NIGERIA'S DIRTY MONEY AND REAL ESTATE:
How Money Laundering Through Real Estate Impacts Nigeria's Fight Against Corruption
Civil Society Legislative Advocacy Centre (CISLAC) is non-governmental, non-profit legislative advocacy, information sharing and research organization, arising from the felt need to address defects in the legislative advocacy work of civil society and open the window through which legislators can also access civil society groups. It aims to strengthen the work of Civil Society on Legislative Advocacy and bridge the gap between legislators and the Civil Society.

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Every effort has been made to verify the accuracy of the information contained in this report. All information is believed to be correct recording of the issues covered in this report as of December 2019.

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Yours faithfully,

Auwal Ibrahim Musa (Rafsanjani)

Executive Director
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3. EXECUTIVE SUMMARY

Nigerian real estate sector has long provided opportunity for persons and companies to launder illegally acquired funds. The share of the real estate services to the nominal GDP is estimated at around 7% per annum. It is a significant contributor to the economy and has the capacity to fast-track the growth of the nation’s economy if adequately structured.

However, corrupt money channelled into the economy through the real estate sector can distort the market and inflate real property prices. Lagos is the most expensive city in Africa. In the affluent suburb of Ikoyi, the average price of three-bedroom apartments was NGN 140 million (US$ 388,906) in 2018 while five-bedroom apartments are sold for an average price of NGN 350 million (US$ 972,266).\(^1\) This affluence is in contrast to about 70% of the total population of Lagos currently living in informal housing and slums. The housing deficit in Lagos is estimated to be around 2.5 million units. In major centres such as Lagos, Abuja, Ibadan and Kano housing demand is growing at about 20% per year.

Inflated prices are, at least in part, driven by corruption proceeds laundered through the real estate market. According to the Nigerian anti-corruption agencies, the Nigerian real estate sector is the second most vulnerable to money laundering next to the Bureau De Change operators.

Nigerian law enforcement authorities, especially the anti-corruption agencies, are improving their responses to money laundering. Especially non-conviction based approaches to asset seizures have yielded significant results in the effort to recover corrupt assets. While reliable data is scarce, real estate properties constitute a large volume of seized and confiscated assets by the Nigerian law enforcement.

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Availability of reliable data is in general a significant problem when analysing the impact of money laundering in Nigeria. While detecting of Suspicious Transactions Reports has been steadily increasing, for example in 2018, 10,346 reports were filed compared to only 937 in 2014, it is not clear if any real estate transactions were involved, let alone investigated and confiscated. Actionable intelligence on anti-money laundering is in general very low. For example, the Nigerian Drug Law Enforcement Authority in charge of fighting drug-organised crime processed only 1 proactive report and 11 reactive intelligence reports in 2018. Drug-organised crime has exponentially increased in West Africa including Nigeria.

*When analysing money laundering through the real estate sector, six common denominators are identified:*

**Feature 1:** Money launderers and criminals use third parties, professionals, family members and close associates to acquire high value real estate;

**Feature 2:** The use of pseudonyms to open accounts is frequent through which illegal funds were diverted into high-value real estate acquisitions;

**Feature 3:** The laundering of the proceeds of crime through purchase of high value real estate preferably abroad;

**Feature 4:** Majority of the cases reviewed involved politically exposed persons and their associates, who channel almost in all cases parts of substantial volume of illegal proceeds into real estate in Nigeria and abroad;

**Feature 5:** Transfers of illicit funds through offshore bank accounts is very frequent while purchasing real estate properties;

**Feature 6:** Laundering of illicit funds through real estate comes frequently with the aim of funding of political parties or political endeavours.
While these findings are neither new nor unique to Nigeria, reforms to close loopholes leading to these gaps have been very difficult to address. Real estate agents are still largely unregulated and rarely report any suspicious transactions involving unexplained wealth when facilitating real estate transactions. This applies especially to the involvement of politically exposed persons, where legitimate questions about the source of wealth to be invested in the property market must be asked and reported.

New legal frameworks and policy guidelines are needed to strengthen institutional mandate of the Special Control Unit Against Money Laundering (SCUML), which is the only dedicated organisational unit tasked to oversee Designated Non-Financial Businesses and Professions (DNFBPs) including real estate providers.

In the absence of the long awaited Proceeds of Crime Act, there are no or little legal and policy guidelines for management of interim and final forfeitures including confiscated real estate to prevent value-depreciation, mismanagement and ‘re-looting’ of confiscated assets, in particular in the form of interim and final forfeitures of real estates. Management of these assets is a constant challenge from the logistical and accountability perspective and diminishes the hard work invested into tracing and investigating of assets laundered from corruption and other illegal proceeds.

In the context of highly globalised nature of Nigerian organised crime and large volume of Nigerian-originated assets invested abroad, international cooperation and intelligence data exchange needs to be improved. Nigerian law enforcement agencies lament lack of cooperation from international partners. While these concerns are largely legitimate, the absence of reliable land registry, beneficial ownership databases and other actionable intelligence makes prevention and investigation of suspicious transactions involving real estate extremely difficult.

Accurate beneficial ownership database is long overdue and it is a source if legislative and political wrangling. Crucial legal amendments have not been enacted by the Presidency despite repeated commitments to the introduction of beneficial ownership, which would enable tracing of money laundering transactions. Adverse political influence is suspected in the context, where real estates in Nigeria and abroad are frequently deposits of the ‘war chest’ deployed by the elite in pursuing and sustaining power.
The role of the Nigerian and international financial providers must also be revisited as criminals alone cannot organise highly complex money laundering schemes involving high-value real estates, frequently outside of Nigerian jurisdiction. For example, Sani Abacha loot was laundered under active involvement or at least advisory of some of the most respected 'Western' bank providers. Panama papers or recently Angolan Dos Santos case also underscore the adverse and sometimes outright criminal role of the respected financial providers in supposedly ‘corrupt-free’ countries. Lastly, Nigerian authorities must tap into the potential of CSOs and media to monitor and research suspicious sources of wealth channelled through real estate sector. Instead of labelling non-governmental entities as a security risk, active cooperation should be established at the policy, legislative and individual cases' level.

