FINANCIAL INTELLIGENCE AND REGULATING MONEY LAUNDERING IN KAMPALA CITY, UGANDA

BY

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A RESEARCH REPORTSUBMITTED TO THE COLLEGE OF ECONOMICS AND MANAGEMENT IN PARTIAL FULFILMENT FOR THE AWARD OF BACHOLAR'S DEGREE IN BUSINESS ADMINISTRATION (FINANCE AND ACCOUNTING) OF KAMPALA INTERNATIONAL UNVERSITY, UGANDA

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Declaration

I ADIGA RICHARD declare that this research report is my own work that has been compiled from my original work and has never been presented to any institution by any other individual. I am submitting it for the award of Bachelor's Degree in Business Administration (finance and accounting)of Kampala International University (KIU) –Gabba- Kansanga

Sign.............................. Date....18/10/2019...

ADIGA RICHARD

Approval

This research report has been prepared by ADIGA RICHARD under the close supervision of Dr. Kirabo K.B. Joseph who has been my supervisor at the university during the process of ding the research

Sign.. Date...18/10/2019......................

Name Dr. Kirabo K.B Joseph

Dedication

This work is dedicated to my parents especially my uncle ASIKU ELLY ELIAS, ASIKU FLORENCE and the family for spiritual, financial, moral, and fatherly support they offered to me during the year of my academic struggle

Great applause to my academic supervisor Dr. Kirabo Joseph for his academically and fatherly support he offered to me during the my dissertation at the university at Kampala International University-Kansanga and finally to the almighty God for the protection, resources and guidance He has accorded to me during my time of study

To my father DUDUA DANIEL and my brothers MUSEMA, ALFRED, ALIO, JIMMY and Sisters NELLY, VIKO, LUCY AND CHRISTINE for their family and moral support to me during my course of struggle at Kampala international university

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I would like to thank the Almighty God for the guidance, protection, and the power of knowledge He offered to me during the period of the study for the three years 2016/2019 in Kampala International University (KIU)-Kansanga

My sincere thanks go to my supervisor Dr. Kirabo Joseph who is also the head of department for his fatherly, Educative and tireless effort in guiding me during the course of my research.

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Not for getting our lecturer. Who were so fatherly in my moral support in encouraging me to hard work for success.

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ABSTRACT

The study sought to establish the relationship between money laundering and financial intelligence. Money laundering is a comprehensive term, and covers; steps of money laundering, causes of money laundering and the possible effects and solutions to money laundering. The study investigates, measure, and evaluates the relationship between money laundering and financial intelligence.

To achieve the study objectives, a questionnaire was designed and distributed to a sample of the study which consisted of 100 employees of Kampala city especially ministry of finance, planning and economic development. A structured questionnaire with Likert scale was used to collect data from the respondents who had a 100% response rate. From the respondents 80 were male while 20 female constituting and 80 % and 20 % respectively. A guided interview was also employed by the researcher. The Data collected using questionnaires was sorted, coded and captured in Statistical Packages for Social Scientists (SPSS) for processing and analysis. Frequency tables, mean and standard deviation were generated from the data for analysis and interpretation to enable the researcher answer the research questions and draw concrete conclusions.

Overall the results supported the hypothesis. The study revealed positive and significant benefits of financial intelligence in regulating money laundering

The study found out that financial intelligence authority plays a great role in regulating mney laundering in a country or nation. The study therefore recommends that the management of companies specifically ministry of finance, planning and economic development should formulate comprehensive and effective preventive measures or strategies that seek to build good reputation and sustainability of commercial and banking organizations to ensure they reduce on the effects and causes of money laundering.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

In this chapter the researcher looked at the: Background to the study, problem statement, purpose of the study, specific objectives, research questions, hypotheses of the topic, scope of the study, study justification and operational definition of key words

1.1 Background to the study

1.1.1 Historical perspective

Financial intelligence According to Drucker, in 1954, in his groundbreaking book, *The Practice of Management* wrote the following."[The worker] should know how his work relates to the work of the whole. He should know what he contributes to the enterprise...if he lacks information, he will lack both incentive and means to improve his performance. "It is in the best interest of the organization that the workers have the information."

The concept of financial intelligence in organizations comes from the research of several well-known organizational development academics, including Dennis Denison, Edward Lawler and Jeffrey Pfeffer. For example, the research of Lawler, Mohrmanand Ledford found that the indices that have the most impact on both direct performance outcomes in organizations (productivity, customer satisfaction, quality and speed) and on profitability and competitiveness were sharing information and developing knowledge. "Money. *Oxford English Dictionary (3rd ed.). Oxford University Press. September 2005.* (Subscription or UK public library membership required.)

According to Karen Berman's research, asked specifically if information (operationalized by teaching business basics to improve financial intelligence and sharing information on a regular basis) improves the results of employee participation, as seen through organizational performance improvement and employee attitude improvement. The results of the study found that certain financial performance measures improved and that employee turnover decreased.

Financial literacy also has its roots in open book management. A core tenet of open-book management is business literacy, that is, ensuring everyone understands how the business measures financial success.

The international community is undergoing rapid political, social and economic development. The use of modern technology has facilitated transportation and communications, and has made the world a small village. Although these developments have brought about positive outcomes globally, they have however, impacted the financial system exposing it to abuse from organised criminals. One of the major abuses of the world financial system is money laundering. "The Growing Threat of Transaction January 2019.

According to the 1998 Vienna Convention, money laundering involves the conversion or transfer of property, with the knowledge that that property is derived from an illegal activity, or from participation in such an illegal activity. The purpose of this activity is to disguise the illicit origin of the property, or to assist any individual who is engaged in such an activity to dodge any legal consequences of his or her actions (cited in Mitsilegas, 2003). Of late, money laundering has been used to support terrorist 2009, p. 88).

Money laundering and terrorism financing are closely related because the techniques used to launder money are practically similar to those employed in concealing the sources and applications of terrorist financing. This is a point supported by Schott (2006), who states that there is a close link between money laundering and terrorist financing, as the methods used in money laundering are similar to those used in concealing the sources of terrorist financing.

Whether the source of terrorist finance is legitimate or illegitimate, terrorists conceal their sources thereby achieving continuity in financing and blocking detection. The increase in the number of money laundering crimes is increasing, despite the growing efforts to stop it. These increases highlight the need to control such criminal activities at an international level through the sharing of intelligence between countries.

Further, funds for terrorists raised from money laundering are also a big threat to global peace. As a result, the Kingdom of Saudi Arabia (KSA) has taken several measures to combat both crimes. *"G2 Transaction Laundering Detection"*.G2 Web Services. *Retrieved 8 January 2019.*

The KSA has participated in many bilateral and regional agreements relating to combating money laundering and terrorism 12 financing. This includes the adoption of regulations set by the international financial advisories and other governing institutions (Cordesman&Obaid, 2005).

In addition, in 1995 the Central Bank of Saudi Arabia (Saudi Arabian Monetary Agency SAMA) established a national legislative, regulatory and supervisory framework for the banking and financial industry. This framework was designed to ensure that each financial institution remained vigilant, and that internal controls, processes and procedures were in place to monitor suspicious money laundering transactions and activities.

Further, the KSA issued a Royal Decree under the Anti-Money Laundering Law (AML) in 2003. This Decree established a Saudi Arabian Financial Intelligence Unit (SAFIU) in the Ministry of Interior (MOI) which specialized in the handling of money laundering and terrorism finance cases (SAMA, 2008).

This thesis touches on the various sections of the KSA legal framework that deals with money laundering and terrorist financing. It also addresses how the KSA complies with international standards and agencies such as the Financial Action Task Force (FATF). Money laundering is a type of business intelligence constituted of the knowledge and skills gained from understanding finance and accounting principles in the business world. Although a fairly new term, financial intelligence has its roots in organizational development research, mostly in the field of employee participation. Financial intelligence has emerged as a best practice and core competency in many organizations leading to improved financial results, increased employee morale, and reduced employee turnover. Many organizations include financial intelligence programs in their leadership development curriculum. Financial intelligence is not an innate skill; rather it is a learned set of skills that can be developed at all levels Zetter Kim (May 2013)

Many companies, (Southwest Airlines being a prime example) consider financial intelligence a core competency or best practice. Several universities, including Harvard Business School, Wharton and Stanford have programs targeted at the corporate world, mostly at the leadership level, to increase the financial intelligence in organizations. There are a variety of methods to increase financial intelligence in organizations, including classroom training, webinar training, and business simulations. Training companies have supported these efforts as well, including Business Literacy Institute, Paradigm Learning, and Workplace Development.

Proponents of financial intelligence in organizations believe that if employees, managers and leaders understand financial information and how financial success is measured, they will make decisions and take action based on an understanding of the financial impact of those decisions. If everyone knows the financial goals of the company, for example, and knows how to make decisions that support those financial goals, then the company is going to be more financially successful. *"Economic Crime: A Threat to Business Globally"(PDF).* Archived from *the original(PDF)* on 12 June 2018.

Employee owned companies are one group of organizations that are focused on ensuring everyone in the company is financially intelligent, as employees are owners and therefore must understand the financial side of the business.

1.1.2 Theoretical perspective

It has been demonstrated in academic reports that financial institutions have made efforts to detect and prevent money laundering since last many years, but the main feature of money laundering are its processes in which it is carried out. Many experts have argued that money laundering does not take a singular act but takes a more complex operation, which is completed in three basic steps which include placement, layering and integration (Anon, 2006). The International Monetary Fund (IMF) (2001: 7-8) defined money laundering as being the "transferring (of) illegally obtained money or investments through an outside party to conceal the true source". In South Africa, the Public Accountants and Auditors Board (2003), stated that money laundering is defined in local legislation as being "virtually every act or transaction that involves the proceeds of crimes, including the spending of funds that were obtained illegally". There are variation in views of different authorities to explain the notion of money laundering.

