:

OVERVIEW OF CORRUPTION IN WEST AFRICA

25. In Africa, the phenomenon of corruption poses a huge challenge. According to the African Development Bank\(^3\) (AfDB), it alone causes an estimated annual loss of $148 billion, or 25% of Africa’s GDP. Corruption feeds on the weakness of democratic institutions and rules, which in turn become facilities for organized criminal networks. This leads to the flourishing of crime in its various forms (trafficking in human beings, arms and migrants, counterfeiting and trade in endangered species, etc.).

26. This chapter will analyze the situation while making sure to review: (i) the extent of the phenomenon at the regional level, (ii) the interconnections between corruption and CB/FT, (iii) the legal and institutional foundations of the fight against corruption as well as (iv) the reception of international instruments in the domestic order of States. (v) The impacts of corruption on West African economies, as well as (vi) the factors that undermine efforts to combat BC/FT through corruption will also be discussed in this chapter.

MAGNITUDE OF CORRUPTION AND PROFILE OF PERSONS INVOLVED

Forms and Patterns of Corruption

27. Talking about the magnitude of a phenomenon may also require highlighting, in addition to its prevalence, its different facets. Yet, the forms and patterns of corruption in the region are diverse and protean, with each country having its own sociological specificities. Nevertheless, this phenomenon has reached a serious expression in all countries of the region in some specific sectors.

- **Corruption in the Financial Spheres**

28. These are arrangements that most often involve economic operators and tax collectors, whereby the former pay bribes to the latter and in return pay taxes at lower rates than those provided for in the tax and customs legislation. In some cases, economic operators pay these bribes and in return obtain a total waiver of their debts to the state.

29. With regard specifically to customs, field investigations have revealed cases where economic operators pay sums to speed up customs formalities. In addition, some corrupt practices are carried out by criminal agents who pay bribes to enable them to carry out lucrative activities, most often illegal (drug trafficking, illegal arms trafficking, etc.).

- **Obstruction of criminal justice**

30. This refers to acts by which law enforcement officials receive bribes or other forms of reward in return for deliberately refraining from applying legally prescribed sanctions or fines against a person who commits an offence under ordinary law.

31. Within the judiciary, corrupt practices generally lead to decisions to acquit or dismiss cases, even though there is convincing evidence to convict the defendant.

32. Furthermore, there is political influence, which sometimes results in a politically exposed person interfering in judicial cases in order to influence judicial decisions as he or she deems fit. This results in a very limited number of criminal cases.

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\(^3\) Cited by Financial Afrik newspaper on 29 April, 2019 (https://www.financialafrik.com/2019/04/29/la-corruption-coute-25-du-pib-de-lafrique-la-reponse-bad-ocde/)
33. It consists of arrangements whereby public contracts are awarded to undeserving parties, who thereby undertake to pay a certain percentage of the contract amount to the agents who have granted these favours, either as a result of a direct agreement or as a result of a bidding process. In some cases, this practice manifests itself in the over-invoicing of public contracts agreed upon by both contracting parties. Several other forms of corruption in public procurement exist, including intellectual services.

34. In the context of public capital expenditure, procurement is a long and complex process, which can take several years and involve multiple steps before a project is carried out. Corruption can occur at any stage of the process, from the decision-making phase on the need for a project, through the drafting of specifications and the launching of the tender, to its completion. All these operations will be given an apparent legitimacy in order to hide the irregularities that they actually contain.

35. The risk of corruption in public procurement does not spare any sector of the economy. However, some sectors are known to be particularly prone to corruption, due to the complexity of the work and the size of the contracts involved. Energy, mining, large construction and infrastructure projects, telecommunications and military equipment are sectors that seem to be particularly exposed to corruption, although corruption is undoubtedly a serious issue in other sectors, such as transport, health and education. As outlined above, corruption affects all sectors of the economy in the Member States, but the phenomenon is most acute in the sectors listed.

36. The example of the financial scandal in Niger linked to contracts for the purchase of arms and military equipment concluded between the Ministry of National Defence and certain Nigerien economic operators between 2014 and 2019 and involving the misappropriation of approximately CFAF 76 billion, is a case in point. The findings of the preliminary investigation conducted by the police on this case revealed offences of breach of equality among bidders for public contracts, complicity, forgery, over-invoicing, money laundering and illicit enrichment. The case is currently being handled by the Senior Judge of the High Court of Niamey for further investigation and prosecution.

37. This form of corruption consists of fraudulent manoeuvres by which business licences, research and exploitation permits are granted to applicants who do not meet the criteria for obtaining them. They are generally observed in the field of exploration and exploitation of natural resources, particularly mining resources, as well as in applications for the exercise of a profession likely to generate profits. In the same context, cases of corruption are noted in the area of granting tax exemptions, as they are discretionary measures taken by the competent authorities, following an application submitted by the applicant. Applicants may pay bribes or commissions in order to benefit from such exemptions.

38. Corrupt practices are also perpetrated in order to admit non-meritorious people to competitions or tests for access to the civil service, for example. This form of corruption is more prevalent in several countries in the region. Indeed, despite the existence of a legal and institutional framework for public service recruitment competitions, corrupt practices, commonly known as fraud, are observed during the organization of these competitions. These practices are carried out by certain actors in certain nexus of the recruitment chain, including: (i) members of the committee...
responsible for receiving and checking applications; (ii) persons responsible for proposing the test subjects; (iii) supervisors; (iv) members of the supervisory committee; (v) persons responsible for rendering the papers anonymous; (vi) markers; and (vii) members of the jury. The officials of the Ministry of the Public Service and other relevant ministries, who are responsible for drawing up the questions and implementing the subsequent procedures, should also be added.

39. Furthermore, other unhealthy practices include placing undeserving people who do not have the required profile, in certain positions, upon the intervention of corruptors who undertake to pay bribes or based on membership of a political party. These types of appointments are observed in public companies whose management is never non-transparent.

40. Corrupt practices are also noted in the lands sector, particularly in the context of subdivision operations. This involves complicity between private developers and public officials, resulting in irregular transfers of public spaces in exchange for commissions or bribes paid to these officials. These practices generally lead to the fragmentation and irregular occupation of public spaces. Similarly, some public officials with regionalist attitudes who hold decision-making positions or functions usually direct projects towards their home constituencies or those of their friends, at the detriment of the national interest.

41. This is an agreement between a public official and an economic operator whereby the former guarantees the latter the rapid recovery of his/her claim on the State, in exchange for the transfer of a percentage of the said claim to the public official. In fact, the results of a survey carried out by Transparency International show that red tape has been noted in the execution of public expenditure. In this regard, the diligent payment of invoices from suppliers and service providers of the State requires, in most cases, the payment of bribes or commissions to certain officials working in the execution chain of public expenditure.

42. Corrupt practices, in the form of irregularities, are noted during assistance operations for vulnerable populations. In several countries, such operations are carried out during natural disasters (droughts, floods, etc.) or during the distribution of donations, in kind or in cash, intended to relieve vulnerable populations. These operations include assistance to displaced populations, particularly as a result of terrorist attacks in their home areas, and to refugees. In some cases, the actors involved in these operations do not carry out their work according to the professional standards, and irregularities are often observed in various ways.

43. Several reports from corroborative sources reveal that vote buying during electoral campaigns is a common practice in the countries of the region. This phenomenon is especially common in urban areas, where 47% of the population interviewed in Niger in a perception survey felt that political parties and their candidates buy votes from the populace.

44. Without claiming to be exhaustive, it is clear that corruption in West Africa can take many forms, some as vicious as others. Its high prevalence in the various sectors of the economy is well documented by reference organizations.

Prevalence of Corruption

45. In essence, corruption takes place out of sight. For this reason, perception-based measures of corruption have long been the norm in the literature. Not only is it easier to measure perception than the actual extent of corruption, but perception-based surveys also provide better coverage.

46. Estimates from several specialized institutions suggest that corruption in West Africa has reached an all-time high in recent years. According to Transparency International’s Corruption Perceptions Index (CPI), the number of West African countries considered highly corrupt is increasing every year. The most prevalent forms
of corruption are bribery, dubious transactions with multinational firms working in the natural resources sector, increased direct contracting and illegal transfers of funds abroad.

47. Transparency International’s 2020 ranking shows that 19 countries improved their position. In West Africa, Liberia had the worst performance with a drop of 17 places. The economic leaders in the sub-region, Ghana, Nigeria and Côte d’Ivoire, also lost places, with the first two losing two places and Côte d’Ivoire losing one. The other most affected countries in West Africa are Benin (41st), Ghana (41st), Burkina (40th), Niger (31st), Guinea (29th), Mali (29th), Togo (29th), Liberia (28th), Nigeria (26th), Cape Verde (58th) and Guinea Bissau (18th). Although they have improved considerably since 2012, Côte d’Ivoire (35th) and Senegal (45th) still need to work harder to improve their rankings.

48. Two UEMOA countries (Senegal and Benin) are ranked in the top 10 least corrupt countries in Africa, with Benin reaching this level for the first time. Mauritius and Ghana are no longer included in this limited ranking.

49. Several other rating mechanisms such as the World Bank’s Corruption Control Index, the Afro Barometer, the Ibrahim Index of Governance in Africa, as well as the various national perception surveys carried out by the countries, tend to confirm that corruption is taking on a worrying proportion in the region. Moreover, all 12 GIABA member states that have completed their national ML/TF risk assessments have identified corruption as one of the most prevalent predicate offences for money laundering. It is therefore essential to investigate the interrelationships between corruption and the dual phenomenon of ML/TF.

Corruption as a predicate offence to money laundering

Corruption is a predicate offence for money laundering in all GIABA member states.

51. Corruption and ML/TF together have their origins in key international legal instruments such as the Palermo Convention, the Merida Convention, and the FATF Recommendations. These instruments establish a strong link between the fight against corruption and the fight against money laundering. Two key elements make this clear: the establishment of corruption as a predicate offence to money laundering, and the introduction of the concept of Politically Exposed Persons (PEPs).

Introducing the Concept of Politically Exposed Persons (PEPs)

53. Article 52 of the Merida Convention recommends that States «subject to enhanced monitoring the accounts that people who hold, or have held, prominent public positions and members of their families and close associates seek to open or hold directly or seek an intermediary to open or hold». This requirement of the Convention against Corruption has been taken up and conceptualized by the FATF Recommendations (Recommendation 12) under the notion...
of Politically Exposed Persons (PEPs). PEPs are particularly targeted because, due to their position or functions, they have the ability to misappropriate public funds or are more likely to be corrupted or bribed by those who solicit them.

54. In the AML/CFT legal framework of all GIABA Member States, the concept of PEPs has been established, to which specific due diligence measures are attached. This concept is directly linked to financial flows and money laundering arising from corruption.

55. Furthermore, the AML/CFT requirements provide that Financial Institutions (FIs) and Designated Non-Financial Businesses and Professions (DNFBPs) must have adequate risk management systems in place to determine whether a customer is a politically exposed person and, if so, to implement appropriate due diligence measures. When entering into business relationships or carrying out transactions with or on behalf of PEPs, FIs and DNFBPs are required to implement adequate and risk-sensitive procedures to determine whether the customer or a beneficial owner of the customer is a PEP, obtain approval from an appropriate level of management before entering into a business relationship with such clients, take all appropriate measures, on a risk-sensitive basis, to establish the origin of the assets and the source of the funds involved in the business relationship or transaction, ensure enhanced ongoing monitoring of the business relationship.

56. It becomes therefore clear that the inclusion of the link in the legal framework is the evidence that corruption feeds the ML/TF and vice versa. In practical terms, it should be noted that corruption is a very lucrative economic crime in West Africa, providing its perpetrators with colossal illicit revenues. For example, the embezzlement of public funds is committed for the sole purpose of personal enrichment. The question then arises as to the destination of these fortunes accrued by those who benefit from the perpetration of corrupt acts.

57. Research conducted in the Member States has shown that the proceeds of corruption are in fact recycled and introduced into the legal economic circuit. This recycling process is known as money laundering. Criminals use money laundering to hide their wealth from corruption so that they can profit from it without arousing suspicion. In doing so, they escape criminal prosecution and possible confiscation of their assets, as the laundering processes help to carefully disguise the corruption that is the offence from which the funds originate. From this point of view, money laundering favours the impunity of corruption. The two phenomena are thus inextricably linked.

58. Although the study was not able to obtain consolidated statistics on the share of corruption in the laundering of proceeds from various offences, the amounts laundered as they appear in some cases are sufficiently expressive. For example, in the Republic of Togo, in the case of the agents of the Togolese Revenue Office (OTR4), CFAF17 billion are mentioned.

59. Furthermore, the case studies identified in this report revealed that offenders use different techniques and methods to launder the proceeds of corruption. In the most sophisticated cases of money laundering, there is the layering of banking operations including the transfer of money to several accounts both nationally and internationally. In the case of international transfers, certain countries considered to be protective of banking secrecy are chosen as the final destination of the funds when they are to be kept in a bank account. Other sophisticated methods involve the creation of shell companies indirectly controlled by PEPs or the use of front men to collect and recycle corrupt funds. In the vast majority of cases, corrupt funds are channeled in cash directly to lifestyle expenses and property acquisitions.

60. The bulk of the proceeds of corruption taking place in West Africa appear to be laundered domestically, through the real estate, trade and agriculture sectors. The proceeds of corruption are used for lifestyle maintenance and the acquisition of real estate in particular. Part of the proceeds of corruption taking place in the countries is transferred abroad. The FIUs were able to document several transfers made to foreign accounts by PEPs suspected of corruption.

61. A number of countries including Togo, Nigeria, Guinea, etc. are used for laundering the proceeds of corruption that took place abroad. The Togo FIU in particular has dealt with several cases of

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4. Ref. Section on case studies
money laundering linked to corruption, in which it was found that transfers of large amounts were made to accounts opened in Togo by foreign PEPs. Locally, the funds are used for lifestyle maintenance or invested in the purchase of real estate and in business activities, as mentioned above.

**Use of corruption to guarantee impunity for money launderers**

62. A second aspect which is very particular to the relationship between corruption and money laundering is that corruption fosters impunity for all kinds of crimes including money laundering. Corruption is thus not only a source of funds for money laundering, but also, on a no less important scale, a source of privileges and immunities in that it also serves to shield the offender from possible prosecution.

63. The fight against money laundering is based to a large extent on preventive measures which have to be implemented mainly by stakeholders in the private and public sector. The implementation of these preventive measures should create obstacles to money laundering. Having realized this, criminals set out to undermine the implementation of these preventive measures by resorting to corruption. Several cases of corruption have been reported in the banking sector and at border controls. At border controls, it is often reported that control officers are bribed to allow large sums of cash to be transported out of the country. With regard to the banking sector, some FIUs have documented several cases where bank staff are bribed to relax crucial due diligence that could have prevented money laundering. The most relevant example is that of a bank employee in Togo who was corrupted in the process of laundering funds from the cyber scam. He was receiving payments from a scammer for not making all the necessary checks on fraudulent transfers received from abroad. Such controls would have revealed that the transfers were fraudulent, for which a suspicious transaction report could have been filed.

64. When they have already committed money laundering–related reprehensible acts, offenders can buy themselves impunity by corrupting the actors of the judicial chain. Corruption has indeed been identified as one of the problems undermining the normal functioning of justice in most Member States. To date, corruption-related money laundering cases rarely result in a conviction. However, there are reports that prosecutors and investigating magistrates’ offices are sometimes approached to either drop ML charges or to lift freezing and seizure measures. Corruption is reportedly one of the factors that explain the very low number of convictions for ML in the region.

65. Within the financial boards, corruption generally consists of arrangements involving economic operators and tax collectors, whereby the former pay bribes to the latter and in return pay taxes at lower rates than those provided for in the tax and customs legislation. In some cases, economic operators pay these bribes and in return obtain a total waiver of their indebtedness to the State.

66. With regard specifically to customs, there are cases in some countries where economic operators pay sums to circumvent customs formalities. In addition, some corrupt practices are carried out by criminal agents who pay bribes to enable them to carry out lucrative activities, most often illegal (drug trafficking, misuse of export promotion activities, etc.).