**EXECUTIVE SUMMARY**

- **N140MILLION** is the average price of three-bedroom apartments in the affluent suburb of Ikoyi, Lagos State.
- **70%** of the total population of Lagos currently living in informal housing and slums.
- Around **2.5 MILLION UNITS** housing deficit is estimated in Lagos State.
- **In 2018, 10,346** money laundering reports were filed compared to only 837 in 2014.
The United Nations Organisation Office on Drug and Crime (UNODC) estimates the amount of money laundered globally in one year at 2 - 5% of global GDP, or $800 billion - $2 trillion.\(^5\) Money laundering and illicit financial flows negatively impacts many developing economies and reduces domestic resource and tax revenue needed to fund poverty-reducing programs and infrastructure in developing economies.\(^6\)

Moreover, money laundering is often closely associated with terrorism financing and other predicate offences such as smuggling, human trafficking, illegal dealing in drugs, corruption etc. It also requires an underlying, primary, profit-making crime in conjunction with the intent to conceal the proceeds of the crime or to further the criminal enterprise. However, anti-money laundering and countering the financing of terrorism AML/CFT controls, when effectively implemented, can work to mitigate the adverse effects of criminal economic activity and promote integrity and stability in financial markets.\(^7\)

Various studies suggest that advances in technology and the progressive tightening of anti-money laundering (AML) regulations are leading money launderers to make more complex arrangements outside the formal financial services industry, such as the use of various professional services, and in particular the real estate business.\(^8\)

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\(^{5}\) UNODC, Money Laundering and Globalization, Online @ https://www.unodc.org/unodc/en/money-laundering/globalization.html


\(^{7}\) IMF, Anti-Money Laundering/Combating the Financing of Terrorism, Online @ https://www.imf.org/external/np/leg/amlcft/eng/

\(^{8}\) Inter-Governmental Action Group Against Money laundering in West Africa, (GIABA), Typologies of Money laundering Through The Real estate Sector in West Africa, Final Report, Online @ https://info.publicintelligence.net/TYPOLOGIES_Report_Final_Feb_09.pdf
Real estate investment is given concerted attention world over due to its critical role and contribution to national economy and socioeconomic development of nations like job creation and employment generation, housing provision, income enhancement and redistribution as well as poverty alleviation. Real estate investment involves vast array of operations ranging from the purchase, development, ownership, management, rental, to sale of real estate and related properties investment for profit. Investment in the real estate sector is attractive because of the appreciating nature of assets and subsequent profit expected from sale of the assets.

Real estate transactions have been identified as a key area of potential AML/CFT vulnerability for legal professionals by the FATF Report on Money laundering and Terrorist Financing Vulnerabilities of Legal Professionals. In recent years, the causality between money laundering and real estates has been explored at both global and national level.

The Transparency International Report – “Doors Wide Open” highlights the fact that real estate market has long provided a way for individuals to secretly launder or invest stolen money and other illicitly gained funds as they are also an easy and convenient place to hide hundreds of millions of dollars from criminal investigators, tax authorities or others tracking criminal behaviour and the proceeds of crime. In fact, all recent grand corruption cases.

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11 Martini M. Doors Wide Open: Corruption and Real Estate in Four Key markets. Transparency International, 2017 Online @ file:///C:/Users/hp/Downloads/2017_DoorsWideOpen_EN.pdf-
scandals involve proceeds of graft invested into luxury property. Panama Papers, Paradise Papers or Brazilian Car Wash contain encyclopaedias of property purchases in some of the most expensive places on the planet. In London, more than 39,000 properties have offshore owners. It is impossible to know who the real owners are, who they are and what their source of income is.

For example, an Australian study titled “How is Money Laundered Through Real Estate,” reveals that money is laundered in the real estate sector through the use of third parties, loans and mortgages, structuring of cash deposit to buy real estate, rental income to legitimise illicit funds, purchase of real estate to facilitate other criminal activity and renovations and improvements to property and overseas-based criminals investing in Australian real estate.

News reports from Vancouver in Canada suggest that its real estate sector is an attractive “laundromat” for some of the world’s most notorious criminals. Organised criminals fanned the flames inflated Vancouver’s already overpriced real estate market, making the city even more unaffordable for its residents. Canada’s real estate sector is also found attractive to money launderers because the country’s justice system has made it difficult to catch money laundering, as it has some of the most lax financial reporting rules in the developed world.

According to the FATF Report on Money Laundering and Terrorist Financing Vulnerabilities of Legal Professionals, misuse of monetary instruments, third parties, front men/women and businesses, legal practitioners, service providers and financial institutions, including alternative transfer systems have been identified as particularly vulnerable in money laundering schemes involving real estate. These schemes equally involve complex loans or credit finance, mortgage schemes, investment schemes using non-financial professionals, corporate vehicles and monetary instruments for the purchase of properties to conceal money generated by illegal activities.

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12 Ibid
14 Miralis, N. G. How is Money Laundered through Real Estate? Lexology, may 14, 2018. Online @ https://www.lexology.com/library/detail.aspx?g=4242839e-373c-4525-a853-3ad5cc84a17b
15 Pearson N. O. Vancouver’s Housing Bubble was driven by Billions in Laundered Criminal Proceeds. Seattle Times, 13th May 2019. Online @ https://boingboing.net/2019/05/13/5b-per-year.html
18 FATF & GAFT, Money Laundering and Terrorist Financing Through the Real Estate Sector, 29 June 2007. Online @ https://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20through%20the%20Real%20Estate%20Sector.pdf
A typology study conducted by GIABA in 2008\(^1\) identified through case examples some basic techniques that have been used to launder money through the real estate sector in West Africa. They include the use of unregistered real estate agents and other front persons, mortgage schemes and advance fee fraud and parallel (alternative) money transfer systems. The report also looks at the characteristics that make the real estate sector in West Africa particularly attractive to potential misuse and abuse by criminals. The typologies identified were:

1. Use of monetary instrument
3. Use of non-financial professionals and other corporate vehicles (notaries, lawyers, real estate agents, registrars and other service providers).
4. Mortgage schemes.
5. Use of real estate to conceal illegal activities.

Thus, real estate is often the preferred destination for a financial criminal’s ill-gotten gains for the same reason real estate is attractive to any investor such as: real estate prices are generally stable and will appreciate over time; real estate is also functional in the sense that a money launderer could use the property as a second home or rent it out, earning income from the investment.\(^2\) Real estate is a magnet for criminal investment making up large volume of confiscated assets worldwide. FATF reported that 30 per cent of criminal assets confiscated worldwide between 2011 and 2013 were real estate, demonstrating that this sector is highly susceptible to criminal misuse.\(^3\)

Criminals are drawn to money laundering through real estate due to the fact that it is relatively uncomplicated and requires little expertise. Moreover, real estate can be bought using cash, where true ownership can be disguised, and property is a secure investment with good potential to increase in value.\(^4\)


FATF & GAFI Report on Money Laundering in the real estate sector presents a clearer picture of how the real estate can be misused for money laundering and terrorist financing purposes. The report shows that the real estate sector is vulnerable to ML due to the international nature of the sector which makes it difficult to identify real estate transactions associated with ML and TF. Investment in the real estate benefit both the criminal and law abiding citizens. Property prizes appreciate over time. Most importantly for misuse by criminals is the facility the sector may provide for obscuring the true source of the funds and the identity of the (ultimate) beneficial owner of the real asset, which are two key elements of the money laundering process.