1.1.3 Conceptual perspective

Money laundering and terrorism financing pose significant threats to security and development efforts worldwide and increasingly undermine the integrity and stability of the global financial system. In recent years there has been increasing political will and tangible progress on anti-money laundering and countering the financing of terrorism (AML/CFT) issues in the region. In order to capitalize on this momentum, the Global Center, supported by the Government of Denmark, has produced a detailed research study of AML/CFT developments and remaining challenges in the region, building upon a 2012 baseline report that was also supported by the Government of Denmark

The report includes cutting edge information and analysis from 10 countries: Djibouti, Eritrea, Ethiopia, Kenya, Somalia, South Sudan, Sudan, Tanzania, Uganda, and Yemen. It provides a snapshot of the underlying economic and socio-political climate in each country, followed by an in-depth analysis of AML/CFT developments and achievements, as well as remaining capacity and implementation challenges. The report includes recommendations for initiatives that support jurisdictions in addressing capacity challenges and building more robust AML/CFT regimes and discusses regulatory challenges and financial inclusion opportunities posed by emerging technologies such as mobile banking within the region.

1.1.3 Contextual perspective

Uganda is still susceptible to Money Laundering (ML) and Terrorism Financing (TF) despite having the Financial Intelligence Authority (FIA) in place, a new report has revealed.The National Risk Assessment (NRA) of the Money Laundering (ML) and Terrorism Financing (TF) report says corruption-related proceeds are posing a high ML threat to Uganda.

"Despite a relatively solid legal framework, the establishment of the Financial Intelligence Authority (FIA) and good cooperation among AML stakeholders, Uganda's vulnerability to ML remains, overall, high. The major factors behind it are the country's low ML combating ability and the very high overall sect oral ML vulnerability," the report reads in part.

According to a 2014 Report by the Inspectorate of Government, the estimated amount paid in bribes in 2013 was Shs165bn.The 2014 nationwide survey on governance, undertaken in 2013, showed that at least eight of every ten Ugandans believe that corruption is a serious problem in the country.Embezzlement and diversion of government funds are the main proceeds generating crimes with regard to corruption. Funds are embezzled or diverted to the personal interests of the offenders through outright theft, misallocation, diversion to a wrongful purpose of interest to the offender and other conducts. Fraud and tax crimes proceeds also pose a high ML threat to Uganda.

The 2015 Crime and Safety Report by Overseas Security Advisory Council on Uganda state that there has been an increase in financial fraud cases involving credit cards, personal checks, and counterfeiting. The report adds that Uganda's relevant Anti-Money Laundering (AML) agencies cooperate and coordinate domestically with each other to combat ML to a satisfactory level, but the absence of a risk- based AML/CFT policy might hinder the effectiveness of the AML framework. "Apart from some technical deficiencies, Uganda's AML/CFT legal framework is solid, but its implementation is not yet fully effective and commensurate to the ML risks identified by the NRA," the report sits.

The National Risk Assessment (NRA) of the Money Laundering (ML) and Terrorism Financing (TF) risks was undertaken to analyze the ML threat to which Uganda is exposed and the major predicate offenses that generate larger amounts of criminal proceeds, and the level of the TF threat that the country faces

Money laundering

Money laundering is the process of concealing the origins of money obtained illegally by passing it through a complex sequence of banking transfers or commercial transactions.

One problem of criminal activities is accounting for the proceeds without raising the suspicion of law enforcement agencies. Considerable time and effort may be put into strategies which enable the safe use of those proceeds without raising unwanted suspicion. Implementing such strategies is generally called money laundering. After money has been laundered it can be used for legitimate purposes. Law enforcement agencies of many jurisdictions have set up sophisticated systems in an effort to detect suspicious transactions or activities, and many have set up international cooperative arrangements to assist each other in these endeavors Money.*(Oxford English Dictionary (3rd ed.). September 2005).*

According to a number of legal and regulatory systems, the term "money laundering" has become conflated with other forms of financial and business crime, and is sometimes used more generally to include misuse of the financial system (involving things such as securities, digital currencies, credit cards, and traditional currency), including terrorism financing and evasion of international sanctions. Most anti-money laundering laws openly conflate money laundering (which is concerned with *source* of funds) with terrorism financing (which is concerned with *destination* of funds) when regulating the financial system. Minnesota Law Review (2016).

Some countries treat obfuscation of sources of money as also constituting money laundering, whether it is intentional or by merely using financial systems or services that do not identify or track sources or destinations. Other countries define money laundering in such a way as to include money from activity that *would have been* a crime in that country, even if the activity was legal where the actual conduct occurred. See for example the Anti-Money Laundering & Counter Terrorism Financing Act 2006 (Australia), the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (New Zealand), and the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap 615)

Laws against money laundering were created to use against organized crime during the period of Prohibition in the United States during the 1930s. Organized crime received a major boost from Prohibition and a large source of new funds that were obtained from illegal sales of alcohol. The successful prosecution of Al Capone on tax evasion brought in a new emphasis by the state and law enforcement agencies to track and confiscate money, but existing laws against tax evasion could not be used once gangsters started paying their taxes.

In the 1980s, the war on drugs led governments again to turn to money-laundering rules in an attempt to seize proceeds of drug crimes in order to catch the organizers and individuals running drug empires. It also had the benefit from a law enforcement point of view of turning rules of evidence upside down. Law enforcers normally have to prove an individual is guilty to get a conviction. But with money laundering laws, money can be confiscated and it is up to the individual to prove that the source of funds is legitimate if they want the funds back. This makes it much easier for law enforcement agencies and provides for much lower burdens of proof. *"Anti-Money Laundering GTDT" 28 May 2017.*

The September 11 attacks in 2001, which led to the Patriot Act in the U.S. and similar legislation worldwide, led to a new emphasis on money laundering laws to combat terrorism financing. The Group of Seven (G7) nations used the Financial Action Task Force on Money Laundering to put pressure on governments around the world to increase surveillance and monitoring of financial transactions and share this information between countries. Starting in 2002, governments around the world upgraded money laundering laws and surveillance and monitoring systems of financial transactions. Anti-money laundering regulations have become a much larger burden for financial institutions and enforcement has stepped up significantly. During 2011–2015 a number of major banks faced ever-increasing fines for breaches of money laundering regulations. This included HSBC, which was fined $1.9 billion in December 2012, and BNP Paribas, which was fined $8.9 billion in July 2014 by the U.S. government. Many countries introduced or strengthened border controls on the amount of cash that can be carried and introduced central transaction reporting systems where all financial institutions have to report all financial transactions electronically. For example, **in 2006, Australia set up** the AUSTRAC system and required the reporting of all financial transactions

The conversion or transfer of property, the concealment or disguising of the nature of the proceeds, the acquisition, possession or use of property, knowing that these are derived from criminal activity and participate or assist the movement of funds to make the proceeds appear legitimate is money laundering. *Nigel Morris-Cotterill (1999).*

Money obtained from certain crimes, such as extortion, insider trading, drug trafficking, and illegal gambling is "dirty" and needs to be "cleaned" to appear to have been derived from legal activities, so that banks and other financial institutions will deal with it without suspicion. Money can be laundered by many methods which vary in complexity and sophistication. *Protess, Ben & Jessica Silver-Greenberg (30 June 2014).*

Money laundering involves three steps: The first involves introducing cash into the financial system by some means ("placement"); the second involves carrying out complex financial transactions to camouflage the illegal source of the cash ("layering"); and finally, acquiring wealth generated from the transactions of the illicit funds ("integration"). Some of these steps may be omitted, depending upon the circumstances. For example, non-cash proceeds that are already in the financial system would not need to be placed.

According to the United States Treasury Department;

Money laundering is the process of making illegally-gained proceeds (i.e., "dirty money") appear legal (i.e., "clean"). Typically, it involves three steps: placement, layering, and integration. First, the illegitimate funds are furtively introduced into the legitimate financial system. Then, the money is moved around to create confusion, sometimes by wiring or transferring through numerous accounts. Finally, it is integrated into the financial system through additional transactions until the "dirty money" appears "clean"*National Drug Intelligence Centre (August 2011).*

Kampala

Is the capital and largest city of Uganda the city is divided into five boroughs that oversee local planning: Kampala Central Division, Kawempe Division, Makindye Division, Nakawa Division, and Rubaga Division. Surrounding Kampala is the rapidly growing Wakiso District, whose population more than doubled between 2002 and 2014 and now stands at over 2 million. "Uganda. *Retrieved 4 July 2015.*

Kampala was named the 13th fastest growing city on the planet, with an annual population growth rate of 4.03 percent, by City Mayors. Kampala has been ranked the best city to live in East Africa] ahead of Nairobi and Kigali by Mercer, a global development consulting agency based in New York City *Retrieved 12 November 2016.*

The British government formally declared the entire territory to be a British colony. From that time until the independence of the country in 1962, the capital was relocated to Entebbe, although the city continued to be the primary economic and manufacturing location for Uganda. In 1922, the Makerere Technical Institute, now known as Makerere University, started as the first collegiate institution both within Kampala, and within the British colonies on the east coast of Africa. Following the 1962 independence, Milton Obote became president of Uganda, and held the position until 1971, when former sergeant Idi Amin deposed his government in a military coup. Idi Amin proceeded to expel all Asian residents living within Kampala, and attacked the Jewish population living within the city. In 1978, he invaded the neighboring country of Tanzania, and in turn, the government there started the Uganda Tanzania War, which created severe damage to the buildings of Kampala. The city has since then been rebuilt with new construction of hotels, banks, shopping malls, educational institutions, and hospitals and the improvement of war torn buildings and infrastructure. Traditionally, Kampala was a city of seven hills, but over time it has come to have a lot moreGFC (3 February 2016). *"Distance between Kampala Road, Kampala, Central Region, Uganda and Namanve Industrial Park, Mukono, Central Region, Uganda"*. Globefeed.com (GFC). *2016.*

1.2 Problem statement

According to the United States Treasury Department; Money laundering is the process of making illegally-gained proceeds (i.e., "dirty money") appear legal (i.e., "clean"). Typically, it involves three steps: placement, layering, and integration. First, the illegitimate funds are furtively introduced into the legitimate financial system. Then, the money is moved around to create confusion, sometimes by wiring or transferring through numerous accounts. Finally, it is integrated into the financial system through additional transactions until the "dirty money" appears "clean" *National Drug Intelligence Centre (August 2016)*With the Uganda national drug authority.

