



**Money  
Laundering (ML)  
Case Examples –  
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# Who regulates ML in Nigeria

The Government authorities responsible for investigating and prosecuting money laundering criminal offences are:

- **Nigerian Financial Intelligence Unit - NFIU**
- **Central Bank of Nigeria - CBN**
- **Economic and Financial Crimes Commission - EFCC,**
- **National Drug Law Enforcement Agency - NDLEA**
- **Nigeria Immigration Service – NIS and**
- **Nigerian Customs Service - NCS.**
- **Special Control Unit Against Money Laundering - SCUML**

## **NOTABLE MONEY LAUNDERING CASES:**

There are numerous cases of money laundering in the country. A few of them are proven cases. A large number are still being investigated, while others are being prosecuted.

### **CASE 1:**

**UDE JONES UDEOGU V. FEDERAL REPUBLIC OF NIGERIA & ORS (2016) LPELR-40102(SC)**, the issue arose when Ude Jones Udeogu, Orji Uzor Kalu, Slok Nigeria were all arraigned before the Federal High Court sitting in Abuja. This arraignment occurred in the year 2005 when some indigenes of Abia State wrote a petition to the Economic and Financial Crimes Commission (EFCC) against Orji Uzor Kalu, the 2nd Respondent herein, who was then the Governor of Abia State. After an investigation was carried out by EFCC, there was evidence to show that the then Governor of Abia State had carried out some shady dealings with the 3rd Respondent, Slok Nig. Ltd. It was alleged that Mr. Orji Kalu had gone ahead to withdraw several billion on Naira which belonged to the State and converted the same into various bank drafts and lodged the same in the account of Slok Nig. Ltd. The Supreme Court went ahead to provide the ingredients of money laundering by stating as argued by the Learned Counsel to the Respondent as follows:

- The accused converted or transferred resources or property;
- The resources or property must have been derived directly or indirectly from drug-related offenses or any other crimes or illegal acts;
- The conversion or transfer of the resources must be with the aim;
- Concealing or disguising the illicit origin of the resources or property; or
- Aiding any person involved in any of the acts of drug-related offenses or any other crime or illegal act so as to evade the illegal consequences of his action.

The Court, in this case, concluded and further held that: In the case at hand, the funds allegedly transferred by the Appellant were funds originally in the account of the Abia State Government meant for the development of that state. It was alleged that the funds were later withdrawn illegally from the Government's Account on the pretense that these were for an official purpose, but in fact, the money withdrawn in cash was used to purchase bank drafts and the said drafts were later traced to the Appellant's Account and were subsequently paid into the account of the 3rd Respondent. Clearly the circumstance in which the withdrawals of this money were made requires some explanation from the Appellant about his involvement".

However, all the accused were later discharged by the Supreme Court on the ground that the Judge who heard and delivered judgment in respect of the criminal case has been elevated to the Court of Appeal as at the time he delivered the judgment, and thereby lacked the jurisdiction to still preside on such a case and deliver judgment. All the accused are to be re-arraigned as ordered by the Supreme Court.

## **CASE 2:**

**EFCC V DR. MARTINS OLUWAFEMI THOMAS, (2018) LPELR-45547(CA)**, the sum of \$2,198,900.00 was found in the possession of Ibiteye John Bamidele. Being such a huge sum of money, the said man was arrested at the local wing of the Murtala Mohammed International Airport Lagos while trying to board a flight to Abuja. When investigations commenced, the Respondent, Dr Martins Oluwafemi Thomas came to lay claim on the money and said he gave the money to John Bamidele to take it to Abuja. He made a statement and he was later granted administrative bail. He was asked to deposit his international passport. Several days later, the Respondent filed an application before the Federal High Court seeking the under listed reliefs:

- A declaration that the sum and his international passport seized is illegal and ultra vires the powers of the EFCC.
- A declaration that the EFCC had no right to arrest or detain or declare the applicant as a wanted person.
- A declaration that the EFCC has no right to restrict the applicant's movement in or outside Nigeria on the basis of the unlawful seizure of the Applicant's money in the sum of \$2,200,000.00.
- A declaration that the EFCC was in breach of the applicant's fundamental human rights.