**Nigeria and Beneficial Ownership (BO)**

Nigeria repeatedly committed to the implementation of freely accessible database of beneficial ownership. President Muhammadu Buhari’s declared in a statement at the 2016 London Anti-Corruption Summit convened by the UK Government that “Nigeria is committed to establishing a public central register of companies’ beneficial owners’ information.” The statement also expressed Nigeria’s intention to “implement the principles of Open Government Partnership (OGP) and Open Data standard.”

**Perceived challenges to achieving BO disclosure**

Since 2016, only slow progress on the BO implementation has been achieved. There has been considerable resistance to the passage of a comprehensive legal framework enabling BO disclosure. Other challenges include:

- Budgetary implications of establishing, verifying and ensuring compliance
- Right to personal data protection/safeguards from political witch-hunting
- Resolution of grey/knotty issue about materiality threshold
- Political elites who, for selfish personal interests, may pose a stumbling block to efforts to secure a law for beneficial ownership implementation in Nigeria as some of them already mentioned in the #PanamaPapers.

In new developments, Nigerian EITI launched on the 12th of December 2019 database of beneficial owners (https://bo.neiti.gov.ng/) in the oil and gas sector. Despite the fact that many entries still highlight legal owners instead of beneficial owners, it is an important step to induce transparency and accountability in the most important Nigerian sector.
Therefore, FATF Guidance on Transparency and Beneficial Ownership explored the misuse of corporate vehicles for illicit purposes, including ML/TF. In general, the lack of adequate, accurate and timely beneficial ownership information facilitates ML/TF by disguising: the identity of known or suspected criminals, the true purpose of an account or property held by a corporate vehicle, and/or the source or use of funds or property associated with a corporate vehicle.

**Objective of the report**

This report is prompted by the urgency to tackle various forms of laundering of proceeds of crimes in Nigeria with the focus on the real estate sector. It aims at i) describing the nexus between money laundering and the Nigerian real estate sector, ii) determine whether the sector has provided opportunity for criminal elements to hide illicit funds and iii) explore ways to mitigate AML/CFT risks prevalent in the real estate sector.

More specifically, this report:

- **Assess and understand the money laundering Risk prevalent in the real estate sector in Nigeria.**
- **Reviews the effectiveness of compliance measures in the sector.**
- **Reviews the existing investigation and prosecution capacity to tackle money laundering through real estates in the law enforcement agencies, anti-corruption institution and other relevant state-actors.**
- **Analyses the trend of money laundering in the sector.**
- **Proffers recommendations for strengthening anti-money laundering mechanisms to effectively prevent and sanction money laundering activities in the sector.**

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In terms of methodology, this report is primarily based on the secondary data. Some expert interviews and focus groups to ground and triangulate the findings have been employed to a very limited extent. Realising that relevant data is available, secondary data literature review was adopted for this research using collated, synthesized and analysed sources of all relevant information available from various sources including legislation, case law, government agencies, media, NGOs, UN Agencies and academia. Primary data was adopted from a focus group discussion which doubled as a validation exercise. This is aimed at ensuring reliability, objectivity, balance of perspective and clarity of facts presented in this study.
Nigeria is the most populous African nation with an estimated population of over 200 million in 2019, based on the latest United Nations estimates. Nigeria has the biggest economy in Africa and is a commercial hub and business leader in many African industries. The size of nation's economy have a direct positive effect on investment activities of real estate sector, as it is one of the most profitable ventures of any economy and one of the indices of measuring economic growth of a society.

According to the Nigerian Bureau of Statistics, the contribution of real estate services to the nominal GDP in the first quarter of 2019 was 5.80%, as against 5.88% recorded in the first quarter of 2018 and 7.07% in the fourth quarter of 2018. Clearly, the Nigerian real estate sector is a huge contributor to its GDP.

Around 1 trillion USD illicitly leave developing countries through companies with hidden ownership according to the Financial Transparency Coalition. Out of it, an estimated 15.7 billion USD pass through the Nigerian financial system every year. Due to the size of the economy, integration with the global economy and huge amounts of ‘dirty’ assets, Nigeria has been constantly ranked amongst the 10 largest countries for illicit financial flows. Money laundering is an important strategy to channel corrupt proceeds for private gains but also to political allies to cement political influence.

Money laundering became prevalent in Nigeria around the 1980’s as a result of increase in financial crimes following the collapse in international oil prices, which made the nation to embark on

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26 Worldometers, Nigeria Population (Live), Online @ https://www.worldometers.info/world-population/nigeria-population/


28 ibid

29 Chinjekure F. Real Estate’s Contribution to Economic Growth, Post Properties, Online @ http://www.postproperties.co.zw/media/blog/real-estate%E2%80%99s-contribution-economic-growth


32 Ibid
Structural Adjustment Programme and the citizens were made to cope with austerity measures. The Global financial Integrity (GFI) Report indicates that Nigeria lost about $8.3 billion to IFF between 2006 and 2015. This is worrisome in the light of the World Bank's observation that such illicit financial flows has the capacity to reduce domestic resource and tax revenue needed to fund poverty-reducing programs and infrastructure in developing economies, further heightening the problem of economic inequality in the nation.

The real estate sector in Nigeria is funded through primary mortgage institutions, development finance institutions, capital market, loans from deposit money, banks, public funding, private individuals, corporate bodies and foreign direct investments recorded an unprecedented growth, emerging as a significant contributor to the economic and social transformation of Nigeria through the provision of employment, goods and services.

Lagos is the most expensive city in Nigeria. In the Lagos suburb of Ikoyi, the average price of three-bedroom apartments was NGN 140 million (US$388,906) in 2018 while five-bedroom apartments are sold for an average price of NGN 350 million (US$972,266). Abuja, the capital city of Nigeria, is experiencing increasing interest from both local and foreign investors. In Maitama, an upscale neighbourhood in Abuja, the average price of four-bedroom apartments was NGN 213 million (US$591,693) while five-bedroom apartments were sold for NGN 350 million (US$972,266) in 2018.