67. With regard to the financing of terrorism, no concrete case has been able to elucidate the intertwining of this phenomenon with corruption. Nevertheless, the poor governance induced by corruption fosters social frustration, which is one of the determining factors in the radicalization process of people who choose to support terrorism by financing it. These people take on the propagandistic and fanatical ideals of terrorist organizations that claim to be fighting for a fairer world free of certain injustices.

68. Moreover, corruption weakens the institutional system set up to fight terrorism and its financing. Indeed, when the security cordon intended to be in the financial system, in the customs barriers and in the criminal chain is undermined by corruption, FT will be easier. A corrupt financial system will allow financial transactions linked to terrorist financing to pass through without applying appropriate measures. At the customs cordon and at all checkpoints within the coun-
try, corrupt control officers will allow funds for TF to be physically transported in cash. Corruption in the criminal chain also ensures impunity for those who finance terrorism.

69. In 2016, in a study analyzing the mechanisms by which corruption fosters terrorism, the OECD stated that “terrorists benefit from and promote corruption in order to finance their activities, smuggle their equipment, and evade the surveillance of security and justice institutions. Terrorism and corruption feed each other.” While Member States have not yet documented cases of corruption involving TF, or cases where corruption provides impunity to terrorist financiers, such cases will need to be the subject of a special study by GIABA.

70. The above developments clearly highlight the interrelationships between corruption, money laundering and terrorist financing in West Africa. Due to corruption in all sectors of the economy, especially within the law enforcement agencies, the lack of independence of the judiciary, and political interference in judicial matters, the number of convictions for corruption is still very low compared to the number of cases referred by the investigating authorities. This impunity facilitates the laundering of the proceeds of corruption and, in general, the ability of the investigating and prosecuting authorities to convict for ML or FT. Conversely, the ease with which the proceeds of corruption are laundered contributes in turn to exacerbating the phenomenon of corruption. These links are all the more important as they call for a coordinated and concerted fight at the global level.

**LEGAL AND INSTITUTIONAL BASES OF THE FIGHT AGAINST CORRUPTION AND RELATED MONEY LAUNDERING**

71. Corruption transcends borders. With globalization, countries are increasingly interconnected through trade, investment, financial transactions and communications. This means that corruption in one country is inevitably a concern in other countries, so much so that when a country weakened by corruption becomes a haven for organized crime, it undermines trade and investment opportunities beyond the affected country.

72. In Africa and certainly in other parts of the world, the issue of corruption has cross-border aspects. Bribes are often organized and paid across borders. The proceeds of corruption committed in one country are easily hidden abroad through various money laundering techniques. This can be done through deposits in foreign banks, cross-border acquisitions or transfers of funds to shell companies or trusts in safe haven countries. Those involved in corruption cases can often escape detection and punishment by leaving the country where investigations and prosecutions are ongoing or where a court decision has been made.

73. These elements imply that corruption must be tackled internationally and that cross-border co-operation is essential to prevent, detect and punish corruption. However, the complexity of such co-operation makes it difficult to hold corruption suspects to account.

74. Government efforts to investigate or prosecute corruption can be hampered when evidence, witnesses or perpetrators are located abroad. Without the proper cooperation of foreign governments, criminal law enforcement is hampered. Similarly, when the proceeds of corruption are located abroad, it is difficult to locate and recover them without the assistance of foreign institutions.

75. In order to tackle the problem of corruption in countries, a comprehensive and international approach has therefore become necessary. This is why the international legislator under the aegis of the United Nations has deemed it necessary to provide universal legal bases for the fight against corruption through: (i) the United Nations Convention against Transnational Organized Crime of 2000 (Palermo), (ii) the United Nations Convention against Corruption of 2003 (Merida). These two (02) landmark conventions require the establishment of national and international systems of transparency and accountability. They provide a framework for strengthening preventive and punitive measures, specify the need for international cooperation and provide the mechanism for the delivery of technical assistance to countries.

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Scope of the Palermo Convention, 2000

76. One of the first initiatives of the international community in the fight against corruption was enshrined in the adoption of the United Nations Convention against Transnational Crime in 2000. This Convention contains several provisions dealing with the phenomenon of corruption. In particular, it provides for the criminalization of bribery of public officials; the adoption of appropriate measures to establish as a criminal offence aiding and abetting such an offence; the liability of legal persons for acts of bribery of public officials; the adoption of measures to prevent, detect and punish bribery of public officials; the promotion of the concept of integrity of public officials; and the adoption of measures to ensure that the competent authorities have sufficient independence in preventing, detecting and punishing bribery of public officials.

77. However, the Convention does not define whether a comprehensive regime of criminalization, preventive measures or even more complex measures, repatriation of assets derived from funds misappropriated through corruption. Therefore, apart from being a pillar of transnational organized crime, corruption had to be considered as a criminal phenomenon in its own right, which is why the international community decided three (03) years later to adopt a comprehensive universal instrument to fight against this phenomenon as such.

Scope of the Merida Convention, 2003


79. The Convention provides the means to effectively curb corruption; it is a truly global response to the problems posed by corruption around the world. One of the key outcomes of the negotiations was the agreement on the return of assets derived from corruption. The Convention sets out measures to be taken to prevent corruption and to detect assets stolen from a country through corruption.

80. In the words of Antonio Maria Costa, Executive Director of the UN Office on Drugs and Crime, at a press conference in Vienna on 2 October 2003, «the Convention against Corruption is innovative because it is very balanced. It combines law enforcement and prevention. It provides for technical assistance to countries to help them put in place their prevention tools. As it is a UN Convention, its scope is, unlike other existing instruments, potentially universal. The lack of a definition of corruption illustrates the need to make the Convention an acceptable and flexible instrument. The Comprehensive Convention on International Terrorism never came to fruition because of the problem of definition. The Convention against Transnational Organized Crime, which entered into force on 29 September 2003, opted for a different approach. Rather than defining organized crime, it highlights different typical situations. The UN Convention against Corruption has opted for a similar approach. Defining concepts such as «acts of corruption», «money laundering», «abuse of power», «embezzlement», etc., and making them a criminal offence is tantamount to defining them de facto.

81. These two Conventions will be seen as the most successful manifestation of an international consensus since the end of the Cold War and consequently as the main legal foundations of the fight against corruption across the world.

82. In Africa more specifically, the legislative dynamic in the fight against corruption is marked by the adoption in July 2003 of the African Union Convention on Preventing and Combating Corruption (Maputo).

83. The AU Convention on Preventing and Combating Corruption was adopted by the Heads of State at the African Union Summit held in Maputo on 11 July 2003. It provides for a comprehensive plan and is the only anti-corruption instrument to include mandatory provisions on person-to-person bribery and transparency in political party financing. It entered into force
on 5 August 2006. Other strengths of the AU Convention are the mandatory asset declaration requirements for designated public officials and restrictions on immunity for public officials (Art. 7). The AU Convention also pays particular attention to the need for the media to have access to information (Art. 12).

84. In West Africa, the ECOWAS legislative response to the phenomenon of corruption was marked by the adoption in December 2001 of the Protocol on the Fight against Corruption. It was adopted with the objective of strengthening effective mechanisms to prevent, suppress and eradicate corruption in each of the State Parties through cooperation between them.

85. In terms of prevention, the ECOWAS Protocol provides for preventive measures in the public and private sectors. These include requirements for the public sector to declare its assets and to establish codes of conduct. Other requirements include: access to information, whistleblower protection, public procurement standards, transparency in political party financing, civil society participation and many other requirements. The Protocol also requires that independent national authorities against corruption be established, maintained and strengthened.

86. As for law enforcement, the Protocol requires the criminalization of a range of offences involving public officials or employees of private sector companies, including bribery, trading in influence and complicity in the commission of offences. The Protocol also requires States Parties to establish embezzlement of property by a public official as an offence as well as accounting and money laundering offences. States must also prohibit and punish bribery of foreign public officials. Additional provisions address witness and victim protection, effective sanctions and liability of legal persons.

87. In terms of international cooperation, the ECOWAS Protocol provides a framework for international cooperation that could improve mutual law enforcement assistance within the region as well as with other parts of Africa. This includes assistance and cooperation in relation to the offences of illicit enrichment and corruption of foreign public officials. It also provides a framework for confiscation and seizure of assets and extradition.

FATF Recommendations, 2002 (Revised 2012)

88. The emergence of an international normative framework on money laundering and terrorist financing (ML/TF), following the creation of the Financial Action Task Force (FATF) in 1989, was a major watershed in the fight against organized crime. It provided a set of relevant responses to the need to hit criminals where it hurts them most, through mechanisms to trace and neutralize the proceeds of crime.

89. These legal mechanisms contained in the revised FATF 40 Recommendations take particular care to require States to effectively ratify the Merida Convention, to establish corruption as a serious offence, to assess the risks involved, and to provide appropriate freezing and confiscation measures to deter offenders. They direct countries to require the implementation of risk-based due diligence measures for politically exposed persons, legal persons and legal arrangements to prevent them from being havens for the proceeds of corruption or related offences.

90. All ECOWAS countries have taken steps, to varying degrees, to ensure the reception of these various legal instruments into their domestic systems.

DOMESTICATING INTERNATIONAL INSTRUMENTS INTO THE MEMBER STATES’ LAWS

91. Most Member States have signed and ratified the UN Convention against Corruption, as well as the African Union Convention on Preventing and Combating Corruption. Several countries have revised their Penal Codes and procedures to take into account international requirements for the suppression of corruption. Specific legislation on corruption, illicit enrichment and asset declaration, etc. has also been adopted by all countries.

92. In line with the provisions of Article 6 of the Merida Convention, which requires the establishment of one or more bodies for the prevention of corruption, there are essentially two types of bodies established in the different ECOWAS member countries:
- Special Anti-Corruption Body;
- AML/CFT Body: FIU.

93. Alongside these umbrella bodies, special economic and financial courts and investigative units have been set up in addition to the traditional control bodies. The institutional framework has also been strengthened in all countries to establish and maintain a high standard of public morality in the management of public affairs and to ensure that the actions and behaviour of public officials reflect the highest standards of public morality and accountability.

94. The following is a summary table of the main legislative and institutional anti-corruption initiatives of all ECOWAS countries.
### MONEY LAUNDERING AND TERRORIST FINANCING RESULTING FROM CORRUPTION IN WEST AFRICA

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| 1. | BENIN       | - The Anti-Corruption and Associated Offences Act No. 2011-20 of 12 October 2011;  
|     |             | - The Penal Code Act No. 2018-16 of 28 December 2018;  
|     |             | - National Anti-Corruption Authority (ANLC), 2013                                                                                                    |
| 2. | BURKINA FASO| - The Penal Code Act No. 025/AN-2018 OF 31 May 2018 sets out in a single text all corruption and its associated offences;  
|     |             | - The Anti-Money Laundering and Combating the Financing of Terrorism Act N°016-2016/AN of 3 May 2016;  
|     |             | - The Organic Law No. 082-2015/CNT of 24 November 2015 on the powers, composition, organization and functioning of the ASCE-LC.                                                       |
| 3. | CABO VERDE  | - The Asset Recovery Agency (ARA) Act No. 18/VIII/2012 of 13 September 2017 for the identification, localization and seizure of assets and proceeds of crime both nationally and internationally;  
|     |             | - Establishment of an Asset Management Agency (AGA) to manage these confiscated assets;  
|     |             | - Money Laundering Act No. 38/VII/2009;  
|     |             | - Witness Protection Act No. 81/V/2005;  
<p>|     |             | - Cabo Verde does not have an anti-corruption authority.                                                                                              |</p>
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| 4. | COTE D'IVOIRE | - Corruption Act No. 77;  
- The provisions of the Penal Code of 1981;  
- Ordinance 2013-660 on the prevention and fight against corruption and associated offences;  
- Ordinance n°2013-661 setting the powers, composition, organization and functioning of the High Authority for Good Governance (HABG).  
- Decision n° 08-PR of 6th December 2011, ratifying and publishing the African Union Convention on the prevention and fight against corruption, adopted in Maputo on 11th July 2003  
- Act N°2022-190 of 11th March 2022, authorizing the President and Head of State to ratify the Protocol of the Economic Community of West African States (ECOWAS) on the fight against corruption  
- Order No. 300/PMMBPE/CAB of 2nd May 2019, amending Order No. 477/PM/CAB of 10th October 2017, designating Experts to the Committee for the Coordination of Actions on Mechanism for Reviewing the Enforcement of the United Nations Convention against Corruption  
- Decree No. 2018-479 of 16th May 2018 on the establishment, composition, powers and functioning of the Committee for the coordination of actions on the mechanism for reviewing the enforcement of the United Nations Convention against Corruption  
- Order No. 300/PMMBPE/CAB of 2nd May 2019 amending Order No. 477/PM/CAB of 10th October 2017 designating Experts to the Committee for the coordination of actions on the mechanism for reviewing the enforcement of the United Nations Convention against Corruption  
- Decree No. 2022-264 of 13th April 2022 on the establishment, organization and functioning of a platform for reporting acts of corruption and similar offenses called SPACIA |
| 5. | GAMBIE | - Anti- Corruption in the Gambia is governed by the Constitution with key provisions contained in the Penal Code and the Economic Crimes (Specified Offences Act) ;  
- 2019 Anti-Corruption Bill ;  
- The Gambia Police Force is one of the key institutions in the framework of Anti-Corruption institutions in The Gambia. |
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- Criminal Offences Act, 1960 (Act 29) as amended by the Criminal Offences (Amendment) Act, 2012 (Act 849);  
- Economic and Organized Crime Office (EOCO) – Conducts investigation and prosecution of Money Laundering, Human Trafficking, Prohibited Cyber Activity, Tax Fraud, Bribery, Corruption related offences and other Serious Offences and also has asset recovery powers;  
- Financial and Economic Crimes Court (FECC) - It is based in the Law Court Complex in Accra It is a High Court that has jurisdiction in all civil and criminal matters but specializes in offences under the following enactments: Criminal Offences Act, 1960 (Act 29), the Financial Administration Act, 2003 (Act 654), the Public Procurement Act, 2003 (Act 663), Internal Audit Agency Act, 2003 (Act 658), Anti-Money Laundering Act, 2008 (Act 749); Electronic Transactions Act, 2008 (Act 772); and Economic & Organized Crimes, 2010 (Act 804) and Office of the Special Prosecutor Act, 2017 (Act 959). |

- The Anti-Money Laundering Act (L/2006/010/AN);  
- The National Anti-Corruption Agency (ANLC). |

| 8. | GUINEA/BISSAU | - Decree-Law No. 4/93, published in the Supplement to the Official Gazette 41 of 13 October 1993, as well as Law no. 14/97 of 2 December, published in the Supplement to the O.G. 48 of December 2, 1997, on the accountability of holders of political offices, introducing types of crimes that characterize the practical manifestation of corruption such as: bribery, tax fraud, forgery by an official, malfeasance, passive corruption, active corruption, embezzlement, economic participation in business and abuse of power;  
- Higher Inspectorate against Corruption: it is an independent body, defending the interests of the Republic and citizens, within the People’s National Assembly (Parliament), responsible for preventing and investigating acts of corruption and fraud committed by those holding political and administrative positions and functions, and it must report these acts to the competent bodies for the purposes of criminal and disciplinary proceedings |

| 9. | LIBERIA | - The premier anti-corruption institution in the country is the Liberia Anti-Corruption Commission (LACC) established in 2009. It has broad mandate to investigate, prevent, and [indirectly] prosecute cases of corruption;  
- The 2012 Anti-Money Laundering and Terrorist Financing Act;  
- The 2013 amended Provisional Remedies for Proceeds of Crime authorizes the Ministry of Justice (MoJ) or competent bodies to make an application to the court for Temporary Restraining Order when they believe the certain assets are proceeds of crimes during or after trial but before sentencing. |
<table>
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<tr>
<th>SN</th>
<th>COUNTRY</th>
<th>INITIATIVES</th>
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</table>
- Ordinance No. 2015-032/P-RM of 23 September 2015 creating the Central Office against Illicit Enrichment;  
| 11. | NIGER | - Ordinance No. 92-024 of 18 June 1992, on the repression of illicit enrichment;  
- Anti-Money Laundering and Countering the Financing of Terrorism Act No. 2016-33 of 31 October 2016;  
| 12. | NIGERIA | - Independent Corrupt Practices and Other Related Offences Act, 2000 ;  
- The Economic Financial Crimes Commission Act 2004 ;  
- Money Laundering Prohibition Act, 2011 (as amended). |
| 13. | SENEGAL | - Establishment of the National Office for Combating Fraud and Corruption (OFNAC) by Law 2012-30 of 28 December 2012;  
- Asset Declaration Act n°2014-17 of 02 April 2014;  
| 14. | SIERRA LEONE | - The Anti-Corruption Act 2008 (as amended in 2019) ;  
- The Anti-Money Laundering and Combatting of Financing of Terrorism (AML/CFT) Act 2012 ;  
| 15. | TOGO | - Organic Law No. 2020-003 of 24 /01/ 2020 setting the conditions for assets and property declarations by high ranking personalities, senior civil servants and other public agents;  
- AML/CFT Act;  

Source: GIABA Secretariat
95. The West African region is characterized by a high demographic density and a growing diversification of its economy. Over the last forty (40) years, it has experienced an unprecedented urbanization dynamic. The low level of international transfers, the high level of public debt in several countries in relation to their repayment capacities, and the persistent difficulties in mobilizing local savings and budgetary resources all add to the challenges to be met in order to achieve the social, environmental and economic objectives of sustainable and equitable development. In such a context, which is also marked by a low bank-based economy and a strong predominance of cash, corruption is a Lerna hydra.