The application was opposed by the Appellant and upon due consideration by the Federal High Court, the trial Court granted the reliefs. On appeal, the EFCC argued that the lower court failed to take into consideration the investigations carried on by the Appellant in ascertaining the offense of money laundering which involves disguising or concealing the illicit origin of wealth. The Appellant argued that there was a prima facie case against the Respondent alleging that the Respondent gave the huge sum of cash to the said Bamidele without passing the same through a financial institution, which was in contravention to Section 1 of the Money Laundering (Prohibition) Act, 2011. However, the Court of Appeal held that the appeal lacked merit and therefore the appeal failed.

### **CASE 3:**

**OYEBODE ALADE ATOYEBI V. FEDERAL REPUBLIC OF NIGERIA (2017) LPELR-43831(SC)**, Mr Alade Atoyebi alongside one other person were arraigned before the trial Court on a 54 count charge wherein they were accused of the offense of money laundering. The accused now appellant was charged for accepting cash payments from the Lagos State House of Assembly which was above the specified amount allowed under the Money Laundering (Prohibition) Act, without going through a financial institution. The accused now appellant made an application for no-case submission at the trial court and same was upheld by the court. The state appealed against the decision of the trial court to the court of appeal where it was held that there was indeed a good case made against the accused persons and this position was also upheld at the supreme court of Nigeria.

### **CASE 4:**

**FEDERAL REPUBLIC OF NIGERIA V. JAMES IBORI & 5 OTHERS**, The EFCC charged James Ibori who was governor of Delta State from 1999 to 2007 with embezzlement of money from the state treasury and laundering the same through associates to the UK, thereby breaking the provisions of the Money Laundering (Prohibition) Act (2004) of Nigeria. The EFCC lost the Ibori case however government convicted and jailed him through a UK court of law.

### **CASE 5:**

**FEDERAL REPUBLIC OF NIGERIA V. LUCKY IGBINEDION**, The EFCC charged Lucky Igbinedion who was the former governor of Edo State with embezzling about N4.4 billion and money laundering, while serving for eight years as governor; he settled through plea bargain, paid some fine and forfeited some properties.

## **CASE 6:**

**FEDERAL REPUBLIC OF NIGERIA V. ADEYEMI IKUFORJI & OYEBODE ATOYEBI**, Mr. Ikuforiji, the former speaker of the Lagos State House of Assembly, was arraigned by the Economic and Financial Crimes Commission (EFCC) alongside his aid Atoyebi, on charges bordering on 54 counts. They had pleaded not guilty before Justice Mohammed Liman and had been granted bail in 2012 when they were first arraigned. The trial of the defendants, earlier scheduled to continue, was stalled as the trial judge was said to be indisposed. A new date was to be communicated to parties in the suit. At the last adjourned date, on March 17, the EFCC closed its case after calling its second witness, Adewale Olatunji, a former Clerk of the House of Assembly. Olatunji was led in evidence by EFCC counsel, Ekele Iheanacho, while he was cross-examined by defence counsel, Dele Adesina (SAN). The defence was scheduled to open its case on May 11, but the strike by the Judiciary Staff Union of Nigeria (JUSUN) which began on April 6 and lasted until June 9, hindered it. When the strike ended, the Federal High Court proceeded on its annual vacation – from July 26 until September. Before the vacation, there was a transfer of judges, and Liman was transferred to another division. However, he is presiding over Ikuforiji's trial on administrative fiat. According to the charge, the defendants were alleged to have accepted cash payments above the threshold set by the Money Laundering Act, without going through a financial institution. The commission accused the defendants of conspiring to commit an illegal act of accepting cash payments in the aggregate sum of N338.8 million from the House of Assembly without going through a financial institution. Ikuforiji was also accused of using his position to misappropriate funds belonging to the assembly. The EFCC said that the defendants committed the offences from April 2010 to July 2011. The offences, according to the EFCC, contravene the provisions of Sections 15 (1d), 16(1d) and 18 of the Money Laundering Act, 2004 and 2011.