1.3 Purpose of the study

To find out the relationship between financial intelligence and regulating money laundering in Kampala Uganda

1.4 Specific objectives

i. To determine the causes of money laundering in Kampala Uganda
ii. To examine the effects of money laundering in Kampala Uganda
iii. To obtain the possible measures to control money laundering in Kampala Uganda

1.5 Research Question

i. What are the causes of money laundering in Kampala Uganda?
ii. What are the effects of money laundering in Kampala Uganda?
iii. What are the possible measures to control money laundering in Kampala Uganda?

1.6 Research Hypotheses

There is a relationship between financial intelligence and money laundering in the economy like Uganda

1.7 Scope of the study

1.7.1 Geographical scope

The research will be carried out at Kampala; Kampala is the capital and largest city of Uganda. The city is divided into five boroughs that oversee local planning: Kampala Central Division, Kawempe Division, Makindye Division, Nakawa Division, and Rubaga Division. Surrounding Kampala is the rapidly growing Wakiso District, whose population more than doubled between 2002 and 2014 and now stands at over 2 million.

Kampala was named the 13th fastest growing city on the planet, with an annual population growth rate of 4.03 percent, by City Mayors. Kampala has been ranked the best city to live in East Africa[1] ahead of Nairobi and Kigali by Mercer, a global development consulting agency based in New York City.

1.7.2 Content or theoretical scope

Karen Berman's research, asked specifically if information (operationalized by teaching business basics to improve financial intelligence and sharing information on a regular basis) improves the results of employee participation, as seen through organizational performance improvement and employee attitude improvement. The results of the study found that certain financial performance measures improved and that employee turnover decreased. Financial literacy also has its roots in open book management. A core tenet of open-book management is business literacy, that is, ensuring everyone understands how the business measures financial success.

Many companies, (Southwest Airlines being a prime example) consider financial intelligence a core competency or best practice. Several universities, including Harvard Business School, Wharton and Stanford have programs targeted at the corporate world, mostly at the leadership level, to increase the financial intelligence in organizations. There are a variety of methods to increase financial

1.7.3 Time scope

The researcher considered a period of three years that is 20016 to 2019 in the organization in order to achieve the purpose of the study. This was because the researcher believed that the period stated was sufficient enough to carry out the research in the organization.

1.8 Significance of the Study

The study will help the researcher in attaining an award of Bachelor's degree in Business administration from Kampala Internal University Kampala.

The research will help Kampala city to improve on the roles of financial intelligence in regulating money laundering

The research will help the government in establishing the roles of financial intelligence in regulating money laundering in Kampala city

The research will help other researchers in getting the relevant information and the people to assist the city about how financial intelligence regulates money laundering in Kampala Uganda

1.9 Operational definition of key words

Financial intelligence shall means a type of business intelligence constituted of the knowledge and skills gained from understanding finance and accounting principles in business world.

Regulating money laundering in this study means the processes and procedures used to control the inflow of illegally earned money in to the economy.

Money laundering shall mean the processes of concealing the origin of money obtained illegally by passing it through a complex sequence of banking transfer.

Kampala city shall mean the capital city of Uganda where the research will be carried.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter the researcher looked at the Background to the study, the causes of money laundering, the impacts of money laundering, the stages involved in money laundering, the solutions to money laundering.

2.1 Theoretical review

Generally people consider Money laundering as the conversion of black money into white money. This takes one back to cleaning the huge piles of cash. If it is done successfully, it allows the criminals to maintain control over their proceeds and ultimately to provide an authentic cover for their source of income. Money laundering fulfils the ambitions of the drug trafficker, the terrorist, the organized criminal, the insider dealer, the tax evader as well as the many other groups who need to avoid the kind of attention from the authorities that unexpected prosperity comes from illegal acts. These criminal tries to get money and power through criminal activities and then attempt to penetrate the legitimate society, thereby misrepresenting the terms of the compact. They create huge amount of money for the members of the enterprise and permit their associates to live extravagant lifestyles.

Concept of Money Laundering:

Money laundering is designated as the source of illegally obtained funds covered through a series of transfers and deals in order that those same funds can eventually be made to appear as legitimate income (Robinson). According to Interpol General Secretariat Assembly in 1995, money laundering is any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources.

Money Laundering is an expression that has recent origin. Money laundering is a cultured crime that is not to be taken seriously by society. When comparing with street crimes, it is a modern crime. Some experts refer to it as a victimless crime but in reality, it is not a crime against a particular individual, but it is a crime against nations, economies government, rule of law and world at large. Money laundering has become a worldwide threat. The objective of a huge number of criminal acts is to get profit for the individual or group that performed the act and then hide either the source or the purpose of cash. Money laundering is the processing of these criminal proceeds to cover their illegal origin. This process is very crucial for government and other responsible authorities as it enables the criminal to enjoy money obtained from illegal source. Some of the crimes such as illegal arms sales, smuggling, corruption, drug trafficking and the activities of organized crime including tax evasion produce huge money. Insider trading, corruption and computer fraud schemes also generate more profits and create the incentive to legitimize the illegal gains through money laundering. When a criminal activity produces large profits, the individual or group involved must find a way to control the funds without attracting attention to the original activity or the persons involved. Criminals perform this by disguising the sources, changing the form, or transferring money to a place where they are less likely to attract attention. Otherwise, they will not be able to use the money because it would connect them to the criminal action, and law enforcement authorities would grab it. If criminals perform this process successfully, it allows the criminals to maintain control over their proceeds and eventually to provide a legitimate cover for their source of income. Where criminals are allowed to use the proceeds of crime, the ability to launder such proceeds makes crime more attractive. Financial Action Task Force. *"Money 26 October 2018.*

Significance of Money Laundering:

Money laundering is an important criminal issue for policy makers and government authorities that gained increasing significance after the occurrence of heart throbbing indents of 9/11 attack on the twin towers in the U.S. After that all nations has focused its attention on the notion of money laundering and has recognized it as a source of the funding of terrorist actions. The process of globalization and advancements of the communications have made crime increasingly international in scope, and the financial aspects of crime have become more complex due to technology enhancement. The huge expansion of international banks all over the world has facilitated the transmission and the disguising of the origin of funds. This may have shocking social consequences and poses a threat to the security of any nation at large or small scale. It offers immense facilities for drug dealers, terrorists, illegal arms dealers, corrupt public officials and all types of criminals to operate and increase their criminal activities. Laundering enables criminal activity to continue. Money laundering causes an alteration of resources to less productive areas of the economy which in turn deceases economic development. If security authorities and government ignore this crime, there will be serious consequences on social and political development of nation. The economic and political influence of criminal organizations can deteriorate the social fabric,

collective ethical standards, and eventually the democratic institutions of civilization .
"Transaction laundering should be a top priority for regulators in 2018". *ftalphaville.ft.com. 27 September 2017.* Retrieved 10 January 2019.

Theoretical review of money laundering:

It has been demonstrated in academic reports that financial institutions have made efforts to detect and prevent money laundering since last many years, but the main feature of money laundering are its processes in which it is carried out. Many experts have argued that money laundering does not take a singular act but takes a more complex operation, which is completed in three basic steps which include placement, layering and integration (Anon, 2006). The International Monetary Fund (IMF) (2001: 7-8) defined money laundering as being the "transferring (of) illegally obtained money or investments through an outside party to conceal the true source". In South Africa, the Public Accountants and Auditors Board (2003), stated that money laundering is defined in local legislation as being "virtually every act or transaction that involves the proceeds of crimes, including the spending of funds that were obtained illegally". There are variation in views of different authorities to explain the notion of money laundering.

2.2 Conceptual Framework Model

Conceptual frameworks, according to educational researcher Smyth (2004), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame their questions and find suitable literature. Most academic research uses a conceptual framework at the outset because it helps the researcher to clarify his research question and aims.

Conceptual frameworks (theoretical frameworks) are a type of intermediate theory that attempt to connect to all aspects of inquiry (e.g., problem definition, purpose, literature review, methodology, data collection and analysis). Conceptual frameworks can act like maps that give coherence to empirical inquiry. Because conceptual frameworks are potentially so close to empirical inquiry, they take different forms depending upon the research question or problem (Botha, 1989). According to sociologists Haralambos and Holborn, a conceptual framework enables the researcher to find links between the existing literature and his own research goals.

The measurable variables involved in the conceptual framework are:

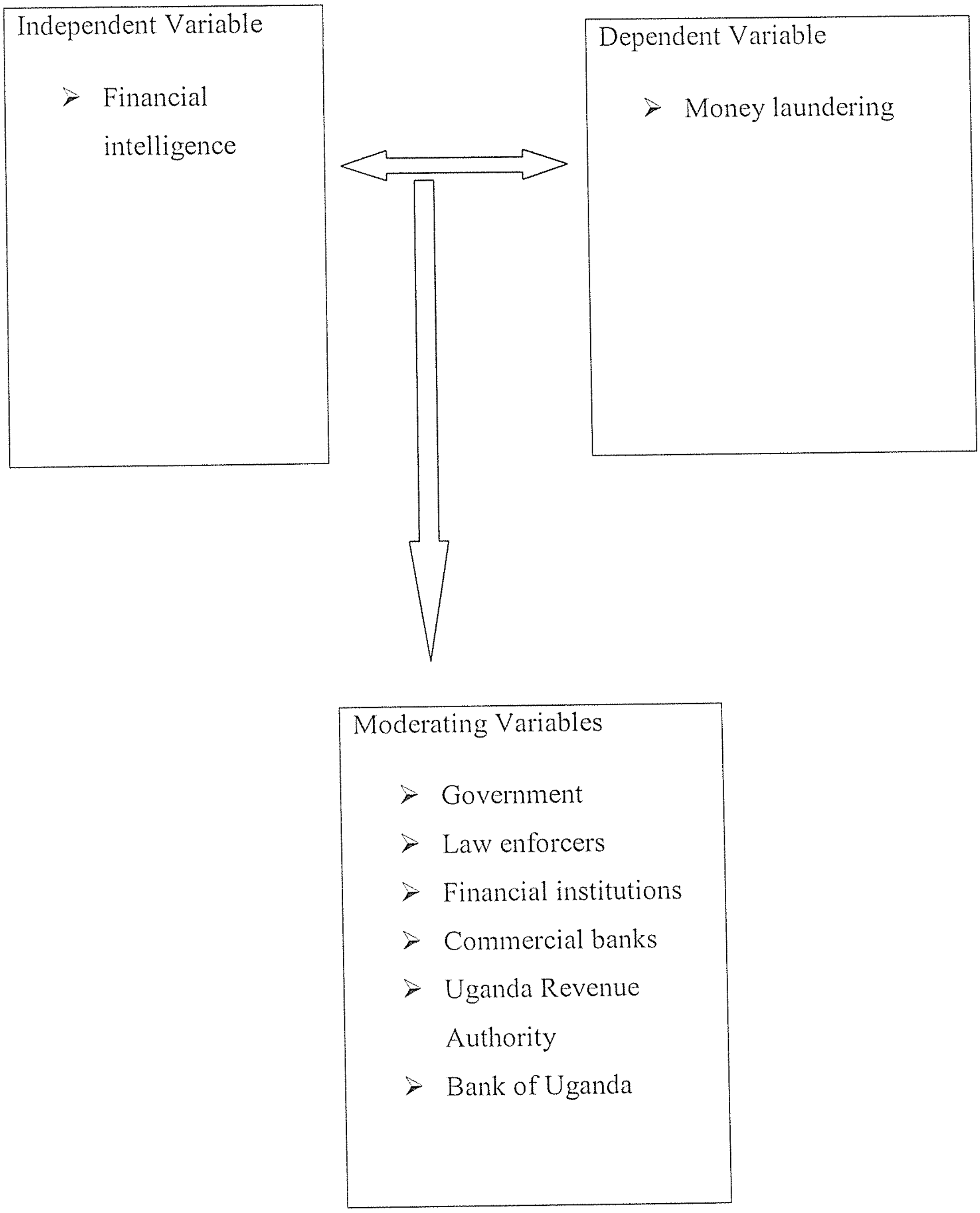
Independent variables, which is: financial intelligence.

Government policy, level of education, technological aspects among others; while Dependent Variables money laundering

In respect to this particular study a conceptual framework provided helps to show the relationship between independent and dependent variables

Its conceptualized herein that money laundering is the dependent variable while the Financial intelligence as the Independent variable.

Figure 2.1:showing the conceptual frame work of the relationship between Financial intelligence and Money laundering



Source *Adapted from reviewed literature of* Kotler (2003).

2.3 Review of related literature

2.3.1 Processes of Money Laundering

Placement:

First step is the Placement stage in the money laundering cycle. Money laundering activities is usually generated from cash intensive business, large amount of cash or hard currency and grown from illegal activities such as sale of drugs, illegal firearms, prostitution or human trafficking. Currencies gained from this cycle need to be disposed of immediately by the launderer, so they go as far as depositing it back in financial institutions, spending in retail economy, and involvement in a business or acquisition of an expensive property/asset or smuggled out of the country. The launderer's intention in this stage is to eliminate the cash from the place of possession so as to escape any form of detection from the authorities and to transform it to other form of assets such as travellers' cheques. Temple (2002) delineated some of the more common ways in which placement could be achieved, such as exchanging currency for smaller denominations that will make it easier to utilise, transport or conceal to methods involving the use of multiple deposits entailing small amounts in different bank accounts. Nixon (2000) refers to the practice of utilising multiple deposits being placed in many accounts by different individuals as "smurfing". Moulette (1995) recognised other strategies such as use of representative offices of foreign banks, international "houses" or "sub accounts" that may be maintained by banks on behalf of their clients for the funnelling of funds through casino's or unregulated Asian games such as Pai-Gow.

Layering:

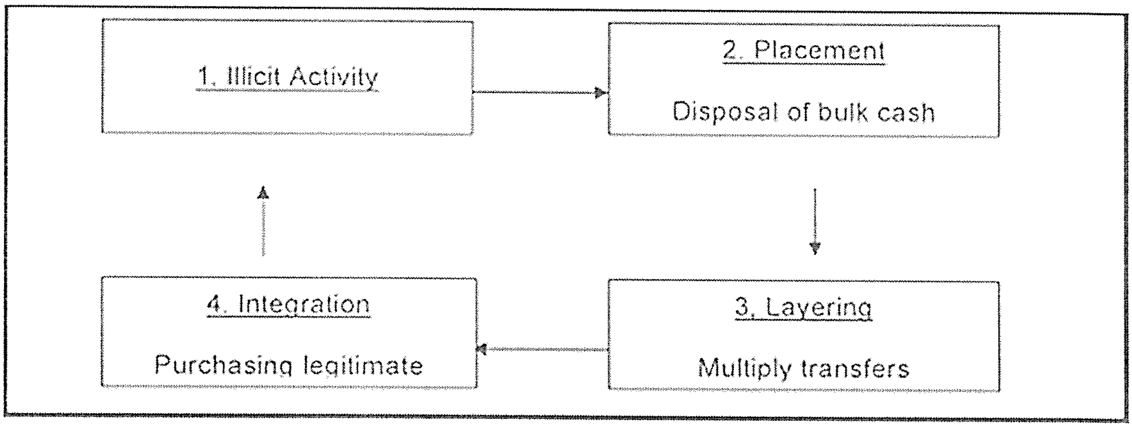
In this stage, the launderer tries to hide or disguise the origin of the funds by creating complicated layers of financial transactions designed to cover the audit trail and conceal it. Banerjee (2003) stated that layering serves to hide the source and ownership of the funds. Moulette (2000) suggested the methods used to accomplish layering such as the use of offset accounts by dealers, online electronic fund transfers between certain tax havens, and doubtful gold transactions in which large purchases of gold in countries with low VAT rates and then (there is an) exporting (of) the bullion back to the country of origin". The aim of layering is to separate the illegal duties from the source of the crime, layers upon layers of transactions are created, moving illegal funds between accounts or business, or buying and selling assets on a local and international basis until the original source of the money is undetectable. Suter

(2003) designated that there are other methods that can be adopted to allow, layering to take place that involve the over-invoicing and false invoicing of imports and exports.

Integration:

After the layering stage, illegal funds are taken back into the financial system as payments for services rendered. Making the launderer feel fulfilled by making the funds appear to be legally earned. Illegal funds is returned to the economy and disguised as genuine income. Schroeder (2001) indicated that the techniques adopted to successfully integrate funds from a criminal enterprise would very often be similar to that of practices adopted by legitimate business.

Figure 2.2:shows the basic steps involved in money laundering



Basic steps of money laundering: (Source: GeorgiosBoustras, 2012)

2.3.2 Causes of money laundering in Uganda

A high share of the population and business unofficial income that leads to existence of black market where money laundering always is practiced

The imperfection of mechanisms for activities of financial institutions monitoring, non compliance with international financial management standards developed by specialised international organizations

Corruption among many state executives, law enforcement, judicial authorities cause money laundering in a sense that they do not have or enforce strict laws on people

Impossibilities and limitation of opportunities for financial information exchange with foreign law enforcement agencies can cause money laundering in Uganda

Inadequate procedures for establishment of financial institutions, an opening of branches outside the country and the licensing of financial activities without taking in to account the necessary identity of the true owner

Legislative securing of the financial transactions secrecy, insufficient requirement for transparency of financial transaction and ownership of assets

Miscalculation in the regulation of foreign exchange transactions and other transactions with cash. If they are not accurately calculated it causes money laundering in Uganda

Wide use of operations by enterprises, banks with offshore companies involving can lead to money laundering in the country

Anonymous cash accounts and financial instruments including shares, bounds with the payment of "bearer" funds

Access of financial institutions to international trading centres for gold bar, trade in precious stones and materials can cause money laundering

Existence of the gamming centres and casinos can also cause money laundering because they are places where people can gamble

2.3.3 Impact of money laundering on nation:

There are many dangerous impact of money laundering on country as well as whole world. According to McDowell and Novis (2001), there are following key effects of money laundering:

Undermining of the legitimate private sector: Quirk (1997 : 7-9) stated that The use of front companies by money launderers undermines the legitimate private sector, as the motive of money launderers is not necessarily to make a profit out of operations of the front company.

Undermining of the integrity of financial markets: The succeeding reputational loss by financial institutions results in a loss of confidence by consumers in these affected financial institutions who may be perceived to be involved in fraudulent activities. This could also affect the reputation of a country and force investors to invest in economies that are perceived to be less exposed to the risk of money laundering. Money laundering can deleteriously impact on the truthfulness of financial markets, and also weaken the reputation of a nation.

Loss of control of economic policy: Reports of IMF (2003) signified that the size of the funds being laundered, and the fact that money launderers would want to launder their funds through developing economies to reduce possible detection of their schemes, can affect the inflow and outflow of funds in these countries.

Economic distortion and instability: Money laundering may also misrepresent capital flows, and thus destabilize the effective functioning of the world-wide economy. Castle and Lee (1999) argued that money launderers would not look at where to best invest their money based on economic principles, but rather at where it would be easier to avoid being caught or based on where the cost of avoidance was lower.

Loss of revenue: Many theorists such as Kovacevic (2002) and Fundanga (2003) stated that money laundering decreases the tax funds available for collection in the economy and by implication government's revenues. Consequently, governments may have to levy higher taxes in order to obtain the funds necessary to fulfill their responsibilities towards their citizens.

Security threats to privatisation efforts: According to Chossudovsky (1999), it was observed that money launderers who are able to obtain previous government entities that are being privatised, can attempt to establish a legitimate front to launder funds. This can weaken economic reforms as money launders are not interested in operating these entities as going concerns, but rather as a channel for laundering money.

Reputation risk: Van Fossen (2003) asserted that nations that are competing as destinations for legitimate investments may face difficulty to do so if there is a perception that the country has a poor track record of dealing with money laundering or is seen to be a center for money laundering. This is because legitimate investors are wary of being associated with any country that has a negative reputation.