96. The manifestation of the adverse effects of corruption on West African societies depends on whether we are dealing with petty or grand corruption. In all cases, and as stated in the preamble of the UN Convention, corruption poses a major threat «to the stability and security of societies by undermining democratic institutions and values, ethical values and justice, and by jeopardizing sustainable development and the rule of law». When corruption is widespread in a country, its impact is severely felt in all social spheres, from businessmen to teachers to hospital patients.

97. The macroeconomic consequences of corruption have been extensively described in the literature. Corruption can prevent the state from achieving sustainable and equitable growth in several ways. Corruption contributes to a decline in the quantity and quality of public and private investment, undermines the ability of the state to perform its regalian functions, including the optimal mobilization of tax revenues and the provision of public services.

98. With regard to the impact on the public sector and socio-economic development, certain corrupt practices, especially within the financial authorities, result in huge losses of fiscal and customs revenue, which limit the state’s ability to provide access to basic social services, especially for rural populations. This situation, which can call into question the policy of regional planning, aggravates the impoverishment of rural populations. Corruption can also lead to an increase in budgetary expenditure (e.g. over invoicing), thus contributing to an increase in the fiscal deficit and excessive state indebtedness.

99. Corruption in the public procurement process can result in the construction of infrastructure and the provision of poor-quality goods and services that do not meet international standards, thus causing them to deteriorate rapidly. More importantly, corruption in public procurement undermines efforts to reduce infrastructure deficits and hampers socio-economic development. It induces a misallocation of public resources in the economy, by allocating them to projects or activities that offer opportunities for bribes, to the detriment of social spending and growth-enhancing projects. From this perspective, corruption in public procurement can have multiple negative effects, including unnecessary, inappropriate, uneconomic and even dangerous projects. For example, the Construction Sector Transparency Initiative has projected that «annual losses in the global construction sector caused by mismanagement, inefficiency and corruption could be as high as US$2.5 billion by 2020».

100. Corruption, such as favouritism in the civil service and fraud in education, has a negative impact on the quality of human resources and on the quality and productivity of civil service work. In addition, there are feelings of frustration among honest citizens who, as a result of corruption, find themselves wronged, which can lead to a lack of motivation in the performance of their duties. As a result, the country is left with a critical mass of poorly qualified and internationally uncompetitive human resources. All this can contribute to delaying the development process of the country. In addition, corruption seen in terms of favouritism, further deepens social, economic and political inequalities. The various feelings of social frustration that result from this are identified in several studies as structural factors for extremism, social radicalism and terrorism.

101. In addition, corruption affects the credibility of state institutions in general and the judiciary in
Corruption also has a negative impact on the finance investments and consumption. Transfer their illicit origin, these funds should be used to a loss for African economies because, whatever their illicit origin, these funds should be used to finance investments and consumption. Transfer-
ing them abroad thus limits investment and job creation opportunities. Illicit financial flows thus undermine the ability of African states to finance the United Nations Sustainable Development Goals (SDGs) and the African Union’s 2063 Initiative.

105. The so-called Thabo MBEKI Report on FFIs highlighted the findings of a study carried out by the ECA which showed that between 2001 and 2010, African countries lost US$407 billion simply because of falsified prices in trade transactions. These illicit funds usually come from three sources, namely business tax evasion, falsification of invoices in international trade, predatory transfer pricing and criminal activities, such as drug and narcotics trafficking, trafficking in persons, illegal arms transactions, smuggling and corruption. Thus, corruption both generates and facilitates illicit financial flows. These activities, if left unchecked, result in the entrenchment of impunity and the institutionalization of corruption.

106. With regard to the impact on the business environment, private sector performance and socio-economic development, corruption causes huge waste of time for private companies, resulting in a slowdown of economic activities. For example, it takes longer for companies facing bribe demands to obtain building permits, business licenses and electricity connections. Similarly, slow border crossings due to complex customs procedures and multiple checkpoints and illegal levies also slow down economic activities. These abnormal practices along the road corridors contribute to higher prices for consumer goods, accelerate inflation and erode the purchasing power of fixed-income earners, especially wage earners and poor households.

107. Besides, corruption in the private sector distorts free competition and the rules of the market economy, adversely affecting the quality of products and services and reducing investment prospects. Moreover, public corruption, in whatever form it may take, is tantamount to an additional compulsory tax, which makes foreign direct investment (FDI) less attractive and prevents the creation of new jobs. Corruption discourages private investment and hinders economic growth. According to Transparency International, a decrease of one level on a corruption measurement scale, which ranges from
1 to 10, reduces gross domestic product (GDP) in real terms by 0.3 to 1.8 percentage points.

108. Furthermore, corruption is often associated with other offences, such as money laundering and terrorist financing, accounting offences, tax evasion, conflict of interest, fraud, forgery, illicit financing of political parties, collusion, organized crime, blackmail and other misdeeds. Indeed, corruption facilitates money laundering and terrorist financing in an economy, as law enforcement authorities deliberately refrain from imposing sanctions and investigating the recovery of criminal assets.

109. Apart from the financing of terrorism, corruption appears to be the most serious predicate offence for money laundering that fosters other offences, as outlined in the previous paragraph, which in turn contribute to amplifying the shock-wave of corruption in an economy, with all its negative consequences on socio-economic development and good governance.

110. In view of the seriousness of this scourge, which affects both developed and developing economies, international co-operation to combat it effectively and in a coordinated manner has been established and further consolidated in recent years. The amount of money paid out in bribes each year is estimated at US$ 1 trillion. In the European Union, the cost of corruption is estimated at €120.0 billion per year, which represents about 1% of the European Union’s GDP, slightly less than the EU’s annual budget in 2014, which amounted to €140.0 billion. As a result, the international community has adopted a number of international legal instruments to fight corruption. Furthermore, the fight against corruption is considered by development agencies and various international or regional organizations as a key element of their development and poverty reduction policies.

111. Similarly, the international community is resolutely committed to the same approach in the fight against money laundering and terrorist financing. Indeed, it is by fighting these two scourges simultaneously that we intend to freeze or seize, confiscate and recover the proceeds of corruption and eradicate corruption as a result. In this respect, frameworks for international cooperation between agencies and actors involved in the fight against corruption on the one hand, and those involved in the fight against money laundering and terrorist financing on the other, have been established.

112. Recent studies using a meta-analytical approach show that corruption worldwide has a negative effect on growth in GDP per capita, even after controlling for possible biases in the underlying empirical analyses. According to these authors, corruption has a systemic effect on economies and limits the growth potential of countries. The macroeconomic impacts of weaknesses in governance and corruption are often summarized in the literature under six aspects: (i) rule of law, (ii) public financial management, (iii) financial sector supervision, (iv) business climate, (v) anti-money laundering (AML), and (vi) anti-corruption regime.

113. The laundering of corruption proceeds allows the perpetrator to enjoy the proceeds of his or her crime with impunity, while terrorist activities are made possible by those who finance them with funds from criminal or other sources. Money laundering through corruption is a crucial problem, especially for developing countries because it sometimes involves significant resources for development programmes. It is a major problem for weakly supervised non-financial sectors because large-scale money laundering activities can undermine the integrity of the domestic financial system, weaken financial institutions and hamper economic development.

114. In light of this, financial institutions, particularly those in charge of development finance, under the canopy of the FATF and the G20, have realized the responsibility to ensure the probity of their transactions by putting in place procedures to eliminate fraud and corruption in their lending and financial assistance. Thus, preventing fraudulent transactions that may conceal the origins of the proceeds of crime or the profits of corruption, as well as the use of funds to commit terrorist acts or other forms of crime, should be the responsibility of all institutions, both public and private.

115. Notwithstanding these relevant initiatives and the importance of the efforts made at the global level and in the West African region in particular, to eliminate the phenomenon of corruption, experience shows that it is still on the increase. Hence the need to look at the bottlenecks, i.e. the factors hindering the fight against corruption and the laundering of associated proceeds.
FACTORS HAMPERING THE FIGHT AGAINST CORRUPTION AND RELATED MONEY LAUNDERING

116. Although the articulation of national anti-corruption mechanisms in West Africa is more or less in line with international best practices, corruption seems paradoxically to be increasingly insidious. At least, this is what emerges from the survey findings on the perception of corruption conducted in recent years in GIABA member states. The country’s underwhelming performance in Transparency International’s CPI rankings also confirms this observation.

117. On the basis of the case studies and the deliberations of the experts’ meeting on the findings of this study, a number of factors hindering anti-corruption efforts in West Africa were identified:

**Corruption within the judiciary coupled with the failure of the sanctioning system**

118. Corruption within the judiciary also hinders anti-corruption efforts considerably. This is compounded by the relative independence of the judiciary, which appears to be under political and social pressure. Indeed, the ease with which political authorities interfere in judicial matters to influence the process significantly weakens the independence of the judiciary. All these factors result in a failure of the judicial system, which results in the non-application of effective, proportionate and dissuasive sanctions against the perpetrators of corruption and the laundering of its proceeds.

119. This situation is all the more worrying as it contributes to the entrenchment of corruption in systems of governance. Hence the urgent need to seek effective solutions aimed at strengthening the sanctions regimes against any person guilty of a corrupt practice and/or laundering of its proceeds. Indeed, this impunity allowing the perpetrators of corruption to freely enjoy the proceeds of their crime only exacerbates the phenomenon of corruption and the laundering of its proceeds.

120. In a fully democratic system, the prosecutor’s office has the possibility to initiate an official investigation following allegations of corruption reported in a newspaper by an investigative journalist. The BIGMALION case on the overrun of campaign expenses of Nicolas SARKOZY, former President of the French Republic, and the case of fictitious employment and corruption of François FILLON, former French Prime Minister, are edifying examples. But the situation in West Africa is quite different. Indeed, the judicial authorities refrain from taking such initiatives to shed light on public denunciations. Such a situation raises questions about the independence of the judiciary.

**Lack of human, financial and material resources by structures involved in the fight against corruption and related offences**

121. Almost all countries in the region have recognized that national anti-corruption agencies, including civil society organizations, do not have adequate human, financial and material resources to carry out their tasks. Not only are the working conditions of most of these national structures involved in the fight against corruption, including the Judicial Authorities, generally uninspiring, but the powers given to them remain limited. In the absence of judicial police officer status, some countries such as Benin, Burkina Faso and Niger have given their structures the power to act as civil parties to enable them to follow up on corruption cases referred to the courts. But in the vast majority of cases, apart from collecting and processing complaints or denunciations of corruption, these structures have no power to influence or monitor the judicial processing of corruption offences. Even worse, in some cases there is a downward trend in the budgetary funds allocated to these institutions.

122. This lack of resources limits their operationality, and in particular their investigative capacity and geographical coverage. In addition, there is a lack of training for the staff of these structures.

The Failure of Transparency Management Mechanisms in Public Procurement, NPOs, Legal Persons AND LEGAL ARRANGEMENTS

123. With regard to public procurement, the excessive resort to derogations, as well as the lack of public access to results and statistics, contravene the principle of transparency that should guide the awarding and execution of public contracts. Processing times for procurement files are longer than those foreseen in the regional standards and procurement departments do not maintain...
procurement registers or maintain them in a rudimentary manner. There are also delays in annual audit exercises, whose recommendations are generally not implemented.

124. The frequency of internal and external controls carried out is low, mainly due to insufficient human and material resources, as well as insufficient training of staff. All these main deficiencies contribute to the vulnerability of public procurement to corruption. In the same vein, the selection process for public-private partnerships (PPPs) is characterized by the predominance of unsolicited, non-competitive bids, although the PPP Act generally allows them only in special circumstances. Direct negotiations with suppliers can facilitate corrupt practices.

125. With regard to non-profit organizations, there is weak regulation of this sector and a lack of supervision by the regulatory authority. This leads to the proliferation of fictitious NGOs, which become either methods of capturing undue resources or of diverting public development aid.

126. Concerning legal persons and legal arrangements, the OHADA Uniform Act on the General Law of Business Companies and Economic Interest Groups (AUDGSCGIE) certainly provides for obligations to be implemented for the establishment of a business legal person. On the other hand, certain types of companies, such as limited partnerships and joint ventures, provide opportunities for criminals to use them as a vehicle or destination for funds of illegal origin. Legal entities and arrangements, because of the opacity of the conditions of their creation and operation, tend to become havens for criminals. This factor undermines efforts to prevent and suppress this specific category of predicate offences. The lack of operational mechanisms for identifying politically exposed persons in most countries in the region complicates the performance of AML/CFT efforts.

Lack of culture of integrity

127. The culture of integrity and probity is not set as a top priority for governments. This is generally evidenced by the lack of background checks and the failure to swear oaths to enter positions of responsibility or sectors at risk of corruption. Breaches of transparency requirements in the exercise of certain responsibilities are not always accompanied by specific sanctions. These factors undoubtedly contribute to exacerbate corrupt practices. This situation is also related to the lack of sensitization and public mobilization campaigns in most countries.

128. The lack of professional integrity and probity and the loss of civic values are among the factors that hamper efforts to fight corruption. This situation is linked to the lack of training and sensitization activities for civil servants on ethics and deontology as well as on the cardinal values of the civil service. And yet, all these aspects are included in the Civil Service Statute of all countries in the region.

Precarious nature of public service working conditions

129. The authorities have failed to put in place a sustainable mechanism to motivate officers working in financial crime investigation structures. In the absence of such a mechanism, the precariousness of their working conditions can make them vulnerable to corruption. In such circumstances, there are fears that some officers working in these structures may disguise their investigation reports in order to cover up corrupt practices.

130. As for civil servants, their low levels of remuneration lead them to consider strategies to seek additional income, and to do so, corrupt practices seem to be the most accessible. As a result, corruption is perceived as an opportunity for personal enrichment.

131. In some cases, the public official may feel that the volume and quality of his work is worth more than the recognition he receives from his superiors. The «frustrated» employee who believes that he or she is doing a good job and deserves a pay rise or promotion, which unfortunately does not come, may be tempted to seek recognition outside the administration.

Lack of proactive controls in the fight against corruption

132. In the fight against corruption, the competent agencies generally have the power to conduct control operations, which combine document control and on-site control. However, there is also a wait-and-see attitude on the part of most
national administrative structures involved in the fight against corruption, which generally do not take any initiative to conduct autonomous investigations, even within the entities under their control. These national structures usually conduct such exercises at the request of their supervisory authorities.

