

MONEY LAUNDERING INDICATORS

One of the functions of Financial Intelligence Units the world over is the provision of guidelines to reporting entities on ways of detecting the occurrence of money laundering and terrorism financing in the financial institutions.

Just like every other crime, there are certain triggers or red-flags that point to the occurrence of certain activities, these triggers are what are referred to as indicators. Indicators are observable events that point to the possibility of specific activities occurring.

The Nigerian Financial Intelligence Unit (NFIU) in fulfillment of her obligations of providing guidance to reporting entities, from time to time, publishes indicators on money laundering and terrorism financing in an effort to guide reporting entities on observable patterns.

Below are some money laundering indicators classified under appropriate predicate offence type, which when observed, must be reported to the NFIU:

FRAUD

- Different Instruments deposits
- Huge cash withdrawals
- Dual/multiple identities
- Multiple deposits from different geographical locations
- Cash purchase of shares
- Transactions on nominee accounts
- Third party payments
- Invisible payments/transactions (on non-performance)
- Multiple individuals sending funds to the one beneficiary
- Multiple cheques cashed into the one bank account
- Multiple transactions of a similar nature on the same day in different locations

CORRUPTION AND BRIBERY

- Unusual transactions from government accounts to personal accounts
- Cash withdrawal from government accounts
- Huge transactions involving minors accounts
- Transactions involving non-profit organizations
- Frequent early repayment of loans
- Huge lodgments
- Sudden inflow into dormant account
- Transactions inconsistent with customers transaction profiles/patterns
- Frequent termination of investments
- Cash used to purchase large amounts of gold
- Insurance policy cashed outside the jurisdiction of purchase
- Company account doing large multiple cash transaction
- elaborate movement of funds through different accounts
- transfers to accounts on which there are no other transactions
- transfers followed by cash withdrawals
- more concerned about speed than costs
- high volume of transactions within a short period
- sale of large amounts of gold from an individual
- Huge cash payments to BDCs
- Investments of MDAs accounts
- Large and (or) structured payments into individual accounts from MDAs

These indicators are however not exhaustive and shall be undated from time to time.