Other impacts of money laundering are as follows:

Increased criminality:

The increase in criminality is serious effect and a matter of concern in money laundering. The triumph of money launderers is the distance they create between themselves and the criminal activity producing profit, so that they can live lavish life could through this crime without attracting attention and could also go to the extent of reinvesting their profits to finance other crimes. Therefore, government, legislative act and other enforcing laws must implement policies in legal procedure to curb the crime.

Social effect:

Committing crime of money laundering transfers of economic power from the right people to the wrong. The good citizens and the government are dispossessed from their right, making the criminals take the benefit to flourish in their criminality. Money laundering damages the financial institution which is an important factor in the economic development of nation.

In developing countries where there is no strict control, the governments have to seek further contribution from good citizens, making people suffer more and continue to be subject to poverty. Companies cannot compete with operators financed by illegal funding, labours then become jobless and the high rate of unemployment result in an increase in criminality, dissatisfaction and insecurity. The burden on the government would then increase with the need to provide security therefore reallocating resources from more productive enterprise to other areas. This reduces productivity in the real sector of the economy by diverting resources from productive areas to social sectors; crime and corruption which are on the increase would then slow down economic growth and decrease human development.

Microeconomics effect:

Money launderers generate and make use of companies that front for them. These companies are not interested in and but pretend to be involved in them. Usually the companies are not doing any serious business. The income generated from the company is not usually from the business but from their criminal activities. Their decisions are not usually based on economic considerations and would offer products at prices below cost price making the front companies have an unjustified competitive advantage. Legitimate businesses lose when competing, as there is no fair competition involved and results in business closures due to crowding out effect of private sector business by criminal organizations.

Macroeconomic effect:

There are numerous impacts of money laundering on the macroeconomic situations. These include volatility in exchange rates and interest rates due to unanticipated transfers of funds; fall in asset price due to the disposition of laundered funds; misallocation of resources in relative asset commodity prices arising from money laundering activities; loss of confidence in markets caused by insider trading, fraud and embezzlement. When businesses make less revenue and pay fewer taxes, people become unemployed and dependent on social assistance which is most times difficult to get in developing countries. When criminals use financial institution for laundering funds, this creates negative promotional and it's enough to scare banks into striving to keep criminals away from their terrain. Also banks have a risk of performing a balancing act between attracting new business and complying with the regulations and legislations. The securities markets (especially derivatives) have become the attention of money launderers and are posing an added risk to financial systems. Other indirect economic effects are higher insurance premiums for those who do not make fraudulent claims and higher costs to businesses therefore generating fewer profits which make it difficult to break even. According to Reilly (2008), money laundering has the ability to infiltrate the global financial system and also change economic data. Quirk (1997) in Reilly et al (2008) stated that money demand can appear to change from one country to another resulting in deceptive financial data. Income distribution also tends to be affected by money laundering because it could be redistributed from high savers to low ones, sound investments to risky ones. Due to such negative impact, policy makers have to face difficulty to devise effective responses to monetary threats and it causes difficulties in the government efforts to manage economic strategy. Sensible risks are prone to affect the reliability of banks and the management of economic policies. The prudential risk might be as a result of the corruption of the bank manager, when he/she begins to accept large sum of money from launders and this brings about non-market behaviour in the financial system. Steel (2006) affirmed that financial institutions are regarded as organizations that provide financial services to its customers or members, leaving them at the front position in the battle against money launderers. Financial institutions are not the only target the launderers use in their various schemes but they are accountable for financial dealings and for reporting any doubtful transactions.

It has been cleared that the Money laundering has negative consequences on monetary development. Money laundering constitutes a serious risk to national economies and respective governments. The penetration and sometimes saturation of illicit money into legitimate financial sectors and nations accounts can intimidate economic and political constancy. Economic crimes have a disturbing effect on a national economy since potential victims of such crimes are far more numerous than those in other forms of crime. Economic crimes also have the potential of unfavorably affecting people who do not prima-facie, seem to be the victims of the crime. For example, tax evasion results in forfeiture of government income and in turn affecting the potential of the government to spend on development schemes thereby affecting a large section of the population who could have benefited from such government expenditure. A company fraud not only results in cheating of the people who have invested in that company but may also adversely affects investors' confidence and eventually the development of the economy. Legislature body has difficulty to quantify the negative economic effects of money laundering on economic development. Such activity damages the financial-sector institutions that are critical to economic growth, reduces productivity in the economy's real sector by diverting resources and encouraging crime and corruption, which slow economic growth, and can distort the economy's external sector international trade and capital flows to the detriment of long-term economic development.

The Financial Sector:

Financial sector may get negative effects of money laundering particularly financial institutions including banking and non-banking financial institutions and equity markets, may directly or indirectly be affected. Basically, these institutions facilitate concentration of capital resources from domestic savings and funds from overseas. These institutions provide impetus to furtherance of investment prospects by providing conducive environment and efficient allocation of these resources to investment projects which contributes substantially to long run economic growth.

Reports signify that Money Laundering weakens the sustainability and development of financial institutions in two ways.

Firstly, the financial institutions are debilitated directly through money laundering as there seems to be an association between money laundering and fraudulent activities undertaken by employees of the institutions. Likewise, with the rise in money laundering acts, major parts of financial institutions of a state are susceptible to crime by criminal elements. This strengthens the criminals of money laundering channels. This may lead to the removal of less equipped competitors and giving rise to domination.

Secondly, customer trust is important to the development of comprehensive financial institutions, and the perceived risk to the growth of sound financial institutions, and the perceived risk to depositors and investors from institutional fraud and corruption. The Real Sector Money laundering harmfully affects economic development through the real sector by diverting resources to less productive activities and by facilitating domestic corruption and crime.

Money laundering also performed through the channels other than financial institutions that includes more sterile investments such as real estate, art, antiques, jewellery and luxury automobiles, or investments of the type that gives lower marginal productivity in an economy. These sub optimal allocations of resource give lower level of economic growth which is a serious disadvantage to economic progress for developing countries. Criminals invest their proceeds in companies and real estate in order to make further profits, legal or illegal. Most of these investments are in sectors that are familiar to the criminal, such as bar, restaurant, prostitution. The real estate sector is the largest and most susceptible sector for money laundering. Real estate is important for money laundering, because it is a non-transparent market where the values of the objects are often difficult for approximation and it is an efficient way to place large amounts of money. The price increase in real estate is lucrative and the annual profits on real business create a legal basis for income. The real estate has the following characteristics for criminal money:

A safe investment

The objective value is difficult to assess.

It allows to realize "white" returns.

The External Sector:

Money laundering activities may weaken the financial growth of any nation through the trade and international capital flows. Excessive illegal capital flight from a state may be facilitated by either domestic financial institutions or by foreign financial institutions. That illicit capital flight drains scarce resources specially from developing economies. In this way, economic growth of corresponding economy is adversely affected. Money laundering negatively affects trust of local citizens in their own domestic financial institutions as well as trust of foreign investors and financial institutions in a state's financial institution which ultimately contributes to economic growth. Money laundering channels may also be related with distortions of a country's' imports and exports. As with the participation of criminal elements on the import side, they may use illegal proceeds to purchase imported luxury goods, either with laundered funds or as part of the process of laundering such funds. Such imports do not produce domestic economic activity or employment, and in some cases can theatrically reduce domestic prices, thus reducing the productivity of domestic enterprises. The reliability of the banking and financial services market place depends mainly on the perception that it functions within a framework of high legal, professional and ethical standards. A reputation for integrity is most valuable assets of a financial institution. Dangers for the reputation can happen when a country purposely declares to want to attract 'criminal money. If funds from criminal activity can be easily processed through a particular institution, either because its employees have been bribed or because the institution do not pay attention to the criminal nature of such funds, the institution could be drawn into active complicity with criminals and become part of the criminal system itself. Such network will damage the attitudes of other financial intermediaries and of regulatory authorities as well as ordinary customers.

Money laundering has other dangerous consequences also. It not only impends the financial system of nation by taking away command of the economic policy from the government, but also declines the moral and social position of the society by exposing it to activities such as drug trafficking, smuggling, corruption and other criminal activities. The Global Sector Money Laundering has become a world-wide problem. Criminals target foreign authority with liberal bank secrecy laws and feeble anti-money laundering regulatory governments as they transfer illegal funds through domestic and international financial institutions often with the speed and internet transactions. This huge penetration of criminal proceeds into world market can destabilize and can have a debasing effect on those who work within the market system. The infiltration of criminals into the genuine markets can also change the balance of economic power from responsible and responsive entities to scoundrel agents who have no political or social responsibility.

2.3.4 Prevention and Combat of Money Laundering

Legislators around the world have realized that concentrated efforts are required to deal with illegal funding and control money laundering.

India has different laws to tackle smuggling, narcotics, foreign trade violations, foreign exchange manipulations and also special legal provisions for preventive detention and forfeiture of property, which were enacted over a period of time to deal with such severe crimes. Some of these were considered to be strong measures, but may not now match the post-Sept.11 measures initiated in the US and the EU. In India, there were old age practices for prevention of Money laundering in the sense of seizure and repossession of proceeds of crime. The statutes predominant before the Prevention of Money Laundering Act, 2002 (Money Laundering Act of 2002) are:

Criminal Law Amendment Ordinance (XXXVIII of 1944).

The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976.

Narcotic Drugs and Psychotropic Substances Act, 1985.

Criminal Law Amendment Ordinance (XXXVIII of 1944): Under this law, police can get the proceeds of crime relating to bribe, breach of trust and cheating confiscated by an order of attachment and on completion of the criminal prosecution can get an order from court forfeiting the proceeds. This ordinance was modified in 1946 and responsibility of proof to the accused. In the event of crime under Prevention of Corruption Act, the implementation rests with the CBI. However this law covers proceeds of only certain crimes such corruption, breach of trust and cheating and not all the crimes under the Indian Penal Code.

The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976: According to this law, there is a penalty of illegally acquired properties of smugglers and foreign exchange manipulators and for matters connected therewith and incidental thereto. The application of this law is restricted to the persons convicted under the Customs Act, 1962 or Sea Customs Act, 1878 or other foreign exchange laws. Under this Act, no person shall hold any unlawfully acquired property either by himself or through any other person on his behalf. The word 'illegally acquired property' has been well defined under section 3(c) of the act.