Other parts of Nigeria are relatively expensive as well. In the Niger Delta the average prices of three- and five-bedroom apartments were NGN 40 million (US$111,116) and NGN 75 million (US$208,343), respectively. In Oyo, the average prices of three- and five-bedroom apartments were NGN 13 million (US$36,113) and NGN 40 million (US$111,116), respectively. In Ogun, the average price of three-bedroom apartments stood at NGN 11.5 million (US$31,946) while it was NGN 30 million (US$83,337) for five-bedroom apartments.
The inflated value of property in lucrative cities comes in the context of Nigeria’s housing deficit has worsened over the past three decades. The housing deficit is now estimated at least 17 million, up from 14 million in 2010, 12 million in 2007 and 7 million in 1991. Lagos needs around 2.5 million additional units to satisfy the exponential demand of rapidly growing population of estimated 21 million city dwellers. In major centres such as Lagos, Abuja, Ibadan and Kano housing demand is growing at about 20% per year.\(^{38}\)

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\(^{38}\) ibid
The challenges of the real estate market are both economic and political. Firstly, allocation of land titles is expensive and prone to political influence. State governors have vast powers to allocate land as they please, which distorts the economic reality and contributes to the land and property shortage. Secondly, housing construction is very expensive due to high costs of building materials, high skilled labour costs, and costs associated with poor roads and sewerage systems. Cement prices in Nigeria are about 30-40% higher than in neighbouring countries and world market prices. The lack of public infrastructure adds as much as 30% to the total costs of the development.\textsuperscript{39}

**Dubai property market – haven for dirty money**

The report by the Washington-based Centre for Advanced Defence Studies (C4ADS), relying on leaked property data from the city-state, offers evidence to support the claim that world criminals stash their proceeds of crime into the lucrative Dubai’s real-estate boom. It identifies some $100 million in suspicious purchases of apartments and villas across the city of skyscrapers in the United Arab Emirates, where foreign ownership fuels construction that now outpaces local demand.

African kleptocrats and wealthy have been using Dubai as a deposit for their enormous legal or illegal gains. Nigerians have in particular been attracted to lucrative this location due to don’t-ask-don’t-tell approach of the UAE authorities in regards to the origin of the invested assets.
GIABA’s 2018 Mutual Evaluation Report of Nigeria indicates that Nigerian real estate administration yields substantial income to the operators as the property businesses remain at all-time high.\(^40\) Nigerian real estate sector has been described as the most transformative sector with the capacity to fast-track the growth of the nation’s economy if adequately structured. There is a need to track this economic dynamism and advocate policies that will address the many challenges inhibiting this lucrative sector from reaching its full potential.\(^41\)

Sadly, the Nigerian Money Laundering and Terrorist Financing Risks Assessment\(^42\) identified the Real Estate sector as the 2nd most vulnerable to money laundering risk next to Bureau De Change Operators. The real estate sector has also been accused of being a haven to money laundering. Economic Financial Crime Commission (EFCC), one of the three anti-corruption agencies in Nigeria, had uncovered several money laundering schemes in the capital city of Abuja in which the perpetrators disguise the proceeds of crime by investing in properties without using the banks, preferring to pay for their acquisition with cash.\(^43\) This situation led the Nigerian government to launch investigations through the EFCC into allegations that Nigerian politicians stashed looted funds in Dubai climaxing in an accord with the United Arab Emirate towards checking the trend.\(^44\)

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\(^{43}\) ICIR, Real estate is Haven to Money laundering in Abuja - EFCC. Jan 10, 2014, Online @ https://www.icirnigeria.org/real-estate-is-haven-for-money-laundering-in-abuja-efcc/

CASE STUDY OF NIGERIAN ‘BIG MEN’:
LAUNDERING PROCEEDS OF CRIME THROUGH REAL ESTATE

Nigeria has produced some of the most ‘famous’ money launderers in the world. The extent of the loot and the elaborate international schemes put Nigeria in the spotlight of international efforts to prevent money laundering. Below are some examples of Nigerian ‘big men’, who used their political and business links for illegal money laundering schemes centred around luxurious real estates all over the world.

CHIEF EMMANUEL NWUDE

Nigerian banker turned fraudster Emmanuel Nwude presented himself to Nelson Sakaguchi, the Managing Director of Banco Nordeste S.A, Brazil, as a senior staff of the Federal Government of Nigeria in the Ministry of Aviation. He proposed that a sum of 39 Million USD was to be remitted out of Nigeria as part of fulfilment of the contract for Abuja International Airport. The said fraudster agreed to pay 40% of the sum to Nelson Sakaguchi of Banco Noroeste S. A of Sao Paulo, Brazil. The contract was for the construction of the Abuja International Airport and the contract document bore the logo and the name of the Federal Government of Nigeria. The convicts made various request from the victim as payment for taxes for the Federal government of Nigeria and in the process obtained over 190 Million USD as they continually increased the contract sum to be remitted to Brazil and in return demanding for additional payment of taxes.45

A significant portion of the proceeds of this crime was used to purchase real estate in Nigeria and in Europe. It was a classic case of Advanced Fee Fraud (a.k.a. 419). The crime was committed between 1995 and 1998. In the process of defrauding BN.S.A, Nwude instructed the bank to make remittances in favour of a Nigerian based Asian merchant (hereinafter referred to as Mr. A), who maintained off-shore bank accounts in Hong Kong and Switzerland. The bank complied and made several remittances totaling $120million USD.

For each remittance to the off-shore accounts, Mr. A would provide Nigeria’s local currency equivalent following, which Nwude would further instruct Mr. A to make remittances directly in favor of third-party vendors of real estate and other assets to Nwude. The payments in the local currency frequently took the form of bank drafts. Nwude would then take these drafts to the vendors and acquire assets in his name and in the names of companies he had established. In many cases, there was no direct link between the funds taken from BN. S.A including the intermediary banks and Nwude. This way, Nwude successfully isolated himself from the proceeds of the crime and indeed laundered the proceeds without detection. The link only became apparent after the funds were traced to Mr. A’s accounts and he (Mr. A) was arrested and required to make an explanation of the transactions. For the properties purchased in Europe, Nwude opened a Swiss off-shore bank account and instructed Mr. A to remit funds directly to that account, which Nwude subsequently used to purchase the real estate.

