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LAUNDERING THE PROCEEDS OF CORRUPTION

Corruption is always posing heavy burden on national economies and typically no country is fully immune to corrupt acts as long as human tendency to override rules exist. When a country doesn't have sufficient measures to fight corruption, they will suffer severe implications on many fronts namely political, economic, social etc.

The United Nations convention against corruption (UNCAC) was initiated in 2004 and signed by around 180 nations by today. Signatory countries had to undertake significant steps and legal reforms in order to align their national regulations with the provisions of the convention.

According to the United Nations Office on Drugs and Crime (UNODC) the estimated amount of money laundered globally in one year is 2–5% of global GDP, or \$800 billion–\$2 trillion in current US dollars. Whether we consider the lower rather than the higher estimate, it still reflects the seriousness of the problem governments are committed to address which makes the task of Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) even harder and vital than before. Understanding this complementarity, as well as the willingness and ability to promote and encourage its application, is the effective path to improve efforts to prevent and combat money laundering /terrorist financing in jurisdictions.

Corruption is mainly attributed to occur within government officials, high ranking employees, but previous studies showed that it can occur on various levels and sectors in an economy. Corrupt persons / networks have realized the necessity to hide their illicit proceedings and resorted to Money Laundering techniques in order to conceal funds/assets away from prosecution.

The objective of this paper is to shed the light on the provisions of the UNCAC and identify the link between corruption and Money Laundering by analyzing case studies requested from several Anti-corruption agencies in the Middle East and North Africa region. The outcome of the research will help identifying:

– tools & techniques used to launder the proceeds of corruption in different countries;

– challenges that emerge for governments in the context of fighting corruption;

– warning signs and indicators that can alert government authorities to incidents of corruption.