## **CASE 7:**

**FEDERAL REPUBLIC OF NIGERIA V. ABDULRASHEED MAINA**, The Federal High Court sitting in Abuja, presided over by Justice Okon Abang, has convicted and sentenced a former Chairman of the Pension Reform Task Team (PRTT), Abdulrasheed Maina, to 61 years in prison for money laundering. However, the jail term, which is totalled 61 years, will run concurrently. Maina was arraigned by the Economic and Financial Crimes Commission (EFCC) on 12 counts on October 25, 2019, for alleged money laundering and theft of pension funds running into N2 billion. The commission alleged that Maina committed criminal offences punishable under sections 11(2) (a), 15(3), and 16(2) (c) of the Money Laundering Prohibition Act, and also acted in breach of the Advance Fee Fraud Act. On November 26, 2019, the court granted bail to Maina in the sum of N1 billion, and ordered him to produce two sureties who must be serving senators. The two sureties, according to the court must be prepared for N500 million bond each, and must always be in court with the defendant at each adjourned date of the trial. He complained that the bail condition was "stringent, excessive and impracticable" and subsequently applied for variation. On January 28, 2020, Justice Abang exercised discretion of the court judicially and judiciously reduced Maina's bail conditions to N500 million with a serving Senator as surety. Due to prolonged absence in court, Justice Abang on November 18, 2020 revoked Maina's bail, and consequently ordered his rearrest anywhere within and outside Nigeria. On November 23, 2020, the court ordered that Maina's surety, Senator Ali Ndume should be remanded in prison following his failure to produce the defendant in court to continue his trial.

## **CASE 8:**

**FEDERAL REPUBLIC OF NIGERIA V. ABDULLAHI BABALELE**, The Federal High Court sitting in Lagos discharged Abdullahi Babalele, a son-in-law of former Vice President Atiku Abubakar, over alleged laundering of \$140,000. Justice Chukwujekwu Aneke threw out the case filed by the Economic and Financial Crimes Commission (EFCC) on the grounds of territorial jurisdiction. Accordingly, the judge held that the charge against the defendant ought not to have been filed in Lagos when the alleged offence was said to have been committed in Abeokuta, the Ogun State capital. The judge relied on the Supreme Court's decision in a case between the EFCC and Mohammed Dele Belgore on territorial jurisdiction. Babalele was arraigned in 2018 and then re-arraigned on October 8, 2019. The EFCC accused Babalele of giving former President Olusegun Obasanjo \$140,000 on the instruction of Abubakar, who was vying for the office of president in 2019. He pleaded not guilty on each occasion. The trial commenced and the prosecution called two witnesses and tendered several documents that were admitted in evidence, before closing its case against the defendant on November 25, 2020. At the last hearing on December 7, Babalele's counsel, Chief Mike Ozekhome SAN, filed a no-case submission praying the court to dismiss the charge.

## **CASE 9:**

**FEDERAL REPUBLIC OF NIGERIA V. MRS. DIEZANI ALISON-MADUEKE**, The EFCC had alleged that Mrs Diezani Alison-Madueke escaped the country shortly after her tenure as the Minister of Petroleum Resources got wind of the plan to charge her with various offences. The commission on November 11, 2018, filed the 13 counts of money laundering to justify the bid to have her extradited to Nigeria. Diezani was accused of among others in the charges that she unlawfully took into her possession, the sums of \$39.7m and N3.32bn when she reasonably ought to have known that the money formed part of the proceeds of unlawful activities. She was said to have purchased choice landed assets with the money using different fronts as the owners. Justice Ijeoma Ojukwu of the Federal High Court in Abuja granted the Economic and Financial Crimes Commission's request for more time to produce the former Minister of Petroleum Resources, Mrs Diezani Alison-Madueke, to face her money laundering charges.