There is very broad legislation in India on money laundering which includes all kinds of laundering of money relating to all crimes and offences under laws of India except offences relating to drug trafficking or offences under Indian Penal Code. As far as drug offences are concerned, prevention of money laundering is taken care of by Narcotic and Psychotropic Substances Act, 1985.

Narcotic Drugs and Psychotropic Substances Act, 1985: Narcotic Drugs and Psychotropic Substances Act, 1985 provide for the penalty of property derived from, or used in illegal traffic in narcotic drugs. Sections 68A to 68Y of Chapter VA of the Act provides for forfeiture of assets derived from or used in unlawful traffic. The provisions are so broad that the authorities administering the law have huge powers including the power to trace the source of drug related money or property and afterward to proceed with freezing of accounts and seizure of property and forfeiting it to the government.

Other analogous statutes: Besides these legislations, there is a law of Foreign Contribution (Regulation) Act, 1976 under which the Central government regulates flow of funds to various organizations. If the Central government thinks any organization is acting against national interest, it can block its funds. Further to that Reserve Bank of India, which administers Foreign Exchange Management Act, 1999 has powers under section 11 of the Act to give appropriate directions to the authorized dealers to prevent violation of any laws. In addition to above Section 102 and Sections 451to 459 of the Code of Criminal Procedure, 1973 enables seizure and confiscation of the proceeds of crime.

The purpose of the Prevention of Money-laundering Act, 2002 (PMLA) is to combat money laundering in India in order to prevent and control money laundering, to confiscate and seize the property obtained from laundered money, and to deal with any other issue connected with money laundering in India. It came into force from 1st July, 2015. The Act provides that whosoever directly or indirectly attempts to pamper or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property, shall be guilty of offences of money-laundering. For the purpose of money-laundering, the PMLA identifies certain offences under the Indian

Penal Code, the Narcotic Drugs and Psychotropic Substances Act, the Arms Act, the Wild Life (Protection) Act, the Immoral Traffic (Prevention) Act and the Prevention of Corruption Act, the proceeds of which would be covered under this Act.

International initiatives are also taken to fight against drug trafficking, terrorism and other organized and serious crimes have concluded that financial institutions including securities market intermediaries must establish procedures of internal control aimed at preventing and impeding money laundering and terrorist financing. In other nations such as US, The US Congress passed the USA Patriot Act of 2001 within 43 days of Sept.11, October 26, 2001. This Act made as many as 52 amendments to the existing Bank Secrecy Act of 1970 (BSA). The range of these new provisions touched every financial institution and business not only in the US, but also in many countries of the world. One of the changes made in the BSA requires every financial institution to establish anti-money laundering programs. Moreover, the list of businesses defined as financial institutions is wide ranging and includes banks, brokers and dealers in securities or commodities, currency exchanges, insurance companies, credit card operators, dealers in precious metals, stones and jewels, travel agencies, businesses engaged in the sale of vehicles including automobiles, air planes and boats, casinos and gaming establishments, and even telegraph companies and US postal service. It also adds secretive banking systems, such as 'hawala', to the description of financial institutions. It creates customer documentation and due diligence duties. Simultaneously, it grants immunity to financial institutions and their personnel for sharing reports of doubtful activities with any government agency or with each other. It also makes it a crime to conceal more than US $ 10,000 in money or monetary instruments while entering or leaving the US. Consequently, huge number of financial institutions and businesses, who were not earlier concerned about money laundering, now have to maintain anti-money laundering programmes requiring them to "develop internal policies, procedures and controls", "elect a compliance officer", conduct "ongoing employee training programs" and perform "independent audit functions".

Currently, the US intelligence agencies can have access to reports and records of financial institutions and businesses including suspicious activity reports filed by them. One of the major changes is ban of correspondent accounts for foreign shell banks, which have no physical presence anywhere. A foreign bank must have a fixed address, employ at least one full-time employee, maintain operating records and be inspected by a banking authority to qualify for a correspondent account. Besides amending the BSA, the USA Patriot Act of 2001 also modified in the Money Laundering Control Act of 1986. It now acquires extra-territorial jurisdiction to combat terrorist funding and criminal proceeds. The law covered funds representing proceeds of nearly 200 specified unlawful activities such as fraud, kidnapping, gambling, espionage, drug trafficking, etc. It now covers bribing of a foreign public official, embezzlement of public funds, smuggling or export control violations involving items covered by the Arms Export Control Act as well as crimes of violence. The new law requires the financial institutions to provide information regarding customers within 120 days if the account is in the US and within seven days if the records are maintained outside the US in respect of correspondence accounts. The new law also supports forfeiture powers over funds of foreign persons and institutions. The US authorities now have vast power to track and grab laundered money that runs terrorist activities and to penalize the criminals involved. The USA Patriot Act of 2001 has also seen a jump in filing SARs. The US Finance Crimes Enforcement Network reported an increase in SARs by over 40 per cent in the year 2002 compared to the preceding year. The compliance costs for the financial institutions have also gone up but many think that this may be a small price to pay to be able to live in a world with reduced risks of terrorist assaults.

Procedures for Anti Money Laundering: Each registered intermediary must implement written procedures to implement the Anti-Money Laundering provisions as envisaged under the Prevention of Money laundering Act, 2002. Such procedures should include inter alia, the following three specific parameters which are related to the overall 'Client Due Diligence Process:

a. Policy for acceptance of clients
b. Procedure for identifying the clients
c. Transaction monitoring and reporting especially Suspicious

In India, to combat the threat of offences of money laundering, the Government is entrusting the work relating to investigation, attachment of property/proceeds of crime relating to the scheduled offences under the Act and filing of complaints etc. to the Directorate of Enforcement, which currently deals with offences under the Foreign Exchange Management Act.

To summarize, money Laundering is spreading at speedy rate at global level and it is a serious matter for legislature authorities that must be curbed for smooth functioning of society and economic enhancement of all nations. All nations have to work together to combat such devastating criminal activity. Money Laundering is fundamentally, the process of transforming, through a series of stages, the proceeds of illegal or criminal activity, into apparently legitimately acquired funds. Today, due to technical modernization, the criminals are very clever and cheat the enforcing agencies through deploying a team of experts like chartered accountants, attorneys, banker's mafia, to cover their illicit money and pretence it as legal income. These professionals charge fee between 10 to 15% of the sum involved. The connection between white-collared criminals, politicians, enforcing agencies and gangs are so strong that it is difficult to break. Bankers also has vital role and without their involvement, the operation cannot be successful. There numerous payment option such wire transfer of funds has further aggravated the difficulties to identify the movement of sludge funds. The international type of money laundering requires international law enforcement cooperation to effectively examine and accuse those that initiate these complex criminal organizations. Money laundering must be combated mainly by penal ways and within the frameworks of international cooperation among judicial and law enforcement authorities. It can be said that simply enactment of Anti-Money Laundering Laws will not resolve such serious crime instead the Law enforcement Community must keep bound with the ever changing dynamics of money Launderers who continually evolves advanced techniques which helps them to implement strict law to curb money laundering.

2.4 Empirical review

According to a number of legal and regulatory systems, the term "money laundering" has become conflated with other forms of financial and business crime, and is sometimes used more generally to include misuse of the financial system (involving things such as securities, digital currencies, credit cards, and traditional currency), including terrorism financing and evasion of international sanctions. Most anti-money laundering laws openly conflate money laundering (which is concerned with *source* of funds) with terrorism financing (which is concerned with *destination* of funds) when regulating the financial system. Minnesota Law Review (2016).

Some countries treat obfuscation of sources of money as also constituting money laundering, whether it is intentional or by merely using financial systems or services that do not identify or track sources or destinations. Other countries define money laundering in such a way as to include money from activity that *would have been* a crime in that country, even if the activity was legal where the actual conduct occurred. See for example the Anti-Money Laundering & Counter Terrorism Financing Act 2006 (Australia), the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (New Zealand), and the Anti-Money

2.5 Research Gap

From empirical literature review, many scholars accept and have elaborated and commented extensively on the relationship between financial intelligence and money laundering in Uganda. Today's business environment increasingly embraces the aspect of efficient and effective delivery of money as a means to an end leading to customer satisfaction hence financial performance and growth. Through the blends of practice and research as well as cases, various authors insist on the efficiency and effectiveness on the delivery of service as important means for the organizations to achieve their strategic objectives. However, very few of the empirical literature conducted tried to examine the relationship between financial intelligence and money laundering and they have failed to come up with appropriate solution on how to deal with the problem, as they were silent and their studies were done in different times and environments, leaving a lot to be done. There are so many issues arising out of money laundering and financial introduction in the business world in Uganda and the business world that calls for a lot of investigation and assessment to be done in order to bring new insight in the field. Therefore, the study will bridge the gap by examining the relationship between financial intelligence and money laundering in Kampala Division in Kampala city.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the framework for data collection and analysis of the study. It covered the research design, sample design, study population, sample size, sources of data, research instruments and limitation of the study.

3.1 Research design

The study involved case study and descriptive research design. The purpose of descriptive research design is to describe the state of affairs as it exists. The research technique is the most appropriate when the purpose of the study is to explore and create a detail description of a phenomenon. Thus, making it suitable for this study because the researcher was fairly knowledgeable about the aspects of the phenomenon, but little was known regarding their nature. The descriptive research design formulates the problem for more precise investigation and in this case was to explore the role of financial intelligence in regulating money laundering in Kampala Uganda (Kothari, 2008).

3.2 Study Population

The target population in the area of the study that the researcher had studded during this investigation. The target population for this study comprised of 1000 employees from Kampala central in Uganda specifically in the Ministry of Finance, Planning and Economic Development.

3.3 Sampling size and Selection

The researcher used a sample size of 100 respondents. This number was determined based on the Krejcie and Morgan (1970) table of sample size determination. This involved managers, accountants, directories and other staff. This research covered a sample size of 100 respondents from a target population of 1000. The respondents from Ministry of Finance involving 30 managers, 20 accountants, 10 Directories and 40 support staff.