Joking kinship and related socio-cultural constraints

133. From an anthropological perspective, joking kinship could be an obstacle to the fight against corruption. Indeed, it translates into an enhanced sense of belonging based on the belief that one’s own values are superior to those of others. In several countries in the region, such as Côte d’Ivoire, Senegal, Mali, etc., this phenomenon is presented as a mechanism for regulating social relations in the image of joking kinship, a bulwark against intolerance, xenophobia and ethnocentrism. The joking relationship has different terminologies in different countries. It is a social practice in force mainly in West Africa that commands, and more often than not dictates, members of the same family (such as distant cousins), or members of certain ethnic groups, to mock or taunt each other, and sometimes to hurl friendly and well-codified insults at each other, without causing any social damage; these verbal confrontations are in fact a means of social decongestion and appear to be a valve for defusing possible social tensions. In Senegal, the most famous joking relationships are those between the Fulani and the Serer on the one hand, and the Diola and the Serer on the other. In these conditions, the rigour of classic law and justice is trivialized by the opportunity to turn serious breaches into simple jokes. This can lead to laxity in the application of the law.

134. Furthermore, there are a number of situations in which public officials have private relationships with state suppliers on the basis of joking kinship. These private ties can be so strong as to influence the actions of the public officials in question. These various socio-cultural constraints can be a means to fight corruption or a hindrance to it, depending on how they are used.

Deficiencies in legal systems

135. The UNCAC Monitoring Committee has identified deficiencies in the legal framework of several countries. These include, for example, the lack of criminalization of active bribery of foreign public officials as well as the absence of provisions and agreements to conduct joint investigations with other States. These legal deficiencies can be an obstacle to the fight against corruption. Plus, the protection of whistleblowers is weakly regulated by the laws in force in most countries, forcing some professionals to exercise restraint, due to fears of reprisals.

136. With the prevalence of cash in the West African economy and the pain point in establishing proof of corruption, insofar as commissions or bribes are paid in cash, without any traceability in the banking sector, the proceeds of the crime are easily integrated into the real economy, through the acquisition of plots of land, buildings, luxury vehicles, etc. In addition, the financial criminal often uses front men to launder the proceeds of corruption.

137. There is a certain distrust among the population, or even fear of suspects, to confront the judicial authorities, even in the instance of defending their rights in a case. As a result, the accused would prefer to immediately pay bribes in cash and hush up the case, which contributes to maintaining corruption and making it difficult to prove corruption.

Politicization of Public Service

138. Due to the politicization of the public administration, officials in positions responsible for contradictory verification at the grassroots level (Ministerial Technical Inspectorates/financial controllers) are usually chosen by the top hierarchy, especially from the same political background. De facto, such agents do not carry out their tasks according to the rules of the art, insofar as they are unable to refuse unorthodox financial operations initiated by the hierarchy, which leads to opacity in the execution of public expenditure and aggravates the problems of governance. This situation has a negative impact on public financial management.

Issues of Governance in State-owned Entities

139. Structural deficiencies that foster corrupt practices in public enterprises should be noted. These relate to the deficiencies in the legal and institutional governance of public enterprises, as well as to a dilettante appointment system,
which is not based on any objective selection criteria within their boards of directors. The ineffectiveness of the control system of these public companies should also be underscored, which is reflected in the involvement of several ministerial departments and even the Prime Minister’s Office, without any coordination mechanism. In addition, there are delays in independent audits of such entities. The result is a purely opaque management of these public enterprises. All these deficiencies combine to make these entities true sanctuaries for corrupt practices.

**Illiteracy of rural populace**

140. The corrupt practices perpetrated by certain public agents, particularly the defence and security forces (police, customs and gendarmerie), can be explained by the fact that most rural populations are essentially illiterate and do not generally know their rights. This situation exposes them to this scourge.

**Lack of official national list of politically exposed persons**

141. Most ECOWAS member countries do not have an official national list of politically exposed persons (PEPs). Reporting entities, especially those in the financial sector, comply with their due diligence obligations on the basis of their own knowledge of national PEPs. An available national list could further facilitate and strengthen corruption prevention measures.

**Laxity in enforcement of asset declaration laws**

142. A certain laxity in the enforcement of laws on the mandatory asset declaration is observed. Most public officials subject to the law do not comply with this obligation, due to lack of sanctions. No steps are taken to force officials subject to the law to comply with it. This laxity can facilitate corrupt practices, as bribe payments in the form of cash can be automatically laundered into the real economy, thus inflating the offender’s wealth. In the absence of an initial list of the assets of a reporting public official, it would be difficult to assess the adequacy between the evolution of the official’s assets and that of his remuneration. Below is a summary table of the region’s specific vulnerabilities to the fight against corruption and associated money laundering.
Table 1: Summary of Factors Hindering the Fight against Corruption and Related Money Laundering/Terrorism Financing in West Africa

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<th>SN</th>
<th>Sector/Area of Vulnerability</th>
<th>Challenges / Vulnerabilities</th>
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</table>
| 1  | Sector/Area of Vulnerability | - Manual and rudimentary processing of procurement procedures and lack of transparency mechanisms;  
                               | - Lack of rigorous selection criteria for projects included the investment budget;  
                               | - Interference by PEPs. |
| 2  | Policy                      | - PEPs are the most corruptible category of society. In manifestations of grand corruption, PEPs involved often have control over significant parts of public power, which often gives them considerable influence over the investigative and prosecutorial bodies competent to investigate corruption and associated money laundering. In other cases, without having control over these bodies, the PEP has such political clout that the country’s top officials cannot bring it to justice without risking political destabilization that would put the regime in trouble.  
                               | - Impunity has become a culture: no prosecution and no sanctions, even in cases of proven corruption;  
                               | - Political, social and economic pressure from the PEPs on the judiciary: strong social ties take precedence over the need for professionalism.  
                               | - The self-censorship of criminal justice actors who dread investigating or prosecuting people considered to have significant political weight or social influence. Career management takes precedence over professional imperatives.  
                               | - The existence of social relationships or common interests can lead to conflicts of interest, collusion and bribery.  
                               | - The politicization of the Administration, which is in principle neutral. |
| 3  | Resources                   | - Human resources are not qualified enough to carry out long and complex financial investigations on corruption. When these qualified human resources exist, they have to face the lack of material and technical means to carry out their investigations.  
                               | - Special investigative techniques, provided for use in some complex corruption cases, cannot be used due to lack of technical and material means.  
                               | - In some countries, the law does not provide for a clear recovery mechanism, which is an objective limitation for criminal investigation and prosecution authorities.  
                               | - The morality and working conditions of those involved in the judicial chain are problematic in many respects. The low level of salaries makes it easy for officials to give in to the siren calls of corruption in order to improve their daily lives and to make some material achievements (poor working conditions of civil servants; frustration of officials with the hierarchy in the civil service).  
                               | - Weak inter-institutional cooperation is also an obstacle to the fight against corruption and the laundering of its proceeds. Criminal investigations and prosecutions against corruption remain ineffective as parallel financial and asset investigations are not conducted in addition to the main investigation of corruption. Investigative authorities do not explore the opportunity of cooperation and exchange of information with FIUs to fill in the financial aspects of corruption cases.  
                               | - The implementation of preventive AML/CFT requirements by reporting institutions is very weak. This dooms any initiative to detect financial flows linked to corruption to failure. |

6. All these factors have been deduced after analysis of the case studies identified, the most important of which are the subject of the typologies presented in the next chapter.
Tableau 1: Résumé des Facteurs entravant la Lutte contre la Corruption et le Blanchiment de Capitaux/Financement du Terrorisme y relatifs en Afrique de l’Ouest

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<th>Legal and Institutional Framework</th>
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<td>- The deficiencies in the legal and institutional framework for combating corruption and money laundering are a major constraint.</td>
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<td>- An explicit national anti-corruption strategy has not been developed in some countries;</td>
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<td>- The lack of prosecutorial powers of the anti-corruption body is noted in some countries;</td>
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<td>- The lack of an effective asset recovery mechanism in several countries;</td>
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<td>- The constitutional impediment to the possibility of confiscation without prior conviction, even in circumstances where the offender is untraceable, deceased or absconding, is a major gap in national systems;</td>
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<td>- The misuse of legal persons for corruption and money laundering is increased by the lack of a transparency mechanism around the production and disclosure of beneficial ownership information;</td>
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<td>- Obstacles related to international cooperation should not be overlooked. These are mainly slow, but also the existence of tax havens and offshore financial centres as well as difficulties related to the recovery and repatriation of stolen assets;</td>
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<td>- Lack of independence of the anticorruption body;</td>
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<td>- Lack of human, financial and material resources by structures involved in the fight against corruption and its associated offences;</td>
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<td>- Insufficient consideration of corruption in the private sector;</td>
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<td>- the failure to take into account the statute of limitations in accordance with the Merida Convention, which recommends that the time limit be longer than the time limits under ordinary law;</td>
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<td>- National legislation does not specifically provide for the protection of witnesses, experts and victims of corruption;</td>
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<td>- There are no specific legal or regulatory provisions to regulate the financing of political parties in member countries.</td>
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<th>Prevention and Law enforcement</th>
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<td>- Corruption within the judiciary;</td>
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<td>- Lack of specialized courts with competent, honest and motivated staff.</td>
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<td>- Difficulties in establishing proof of corruption;</td>
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<td>- Distrust of the population towards the judicial authorities;</td>
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<td>- High mobility of public administration staff (investigators, judges, etc.);</td>
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<td>- The low involvement of non-state stakeholders and the population in the fight against corruption;</td>
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<td>- The resignation of society in the face of corruption, which is considered to be inevitable;</td>
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<td>- The lack of a culture of excellence and reward for merit;</td>
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<td>- The insufficient level of civic and moral education of the population.</td>
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6. All these factors have been deduced after analysis of the case studies identified, the most important of which are the subject of the typologies presented in the next chapter.
CHAPTER 3:
TYPOLOGIES AND CASE STUDIES
CHAPTER 3:

TYPOLOGIES AND CASE STUDIES

143. In AML/CFT and pursuant to GIABA’s research policy, a distinction should be made between general research studies and typology studies. The former aim to increase the general knowledge base of GIABA’s target audiences on phenomena that have taken or are beginning to take on a relatively important proportion for AML/CFT through the clearing of theoretical and practical contours, while the typology studies aim only to carry out an in-depth analysis of the methods and techniques by which funds from a given category of crime are laundered. One of the main features of this chapter is that it will attempt to identify money laundering or terrorist financing trends based on corruption cases identified in all countries of the region.

144. These cases have been discussed in advance by experts from GIABA Member States. They have been validated as typical cases in the West African region and allow to state, in general, that the proceeds generated by corruption can be laundered in various ways. Just as the offender may invest the proceeds of corruption in a legal activity to conceal their origin, he or she may use them to bribe law enforcement agencies and ensure their impunity as well. They may also use it to facilitate the perpetration of other types of serious crimes. The case studies have the particular merit of highlighting the vulnerabilities of West African economies in terms of weaknesses in legal and institutional frameworks on the one hand, and threats related to the context of the informal economy, the prevalence of cash and socio-cultural practices in West Africa on the other.

145. The laundering of the proceeds of corruption can take place in different ways, depending on the nature of the act of corruption or the person(s) involved. In the context of grand corruption, the most common forms of proceeds are those derived from bribery, embezzlement and misuse of power. The proceeds from these corrupt practices are laundered through the use of complex legal arrangements, the use of «door openers», the use of offshore/foreign jurisdictions, the use of cash, the exploitation of the financial system etc. Understanding the typical methods used by these corrupt persons allows investigators, judges and magistrates to be better equipped for the criminal prosecution of these offending behaviours.
Typology 1: Use of Corruption as Hindrance to AML/CFT

Case N°1: Passive bribery of a public official (senior magistrate) for the sake of ruling in favour of a party in a land dispute: granting a bribe

In the context of a land dispute, the Togolese justice system was seized. One party to the case wanted to attract the benevolence of the judges in order to win the case. The party approached a senior magistrate to use his authority to influence the outcome of the trial. In return, he was promised plots of land in the disputed area. The party actually won the case and went on to fulfil the promise. A partition judgment was issued and the high magistrate was listed as a beneficiary of the partition. The judgment allocates him 10 plots of 600 square metres each in an urban area. The wronged party realized that this was a scheme and filed a complaint. The high magistrate tried to refute the facts, but the sharing judgement was available, and his relations had indeed taken actions in the sense of occupying the plots allocated to him. In order to douse the controversy, he had the sharing judgement revised to remove his name from the beneficiaries of the sharing. Despite the flagrant corruption in this case, no disciplinary or judicial proceedings have been undertaken against the alleged corrupt person.

Source: Internal report of the National Police - Togo

Typical indicators of obstruction of criminal justice

- Close proximity between the judge and a party to the trial;
- The fact that the judge is one of the beneficiaries of the sharing judgment;
- Revision of the sharing judgment and removal of the judge’s name.

**Case N°2: Attempted bribery of the press and a Criminal Investigation Officer to terminate legal prosecution of the accused briber**

Arrested by the gendarmerie on 19 April 2017, Mr. IK (businessman) and others are being prosecuted for money laundering, forgery of business documents, aggravated breach of trust, tax fraud and consumer deception. In several press articles, it was revealed that a system was set up to embezzle money from a private company. An attempt was made to bribe the journalist who broke the story not to publish Act 2 of the story that was announced. Money and pages of advertising were offered to prevent the second story from being published.

The bribery attempts continued when the judicial machine was set in motion, as evidenced by the statements of the judicial police officer who led the investigation at the press conference of the Public Prosecutor’s office on 19 April 2017, from which it emerges that he received proposals of hundreds of millions, even a billion CFA francs, in order to quell the case. An investigating judge was seized of the matter.

In May 2017, Mr IK and his five (5) other collaborators were granted bail for more than one billion francs, including 600 million for Mr IK alone.

On 16 July 2018, an order of dismissal was issued with the return to Mr IK of the sum of 700,000,000 FCFA initially deposited as bail. The Prosecutor of Faso appealed to the investigating chamber.

Source: POLICE Burkina-Faso

- **Typical indicators of obstruction of criminal justice**
  - Dismissal order with restitution of funds;
  - Granting of freedom on bail;
  - Attempts to bribe the journalist and the criminal investigation officer.

**Case N°3: Bribing a Judge through a lawyer during trial**

In his attempt to bribe the judiciary in a case involving a manufacturing company and the EFCC, before a judge of the Federal High Court, named Justice M.YYY, Mr. RRR, Esq, a Senior Advocate of Nigeria (SAN), had improper communication with the said judge between May 11 and June 25, 2015 with the aim of preventing the EFCC from carrying out its statutory functions. Mr. RRR, Esq, paid the sum of N800,000 into the account of Judge M.YYY in three instalments between February 9 and November 30, 2015. On May 14, 2015, Judge M.YYY also received N1.5 million paid into his bank account by a staff of Mr. RRR’s office for the undue benefit conferred on the latter in connection with the cases handled by Mr. RRR’s office for which Judge M.YYY was hearing. The EFCC also alleged that Justice M.YYY, between March 2015 and September 2015, received a sum of N750,000 into his UBA account from one Dr. J.NWO, Esq., a lawyer, who was later stripped of his title of Senior Advocate of Nigeria and sentenced to one month imprisonment.

Source: EFCC Nigeria

- **Typical money laundering indicators**
  - Payments of large sums of money into the account of the judge in charge of his client’s trial;
  - The judge’s bank account was funded by third parties close to the accused;
  - Acts of complicity;
  - Payment of bribes.
Typology 2: Money Laundering by Politically Exposed Persons (PEPs)

Case No 3 A: Laundering of proceeds of corruption by a foreign PEP through the banking sector

Ms N.D. is the wife of the Prime Minister of a Central African country. She opened an account in a banking institution in Togo and deposited a large sum of money. She then asked the bank to transfer part of the money to her other account in another Central African country. The reason for the transfer was to buy a building for the company of which she is the manager. In the processing of the application by the Bank and the Togolese authorities, it was noted that Ms N.D. did not give the origin of the funds. This suggests that they are of dubious origin. A report was therefore sent to FIU.