At the initial stage of the “business”, Nwude instructed BN.SA to remit funds in favour of appointed local banks Nigeria. Due to certain drawbacks, Nwude opted for Mr. A on the recommendations of the banks he had previously used. The Mr. A’s option was more result-oriented in meeting Nwude expectations.46

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Joshua Chibi Dariye was the Governor of Plateau State in the Federal Republic of Nigeria from May 1999 through May 2007. He was alleged to have misappropriated more than USD 11.9 million during his administration. The funds were channeled into bank accounts in the United Kingdom and Nigeria under his name and those of his close associates. Dariye also used aliases to hide his wealth, he purchased a property in London under one “alias” and utilized business fronts to launder money. Dariye was arrested in London by the Metropolitan Police on suspicion of money laundering - a cash sum of USD $210,000 was seized from him. After being released on bail, Dariye fled the country and was able to avoid the subsequent British international arrest warrant through his constitutional immunity as a Governor in Nigeria. He was later tried and convicted by the FCT High Court Abuja for criminal breach of trust and criminal misappropriation of Plateau State ecological fund which he diverted through an account held in All State Trust Bank in the name of Ebenezer Rethnam, which the court held was one and the same as Joshua Dariye.47

JAMES ANANAFE IBORI

James Onanefe Ibori, the former governor of Delta State pleaded guilty in a London court in 2012 to 10 counts of fraud and money-laundering involving sums amounting to at least 50 million pounds ($66 million). The amount was stolen from Delta State government and the proceeds were laundered in the UK through the purchase of real estate and other exotic cars. Upon his conviction to a 13-year jail term, he was ordered to forfeit a house at Hampstead valued at 2.2 Million Pounds, a property at Shaftesbury, Dorset for 311,000 Pounds, a fleet of armoured Range Rovers valued at 600,000 Pounds, a 120,000 Pounds Bentley Continental GT, a Mercedes-Benz Maybach 62 bought for 407,000 cash that was shipped to his mansion in South Africa and a 3.3 Million Pounds mansion in Sandston, South Africa. He served half of his sentence in UK, as is common in the British system, and is now back in Nigeria where he retains significant political influence.

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ICIR, Real estate is Haven to Money laundering in Abuja - EFCC. Jan 10, 2014, Online @ https://www.icirnigeria.org/real-estate-is-haven-for-money-laundering-in-abuja-efcc/

British and U.S. investigators reported that Diepreye Alamieyeseigha, governor of Bayelsa State from 1999 to 2005, used money skimmed from public funds, including government oil contracts, to buy a home in Rockville, Maryland, and four homes in London held by an offshore company set up through Mossack Fonseca. He was arrested on U.K. for money laundering charges during a visit to London in 2005, but later reportedly slipped out of UK to Nigeria in the garb of a woman. Diepreye Alamieyeseigha was detained in London on charges of money laundering in September 2005. At the time of his arrest, Metropolitan police found about £1m in cash in his London home. Later they found a total of £1.8m ($3.2m) in cash and bank accounts. He was found to own four homes in London worth an alleged £10 million. He was arrested upon his return to Nigeria but pardoned by the ex-President of Nigeria Goodluck Jonathan and released.

When analysing these cases studies and many others, some common features stand out:

**Feature 1:** Money launderers and criminals use of third parties, professionals, family members and close associates to acquire high value real estate;

**Feature 2:** The use of pseudonyms to open accounts through which illegal funds were diverted into high-value real estate acquisitions is very common;

**Feature 3:** The laundering of the proceeds of crime through purchase of high value real estate preferably abroad;

**Feature 4:** Majority of the cases reviewed involved politically exposed persons and their associates, who channelled almost in all cases parts of substantial volume of illegal proceeds into real estate in Nigeria and abroad;

**Feature 5:** Transfers of illicit funds through offshore bank accounts were done involving real estate;

**Feature 6:** Laundering of illicit funds through real estate comes with the aim of funding of political parties or political endeavours.
6. HOW EFFECTIVE IS NIGERIA'S FIGHT AGAINST MONEY LAUNDERING THROUGH REAL ESTATE

Legal and institutional framework for money laundering through real estate

The Money Laundering (Prohibition) Act 2011 as amended (MLPA) makes provisions criminalizing money laundering and imposes duties/responsibilities on financial institutions, non-governmental agencies and designated non-financial institutions (DNFI). DNFI includes dealers in jewellery, cars and luxury goods, chartered accountants, audit firms, tax consultants, clearing and settlement companies, legal practitioners, hotels, casinos, supermarkets, or such other businesses as the Federal Ministry of Commerce or appropriate regulatory authorities may from time to time designate. Designated non-financial businesses for the purposes of registration, reporting and conduct of customer due diligence include dealers in real Estate, Estate Developers, Estate Agents and Brokers and Construction Companies.

In a bid to tackle money laundering in the real estate sector, Nigeria has AML/CFT legislations and regulations that regulate the real estate sector such as: Money Laundering Prohibition Act, 2011 (MLPA) as amended; Terrorism (Prevention) Act No. 10, 2011 (TPA) as amended; Nigerian Financial Intelligence Unit Act, 2018; Economic and Financial Crimes Commission (Establishment), 2004; Federal Ministry of Industry, Trade and Investment (Designation of Non-Financial Institutions and Other Related Matters) Regulations, 2013 and AML/CFT Regulations For designated Non-Financial Businesses and Professions in Nigeria (SCUML Regulations).

26 Worldometers, Nigeria Population (Live), Online @ https://www.worldometers.info/world-population/nigeria-population/
28 Ibid
29 Chinjekure F. Real Estate’s Contribution to Economic Growth, Post Properties, Online @ http://www.postproperties.co.zw/media/blog/real-estate%E2%80%99s-contribution-economic-growth
32 Ibid
The Money Laundering (Prohibition) Act 2011 as amended further provides for the supervision of dealers in real estate, estate Developers, estate agents and brokers and construction companies by the Special Control Unit against Money Laundering (SCUML). SCUML was established as a specialised unit of the Federal Ministry of Commerce and Industry by the Federal Executive Council of Nigeria in September 2005. SCUML monitors, supervises and regulates the activities of all DNFIis in accordance with the country’s (AML/CFT) regime. SCUML also engages in public awareness through training workshops, seminars, conferences, etc.

The duties of players in the real estate sector under the MLPA, the Terrorism (Prevention Act (TPA) as (amended), the Federal Ministry of Industry, Trade and Investment (Designation of Non-Financial Institutions) 2013 and 2016 include:

**01** Registration with SCUML;

**02** Making currency transactions reports (CTRs) to SCUML of single transactions, lodgment or transfer of funds in excess of N5 Million or its equivalent for an individual or N10 million for a body corporate within 7 days from date of transaction;

**03** Making Cash Based Transactions Report (CBTRs) to SCUML of any single transaction in excess of $1,000 or its equivalent within 7 days from date of transaction;

**04** Making suspicious transaction reports (STRs) to the Nigerian Financial Intelligence Unit.
Failure of DNFI to comply with the requirements of customer identification and the submission of returns on such transaction as specified in MLPA within 7 days from the date of the transaction amounts to an offence punishable on conviction with a fine of N250, 000 for each day during which the offence continues and suspension, revocation or withdrawal of license by the appropriate licensing authority as the circumstances may demand.