## **CASE 10:**

**FEDERAL REPUBLIC OF NIGERIA V. MRS. BEAUTY APERE**, The Economic and Financial Crimes Commission opened its case in the money laundering case it instituted against Mrs Beauty Apere, who is the ex-governor's aide's wife, at the Federal High Court Yenagoa, Bayelsa State. The absence of EFCC's star witness on Oct 20 had stalled the N200-million money laundering suit against Mr Embelakpo Apere, and his wife, Beauty, in separate cases before the court. Embelakpo was an aide on Sustainable Development Goals (SDGs) to former Gov. Seriake Dickson. At the resumed trial, the prosecution witness, Mr Timothy Owoeye, an official of the EFCC, in his evidence, said that the Commission collaborated with several banks and regulatory agencies during its investigation. Owoeye was led in evidence by the prosecution counsel Mustapha Iko. He told the court that the Commission acted on a Suspicious Transactions Report (STR) from the Nigerian Financial Intelligence Unit (NFIU) to investigate the defendant. He noted that the STR from the NFIU indicated that between April and Oct 2015, N73 million, \$51,900 and £3,800 in cash were reportedly lodged in the defendant's bank account at Guarantee Trust Bank, Yenagoa. Owoeye also said that efforts to trace the source of the funds made the EFCC to query the registration status of Kare-X Fashions and Designs Nigeria Ltd, with the Corporate Affairs Commission (CAC). He said that the company, which the defendant claimed to be her source for the funds, was not found in the database of the CAC. The witness further said that the defendant later claimed that she had other sources of business supplying of granite and timber for construction which were also scrutinised. The EFCC, however, said that the income from the defendant's timber business could not be ascertained as most of the buildings where the timber was purportedly used had been roofed and occupied. He tendered letters from several organisations in response to EFCC's inquiry, documents from six commercial banks as evidence, but the court noted that the documents were not itemised for ease of reference. The trial judge, Justice Isa Ndahen, adjourned the case until Nov. 4 for ruling on the admissibility of the documents tendered in evidence by the EFCC. The EFCC had arraigned Apere and Beauty at the court on Oct. 8, for money laundering allegedly carried out in 2015 but defence counsel Andrew Arthur raised a motion of preliminary objection to Apere's arraignment. The defence argued that Apere had earlier been tried and discharged and the discharge amounted to an acquittal, but the prosecution countered that the discharge was based on technicalities and not on merit. The judge adjourned until Dec 15 for ruling on the motion opposing the arraignment of Apere.

## EMERGING ISSUES AND CHALLENGES

Despite the various approaches adopted by Nigeria in the fight against money laundering and other related crimes, and the successes achieved so far, the incidences continue to persist, while the rate of prosecution and conviction is rather slow. This is because of the complex nature of the phenomenon and the challenges Nigeria is facing in its enforcement efforts; some of which are enumerated below:

- **The Regulatory Challenge**

The anonymity enjoyed by the operators in the unregulated business activities in Nigeria facilitates the perpetration of these crimes. There are a number of handicaps facing the Nigeria Police such as operational logistics, funding, training, motivation, manpower and combat equipment. In addition, the phenomenal advances in technology, which have exposed the economy to various forms of economic and financial crimes; and the increasingly sophisticated equipment and methods used by the perpetrators in their nefarious activities, give them greater advantage ahead of the law enforcement agencies in the country. Specifically, limited technology and infrastructure at the disposal of the regulatory and law enforcement authorities in the country make detection of crimes and prosecution of criminals extremely difficult. There is, therefore, need to provide the law enforcement authorities and other regulatory agencies with up-to-date equipment to enable them to be alive to their responsibilities.