3.4 Sampling Technique and Sampling Procedure

The researcher used mainly purposive sampling technique because this is a sensitive topic where not every respondent can give accurate data which can help in this study. This will be done basing on the researcher's judgment in relation to the relevant data needed for this study as illustrated in the table below;

Table 3.1:Showing the population, sample size and Sampling techniques

Categories of Respondents	**Population**	**Sample size(N)**	**Sampling technique**
Managers	140	30	Purposive sampling
Accountants	210	20	Random sampling
Directories	90	10	Random sampling
Other staff	560	40	Purposive sampling
Total	**1000**	**100**	

Source: Krejcie and Morgan (1970) Ministry of finance, planning Report 2018 Uganda

3.5 The sample and sampling technique

The general goal of the sampling method was to obtain a sample that is representation of the target population. In a simple random sample of a given size, all such subsets of the frame are given an equal probability. Each element of the frame, thus, has an equal probability of selection (Mugenda, 2003). In order to collect primary data, the questionnaire survey technique was used and the type of sampling used was simple random sampling.

3.6 Data Collection Instruments

Mugenda (2003) states that data collection is gathering of empirical evidence in order to gain new insight about a situation and answer questions that prompted the undertaking of the research. For the purpose of this research and in order to achieve the objectives of the study, both primary and secondary data was collected. The secondary data contributes towards formation of background information in order to constructively build the research project. Primary data was collected by use of questionnaires. Kothari (2008) defines a questionnaire as a self-report instrument used for gathering information about variables of interest to an investigation. The researcher will also use questionnaires to obtain data from the respondents.

3.7 Data collection procedure

The researcher used the following method of data collection:

3.7.1 Questionnaires

The questionnaires were developed and hand delivered to the respondents in their respective departments by the help of managers. The questionnaires were formulated to address the study subject which will then be collected back by the researcher after two weeks upon which the researcher acted on the information collected to come up with findings.

3.8 Data processing and analysis

The researcher coded, edit and analyze the data using a blend of both manual and computer data analysis packages. The data was tabulated and input in the Statistical Package for Social Sciences research (SPSS). Descriptive statistics, as well as Pearson rank correlation and regression analysis measures was appropriately used to examine the benefits of financial intelligence in regulating money laundering in Uganda Kampala.

3.8 Ethical Considerations

The researcher obtained an introductory letter from Kampala International University which was presented to the management of the organization to seek permission and consent. The data obtained from the respondents was treated purely as academic and confidential for the safety, social and psychological well-being of the respondents.

3.9 Limitations of the study

Time; the researcher faced a challenge of limited time to beat the deadlines as stipulated in the time frame. The researcher overcomes this by diligently following the proposed time frame. In addition, the researcher had limited time for carrying out the research and he was to keep up with class work and other assignments like course work and doing texts. This was solved by making a timetable for himself especially concerning what he is supposed to do in the research.

Financial challenges; this was such a big challenge as the researcher had to move from one place to another to look for the right data. Also, it was such a challenge since it involved buying internet data so as to get legit information from some scholars, and writers about the

research. In addition to this, the researchers had to pay or spend big in terms of typing, printing, transport, and airtime which weretoo costly. However, this was solved by planning and making a budget after estimating how much the entire research would cost.
There was a challenge of limited time (meeting the required deadline); this mainly arose due to difficulty in estimating the exact time required for the research. I witnessed number of discoveries which required the concentration of the researcher. This problem was overcome by preparing a work plan and sticking to it (Johnson, 2009).

There was a challenge of limited data. This mainly arose from unwillingness of the sample population such as the managers, clients to disclose certain important restricted information. This resulted into difficulties in interpreting the findings and also widened the knowledge gap. This problem was overcome by putting a lot of concentration on asking crucial and necessary questions which helped to minimize the level of bias among the respondents.

Also, the unwillingness of possible respondents to partake in the study since it is unethical for respondents to participate under duress.

CHAPTER FOUR

Presentation and Interpretation of findings

4.0 Introduction

This chapter covered presentation and interpretation of findings from the field they were presented according to the objectives that guided the study

4.1 Finding on respondents Bio data

4.1.1 Gender of all the respondents

Table 4.2:shows gender of respondents

Gender	Frequency	Percentage
Male	80	80%
Female	20	20%
Total	100	100%

Source; Primary data, 2019

In the organization 80% of the population was men and 20% of the other remaining populations were woman meaning that there was gender inequality government has to work hard to ensure that gender equality has to be fulfilled. Because female people can easily be discouraged saying that the wok in the financial intelligence authority is done by the men which is not the case

4.1.2 Age group of the respondent

Table 4.3:shows the age group of the respondents

Age group	Frequency	Percentage
Below 24 years	27	27%
24-29years	40	40%
30-35 years	25	25%
36-41 years	5	5%
Above 42 years	3	3%
Total	100	100%

Source; Primary data, 2019

The organization has a great number of people of which 27%of the population are below the age of 24, 40%of the population were in the age group of 24-29, 25%of the population were at the age of 30-35, 5% of the group were between the age of 36-41 and finally 3%of the population was above the year of 42 meaning the organization has the working age group and those who are productive only

4.1.3 Years spend by the respondents in the organization

Table 4.4:shows the numbers of years spend by the respondents in the organization.

Years spend		Percentage
Below 3 year	5	5%
3-6 years	25	25%
6-10years	30	30%
Above 10 years	40	40%
Total	100	100%

Source; Primary data, 2019

From 4.3 the number of years spend by respondents in the organization 5% of the population had stayed in the organization for less than 3 years, 25% of the population spent 3-6 years in the organization, 30% of the population spent 6-10 years in the organization and 40% of the remaining population spent above 10 years meaning that there is a lot of experience in the organization it is easy to understand the relationship of financial intelligence and regulating money laundering.

4.1.4 Marital status of respondents

Table 4.5:Showing the Marital status of respondents

Marital status	**Frequency**	**Percentage (%)**
Married	22	22
Single	51	51
Widowed	17	17
Divorced	10	10
Total	**100**	**100**

Source: Primary data .2019

According to the table 4.4 above, 22% of the respondents are married, 51% are single, 17 % are widowed, and 10% are divorced. This means that the majorities of the respondents are single and can therefore be more creative, innovative and flexible as they only worry about being effective and impressive to their bosses at work unlike the divorced workmates who tend to be more reminisced about their lost and or failed marriages.

4.1.5 Findings on the educational level of respondents in the organization

Table 4.6: shows the educational level of respondents in the organization.

Education level	Frequency	Percentage
Post graduate	40	40%
Degree	30	30%
Diploma	25	25%
Certificate	0	0%
Others	5	5%
Total	100	100%

Source; Primary data, 2019

In the organization 40% of the population were master holder, 30% of the population were holders of degree, 25% of the population were diploma holders, 0% of the population were certificate holders and 5% of the population had other qualification like philosophy in doctorate and professors in the organization meaning that the population is highly educated.

4.2 Findings on the Forms of Money laundering in Kampala city in Uganda

Table 4.6 shows the Forms of Money laundering in Kampala city in Uganda

Response	Frequency	Percentage
Agree	5	5%
Strongly agree	4	4%
Disagree	40	40%
Strongly disagree	31	31%
Uncertain	20	20%
Total	100	100%

Source; Primary Data, 2019

In the organization 5% of the population had agreed that they are aware of the forms of money laundering 4% of the population had strongly agreed that they are aware of the forms of money laundering 40% of the population had disagreed that they were aware of the forms of money laundering in the organization 31% of the population strongly disagreed that there are various forms of money laundering that existed in the organization 20% of the people are not certain about the existence of the forms of money laundering in Kampala city. According to this analysis more effort has to be put on educating people about the forms of money laundering.

4.3 Findings on the causes of money laundering in Kampala Division, Kampala city.

Table 4.7: shows the causes of money laundering in Kampala Division, Kampala city.

Response	Frequency	Percentage
Agree	20	20%
Strongly agree	10	10%
Disagree	5	5%
Strongly disagree	15	15%
Uncertain	40	40%
Total	100	100%

Source; Primary data, 2019

In the table 4.7 20% of the respondence agreed on the causes of money laundering, 10% of the respondence strongly agreed on the ways that causes money laundering in Kampala city Uganda, 5% Of the remaining population disagreed on the ways that causes money laundering and on the other hand 15% of the respondents strongly disagree on the ways that causes money laundering as explained by the researcher and surprisingly 40% of the population are uncertain meaning that they are not aware of the causes of money laundering in Kampala city

4.4 Findings on the Impacts of money laundering on the nation and the area of study that is Kampala Division, Kampala city.

Table 4.8:Table shows the Impacts of money laundering on the nation and the area of study that is Kampala Division, Kampala city.

Response	Frequency	Percentage
Agree	20	20%
Strongly agree	30	30%
Disagree	25	25%
Strongly disagree	15	15%
Uncertain	10	10%
Total	100	100%

Source; Primary data, 2019

In table 4.8 it was noticed that 20% of the population agrees on the impacts of money laundering that existed 30% of the population strongly agreed on the impacts of money laundering that they existed in the organization 25% of the population however disagreed on the existences of the impacts money laundering 15% of the population strongly disagreed on the benefits of management in the organization and lastly10% of the population were even uncertain about the impacts of money laundering on the organization and the nation at large

4.5 Findings on the prevention and combat of money laundering in Kampala Division, Kampala city.

Table 4. 9: shows the prevention and combat of money laundering in Kampala city.

Response	Frequency	Percentage
Agree	10	10%
Strongly agree	10	10%
Disagree	20	20%
Strongly disagree	30	30%
Uncertain	30	30%
Total	100	100%

Source; Primary data, 2019

In table 4.9 it was noticed that 10% of the population agrees on the preventions and combat of money laundering 10% of the population strongly agreed on the prevention and combat measure 20% of the population however disagreed on the existences prevention and combat of money laundering 30% of the population strongly disagreed on the available ways of preventing and combating money laundering 30% of the population were even uncertain about the existence of the preventive and combat ways of money laundering in Kampala city so it clearly explains that people are not sure of the preventive and combat measures of money laundering in Kampala city.