As a result of its investigations, the FIU discovered that Ms. N.D. had set up several companies and opened numerous bank accounts in several countries in West and Central Africa. During the period her husband was Prime Minister, the bank accounts were heavily supplied. Large cash deposits were made by a third party into an account opened in her name in Côte d’Ivoire, some of which were later transferred to her bank account in Togo, which was also funded by cash deposits. In total, 530 million euros passed through Ms N.D.’s account in Togo between January and August 2014. Part of the funds was used to purchase real estate in Togo. FIU suspects that the Prime Minister and his wife benefited from corruption during his tenure as head of government.

Source: FIU-Togo

Judicial follow-up:
A report was sent to the Public Prosecutor who opened an investigation.

• Typical money laundering indicators:
  - Opening of account by a foreign PEP;
  - Non-compliance with procedures for international transfers;
  - Significant movements in the account in relation to the foreign country;
  - Significant property purchases by a foreign PEP.
• Typical money laundering indicators

- Multiple bank accounts;
- Atypical payment of funds into the savings account by a third party;
- Transfer of large sums to the same account;
- Concealment of funds in the account of a minor;
- Corruption by a legal person.
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MONEY LAUNDERING AND TERRORIST FINANCING RESULTING FROM CORRUPTION IN WEST AFRICA

Case N°3 C : Laundering of proceeds of corruption by a national PEP through the real estate sector

In 2015, Dame Y.T, owner of a building in Conakry, decided to sell it to the Ministry of Industry and Small and Medium Enterprises. Under the supervision of the Public Procurement Regulatory Authority (ARMP), a sale contract worth fifty billion (GNF 50,000,000,000) Guinean francs was signed between the Guinean State and Dame Y.T. and the said amount was transferred into her bank account.

Because of the successive withdrawals made by cheque in such a short period of time, amounting to 10 billion, the bank asked for justification of the origin of the funds. Lady Y.T. claims to have sold her property to the Guinean state. The bank, doubting the transaction and suspecting corruption behind the exorbitant sale price, filed a suspicious transaction report with FIU for corruption and money laundering.

The analysis of the sale contract and the various documents produced by the bank allowed the FIU to discover inconsistencies and the overvaluation of the value of the building (overcharging). Further investigations proved that two officials working at the Public Procurement Authority made withdrawals by cheque and opened accounts in other banks and that a senior official of the Ministry of Industry and Small and Medium Enterprises (PPE) paid the study fees of two of his children in a university abroad.

Source : FIU-Guinea

Current status of the case:
The case is under investigation at the 1st Chamber of Kaloum. Accomplices have been charged and the examining magistrate has issued an order for the seizure of 20 billion GNF from the woman’s bank account.

• Typical money laundering indicators:
  - Overcharging of the value of the property;
  - Transfer, and withdrawal of funds;
  - Payment of bribes.
Case N°3 D: Laundering of proceeds of corruption by a foreign PEP through the banking sector

In April 2013, Mr LEWEL a foreign politically exposed person (PEP) based in Senegal where he runs a development organization, was the subject of a suspicious transaction report by a reporting entity. During a six-year reference period, cash payments by close associates amounting to almost 300 million euros were recorded in his account at the XALISS bank.

These payments far exceeded LEWEL’s accrued income over this period. When questioned by the bank about the origin of the funds, the defendant claimed that these funds were the proceeds of the sale of some of his property in his country of origin. The investigations carried out by the FIU, in Senegal and abroad, did not reveal any trace of transactions involving property belonging to Mr LEWEL.

Instead, Mr LEWEL was cited as one of the main actors in a corruption case relating to the awarding of contracts involving large sums of money. The investigation revealed that Mr. LEWEL had invested in property and purchased several plots of land and houses, raising strong suspicions about the legality of the amounts deposited in his bank account. The facts were brought to the attention of the Public Prosecutor.

Source: FIU-Senegal

Judicial follow-up:
At the end of the investigation, LEWEL was dismissed by the investigating judge.

- Typical money laundering indicators
  - Cash payments of large amounts by relatives of a PEP;
  - Transactions that do not fit the profile declared by the client at the beginning of the business relationship;
  - Reintegration of proceeds from a corruption case in the property sector.
Typology 3: Laundering of proceeds of corruption by public officials

Case Study N°4: Use of a Bureau de Change to launder embezzled funds by a government official

In July 2020, Mr. EEE AGG, a former Executive Director (ED) of an Agency responsible for Maritime Services, Security and Protection, obtained approval from the government for N1,541,408,666 (one billion five hundred and forty-one million four hundred and eight thousand six hundred and sixty-six Naira only) to carry out an ad-hoc assignment related to ship protection, intelligence gathering, volunteer remuneration, etc. Investigations revealed the following:

- The funds were transferred to the account of an ad hoc committee of the VVVV dealing with ship protection and other related matters, etc.
- The signatories to the accounts are the assistant staff of the Executive Director.
- The funds were then transferred from the account of a bureau de change operator and other companies.
- The funds were converted into dollar equivalents and given to the Executive Director by the assistant staff.
- The profile of a consultancy firm was used to channel funds out of the committee’s account without the owner’s consent.

Source: NIGERIA

• Typical indicators of laundering

- Inflating the amount for the execution of the ad-hoc task.
- Suspicious movement of funds on the committee's account.
- Use of close collaborators (assistant personnel) to move funds.
- Use of a bureau de change.
- The case highlights the fact that senior officials create committees for specific tasks and use them to misappropriate funds with the support of their assistant staff who usually sign all documents and not the senior officials.
Case Study N° 5: Using shell companies to launder funds embezzled by public officials

A CEO of a government-backed venture capital fund introduced a loan scheme to provide credit directly to individuals and businesses, in blatant violation of the fund’s establishment act and contrary to its objectives. Against the advice of the fund’s legal team, the CEO reportedly obtained Board approval for the loan scheme. The board approved strict guidelines for the disbursement of the loans. An amount of GH₵ 1million, which was later raised to GH₵ 2million, was approved by the Board as a revolving fund. The CEO disbursed various sums of money under this scheme, the total of which exceeded by far the approved amount of GH₵ 2million.

Contrary to the board-approved thresholds, the CEO consistently approved loans purporting to be made under the scheme well above the threshold directly to a number of companies, some of which were non-existent. It was later established that the defendants acted together to use non-existent companies to obtain loans from the fund on behalf of the companies. This resulted in a loss of over GH₵ 42 million to the State. The accused were charged with financial loss to the State and money laundering on a list of 86 counts.

The accused and two others entered into negotiations with the Attorney General’s Office under the provisions of Section 35 of the Courts of Justice Act. As a result, property, cars and GH₵ 18.5 million were confiscated for the benefit of the State. The other three defendants who did not participate in the restitution programme are on trial.

Source: GHANA

• Typical money laundering indicators

- Use of Company vehicles
- Use of shell (or even fictitious) companies
- Use of companies without the consent or knowledge of their Managers
- Abuse of power.
Case Study N°6: Laundering the proceeds of corruption by public officials through shell companies

In 2013, Mr. KASSY LE BOSS was the General Manager of a major public telecommunication company. Two months after the award of important contracts in the telecommunication sector, Mr. KASSY LE BOSS was dismissed by the Administrative Authority without any official reason.

One month later, the Financial Intelligence Unit (FIU) received a suspicious report about unusual transactions on an account opened in the books of a bank A, in the name of Mrs. KASSY Joly, the wife of KASSY LE BOSS. At the same time, the Anti-Corruption Agency also received information denouncing «bribery» practices in the awarding of contracts in the telecommunications sector.

The FIU’s analysis of the information provided by Bank A revealed that three months earlier, Mrs. KASSY Joly had opened an account in the books of Bank A, to host the proceeds of her cosmetics business estimated at three million (3,000,000) CFA francs per month.

But instead, the account recorded, in the space of three (03) months, six (06) cash deposit operations of CFAF 50,000,000, CFAF 100,000,000, CFAF 80,000,000, CFAF 150,000,000 and CFAF 120,000,000, thus making a total of CFAF 500,000,000. After having made these payments, Mrs KASSY Joly ordered the transfer of these funds to another account opened in the books of Bank B, in the name of a real estate company called SCI BONHEUR, recently created.

The investigations conducted revealed that the shareholders of the said company are Mrs KASSY Joly, two minor KASSY children, and the manager is none other than the eldest son of Mr KASSY LE BOSS. On this second account opened by Mrs. KASSY Joly, several cash withdrawals were noted, carried out essentially by Mrs. KASSY Joly and Mr. KASSY LE BOSS. The latter had signing authority over the account on the basis of a power of attorney signed by his wife.

Another finding was that there were three fund transfer transactions for an amount of CFAF 350,000,000 to an account in a bank in a European country, opened in the name of SCI BONHEUR.

The additional information collected and exchanged between the Anti-Corruption Agency and the FIU uncovered this case of money laundering resulting from the corruption of a public official in the award of public contracts.

The analysis of the findings of the investigation shows first of all that the named KASSY LE BOSS and lady KASSY JOLY introduced into the legal financial circuit, by means of cash payments and cheque remittances, funds whose origin and economic motive could not be justified. Moreover, by means of cheque clearing and transfers, they removed the said funds from their origin by invoking the pretext of purchasing a property abroad.

Source: Côte d’Ivoire

Status of case:
An investigation report was drafted and transmitted to the Public Prosecutor for suspicion of corruption and money laundering.

Typical money laundering indicators

- The dismissal without official reason of the public official, after having led the award of several public contracts;
- Cash payments of large sums of money unrelated to the account profile;
- The transfer of funds to another account without economic justification;
- The company SCI BONHEUR, a shell company actually belonging to KASSY LE BOSS, a public official;
- Successive cash withdrawals and transfers abroad;
- Purchase of real estate abroad.
Case Study N°7: Laundering of the proceeds of corruption by public officials through agriculture and informal gold mining

By letter dated 12 October 2016, the anti-corruption agency received an inspection report implicating Mr. FODJO, a public official in office in a Ministry, for forgery, embezzlement and misappropriation of public funds and securities and attempt.

Indeed, according to the inspection report, Mr. Fodjo received the sum of approximately CFAF 400,000,000 from various managers of companies providing services. In return, these companies were to benefit from direct agreement contracts for which the invoice payments were double the amount paid by each company manager, without having actually carried out the said contracts. Such a practice was carried out with the complicity of canvassers whose role was to find companies favourable to this ‘deal’, and in return, they would receive a commission of 10% of the amounts collected by the named FODJO.

When questioned by the investigators, the latter admitted having received from four (4) service providers the total sum of CFAF 399 000 000. He also admitted to having violated the rules and procedures for the award of public contracts. He also revealed that this is a well-established practice in all public administrations. And that he acted under oral instructions from his superior who asked him to look for the sum of CFAF 68,000,000 to finance the rehabilitation of the premises of the administration to which they belong. In addition, he claimed to have paid the sum of CFAF 31,000,000 to his superior, but he has no discharge. The superior categorically denied having given him any such instructions.

Furthermore, he indicated that through this practice, he had already managed to have the sum of FCFA 100,000,000 paid to a company from the budget of his administration by justifying fictitious invoices, even though no service was provided and after having received the amount of FCFA 50,000,000 from the contractor.

When asked about the use of the funds received, FODJO explained that he used the major part in the creation of an agricultural farm not far from his native village in the Centre of the country. The other part, about CFAF 60,000,000, was used to invest in clandestine gold panning, but he said he had been swindled by crooked brokers.

Finally, to convince them of the existence of the contracts, he gave them false purchase orders that he himself had designed, printed and signed. These false invoices amounting to nearly CFAF 600,000,000 were already introduced into the normal payment circuit of the Treasury.

Status of the case:

An investigation report was filed to the Public Prosecutor who initiated legal proceedings against him by referring the case to an investigating judge. He is being prosecuted for forgery, use of forgeries, fraud, corruption, embezzlement and misappropriation of public funds and securities and attempt, money laundering.

Source: Côte d’Ivoire

Typical money laundering indicators

- Violation of public procurement rules and procedures;
- Soliciting payment of money before awarding a public contract;
- Use of paid brokers;
- Use of fake invoices;
- Doubling of invoice amounts;
- Payment of funds previously agreed between the public official and those in charge (of companies providing services);
- Direct investment of the funds received in the creation of plantations or agricultural farms.
Case Study N°8: Laundering of the proceeds of corruption by public officials through investment in banks and a fictitious construction company

Mr AD created a construction and utilities company (BTP) whose account was domiciled in a local bank. Three (03) days later, he received on the said account the sum of twenty million francs CFAF 20,000,000) and on the same day, he withdrew the said sum in full. Less than two (2) weeks after the withdrawal, he came back to ask for the account to be closed on the grounds that he had obtained a scholarship in a country in the American continent where he was due to go shortly. Investigations carried out to clarify this case established that the originator of the transaction was a company belonging to nationals of an Asian country and the funds were intended for Mr. ATD, AD’s uncle, who was in charge of a government department and who had helped the company to obtain a contract to repair the premises of his department. In order to confuse the issue, his nephew AD created a fictitious construction company whose sole purpose was to collect his bribe. The objective having been achieved, they logically requested that the account be closed and Mr. AD never left for his trip.

Source : Mali

Judicial follow-up :
The case is pending before an investigating judge at the Economic and Financial Division in Bamako.

- Typical money laundering indicators
  - Receipt of large amounts of money into a bank account without valid reasons;
  - Systematic withdrawal of all transfers received;
  - Movement of funds from the bank account of a private agent to the bank account of a public agent or his relatives;
  - Creation of a shell company;
  - Closing a bank account due to money withdrawals.
Case Study N°9: Laundering of the proceeds of corruption by public officials through the capital market (insurance and stock exchange)

The named ADEBA is a public official, Director General of a contingency fund of a public officials’ corporation. He was paid CFA 1,004,599 as salary.

In early February 2013, the above-mentioned subscribed to a life insurance (Savings) at the VOG Life Insurance Company by paying in cash into the books of the said insurance, the sum of three hundred million (300 000 000) FCFA that he might have previously withdrawn from his account opened at Bank A.
Ten days later, he took out a second pension insurance policy with Vie ANILOC. To pay the amount of his insurance contract, he had the sum of four billion two hundred million (4,200,000,000) CFA francs transferred from a second account, also at Bank A, in the name of SCI ESPOIR, a civil property company.

These huge transactions, both at the level of the two insurance companies and the bank, were not justified by any document concerning the economic motive and the origin of the funds held in the books of bank A. Similarly, his level of remuneration (CFA 1,004,599) until his retirement could not have allowed him to have such funds.

In light of this information, the investigative services conducted investigations which revealed the following facts:
In November 2004, the named ADEBA opened a current account at bank A on which he made several cash deposits, cheque remittances and transfers.

Indeed, since its opening until 31 December 2012, the account recorded cash deposits for a total amount of two hundred and seventy-nine million nine hundred and forty-one thousand (279,941,000) CFA francs, cheque remittances for an amount of three billion two hundred million eight hundred and thirty-seven thousand five hundred (3,200,837,500) CFA francs and a transfer for an amount of thirty-five million seven hundred and seventy-three thousand two hundred and seventy (35,773,270) CFA francs.

On the whole, this account was credited with a total amount of three billion five hundred and sixteen million five hundred and fifty-one thousand seven hundred and seventy (3,516,551,770) CFA francs, without the beneficiary producing any proof of these operations. These funds were then used to constitute several successive term deposits (DAT) which generated interest that brought the balance of the account on 22 January 2013, to four billion eight hundred and nineteen million six hundred and ninety-one thousand eight hundred and sixty-one (4,819,691,861) CFA francs.

The investigations also uncovered three (03) other accounts at bank B, one at bank C and another at bank D.

At bank B, the named ADEBA credited the account with several cash deposits, cheque remittances and the constitution of term deposits (DAT) which brought the balance of the account to CFA 2,000,000,000.

In addition to the use of term deposits, he also opened a securities account of CFA 90,000,000 to buy shares on the stock market. The investment made enabled him to have shares in several listed companies. In 2012, these shares earned him CFA 92,296,108 in profits.

In addition, he subscribed to bonds issued by the Public Treasury of Côte d’Ivoire for an amount of CFA 100,000,000 in 2005 at a rate of 6.5%, CFA 100,000,000 in 2008 at a rate of 6.25% and CFA 10,000,000 in 2011 at a rate of 6.5%, for which the interest is paid into the same account.