- **Legal Reforms**

The constraint imposed by the requirements of the Nigerian law poses a great challenge for the fight against money laundering and other related crimes in the country. Nigeria operates the common law criminal jurisprudence of presumption of innocence, and the requirement of the rules of evidence pushes the burden of establishing the guilt of an accused person to the prosecution (Sections 95 and 97 of the Evidence Act of Nigeria). This makes the testimony of victims of crimes, particularly in cases of advance fee scam vital in criminal proceedings. This differs from other jurisdictions for instance which declares an accused person guilty until proven otherwise.

- **The Payments System and E-Banking Challenge**

The poor banking habit among Nigerians and the cash and carry orientation of the economy remains the greatest asset to money launderers and, thus, a predicament to an effective anti-money laundering policy in the country. Though the Money Laundering Act prohibits cash transactions above NS00,000 and N2,000,000 for individuals and companies, respectively, and requires the reporting of banking transactions above these limits to the EFCC/NDLEA, the practicability of such regulations is doubtful, especially in a cash and carry economy like Nigeria. Such regulations, no doubt, can be effective in countries with advanced financial systems where large cash transactions are unnecessary and, thus, naturally raise suspicion. The same cannot be said of Nigeria where large cash transactions, though unsafe, are not uncommon due to lack of confidence in the financial system. In addition, due to the low level of technological advancement, internet usage has been a source of financial fraud in the country. As long as people are not exposed in the use of the modern electronic means of payment, the problem will continue to linger.

- **The Challenge of Globalization and Good Corporate Governance**

The use of correspondent banks poses a great challenge for anti-money laundering law enforcement officials in the country as they often encounter difficulty while trying to determine the actual location of the laundered funds as well as the jurisdiction to focus for future efforts. Even where law enforcement agents request the assistance of the correct foreign jurisdiction, the ability to forfeit these funds depends upon the strength of the forfeiture laws in that jurisdiction, which if available, may be incompatible with the home country law. It may also depend upon the cooperation of the foreign government as currently being experienced in the country. The challenge for the country, therefore, lies in reforms that will create partnerships or memoranda of understanding to be able to track and deal with this issue. As long as there are existences of legal and enforcement gaps in the country, the fight against international dimension of money laundering may remain elusive.

- **Cross-border Jurisdictional Issues**

As money laundering crimes frequently transcend border, the issue of the appropriate jurisdiction in which to commence legal actions is a crucial one for a victim seeking to initiate action against the offender. The most common method to find jurisdiction is by service of process. This is easy if the defendant is within jurisdiction. In the cases of international criminal proceedings, there is a strong possibility that the court applied to, will be reluctant to exercise its jurisdiction on the ground that there is a more appropriate forum (or that it is a forum non-conveniens) for the action. Again, there is a strong possibility of a court's reluctance to grant extradition of the offender. Although there are principles of conflict of laws to decide in what circumstances jurisdiction should be exercised, the conflict of law principles also differs from country to country. This could result in the victim going from court to court in search of a suitable jurisdiction, the possibility of which is likely to be a strong deterrent to taking any legal action. The near mirage of not getting justice in the face of jurisdictional problems makes the fight against money laundering difficult. Again, only through international cooperation and synchronization of international laws that relative success could be achieved in the country.

- **High-Tech Transnational Issues**

As the use of Internet and other new technologies increase, more money launderers are provided with opportunities to commit such crimes remotely, via telephone lines and data networks. Presently, malicious programming code and harmful communication pass through several carriers located in different countries. As banking and finance infrastructures are increasingly becoming networked, there is the possibility of them being vulnerable to cyber-attack from distant locations. This poses a great challenge in the efforts to combat money laundering activities. There is, therefore, the need to ensure that people are protected from those who use new technologies for financial and other related crimes anywhere in the world.

## Summary

This presentation mentioned some Money Laundering regulators in Nigeria. It went ahead and sighted Ten (10) Money Laundering Cases in the Country and their various stages of prosecutions. Some issues and challenges emerging from the country's efforts towards combating money laundering were also presented.



**THANK YOU**