SCUML collaborates with the EFCC for the enforcement of the provisions of the relevant laws on the strength of the Economic and Financial Crimes Commission (Establishment) Act, CAP E1, LFN 2004. The EFCC is charged with the responsibility of co-coordinating the various institutions involved in the fight against money laundering and enforcement of all laws dealing with economic and financial crimes in Nigeria. S.18 of the EFCC Act provides for imprisonment of a term not less than two years and not exceeding three years against any person who knowingly engages in the acquisition, possession, management, organization, conversion, transfer or use of property derived from commission of economic and financial crimes.

On the other hand, NFIU is designated as the central Unit that coordinates all AML/CFT activities in Nigeria and is responsible for the receipt, analysis and dissemination of the information received to law enforcement agencies. The NFIU also serves as a watchdog to all reporting entities especially the Financial Institutions or the Banks to ensure their compliance to obligations imposed on them by the MLPA, 2011 as amended and recommend sanctions where there are observed deficiencies. Although in theory independent, the anti-corruption agencies are frequently accused of ‘political’ selectiveness in prosecution, investigation and asset confiscation.
Effectiveness of Nigeria’s law enforcement to prevent and prosecute money launderers through real estate

In general, investigation, prosecution and conviction on anti-money laundering charges is in Nigeria a very cumbersome exercise. However, recent years have marked some progress. Nigeria’s anti-money laundering efforts are gradually growing more effective as law enforcement agencies and other stakeholders adapt and innovate in response to many persistent challenges. Especially EFCC has become more efficient with non-conviction based approaches to asset seizures when there is suspicion of illicit enrichment, for example through money laundering. This approach has significantly increased the volume of confiscated assets and avoided lengthy legal battles through criminal procedures.

<table>
<thead>
<tr>
<th>Non-conviction-based confiscation or forfeiture</th>
<th>asset confiscation or forfeiture in the absence of the conviction of the wrongdoer. The term is often used interchangeably with civil confiscation or forfeiture.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criminal confiscation</strong></td>
<td><strong>Non-conviction-based confiscation</strong></td>
</tr>
<tr>
<td><strong>Action</strong></td>
<td>Against the person [in personam] part of the criminal charge against a person</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Imposed as part of sentence in criminal case</td>
</tr>
<tr>
<td><strong>Threshold of evidence</strong></td>
<td>Criminal conviction is required. The court must establish criminal activity &quot;beyond reasonable doubt&quot;</td>
</tr>
</tbody>
</table>

Effectiveness of Nigeria’s law enforcement to prevent and prosecute money launderers through real estate

Some systemic reforms have also contributed, both as preventive and punitive measures. The introduction of the Know Your Customer (KYC) procedures and the introduction of compliance monitors is gaining traction in both financial and non-financial sectors. Nigeria is also working with international partners through mutual legal assistance frameworks to tract and recover stolen assets. These measures introduce effective solutions to detect money laundering and implement an upward sanctions regime. Recent partial successes in recovering some of estimated $5 billion of the Abacha loot are a powerful success indicator.

A large volume of the assets under investigation, seized assets, frozen assets and expropriated assets are in the form of real estates, both within the Nigerian jurisdiction and abroad. One of the major reasons is deficiency in monitoring and reporting of suspicious real estate transactions and their enablers.

The Nigerian Money Laundering Risk Assessment, noted that the Nigerian real estate sector is populated with informal agents who control over 95% of the market, whereas some real estate agencies that operate in the sector are registered in foreign jurisdictions, many of them residing in tax havens.
The Nigerian Institute of Estate Surveyors & Valuers (NIESV), the legally recognized Self-Regulatory organisation (SRO) for registered estate agents and firms by virtue of Estate Surveyors and Valuers (Registration Act) Decree No. 24 of 1975, effectiveness is called to question as its regulatory functions is limited to the few registered firms. Similarly, the effectiveness of the Real Estate Development Association of Nigeria (REDAN), the (SRO) of real estate developers in Nigeria is negatively affected for the same reason. This underscores the enormous challenges facing estate surveying and valuation practice across the world and the future of the profession is being questioned, especially in Nigeria.\textsuperscript{58}

GIABA’s Research on the Vulnerability of Non-financial Businesses and Professions to Money laundering and Terrorism Financing and The Adequacy of Control Measures in West Africa indicated that the real estate sector in West Africa is not sufficiently regulated, supervised or monitored, Nigeria notwithstanding.\textsuperscript{59}

Table 1: Disseminated Intelligence in 2018 by the Nigeria Financial Intelligence Unit (NFIU), source: NFIU

<table>
<thead>
<tr>
<th>QUARTER AGENCY</th>
<th>Proactive</th>
<th>Reactive</th>
<th>QUARTER AGENCY</th>
<th>Proactive</th>
<th>Reactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCB</td>
<td>0</td>
<td>3</td>
<td>NAIC</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>NCC</td>
<td>0</td>
<td>2</td>
<td>NAPTIP</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>DIA</td>
<td>0</td>
<td>1</td>
<td>NCC (comm.)</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>DSS</td>
<td>1</td>
<td>1</td>
<td>NCS</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>EFCC</td>
<td>83</td>
<td>52</td>
<td>NDLEA</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>FIRS</td>
<td>5</td>
<td>14</td>
<td>NPF</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>FMOJ</td>
<td>1</td>
<td>18</td>
<td>FCIID</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>ICPC</td>
<td>10</td>
<td>134</td>
<td>NSCDC</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>INTERPOL</td>
<td>0</td>
<td>14</td>
<td>ONSA</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>NACMP</td>
<td>0</td>
<td>9</td>
<td>SEC</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>NIA</td>
<td>1</td>
<td>0</td>
<td>SPIP</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>PSFU</td>
<td>10</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Even the Executive Chairman of the EFCC, Mr Ibrahim Magu lamented that Designated Non-Financial Institutions (DNFIs) were safe havens for money-laundering activities as criminals have now turned their focus on the DNFIs sector to perpetrate money-laundering and terrorism financing because of the vulnerability of DFNIs. This has direct impact on the monitoring, regulatory and supervisory capacity of SCUML as it relates to DNFIs and the over-arching goal of combating money laundering especially in the real estate sector in Nigeria.

As a result, there is not enough actionable intelligence, which would allow targeted and credible money laundering investigation. For example, in 2018 EFCC disseminated only 83 pro-active and 52 reactive intelligence reports. This is still a commendable number when compared to e.g. the National Drug Law Enforcement Agency (NDLEA), federal agency responsible for drug-related crime, which disseminated only 11 pro-active and 1 reactive intelligence report.