As for the accounts opened in banks C and D, they do not show any particular transaction.
Furthermore, the investigations confirmed the subscriptions in January and February 2013 of the named ADEBA to life and pension insurance with the companies Vie VOG and ANILOC, respectively for amounts of CFAF 300,000,000 in cash and CFAF 4,200,000,000 by transfer ordered from the SCI ESPOIR account housed at bank A. The account at Bank A was largely supplied by funds constituted at Bank B through cash payments, cheque remittances, purchases of financial or stock market products and the repayment of treasury bonds to which ADEBA had subscribed.

Finally, the investigations revealed that the funds in the possession of the ADEBA came from bribes in the context of the awarding of public contracts and embezzlement of public funds that he had to manage.

Source: Côte d’Ivoire

Judicial follow-up:

Suspected of forgery, use of forgeries, corruption, misappropriation of public funds and money laundering, the named ADEBA was presented to the Public Prosecutor who initiated legal proceedings against him. In pre-trial detention and then granted provisional release due to illness, officer ADEBA died shortly before the end of the investigation.

The funds were seized and transferred to the Treasury.

**Typical money laundering indicators**

- Large amounts of cash, transfers and cheques deposited in a current account belonging to a public official, General Manager of the contingency fund of a public officials’ corporation;
- Building up of successive term deposits;
- Purchase of treasury bonds after constitution of funds whose origin is unknown;
- Intermingling of fund transfer transactions on several accounts opened in several banks;
- Importance of the funds handled in relation to his status as a public official;
- Purchase of shares on the stock exchange;
- Unjustified origin of the funds;
- Subscription to pension and life insurance policies with two insurance companies for the respective amounts of 4 billion 200 million by transfers and 300 million by cash payments.
Case Study N˚10: Laundering of the proceeds of corruption by public officials through the investment of funds, purchase of treasury bonds, Term Deposits (DAT) and subscription to life insurance policies

In February 2011, SAC, a civil servant and financial services administrator, opened a current account at Bank A in order to receive his monthly salary. In March 2011, instead of his salary, he made a cash payment of CFAF 200,000,000 into this account and immediately subscribed to a term deposit contract (DAT) for the same amount.

In July of the same year, he emptied the term deposit prematurely making successive withdrawals that brought the balance of the account down to five million two hundred thousand (5,200,000) CFA francs. The sums thus withdrawn by SAC were entirely transferred to the account of a non-trading property company (SCI), opened by him in the books of the same bank A.

Following a report, the specialized investigation department of the police carried out investigations which led to the following findings.

The named SAC is the holder of five (05) bank accounts, four (04) of which are opened in his name at bank B, bank C, bank D and one (01) other account opened in the name of the civil property company at bank A.

The account opened at Bank A was used to collect his monthly salary of CFAF 311,000. With a balance of CFAF 29,091,012 as at 31 December 2009, this account recorded several cheque remittances during 2010 to 2012, bringing its balance to CFAF 99,868,097.

It should also be noted that from his account opened in the books of Bank D in 2004, he subscribed to 5,000 bonds of the Public Treasury of Côte d’Ivoire for a total amount of CFAF 50,000,000. On 31 December 2009, this savings account had a balance of CFAF 231,230,629, which was not justified by any economic reason. However, this account had several other credit transactions, mainly consisting of salaries, bonuses and quarterly rebates valued at FCFA 75,942,000 in August 2012.

It is also noted that in 2011, SAC withdrew FCFA 200,000,000 from Bank D to create a Term Deposit on his account at Bank A. A few months later, he started to empty the Term Deposit in order to transfer the funds to the SCI account at Bank A.

The investigations also made it possible to establish that the shareholders of the non-trading property company with a capital of CFAF 500,000 are only SAC, his wife and their minor child. The manager of the SCI company is none other than his nephew, appointed to replace his wife. The said company has no known headquarters and has not carried out any activity related to its purpose.

As for the account opened at Bank C, no significant transactions were revealed. While the investigations were in progress, SAC was carrying out two (02) other transactions at TAMO Vie Côte d’Ivoire insurance company. He subscribed to two (02) life insurance policies of CFAF 50,000,000 and CFAF 40,000,000, through cash payments, respectively in his name and that of his wife. It is also noted that SAC had already subscribed to a life insurance policy for CFAF 20,000,000 in the same insurance company in 2008.
Finally, the investigation revealed that the funds introduced into the financial system were in fact bribes received in the context of his function as paymaster. Suspicions of corruption levelled at him by state suppliers who were struggling to obtain payment of their invoices after work had been fulfilled, weighed on him previously.

Source: Côte d’Ivoire

Judicial follow-up:
SAC was charged with corruption, embezzlement of public funds and money laundering and presented to the Public Prosecutor who initiated legal proceedings against him.
SAC was granted a release on bail and the investigation file is still pending before the courts.

- Typical money laundering indicators

- Payment of an unusual amount into the bank account;
- Creation of several bank accounts;
- Opening of Term Deposit Accounts;
- Systematic liquidation of Term Deposit accounts;
- Payment of cash into the account of shell companies;
- Subscribing to life insurance policies;
- Purchase of treasury bonds.
Case Study N°11: Laundering the proceeds of corruption through the creation of a Business Company

In 2017, following media disclosures, the Higher Authority for State Control and Anti-Corruption investigated the management of the budget allocated to the Higher Council of Communication as part of its operation and the organization of the 2015 and 2016 elections.

Concerning the organization of the municipal election of 22 May 2016, six fractional contracts of 28,825,780 CFA francs (excluding taxes) were awarded by mutual agreement to the same company, belonging to the sister of the Director of Financial Affairs (DAF), in the context of the organization of the May 2016 election. Moreover, it should be noted that funds intended for the purchase of equipment for the delegations from the East (Fada) and the West (Bobo-Dioulasso) were misappropriated, and that there was overcharging, nepotism, etc. .

After the ASCE-LC report was forwarded to the courts, a procedure was initiated. The president of the Superior Council of Communication (CSC), the director of financial affairs, the director of public contracts, and the general manager of a company are being prosecuted for embezzlement of public funds, corruption, money laundering, over-billing, incompatible trade, etc. Upon the opening of an investigation, the president and her DAF were indicted.

The president denies the facts and the press has revealed that initiatives are in progress to erase the traces of certain misappropriations. Among other things, there is a desire to close the Eastern delegation. Already, the regional delegate, whom some suspect of having helped the president in her attempts to plug certain holes, has been appointed in Bobo-Dioulasso, replacing FK, who maintains that he refused to be involved in reprehensible practices.

Judicial follow-up:
The case is still under investigation and ten people are currently charged.

Source: Burkina-Faso

• Typical money laundering indicators and corruption:

- Income derived from an illicit activity: embezzlement of public funds, overcharging, incompatible trade;
- Integrating funds from an illicit activity into the legal economy: creation of a company, illicit simulation;
- Attempted personnel shift.
Typology 4: Laundering of income derived from abuse of position, illicit enrichment, misappropriation of public funds

Case Study N°12: Laundering proceeds of corruption through shell companies, investment in banks, trade, tax fraud laundering

A control investigation by the Tax Investigation Brigade in 2017 sealed two 40-foot containers loaded with spare parts worth CFAF 26 million belonging to a company P, which in reality leased its import card to another company in order to import the said goods. Mr. A, the beneficial owner of the goods is a senior official of the tax administration who engages in import-export activities with his friends. Investigations revealed that Mr. A is in fact at the heart of a network of false VAT declaration. The modus operandi was that, in complicity with the companies’ accountants, he sometimes made them pay a quarter of their actual declaration in exchange for invoices that turned out to be false. The remaining amount, i.e. 75%, was distributed among the members of the network, including sometimes the heads of the companies concerned. The loss in earnings for the State was estimated at several hundred million over several months.

Investigations revealed that Mr A laundered his resources through a number of shell companies. Mr. A is the promoter of five companies run by relatives and close associates. Requests for information from banks revealed that Mr A has four bank accounts that show several cash deposits made by his close relatives who are directors of the identified companies. The charges against Mr A include abuse of office, forgery and fraud, active corruption and money laundering, and misappropriation of public funds.

Case source: Bénin

Judicial follow-up:
Mr A and the owners of the companies involved in the VAT fraud are in prison.

Typical money laundering indicators

- Rental of importer’s card in violation of the law;
- Failure to register and declare activity and profit in the Republic of Benin;
- Collection of commissions in exchange for reduced VAT payments;
- Production of false invoices.
- Possession of several companies managed by close relatives;
- Use of the proceeds of corruption in the management of shell companies (payment of operating expenses and capital expenditure);
- Establishment of a network of forgers;
- Investment in import-export and service companies;
- Salami-slicing: depositing cash in several bank accounts.
Case Study N°13: Laundering the proceeds of corruption in property by using nominees in the process as beneficial owner: illicit simulation

In 2020, following ASCE/LC’s complaint and a preliminary investigation against KW, Deputy Director General of Customs, the prosecutor of the High Chamber of OUAGA I filed a lawsuit for corruption. The investigations revealed that Mr. KW had, through an illicit simulation, used Mr. KC to purchase and develop fifteen (15) plots of land in the city of Ouagadougou for a total amount of one billion three hundred million (1,300,000,000) FCFA.

As a customs official, it is difficult to accumulate such a fortune in twenty-three years of service under the guise of a third party, which means that these investments do not include those made by the defendant in his own name. The defendant even assumed the identity of SS to buy 655 tons of cement and to construct several buildings. In addition to his investments under the guise of others, Mr KW made transfers of funds, the origin and necessity of which he could not justify.

Minutes and other documents in the file suggest that Mr KW is probably the actual beneficial owner of assets, consulted on 29 July 2020 both in his own name and by nominees, which his legal income cannot justify.

What is more, the use of nominees is sufficient proof that the person concerned is aware of the obvious disproportion between his income and his assets.

Judicial follow-up:
The Public Prosecutor’s office has requested that a judicial investigation be opened against KW, his wife and SS.

Source: Burkina-Faso

• Typical money laundering indicators and corruption:
  - Resort to nominees in the purchase of plots of land;
  - Failure to justify the origin of the income used in the investment of the property;
  - Unjustified funds transfers.
Case Study N˚14: Laundering the proceeds of corruption through fixed assets: land acquisition

In July 2019, the Central Accounting Agency of the Treasury, during an audit of its management accounts, noted a series of irregular transactions carried out on money orders by AH and KOO, both public accountants, respectively head of the department in charge of monitoring the statements of structures and organizations and head of the accounting department. These are:

- Money orders n°1 and 2, respectively of CFAF 150,000,000 and CFAF 125,000,000 initially intended for a sub-regional body A, in charge of guaranteeing loans, were siphoned off to the benefit of NGO B dealing with sports issues;
- Money order n°3 for an amount of CFAF 778,546, actually intended for NGO B, was fraudulently increased to CFAF 75,435,794;
- Money order n°4 worth CFAF 425,000,000, initially allocated to administration C, in charge of the supervision of state services, was reduced to CFAF 350,000,000 and misappropriated for the benefit of administration D;
- Money order n°5 for an amount of CFAF 30,000,000, initially allocated to an Accounting Agency E, was also misappropriated for the benefit of Administration D.

Referred to by the Judicial Agent of the Treasury (AJT), the investigation conducted by the department in charge of economic and financial crimes revealed that all four warrants were modified for the benefit of new beneficiary administrations whose leaders were in collusion with AH and KOO, public accounting officers. Thus, money orders 1 and 2 of CFAF 150,000,000 and CFAF 125,000,000, initially intended for sub-regional body A, were transferred by Mr. AH to the account of sports NGO B, in agreement with Mr KOO, president of NGO B. The President of NGO B agreed to lend this account in exchange for a commission of CFAF 50,000,000. The Accounting Officer AH also gave the sum of CFAF 20,000,000 to KOO, President of NGO B, for the purchase of a piece of land for the benefit of the Mutual of Accounting Officers of which AH is the President. The latter acknowledged having collected the sum of CFAF 130,000,000 himself, with which he paid for the purchase of the land. He also acknowledged that money order n°5 amounting to CFAF 30,000,000 credited to the account of the administration D was to be used to regularize the salaries of November 2017. As for money orders No. 3 and 4, AH also acknowledged having mistakenly charged it to NGO B and Administration D. Furthermore, Mr. KOO admitted having forged the money with his colleague AH, in order to misappropriate for their benefit, the money orders intended for other administrations. An examination of the accounting documents in the file revealed that over the period from 2015 to 2018, the total damage amounted to CFAF 846,750,394, including CFAF 496,314,600 given to Administration D and CFAF 350,435,794 collected by NGO B. Moreover, the plots of land purchased with the embezzled funds are registered in the names of AH and KOO respectively, and not in the name of the Mutual of Accountants, for which they are primarily responsible. Finally, the investigation revealed that AH and KOO, both public accountants, used their powers to embezzle public funds amounting to 846,750,394 FCFA.

Source of the case: Côte d’Ivoire

Judicial follow-up:

Mr. A and the owners of the companies involved in the VAT fraud are in prison. Five people, including Mr. AH and Mr. KOO, were presented to the Public Prosecutor who immediately initiated legal proceedings against them for forgery, corruption, misappropriation of public funds and money laundering. They are in preventive detention and the case is still pending before the courts.

• Typical money laundering indicators:

- Use of forgery by two public accountants;
- Reallocation of official money orders from public administrations to an NGO and a para-governmental entity;
- Prior agreement between the public accounting officers and the managers of the entities receiving the misappropriated funds;
- Use of transit accounts to receive embezzled public funds;
- Payment of commissions to accomplices of perpetrators of misappropriated public funds;
- Use of misappropriated public funds for the acquisition of property
Case Study N°15: Laundering the proceeds of corruption through investments in fixed assets, land, education and transport company activities.

Mr X, a civil servant working in a ministry, managed to introduce into the civil service several fictitious agents who were paid into the national budget. The case came to light in 2017 following an audit commissioned by the Beninese state, which revealed that around 2,000 fictitious agents were being paid into the national budget even though they had not taken part in any competitive examination to enter the civil service. The amount received by these agents is estimated at a little over 100 million.

The BEF’s investigations led to the arrest of Mr X, who admitted having introduced around 1,000 fictitious agents into the public administration, particularly in secondary education. In fact, Mr X belongs to a network and his role is to issue a pay slip to these fictitious agents who will pay into the national budget like any other state agent. The network receives a commission of 75% and the rest for the fictitious agent. In the distribution to the members of the network, Mr X receives 45% of the salary and promotion allowance of each fictitious agent that he has managed to slip into the list of state agents. Mr X and some members of the network were arrested for forgery, abuse of office and complicity in active corruption and are under arrest. The other members of the network are still being sought by the police as well as the fictitious agents. Besides, Mr X owns several properties including luxury vehicles, flats and is the promoter of a private school complex and a transport company.

It is clear from this case that the network of offending agents, in particular Mr X and the fictitious agents, each had their share of the cake by mutual agreement.

Case source: Benin, Tribunal.

Judicial follow-up:

The case is still pending and Mr X could be charged with fraud, abuse and complicity, embezzlement, and the offence of active corruption.

• Typical money laundering indicators

- Purchase of luxury goods: Mr X owns several luxury vehicles;
- Purchase of property: Mr X admitted owning several flats that his income cannot justify;
- Purchase of land: the plots of land where the buildings are located belong to Mr X;
- Creation of a company: Mr X owns a school complex and a transport company.
Case Study N°16A: Laundering the proceeds of corruption through several banks

Under a corruption pact, ten civil servants involved in the management of public funds (Japanese contribution funds, institutional and technical support funds, deposit of state contributions to project financing) embezzled public resources by illegally withdrawing them from the deposit accounts of these public funds opened in the books of certain banking institutions. During the period covered by the investigation (2011-2015), the total amount of unjustified transactions was CFAF 2,107,226,257. These illicitly gained funds are then laundered through the banks managing the current accounts of these ten public officials. In addition, part of these illicit funds was used by the ten accused agents to purchase goods, including luxury vehicles, plots of land, etc. However, after investigations conducted by competent authorities, part of the ill-gotten gains of the ten agents was forfeited and in the hand of justice. Some of the defendants had deposited the ill-gotten gains, which were also seized and placed in the hands of justice.

