Chapter 2

Religio-Spiritual Implications of Corruption and Money Laundering: The Case of Nigeria

Adebayo Rafiu Ibrahim
University of Ilorin, Nigeria

ABSTRACT

Nigeria is a country in the center of financial crimes and money laundering in Africa right from her pre-independence, independence, and post-independence eras. The aim of this study was to analyze the religio-spiritual effects of financial corruption and money laundering in Nigeria. The study answered such questions as what is the role of religious practitioners in aiding and abetting money laundering in Nigeria and how anti-money laundering strategies affect religion. The study observed that religion was dubiously used for money laundering activities, while some manipulated religion to exploit others. Some, for money ritual, also employed evil spirituality. The study concluded that religion has to be properly regulated to avoid its manipulation by some individuals while there is a need to review some anti-money laundering policies that reduced religion to mere worship in the four corners of places of worship and do not allow it to feature in humanitarian volunteerism.

DOI: 10.4018/978-1-7998-8758-4.ch002

Copyright © 2021, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
INTRODUCTION

Money laundering has become a global pandemic sparing no nation, race, or tribe. It takes various dimensions ranging from such criminal activities as embezzlement, prostitution, and corruption, to all sorts of ill-gotten wealth and criminal incomes. It assumes an international dimension when such notorious dealings are perfected for cross-border movements to finance terrorism (Nasir, 2020). Money laundering is a means of illegal acquisition of wealth to conceal its illegal origins. Money laundering and financial corruption are closely related that attempts to demarcate the two have been fruitless. Financial crimes dovetail to money laundering, as efforts are made to conceal or disguise such criminal acts or disguise the illicit origin of the property to evade the legal consequences of the actions. Corruption is also a category of predicate criminality for money laundering. Such corrupt practices include tax evasion and smuggling among others. According to the 2010 GIABA Report, government revenue loss from tax evasion is as high as 50% of potential revenue and tax evasion can be concealed as business profits and be diverted into the informal economy and real estate sector. The report also traces smuggling to trade-based money laundering, as valuable goods are concealed amongst commodities with low import tariffs to avoid paying full import tax. It also takes the form of smuggling portable and easily concealable commodities like diamonds in a person’s belonging when traveling. This corrupt practice aided the smuggling of illicit commodities, such as guns, which are sources of illicit funds, and as well aided some militant groups to have access to arms to carry out their nefarious activities.

Some corrupt practices, which aided trade-based money laundering through smuggling, include over- and under-invoicing of goods and services and falsely describing goods and services as well as multiple invoicing of goods and services. Indeed, the Mafia Ownership of Laundromats in the United States, which was said to have been the origin of money laundering, generated their monies from corrupt means such as extortion, prostitution, gambling, and bootleg liquor (Ogbodo & Mieseigha, 2013). While emphasizing the close link between money laundering and corruption, the 2010 GIABA report has it that:

“Corruption thrives thanks to insufficient and poorly implemented institutional safeguards and a lack of freedom of information; it is also a major predicate offense for money laundering purposes, a significant source of illegal proceeds, and a means by which efforts to prevent money laundering are undermined. Corrupt officials often use their position of power to aid the laundering of the proceeds of corruption, highlighting the need for strong provisions regarding PEPs in AML/CFT regimes. The property and formal banking sector are particularly at risk from funds derived from corruption (p.7).”  (GIABA, 2010)
Related Content

Access to Justice and Legal Representation in Nigeria: Commentaries on the Experiences of Human Rights Lawyers
www.irma-international.org/chapter/access-to-justice-and-legal-representation-in-nigeria/286361

The Root Causes of Human Trafficking in West Africa and Nigeria in Perspective
Sachia Ephraim Ikyernum (2022). Handbook of Research on Present and Future Paradigms in Human Trafficking (pp. 64-82).

The Potential of Virtual Reality for Police Training Under Stress: A SWOT Analysis
www.irma-international.org/chapter/the-potential-of-virtual-reality-for-police-training-under-stress/281295

An Interview With Chief Payne of the Grand Rapids, MI Police Department
www.irma-international.org/chapter/an-interview-with-chief-payne-of-the-grand-rapids-mi-police-department/281300

An Interview With Chief Sargent of the Worcester, MA Police Department
Steven W. Steinert (2021). Interventions, Training, and Technologies for Improved Police Well-Being and Performance (pp. 185-197).
www.irma-international.org/chapter/an-interview-with-chief-sargent-of-the-worcester-ma-police-department/281301