Nigeria is infamous for global drug-crime and national drug consumption has sky-rocketed in recent years. Total number of intelligence reports disseminated to respective Nigerian agencies reached only 460 in 2018. This is a negligible number considering that only money laundered out of Nigeria may have reached around $17 billion.

SCUML 2018 Annual Report indicates that it conducted compliance inspections, sensitization activities, received CTRs/CBTRs and registered DNFIs in 2018. It also investigated 70 non-compliance cases and recorded two convictions. Table A is the breakdown of its activities as it relates to DNFIs in 2018.
Table 2: SCUML 2019

ANALYSIS OF SCUML 2018 ANNUAL REPORT

<table>
<thead>
<tr>
<th>QUARTER AGENCY</th>
<th>Compliance Inspection conducted</th>
<th>CBTRs/CTR received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxury goods</td>
<td>165</td>
<td>4</td>
</tr>
<tr>
<td>Real estate</td>
<td>85</td>
<td>5,472</td>
</tr>
<tr>
<td>Professionals</td>
<td>76</td>
<td>3,283</td>
</tr>
<tr>
<td>Non-profit Organisations</td>
<td>126</td>
<td>158,550</td>
</tr>
<tr>
<td>Accounting and audit firms</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Legal practitioners</td>
<td></td>
<td>2,547</td>
</tr>
<tr>
<td>Trust and Company Service providers</td>
<td></td>
<td>5,218</td>
</tr>
<tr>
<td>Car Dealers</td>
<td></td>
<td>7,476</td>
</tr>
<tr>
<td>Casinos and Pool Betting</td>
<td></td>
<td>3,215</td>
</tr>
<tr>
<td>Supermarkets</td>
<td></td>
<td>8,502</td>
</tr>
<tr>
<td>Hotels and Hospitality</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>952</td>
<td></td>
</tr>
</tbody>
</table>

The annual report also showed that the total numbers of DNFIs registered by SCUML from inception 2005 to 2018 was 62,888. However, during the year under review, a total number of compliance inspections conducted by SCUML was 952 which is less than 10% of the registered DNFIs. This suggests the need to improve the human, technical and financial capacity of SCUML towards the performance of its functions. This is in line with the challenges identified by SCUML in its 2018 Annual Report. Other challenges identified are: size and spread of DNFIs and low level of AML/CFT knowledge among DNFIs.

Legal constraints were also identified. Especially the decision in the case of registered trustees in NBA versus AGF & CBN where the Federal High Court held that SCUML was not a juristic person and could not enforce the provisions of section 5 of the MLA against members of the legal profession. SCUML as the institutional entity exclusively tasked with monitoring and investigating the real estate sector does not have the necessary legal backing to deliver on this mandate.

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In the last years, Nigerian anti-corruption agencies are more successful in recovering assets from corruption and other crimes. Especially the EFCC has been relatively successful in the rate of convictions on anti-money laundering charges and seizing of assets. However, it is difficult to independently verify the volume of seized assets. More importantly, the management of seized assets is also problematic in the absence of applicable legal framework and respected guidelines.

Buildings in cities like Abuja and Lagos are frequently dotted by inscriptions “investigated by EFCC”. However, the proportion of real estates and immovable assets in the overall volume of confiscated assets is not very clear. The management of seized and confiscated buildings has been also a constant challenge. Many defendants complain that by the time a property is given back to the owner after an unsuccessful legal bid by the authorities, the value depreciates rapidly due to the lack of the capacity to manage interim seizures, especially in the form of real estates.

In case of politically exposed persons, anti-corruption agencies are frequently accused of “political witch-hunt” and illegal seizures of real estates. For example, in one of the more prominent cases, the past President of the Senate, Bukola Saraki, claimed that the application to the Federal High Court, Lagos, for interim forfeiture order on his Ilorin home by the EFCC, was an abuse of the court process and a violation of a subsisting order of the Federal High Court, Abuja.
In another high-profile, political case the Federal High Court sitting in Abuja ordered in January 2018 ordered an interim forfeiture of 12 houses and plots of land located in Lagos, Ibadan and Abuja believed to be corruptly acquired by some former aides to former President Goodluck Jonathan. They included such heavy-weights as the Brigadier General Arogbofa (retd), ex-chief of staff, Jonah Otunla, former accountant-general of the federation and Godknows Igali, former Permanent Secretary in the Ministry of Power. However, the final outcomes of these interim seizures are frequently unclear or settled under unclear circumstances.

<table>
<thead>
<tr>
<th>Year</th>
<th>EFCC Asset Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>500,000,000,000</td>
</tr>
<tr>
<td>2009</td>
<td>450,000,000,000</td>
</tr>
<tr>
<td>2010</td>
<td>400,000,000,000</td>
</tr>
<tr>
<td>2011</td>
<td>350,000,000,000</td>
</tr>
<tr>
<td>2012</td>
<td>300,000,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>250,000,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>200,000,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>150,000,000,000</td>
</tr>
<tr>
<td>2016</td>
<td>100,000,000,000</td>
</tr>
<tr>
<td>2017</td>
<td>50,000,000,000</td>
</tr>
</tbody>
</table>

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This study confirms that the Nigerian real estate sector has long provided opportunity for persons and companies to launder illegally acquired funds. The misuse of corporate vehicles for illicit purposes including money laundering facilitates the utilization of corruption proceeds and ill-gotten gains from other criminal activities.

The contribution of real estate services to the nominal GDP is estimated at around 7% per annum and is therefore a significant contributor to the economy. Nigerian real estate sector has capacity to fast-track the growth of the nation’s economy if adequately structured.

However, corrupt money can distort the market and inflate real estate prices, which might push out the law-abiding citizens out of the lucrative prime locations. The Nigerian real estate sector is the second most vulnerable to money laundering risk next to the Bureau De Change operators.

Analysis of money laundering cases through the Nigerian real estate sector shows some common denominators. Money launderers and criminals use third parties, professionals, family members and close associates to acquire high value real estate. Despite Know-Your-Customer reforms in banking and financial services, the use of pseudonyms to open accounts through which illegal funds were diverted into high-value real estate acquisitions is still relatively common. The laundering of large proceeds of crime through purchase of high value real estate abroad puts Nigerian enforcement is a very difficult position to trace the assets and confiscate them.

It is extremely concerning that the majority of the cases reviewed involve Nigerian politically exposed persons and their associates. This is often done through transfers of illicit funds via offshore assets involving real estate. Sophisticated international financial advisory is often used to conceal the transactions and the real owners of these properties. Laundering of illicit funds through real estate is sometimes fuelled into political endeavours with the aim to further consolidate political power and profit from political corruption.
It is extremely concerning that the majority of the cases reviewed involve Nigerian politically exposed persons and their associates. This is often done through transfers of illicit funds via offshore assets involving real estate. Sophisticated international financial advisory is often used to conceal the transactions and the real owners of these properties. Laundering of illicit funds through real estate is sometimes fuelled into political endeavours with the aim to further consolidate political power and profit from political corruption.