Source of the case: Niger

Judicial follow-up:

All the defendants were referred to the Public Prosecutor’s Office for money laundering, corruption, embezzlement, misappropriation of public funds, complicity in embezzlement of public funds and criminal association.

One of the examining magistrates of the Judicial Division Specialized in Economic and Financial Matters sent a rogatory commission to continue investigations in relation to one of the accused (the payer) who should justify or reimburse more than one billion CFA francs in order to allow him to collect certain supporting documents which, according to him, were in his office.

The said rogatory commission as well as all the documents resulting from its execution were returned to the mandating Judge.

- Typical money laundering indicators
  - Illicit income generated by the misappropriation of public funds as a result of corruption of public officials;
  - Laundering of illicit income derived from corruption and embezzlement of public funds in several banks;
  - Integration of illicit revenues laundered into the real economy, through the purchase of vehicles, plots of land, etc.
  - Involvement of several agents in the management of public funds (about ten);
  - Withdrawal and payment transactions carried out by several agents, without justification as to the origin and destination of the funds, or appropriate accounting documents;
  - Inadequacy between the lifestyles of these public officials and the levels of their salaries;
  - Opaque management of public accounts, against the background of a corruption pact concluded by a group of public officials.
Case Study N°16B: Laundering the proceeds of corruption through several banks

In April 2017, FIU prepared a comprehensive report on a case of laundering of proceeds of corruption by a customs officer, Mr OMEGA, who receives bribes and commissions from an economic operator, Mr ALPHA. In return, the economic operator, Mr ALPHA, clears his imported goods at favourable rates, i.e. lower than those provided for in the Customs Code (Common External Tariff of the West African Economic and Monetary Union).

The proceeds of corruption are laundered through a banking institution, JERRY-BANK, in the capital, Gondwana City, where the defendants each have a current account. The defendants used an organized money laundering technique. Indeed, in order to deceive the vigilance of the staff of this bank in the payment of cash into Mr OMEGA’s current account, the defendants, acting as sponsors, used the services of eleven (11) other people, who in reality are mere brokers. During the period covered by the investigations (between 01/09/2011 and 18/03/2015), the total amount of corruption proceeds laundered amounted to CFAF 325,668,350 with thirty-seven (37) payment transactions. In particular, one general partner, Mr LAMBDA, stood out for the frequency and amount of his payment transactions into Mr OMEGA’s current account, amounting to CFAF 163 million. All these transactions were made in cash and without economic justification. The amounts of the payments vary from CFAF 149 850 to CFAF 121 322 550.

With regard to withdrawal transactions, the accused adopted the same technique, using, in addition to four (4) general partners used for payment transactions, the assistance of five (5) new persons used solely for withdrawal transactions. Although the economic operator, Mr ALPHA, has a current account with the same bank, he makes withdrawals from the current account of Mr OMEGA, a customs officer, generally preceded by the payment transactions made by the main intermediary, Mr LAMBDA. Out of a total amount of cash withdrawals of CFAF 284,770,000 with twenty-seven (27) transactions, carried out in Mr. OMEGA’s current account, those carried out by Mr. ALPHA amounted to CFAF 192 million. It should be noted that Mr. LAMBDA has never made any withdrawal from this account. Therefore, he only made cash deposits.

Source: Niger

Judicial follow-up:
The file transmitted in 2017 is currently being investigated by the Judicial Unit specialized in economic and financial matters.

Typical money laundering indicators

- Illicit income generated by a corruption pact between a customs officer and an economic operator;
- Proceeds of corruption laundered in a banking institution;
- Integration of a large proportion of the laundered proceeds of corruption into the real economy, given the total amount of withdrawals made, which represents 87.4% of the illicit funds paid.
- Regular frequency of cash payments without economic justification;
- Existence of several persons operating in the same current account, without any family ties;
- Inadequacy between the amount of the transactions and the profile of the client, who is a customs officer;
- A big economic operator, importing goods in particular, with no family ties to the holder of the current account, a customs officer, makes withdrawals from it, even though the latter has a current account with this bank.
Typology  5 : Laundering funds derived from payment for users’ access to public service

Case Study №17:: Laundering the proceeds of corruption through cattle breeding

In November 2014, the National Anti-Fraud and Corruption Office (OFNAC) received an anonymous denunciation from a certain Mr. X concerning illicit practices taking place in a state department in charge of Transport. The head of the department, Mr. G, was in the habit of demanding sums of money for the issuance of documents such as applications for public transport licences, transfers or vehicle registrations, or for driving licences.

Investigations conducted by the investigators revealed that the agent in charge of the formalities for approvals and licences, Mr. N, demanded CFAF 15,000 for the issuance of documents on the instructions of his head of department, CFAF 150,000 for taking the driving test in a single day, and CFAF 100,000 between the code test and the driving test, in defiance of the law.

At the end of the investigation into this case, it was clearly established that Mr. G had exceeded his prerogatives in terms of issuing transport tickets by unduly claiming sums of money from users of the service. After his arrest, Mr. G claimed that the funds collected in this illegal activity allowed him to pay for the cattle he was raising.

Source : Senegal

Judicial follow-up:

The case was referred to the Public Prosecutor and Mr G was charged and placed under detention order. Six (6) other persons were arrested.

- Typical money laundering indicators
  - Abuse of power;
  - Repeated breaches of rules and procedures.
  - Payment of bribes to obtain an administrative service
  - Violation of the Articles of the Penal Code on receiving undue sums of money as a civil servant;
  - Recycling proceeds of corruption into the financial circuit through bank deposits;
  - Reintegration of corrupt proceeds into the livestock sector.
Case Study N° 18: Laundering the proceeds of corruption through the economic and financial sector

In January 2016, the National Anti-Fraud and Corruption Office (OFNAC) received a complaint from Mr X against a customs officer at the checkpoint in a border area in one of the southern regions of the country. The agent in question is accused of alleged corruption.

The investigations conducted by the investigators revealed that the agent asked for money in exchange for the crossing of persons in possession of goods, disregarding the procedures set out. The funds collected by the agent reportedly allowed him to live beyond his means and to make investments in the economic and financial sector in order to generate legal financial flows. The investigations carried out led to the offence of misappropriation of funds as provided for in Article 156 of the Penal Code. The case has been referred to the Public Prosecutor.

Source: Senegal

Judicial follow-up:
The case has been referred to the Public Prosecutor and investigations are ongoing.

• Typical money laundering indicators
  - Breach of rules and procedures;
  - Abuse of power;
  - Bribery;
  - Illicit enrichment;
  - Investment of funds;
  - Unusual transaction in the account with regard to the profile declared by the client at the time of entry into the relationship;
  - Large sums withdrawn without economic justification;
  - Unjustified enrichment;
  - Laundering of illicit funds accumulated through corruption via the banking sector;
  - The offence of corruption provided for in Article 156 of the Penal Code.
Typology 6: Laundering the proceeds of corruption through legal persons and arrangements

Case Study N°19: Use of a Trust by a PEP to launder income from bribes paid by a fuel import company

In early August 2010, the competent national authorities granted an exclusive license to import all petroleum products for the country to a company called «SOPEG» owned by a close associate of a top-ranking PEP, His Excellency Mr ALLO. On 8 August of the same year, Mrs ALLO, the wife of Mr ALLO, created a trust called R. Trust and opened an account in her name in the books of a bank located in the Federation of North American States «F. Countries» and in the books of To. Bank L Gambia. Within a month, deposits of nearly USD 4,100,000 were made into the Trust’s account, of which USD 3,500,000 were immediately transferred to the DWPTE bank account for the purchase of a 6-bedroom mansion in the F. Countries: P. Country.

Investigations by the investigation committee revealed that the information on the opening of the account at To. Bank L Gambia was very scanty. There was no trustee on file, nor was there any documentation to prove the existence of the trust. The account was opened by a certain SOCOMA who was at the time managing director of the same company that had just been granted the exclusive fuel import licence.

On 13 August, 3 cash payments of $800,000, $125,000 and $75,000 were made into the R Trust account at «P Country». On 20 August, 23 August and 2 September of the same year, transfers of $1,000,000, $500,000 and $1,000,000, respectively, were made into the accounts of the R. Trust at P Country from the R. Trust Gambia accounts. These funds were then used to purchase a property in the name of the trust, which was always used by the ALLO family during their stays in «P Country».

The Commission found the Gambian bank To. Bank L responsible for breaches of its reporting requirements under the AML/CFT Act and also included the former senior PEP, His Excellency Mr. Allo in the laundering of the proceeds of corruption.

Source: The Gambia

- Typical money laundering indicators
  - Ownership of companies by PEPs, especially at high levels of governance. This is particularly true in cases where these companies were registered when the PEPs were already in public office, and where the income does not correspond to the business activity.
  - Use of complex corporate structures and ownership networks. This conceals the ultimate beneficial ownership of these companies.
  - Trusts set up in the name of close relatives and partners of PEPs, with assets that cannot be justified by the expected earnings of the trustee.
  - Where it can be established that the owners of the company are merely nominees holding the shares on behalf of a beneficiary whose identity is unclear.
  - Where a significant proportion of a company’s financial transactions are conducted in cash.
Étude de Cas N°20 : Use of shell companies by a PEP as a vehicle for capturing resources from public contracts

Sometime in 2009, Mr. ZYZ, a brother to then-president, incorporated a company called CARABAO for the purpose of trading. In 2010 he was appointed Gambia’s Ambassador to Qatar. While serving in that position, he introduced a Lebanese-owned company, PES Ltd, to the Government. PES Ltd. represented that they had expertise in grain and food processing and were willing to enter into a joint venture agreement with the Government for the establishment of a rice meal and animal food processing plant. The Government’s participation in the venture was going to cost $15,000,000. Using his influence as the President’s brother, the Ambassador was able to secure the deal for PES Ltd. In exchange for his services, he would be paid 10% of all receipts from the Government.

In late 2010, the Government, through several public agencies, began instalment payments to PES, as part of its investment in the joint venture christened Gambia Food and Feed Industries. Each time the Government made a payment, the PES would give a 10% kickback to the Ambassador. To conceal the nature of the funds, wire transfers were routed through CARABAO Accounts at Zenith Bank Ltd, with diverse descriptions such as «payment for services», «payment for invoices» etc. During the period in question, no goods or services were offered by CARABAO to PES. In total $1,500,000 was wired to CARABAO accounts at Zenith Bank.

Upon receipt, the funds were used for a diverse number of purposes. A portion of the funds was invested in the importation of commodities such as cement and sugar for resale in The Gambia. The proceeds of this business activity benefited the Ambassador who was the biggest shareholder and beneficial owner of CARABAO. Other parts of the funds were used to purchase a residential property in an upscale neighbourhood, in the construction of a rental residential property and the construction of a mansion and warehouse on the Airport Highway. The proceeds of these rental properties benefited the Ambassador.

In 2016, following an investigation by the Attorney General’s Office, Mr. ZYZ was charged with 6 counts of corruption and fraud-related offences under the Economic Crimes Act. He pled guilty to all charges and was sentenced to repay the sum of GMD 30,000,000 to the state. All his assets, which were obtained with the proceeds of the crime, were forfeited to the State.

Source : THE GAMBIA

• Typical money laundering indicators

The complex nature of trusts makes them very likely to be used as vehicles for money laundering. Indeed, trusts’ secrecy and the ability to conceal beneficial owners are key factors behind their appeal to corrupt officials and PEPs. Some of the indicators include:
  - Establishment of a commercial legal entity by a PEP in the name of a close relative;
  - Establishment of shell companies by a PEP as a vehicle for capturing resources from public contracts;
  - Lack of nexus between payments made into the company’s account and the actual provision of services;
  - Shareholding of a PEP.
Typology 7: Laundering the proceeds of corruption through «Door Openers» or «Gatekeepers»

Case Study 21: Using lawyers as a medium for laundering the proceeds of corruption

Perpetrator AS is a lawyer by profession. He has registered company X, acting in partnership with a very popular PEP, Perpetrator JB, as a joint shareholder. AS also opened a business account in a local commercial bank. Money from an offshore account in the amount of USD 2,000,000 was wired from the Cayman Islands, a country known to be a tax haven and with less stringent AML/CFT regulatory control, into the business account opened by Perpetrator AS.

Upon request for the bank’s KYC documentation by the FIU, the name of the account’s owner was another company in which the said PEP had a controlling interest. According to the lawyer, the purpose of the transfer was the purchase of a property on behalf of his clients which he refused to disclose.

A few days later, AS transferred US$1,000,000 from the company’s account to his personal account held at the same bank. The local bank filed an STR with the FIU, which advised the bank to closely monitor the account. AS then transferred US$800,000 to JB’s personal bank account in two instalments.

The FIU acted pursuant to its administrative powers and ordered a freeze on the transaction for a period of 10 working days. The Director of the FIU subsequently took legal action to extend the freezing order for up to six (6) months when it became clear that the requested mutual legal assistance from the Cayman Islands could not be received in time. Assistance was requested to determine who had sent the money to Sierra Leone for the benefit of perpetrators AS and JB and whether it had been earned as a result of illegal activity.

This did not materialize due to the lack of cooperation from the requested jurisdiction, but is an important typology to show how lawyers act as ‘gatekeepers’ by setting up corporate platform, opening accounts and seeking to launder money on behalf of their clients by transferring this money from corporate to personal accounts.

Source: SIERRA LEONE

• Typical money laundering indicators
  - Structured movement of possible proceeds of illicit activities;
  - Creation of shell companies;
  - Lawyers acting as «door openers» for PEPs;
  - Receipt of funds from a high-risk jurisdiction without a specific purpose
Case Study №22: Using bankers and accountants to launder the proceeds of corruption

In 2015, a license to mine heavy mineral concentrates was granted to a company called «SAPAM» supposedly owned by a top-ranking PEP, His Excellency Mr ALLO. In 2016, the company, without any incorporation document, board resolution or KYC, was able to open accounts with GT. Bank Limited and FI. Bank Limited and received funds from foreign sources. The Investigation Commission concluded that not only was the granting of the mining operation to «SAPAM» illegal, but that «SAPAM» had never been incorporated either. Due to the collusion of their bankers, they were able to open and manage bank accounts.

Source: THE GAMBIA

• Typical money laundering indicators

- Ownership of a company by a PEP;
- Granting a business license to a company owned by a PEP;
- Use of bank to open accounts in the name of shell companies;
- Failure to comply with KYC/CDD due diligence requirements when establishing business relationships.
Case Study 23: Misuse of a charity to launder funds from corruption

In 1999, a former President started a charity called YES Foundation For Joys (YFFJ). The Foundation conducted a large number of charitable activities across the country. An investigation by the Commission of Investigations revealed that the funds deposited in the Foundation’s bank account went directly to the former President himself and not to the Foundation’s activities. Between 2012 and 2013, $8,000,000 was deposited in the Foundation’s accounts, all of which was withdrawn. The origins of these sums could not be traced. In 2013, five payments amounting to $2,500,000 were made into the charity’s accounts by EAF Limited, a company owned by one of the President’s close associates, which had exclusive rights to import all petroleum products for The Gambia. A further payment of $99,982.50 was made by Jantra AG, a Swiss-based engineering company. All of these funds were either withdrawn in cash or transferred for purposes that were not consistent with the charity’s objectives. The Commission discovered that the individual had used the accounts to conceal corrupt payments to himself.

Source: The Gambia

Case Study 24: Laundering embezzled funds through charitable organizations

In 1971, a company X was registered and incorporated in Liberia as a Liberian non-resident national company for the purpose of importing large container-carriers for an international shipping company. Company X is believed to be a subsidiary of Company Y, an international company. Company X is believed to be owned by businessmen with strong ties or relationships to senior officials in the governments of two former T&T presidents. As a result of these relationships, Company X enjoyed unwarranted duty-free privileges and evaded taxes and customs duties.