CHAPTER FIVE
DISCUSSION, CONCLUSIONS, RECOMMENDATIONS AND IMPLICATIONS

5.0 Introduction

This chapter presented the conclusion and the recommendation of findings in relation of the study and the research questions as discoursed in chapter four

5.1 Discussion of findings

The researcher found out that the forms of money laundering are not yet familiar to the people hence much effort has to be put in order to explain the forms of money laundering by the financial intelligence authority to people.

The researcher found out that the causes of money laundering are not yet fully understood y the people hence the intelligence authority has to undergo some training for people to understand them hence avoiding money laundering

The researcher found out that the impacts of money laundering are of great harm and people are not aware that those impacts are caused by money laundering soothe intelligence authority has to make people understand the impacts of that

The researcher found out that the prevention and combat of money laundering are not understood by the people making if mandatory for the financial intelligence authority to educate the people on the solution to money laundering

The researcher found out that without the existence of the intelligence authority the money laundering problems cannot be accomplished so much work has to be done by the authority

The researcher found out that the intervention of the governments is a key aspect for easy accountability and avoid corruption in such organizations hence avoiding money laundering in the organization

The researcher found out that the problems that arises in organizations are due to lack of understanding the concept of money laundering by the public and because it is a new idea in Uganda

The researcher found out that the problems associated with money laundering can negatively affect the operations of the organization so as a result the money laundering issue has to be taken in to serious consideration

5.2 Conclusion

In order to achieve quality and quantity the government has to make sure that all people are aware of the impacts, causes and solutions to money laundering

5.3 Recommendations

From the above findings and conclusion, the followings measures are recommended in response to money laundering

The study found out that financial intelligence authority does not fully explain its roles to the public making it hard for people to understand. The study therefore recommends that the management of companies specifically financial intelligence authority should formulate comprehensive and effective strategies that seek to create strong awareness about the causes of money laundering in Uganda, possible solutions that can control money laundering and legislations that control the commercial banks to avoid money laundering.

The study revealed that various factors cause money laundering in Uganda. The study thus recommends that the management of telecom companies should focus on all these factors that cause money laundering , so as to achieve a long-term effect on increasing the organizations sustainability and existence in order to reduce on the impacts of money laundering in Kampala city.

5.4 Suggested areas for further study

Since this study explored the relationship between money laundering and financial intelligence in Kampala Uganda, the study recommends that; similar study should be done in other counties for comparison purposes and to allow for generalization of findings on the influence of money laundering and financial intelligence in the financial sector. The study further recommends that studies should be conducted to assess the impacts of money laundering, the causes of money laundering, various types of money laundering, the possible solutions to control money laundering and finally the role played by financial intelligence in regulating money laundering in Uganda especially in Kampala city.

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QUESTIONNAIRES

I Adiga Richard a student of Kampala International University, pursuing Bachelor of Business Administration (Finance and Accounting). As part of the requirement for the completion of my course, I am carrying out a study on "*The Relationship between Financial Intelligence and money laundering in Kampala Division in Kampala city, Uganda*

You have been selected to be part of the study. The success of this study therefore depends on your kind cooperation. You are kindly requested to answer the questions below according to the best of your understanding.

The information given will be treated with at most confidentiality and only used for academic purposes.

SECTION A: BIODATA

1. Name (Optional)..
2. Age....................

   18-24Yrs ☐ 24-29Yrs ☐ 30-35Yrs ☐ 36-41Yrs ☐ 42Yrs and above ☐

3. Sex/ Gender

Male ☐ Female ☐

4. Marital status

Single ☐ Married ☐ Divorced ☐ Separated ☐ Window ☐

5. Educational background

Postgraduate ☐ Graduate ☐ Diploma ☐ Certificate ☐

6. How many years have you worked for this company?

Up to 3Years ☐ 3-6 Years ☐ 6-10Years ☐ above 10 Years ☐

SECTION B

This section has statements about *the different forms of money laundering in Kampala city in uganda.* You are provided with a scale of five options, that is;

Kindly tick (✓) one choice that best suits the statement in the space provided:-

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	strongly agree

SECTION I: Forms of Money laundering in Kampala city in Uganda

Please respond to the following statements by indicating the extent to which you agree or disagree as per the given choices.

	1	2	3	4	5
	Strongly Disagree	Disagree	Not sure	Agree	Strongly agree
Layering					
In this stage the launderer tries to hide or disguise the origin of the funds by creating complicated layers of financial transactions designed to cover the audit trail and conceal it.					
Layering service to hide the source and the ownership of the funds in an economy					
The method used to accomplish layering such as the use of offsets accounts by dealers, online electronic fund transfers between certain tax havens and doubtful gold transactions					
The aim of layering is to separate the illegal					
Placement					
Money laundering activities is usually generated from cash intensive businesses, large amount of cash or hard currency and grown from illegal activities such as sale of drugs.					
The intention of the launderer is to eliminate the cash from the possession so as to escape any form of detection from the					

authorities .					
Currencies gained from this cycle need to be deposited of immediately by the launderer, so they go as far as depositing it back in financial institutions.					
The practice of utilizing multiple deposits being placed in many accounts by different individuals as "smurfing"					
Integration					
Illegal cash is taken back in to the financial system as payment for services rendered making the launderer feel fulfilled by making the funds appear legally earned.					
Illegal funds is returned to the economy and disgused as genuine income.					
It is the technique adopted to successfully interprets funds from a criminal enterprise would very often be similar to that of practice adopted by legitimate businesses.					

SECTION II: causes of money laundering in Kampala Division, Kampala city.

Please respond to the following statements by indicating the extent to which you agree or disagree as per the given choices

	1	2	3	4	5
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
A high share of the population and business unofficial income in that leads to existence of black markets.					
The imperfection of mechanisms or activities of financial institutions monitoring non compliance with international financial management standards.					

Corruption among many state executives, law enforcement, judicial authorities cause money laundering in a sense that they do not have or enforce strict laws on people.					
Impossibilities and limitation of opportunities for financial information exchange with foreign law enforcement agencies can cause money laundering					
Inadequate procedures for establishment of financial institutions, an opening of branches outside the country and the licensing of financial activities without taking in to account the necessary identity of the true owner.					
Legislative securing of the financial transactions secrecy, insufficient requirement for transparency of financial transaction and ownership of assets.					
Miscalculation in the regulation of foreign exchange transactions and other transactions with cash. If they are not accurately calculated it causes money laundering.					
Wide use of operations by enterprises, banks with offshore companies involving can lead to money laundering in the country.					
Anonymous cash accounts and financial instruments including shares, bounds with the payment of "bearer" funds					

SECTION III: Impacts of money laundering on the nation and the area of study that is Kampala Division, Kampala city.

Please respond to the following statements by indicating the extent to which you agree or disagree as per the given choices

	1	2	3	4	5
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree

Undermining of the integrity of financial markets: The succeeding reputational loss by financial institutions results in a loss of confidence by consumers in these affected financial institutions who may be perceived to be involved in fraudulent activities. This could also affect the reputation of a country and force investors to invest in economies that are perceived to be less exposed to the risk of money laundering.					
Loss of control of economic policy: signified that the size of the funds being laundered, and the fact that money launderers would want to launder their funds through developing economies to reduce possible detection of their schemes, can affect the inflow and outflow of funds in these countries.					
Economic distortion and instability: Money laundering may also misrepresent capital flows, and thus destabilize the effective functioning of the world-wide economy. argued that money launderers would not look at where to best invest their money based on economic principles, but rather at where it would be easier to avoid being caught or based on where the cost of avoidance was lower.					
Loss of revenue: Many theorists such as stated that money laundering decreases the tax funds available for collection in the economy and by implication government's revenues. Consequently, governments may have to levy higher taxes in order to obtain the funds necessary to fulfill their responsibilities towards their citizens.					
Security threats to privatization efforts: it was observed that money launderers who are able to obtain previous government entities that are being privatized, can attempt to establish a legitimate front to launder funds.					
Reputation risk: asserted that nations that are competing as destinations for legitimate investments may face difficulty to do so if there is a perception that the country has a poor track record of dealing with money laundering or is seen to be a centre for money laundering. This is because legitimate investors are wary of being associated with any country that has a negative reputation.					

SECTION IV: prevention and combat of money laundering in Kampala Division, Kampala city.

Please respond to the following statements by indicating the extent to which you agree or disagree as per the given choices

	1	2	3	4	5
	Strongly Disagree	Disagree	Uncertain	Agree	Strongly agree
The purpose of the Prevention of Money-laundering Act, 2002 (PMLA) is to combat money laundering					
Besides these legislations, there is a law of Foreign Contribution (Regulation) Act, 1976 under which the Central government regulates flow of funds to various organizations.					
International initiatives are also taken to fight against drug trafficking, terrorism and other organized and serious crimes have concluded that financial institutions including securities market intermediaries must establish procedures of internal control aimed at preventing and impeding money laundering and terrorist financing					
Intelligence agencies can have access to reports and records of financial institutions and businesses including suspicious activity reports filed by them. One of the major changes is ban of correspondent accounts for foreign shell banks,					
Procedures for Anti Money Laundering: Each registered intermediary must implement written procedures to implement the Anti-Money Laundering provisions as envisaged under the Prevention of Money laundering Act, 2002. Such procedures should include inter alia, the following three specific parameters which are related to the overall 'Client Due Diligence Process:					
,To combat the threat of offences of money laundering, the Government is entrusting the work relating to investigation, attachment of property/proceeds of crime relating to the scheduled offences.					

END

THANK YOU

Appendix IV: Budget

NO	Activity	Amount (Shillings)
1	Proposal writing	50,000/=
2	Gathering data	60,000/=
3	Stationary (pens, paper, and printing)	60,000/=
4	Printing, typing, binding and photocopying	100,000/=
5	Contingency costs	20,000/=
	Grand total	**290,000/=**

Appendix V: Work Plan

DATES	ACTIVITIES
SEPT30TH– OCT 7TH	Data Collection
Oct 8TH-15TH	Data Analysis
Oct 16TH-	Data Arrangement and Organization

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

Appendix VI: Krejcie& Morgan Table for Sample Size Selection