Nigerian law enforcement authorities, especially the anti-corruption agencies, are improving their responses to money laundering including through real estates. Non-conviction based approaches to asset seizures have yielded significant results and should be further utilised to their full potential. Judiciary and law enforcement apply non-conviction based approaches, which allow lower burden of proof in contrast to criminal proceedings against offenders, to seizing and confiscating real estates.

New legal frameworks and policy guidelines are needed to i) strengthen institutional mandate of dedicated agencies such as SCUML, ii) provide clear guidelines for management of interim and final forfeitures including real estates to prevent value-depreciation, mismanagement and ‘re-looting’ of looted assets and iii) ensure improved exchange of intelligence between Nigerian law enforcers and international partners on the location and ownership of real estates of suspicious origin.

The weak spot is still acting on actionable intelligence. The data shows that only a fraction of Suspicious Transaction Reports and other automated intelligence is actually acted upon. For example, the Code of Conduct Bureau provided only 3 reactive intelligence reports in 2018. Even in cases when STRs are provided and detected, the investigation, prosecution and conviction rarely follows.

Real estate agents, legal and other professionals are not restricted by law to conduct sales or transfer of property from one party to another. They rarely report any suspicious transactions involving unexplained wealth. This applies especially to the involvement of politically exposed persons, where legitimate questions about the source of wealth to be invested in the property market must be asked and reported.

SCUML and other law enforcement must provide data on suspicious transactions involving real estate providers including the volume of seized assets based on this intelligence and the rate of investigations, convictions and prosecutions on anti-money laundering charges.
There will be a little progress possible if accurate and timely beneficial ownership of real estate property is not disclosed. Unless a full database of land and property beneficial owners exists, the identity of known or suspected criminals, the true purpose of an account or property held by a corporate vehicle, and/or the source or use of funds or property associated with a corporate vehicle will stay undisclosed to the authorities and the public. Civil society organisations and media must be encouraged to report suspicious sources of wealth manifested in the ownership of lavish real estates in Nigeria or abroad. International cases show that investigative reporters and well-resourced international non-governmental entities can be a useful aid to national law enforcement. Nigerian authorities must tap into this potential instead of labelling non-governmental entities as a security risk.

More specific recommendations are issued for the most important stakeholders:

Recommendations for SCUML:

It is apparent that SCUML shoulders an enormous responsibility in monitoring, supervising and regulation DNFIs of which the real estate sector is one, it is therefore recommended that:

1. The funding of SCUML should be improved;
2. The quality of its staff enhanced through local and international trainings;
3. Adequate technical resources (ICT Infrastructure) Provided;
4. Public engagement Increased through the use of social media platforms such as Twitter, Facebook and Instagram;
5. The level of its cooperation and collaboration with AML/CFT stakeholders for effective AML/CFT compliance improved and
6. The legal and regulatory framework strengthened to ensure effectiveness.
Recommendations for Self-Regulatory Organisation (SRO)

It is vitally important that the SROs in the real estate sector should professionalize to be true gatekeepers of the real estate sector. A situation where there is no exit and entry point to the practice represents a weak link in the AML/CFT regime which can be exploited by money launderers. This study signifies that assets are often laundered to purchase real estate outside Nigeria for crimes committed in Nigeria especially by politically exposed persons, thus underscoring the need for cooperation with relevant jurisdictions for enhanced effectiveness in the AML/CFT regime.

Recommendations for real estate operators

1. Compulsory training on money laundering to identify ML risks and activities in real estate transactions.
2. Know your customer/customer due diligence should be adopted by real estate operators.
3. Operators should always seek beneficial ownership information when dealing with transactions involving companies and other legal arrangements.
4. Operators should improve reporting obligation especially as it relates to suspicious transactions.
5. Proper record keeping must be maintained by operators in the real estate sector.
Recommendations for legal professionals

The involvement of legal professionals in money laundering in the real estate sector has been identified by this study. It is therefore important that the buy-in of the Nigerian Bar Association should be sought to sensitize its members about the need for their cooperation in fighting money laundering in the real estate sector. The Legal Professionals Disciplinary Committee should also be brought on board to discipline legal professionals involved in assisting money launderers targeting the real estate sector as a means to clean up criminal funds.

An analysis of the case studies suggests that majority of the laundering cases in Nigeria involved the use of legal arrangements that obscure transparency regarding the beneficial ownership of investments made in the real estate sector. It is therefore clear that opaque or hidden beneficial ownership information encourages money laundering, whereas transparent ownership lends benefit in the AML/CFT towards preventing, tracking and enforcing money laundering. In this context, it is recommended that:

1. Legislation should be enacted with provisions that make it mandatory for information regarding the beneficial owners of real estate in Nigeria to be available to the public. There is the need to publish the names of property owners in Nigeria.

2. The Code of Conduct and Tribunal Act should be amended to allow for public declaration of assets by public servants accompanied with valuation report prepared by an estate surveyor and valuers, where real estate assets are involved.

3. Enactment to give SCUML legal personality is urgently required as well.

Recommendations for real estate operators

1. Monitoring the real estate sector especially the land registry inclusive of having a desk officer/s at land registries.

2. Effective investigation and prosecution of ML cases especially in the real estate sector.

3. Multi-stakeholders approach and inter-agency cooperation is needed especially as it relates to information sharing.
**Recommendations for Civil Society Organisations (CSOs) and media**

This study has shown that real estate transactions in Nigeria involve several agents and touts who may not fall into the supervisory and regulatory reach of SCUML, SROs and other regulators. It is therefore important to sensitize the entire society on how to prevent, detect and report money laundering in the real estate sector. Moreover, international experience shows that media and investigative journalists are a driving force behind disclosing true owners of luxury properties and investigating the source of luxury estates. It is therefore recommended that CSOs and media should:

1. Engage in public enlightenment campaigns geared towards sensitizing the grassroots on the vulnerability of the real estate sector to money laundering and how they can be involved in checking it.

2. Own the fight against money laundering and build its capacity to enlighten and educate the public.

3. Collaborate with other CSOs to ensure broader reach, information sharing, and a cohesive approach in the fight against money laundering.

4. Advocate for the passage of necessary legislations and other measures to counter ML.

5. Encourage investigative journalists to investigate real owners of luxury properties linked to Nigerian sources of origin.

6. Encourage authorities to work with investigative journalists where asset tracking is difficult or impossible.