Company X was also used as a shell company through which corrupt officials could transfer ill-gotten funds to foreign accounts linked to Company X without any trace to Company Y. These funds were allegedly looted in Liberia in the 1970s from the T&T administrations. Company X opened an account in its name with SI BANK in London, UK. Several deposits were made into this account in the company’s name and others. Over the years, suspicious withdrawals, transfers, etc. were made from the account. The account became inactive for ten (10) years or more, but with a significant amount in its balance remaining unused.

At the beginning of this year (2020), some individuals from Company X attempted to move the cash balance of the account amounting to over US$8 million. They informed the SI Bank authorities that the money was to be transferred to a new account that was supposed to be paid for charitable donations. Given the long period of inactivity in the account, the bank raised suspicions based on previous unusual activity in Company X’s account and alerted the National Economic Crime Centre (NECC) in London. Before the matter was referred to the National Economic Crime Commission (NECC), the bank investigated the account internally and had it suspended. Since then, no one had tried to touch the money.

• Typical money laundering indicators

- Large financial transactions in charity accounts from an obscure source or not commensurate with the scale of the charity’s usual activities;
- Successive cash withdrawals from the charity’s accounts in breach of required procedures;
- Lack of regular financial or activity reports to regulators.

Source: The Gambia
National Crimes Agency (NCA) investigators were able to collect and analyze data dating back more than 10 years which showed that the account had been opened using ‘false identities’. The NCA also made a preliminary finding that Company Y, the international company, had no connection or knowledge of Company X and that the account had a history of red flags. In the course of the NCA’s investigation, persons suspected of being connected to the account gave their consent to the application of a freezing order and subsequent forfeiture of the said funds. The NCA described the money as laundered criminal money. To date, the money has been held under an account freezing order, granted to the NCA by Westminster Magistrates Court since October 2019.

The preliminary investigation revealed that the company’s articles of incorporation were revoked by the Liberian government in 2009 due to non-payment of annual registration fees for the period 2007-2009. Currently, the Government of Liberia is now arguing the basis for the dissolution of the company on the grounds that it is inconceivable to dissolve a legal entity for non-payment of the annual registration and royalty fees of US$1,350.00; a legal entity that has shares, with a board of directors, assets, liabilities, among others. The government suspects that the said decision to dismiss his predecessor appears to help the company to conceal any information regarding ill-gotten funds.

The investigation is ongoing in Liberia to determine who may have committed the act; the company or persons acting outside the company and whether the ill-gotten funds under British authority, if constituted, can be repatriated to Liberia. However, the following was found: the company was registered in Liberia in 1971 with three registered board members who were politically exposed persons (PEPs) with sufficient access to public funds and related to former Liberian President William Tubman; who died in 1971 in London. The Liberian government therefore claims to be a victim of fraud and money laundering and has therefore committed two UK firms to engage with the UK authorities to ensure the repatriation of the funds.

Earlier this year (2020), some individuals from Company X attempted to move the entire cash balance of the account. They informed the City Bank authorities that the money was to be transferred to a new account that was supposed to be paid for charitable donations.

**Source de l’affaire : LIBERIA**

- **Typical money laundering indicators**
  - Use of false identities
  - Granting of unjustified privileges, exemptions and duties
  - Unjustified exemption from taxes and duties
  - Use of multiple accounts
  - Use of foreign currency domiciliary accounts
  - Use of investment accounts in a foreign country
  - Unjustified reason for withdrawals
  - Unexplained accumulated wealth.
CHAPTER 4: INDICATORS AND RED FLAGS
CHAPTER 4:

INDICATORS AND RED FLAGS

146. A number of indicators and warning signs have been identified from the analysis of the cases studied. The indicators and warning signs differ according to the degree of certainty or uncertainty about the likelihood of ML or FT events in the situations presented. In fact, the indicators represent factual circumstances that may or may not indicate possible cases of laundering of the proceeds of corruption. Warning signs or red flags are alerts that provide greater certainty that money laundering has occurred and call for more due diligence by AML/CFT stakeholders.

147. The indicators found are as follows:

- Litigants having a close relationship with a judge or close associates, including close associates when a case is referred to the judge for decision;
- Unlawfully suspended court decisions in ML or TF cases;
- Discharge or dismissal of a case;
- Discontinuation of legal proceedings without good reason in financial crime cases;
- Preference and use of FIs with little inclination to comply with KYC/CDD processes and procedures;
- Unexplained sudden wealth, unnecessary and ostentatious lifestyles;
- Preference for cash transactions;
- Use of multiple accounts;
- Business relationship involving a PEP;
- Use of foreign currency domiciliary accounts;
- Unusual possession or use of significant assets;
- Receipt of funds from a high-risk jurisdiction without a specific purpose;

148. The red flags identified are as follows:

- Maintaining financial accounts and records in fictitious names;
- Granting of tax exemptions, diplomatic immunity and other rights in violation of legal or regulatory provisions;
- Use of private accounts to misappropriate official cheques;
- Payment of fines for vehicles blocked in a secret location other than the official channel for doing so;
- Blatant granting of full diplomatic status to all staff, tax exemption, immunity from law enforcement searches and other privileges, as well as the status of PEP to shareholders in business enterprises;
- Huge sums of money involved in activities that have no connection with the declared activity
- Use of legal arrangements, shell or fictitious companies;
- Use of offshore/foreign jurisdictions;
- Failure of the company to comply with AML/CFT preventive measures;
- Non-payment of tax revenues due to the government by named collectors in the consolidated revenue account, but siphoning off to private bank accounts.
CHAPTER 5:
GENERAL CONCLUSION, CHALLENGES AND RECOMMENDATIONS
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GENERAL CONCLUSION, CHALLENGES AND RECOMMENDATIONS

Key Findings

149. Ultimately, the study shows that corruption and the laundering of its proceeds are one aspect of financial crime that affects all countries in the region without exception and on a considerable scale. These two criminal conducts are linked, so much so that corruption hinders the fight against money laundering by serving as a shield for offenders. Meanwhile, the opportunities for money laundering created by legislative and institutional deficiencies and the lethargy of criminal law enforcement systems tend to encourage resort to illicit enrichment and corruption.

150. This situation is likely to undermine community projects (UEMOA, ECOWAS). It is true that vigorous legislative, regulatory and institutional responses have been made in most countries, but these efforts, however immense, have not yet produced conclusive findings, particularly in terms of the effectiveness of the anti-corruption and anti-money laundering mechanism across the region. Strong political commitment, rather than political will, is needed to mitigate the severity of the phenomenon.

151. This commitment should be reflected in the mobilization of resources, namely financial and human resources, the provision of the necessary equipment to anti-corruption services and FIUs, and the continuous support of the actors of the criminal justice system by strengthening their technical and operational capacities.

152. In addition to the public authorities, the fight against corruption remains a duty for all citizens: intellectuals, researchers or civil society actors. A synergy of civic actions should be able to contribute to curbing the severity of these phenomena on national economies.

153. With regard to terrorism and its financing, the study did not reveal any cases related to corruption. However, given the precarious security environment in the region, with an increasing trend of terrorist acts in Mali, Burkina Faso, Niger, Nigeria, and even Côte d’Ivoire, Togo, and Benin, it might make sense to integrate risks related to attempts by terrorist groups to bribe public officials in order to raise, stockpile, transport funds and purchase weapons and ammunitions, the worst-case scenario that should be avoided.

In light of these findings, policy and operational measures are recommended in this report to help countries strengthen their national anti-corruption and anti-money laundering regimes.

Challenges

154. The study found that corruption breeds money laundering to a serious degree as the derived proceeds are reinvested in various ways in the economy to make it look legitimate. In turn, money laundering ensures that perpetrators have opportunities to enjoy the proceeds of corruption with impunity.

155. It further revealed that in order to launder the proceeds of corruption, offenders use different techniques and methods. In the most sophisticated cases of money laundering, there is the layering of banking transactions including the transfer of money to several accounts both nationally and internationally. In the case of international transfers, certain countries considered to be protective of banking secrecy are chosen as the final destination of the funds when they are to be kept in a bank account. Other sophisticated methods involve the creation of shell companies indirectly controlled by PEPs or the
use of figureheads to collect and recycle corrupt funds. In the vast majority of cases, corruption funds are channeled in cash directly to lifestyle expenses, purchases of property, etc.

156. Indeed, most of the suspects are public officials, primarily PEPs, who abuse their privileged position as state officials responsible for providing a public service in accordance with the laws and regulations applicable to each sector of activity. The proceeds generated by their corrupt practices are systematically laundered, notably in financial or stock market products offered by financial institutions, and also through the property, agriculture, livestock and other formal or informal business sectors. The introduction of corrupt funds into the legal economic circuit is done through cash deposits, cheque payments, account-to-account transfers and bank-to-bank transfers.

157. Furthermore, national legislation on whistleblower protection is in various stages of deployment. Not only are asset recovery frameworks and policies generally not adapted to AML/CFT objectives, but failure to comply with asset reporting requirements is also not accompanied by proportionate and dissuasive sanctions.

158. Significantly, most countries with national anti-corruption agencies have not given these institutions the status of judicial police officers, although in a few countries (e.g. Benin, Burkina Faso, Niger) they are authorized to exercise civil party rights.

159. In terms of challenges, countries face the difficulty of ensuring effective coordination of national responses to money laundering and corruption, due to a lack of cooperation between agencies. Besides, the detection and investigation of corruption cases do not take into account the requirements of the AML/CFT, including the tracing and confiscation of the proceeds of corruption.

160. Although this typologies exercise did not establish and document the link between corruption and the financing of terrorism, it did give some indication of the level of FT risk associated with the phenomenon. Indeed, the ability of corruption to fuel organized crime and other predicate offences to money laundering makes it essential for Member States’ competent authorities to fully understand and appreciate this interrelationship.

161. Overall, the fight against money laundering and financing of terrorism in the ECOWAS region is hampered by the characteristics of the informal economy and the prevalence of cash in business relations. Taking advantage of this context, and in particular of the opacity of the governance frameworks (lack of transparency regarding the financing of political parties, the conditions for granting licences, awarding contracts, access to legal texts, laxity of regulators, etc.), corruption finds itself in charted waters.
162. Considering the weak governance in West Africa, the region’s vulnerabilities to corruption, the gradual emergence of professional money launderers and the resilience of financial secrecy and offshore financial centres worldwide, the fight against the laundering of the proceeds of corruption has become a major challenge for national authorities. Corruption is an endemic problem in all countries - big and small, rich and poor. It undermines democracy and the rule of law, leads to human rights abuses, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish, undermines the ability of governments to deliver basic services and discourages foreign investment and aid.

163. In order to effectively combat corruption, AML/CFT should be prioritized by GIABA Member States, through the establishment of national strategies based on AML/CFT risks and the allocation of adequate resources for its implementation. To this end, the following recommendations are made to national and Community authorities:

**Strategic Recommendations**

i) From a global perspective, the culture of integrity in public administrations is not regulated by specific legislation. Special provisions should be included in the laws governing each government institution and tailored specifically to the operations and corruption risks of each institution. Such provisions should be underpinned by obligations of transparency, integrity and accountability, with a range of administrative or disciplinary sanctions applicable in the event of non-compliance.

ii) The same applies to the availability and accessibility of legal instruments in countries. Competent authorities should ensure that appropriate conditions are created for free and easy access to the laws that govern the life and functioning of the state, and in particular special laws on corruption and money laundering.

iii) Countries should conduct an assessment of the specific risks to the illicit financing of political parties and the judiciary in order to adopt an action plan to mitigate such risks.

iv) The powers and responsibilities of central anti-corruption agencies should be broadened and strengthened so that they are empowered to conduct investigations, to act as civil parties in court cases and, most importantly, to monitor the effectiveness and efficiency of anti-corruption compliance mechanisms implemented, in particular, by corporate entities (private or public), state administrations or territorial governing bodies.

v) Countries should take the necessary measures to criminalize bribery of foreign public officials, embezzlement of public funds, laundering of the proceeds of corruption and obstruction of justice.

vi) Forfeiture of the proceeds of crime should be made a top priority by governments, including in the absence of a prior conviction in the event that the offender is at large, dead or unaccounted for. In this regard, the criminal law and criminal procedure of countries should be adequately reformed.

vii) The legal reforms protecting whistleblowers against corruption that are being undertaken in some countries must be supported by an effective public awareness campaign to reverse the trend of corrupt practices in the region.

viii) Countries should adopt a legally binding integrity code with monitoring and supervisory mechanisms. This would certainly help to systematize character background checks prior to access to positions of responsibility in the administration.

ix) Countries should define the role of the different stakeholders in detecting potential cases of corruption and support their action (customs, taxes, auditors, etc.).

x) Digitalization of State Departments and other measures designed to limit human interaction in making payments, bidding or participating in tenders, etc. should be considered as part of a high-level response to corruption in countries.

xi) Countries should establish parliamentary investigation committees on corruption and publish the conclusions.

xii) Countries should establish an effective system for collecting reliable data and statistics on the issue of corruption, particularly at the level of the judiciary.
xiii) Countries should promote direct access by FIUs to the databases of public administrations such as Customs, Tax and Domain.

xiv) GIABA and its technical partners should support the creation of a Regional Anti-Corruption Forum: bringing together the anti-corruption authorities or agencies in ECOWAS Member States. This Forum could meet twice in the following year in tandem with the GIABA Technical Commission/Plenary Meetings.

xv) GIABA and its technical partners should support the regional assessment of the compliance of anti-corruption laws with international instruments and the AML/CFT requirements of ECOWAS Member States.

**Operational Recommendations**

i) Countries should identify and equip staff of anti-corruption agencies or services with the appropriate means and expertise to conduct independent financial and asset investigations. Their management autonomy should be reinforced by their own budgets.

ii) Anti-corruption services should define and implement a range of administrative and disciplinary sanctions related to breaches of anti-corruption compliance requirements by public and private companies. These sanctions should be proportionate and deterrent. They should also, as part of their supervisory tasks, systematically share their reports (including the sanctions applied) with the financial intelligence unit and other investigative structures.

iii) FIUs should sign co-operation agreements with the anti-corruption services of their respective countries in order to strengthen the exchange of information and intelligence with one another. They should also ensure that AML/CFT reporting entities are fully aware of risky business relationships, in particular Designated Non-Financial Businesses and Professions (DNFBPs) and Virtual Asset Service Providers (VASPs).

iv) AML/CFT reporting entities (FIs, DNFBPs and VASPs) should:

- Identify indicators of corruption for natural and legal persons,
- Carry out enhanced due diligence on domestic and foreign Politically Exposed Persons (PEPs),
- Carry out risk analysis (clients, products, geographical areas, distribution channels, etc.),
- Identify the beneficial owners of business relationships.

v) National AML/CFT Coordination Committees should be adequately provided with resources to facilitate the existing inter-agency collaboration mechanisms in the countries. Their composition should also include agencies for the recovery and management of forfeited assets.

vi) The capacity of the region’s investigative and prosecutorial authorities should be developed to trace, seize, freeze and confiscate illicitly gained assets.

vii) The partnership between the private and public sectors should be strengthened, through the establishment of a consultative forum in each country, with the central involvement of tax administrations and large multinational firms, to combat corruption.

viii) Media and civil society organizations should be trained and equipped to inform the general public about the sanction regimes for corruption, the ways in which whistleblowing can be brought to the attention of the competent authority, and the whistleblower protection regimes in place.

ix) Investigating, prosecuting and adjudicating authorities should systematize parallel financial investigations for money laundering, where a corruption or related offence is detected.

x) Countries should organize, in partnership with GIABA and other institutions, training workshops for diplomatic and consular officials on the implementation of international anti-corruption instruments and AML/CFT.

xi) Countries, in partnership with GIABA and other institutions, should organize training workshops and develop guidelines for tax administration officials.

xii) Countries, in partnership with GIABA and other institutions, should organize training workshops and develop guidelines for auditors on their professional obligations to disclose criminal activities to the relevant authorities.

xiii) GIABA and its technical partners should support the establishment of regional databases of PEPs and beneficial owners of multinational firms operating in the region.

xiv) GIABA should facilitate the establishment of a Regional Forum of Anti-corruption Agencies or Authorities.
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