Money laundering operations and ways of confronting them through the banking system

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Abstract

The purpose of this article to identify the hidden economy and money laundering operations and expose the backgrounds, social and banking them, and clarify the relationship between them. Also clarifying the position of the banking system from money laundering practices through the procedures followed, Furthermore to address the size of this issue and the methods used in laundering the money, since money laundering is a phenomena that all world states suffer from because of its negative impacts on social, economic and political aspects in any state. The spread of such phenomena can be attributed to various reasons that may be subjective of procedural, among them the fail of national legislation or the absence of cooperation between the concerned. Due to the impact of such phenomena international, regional and local efforts were exerted to fight this phenomena through international agreements, Purpose to achieve the objectives of the research has been formulated a main hypothesis as follows: The procedures followed and the laws in force in the field of money laundering are still limited to reviewing this phenomenon and besieging and addressing it. The study will employ the analytical method to test its hypotheses. It will be divided into three chapters in its theoretical and practical aspects, money laundering operations and ways of confronting them through the banking system. The first chapter deals with the theoretical framework of the study, which includes three subjects. Money laundering, the second chapter includes the role of the banking system in the face of money laundering, and the third was devoted to presenting the practical side of the role of the banking system in the face of money laundering. The practical side has collected the required liabilities from within the banking system in the province. Finally, conclusions and proposals for the study were reached. It concoded to us Money laundering is an integral part of the hidden economy and appears in the illegal part of it, as it hides the sources of illicit funds and turns them into legitimate sources. And the hidden economy, and without these operations, money would not be able to return to the apparent economy.

Keywords: Banking; Money Laundering; Hidden Economy; Analytical Method; Dirty Funds

JEL Classifications: G17; G21

Introduction

The recent years have witnessed remarkable attention to the phenomenon of the hidden economy. The processes of globalization accompanied by the tremendous development in the means of communication and the scientific and technological progress in various fields and the opening up of borders and the spread of corruption in large scale. These operations have achieved many illegal sources. It is necessary to legitimize these dirty funds, which has led to the activation of money laundering operations, and its image varied and varied methods and concerns began to rise from the increasing spread of this phenomenon, which began to spread.

This phenomenon is an emerging phenomenon that has not been on the appearance of only two decades, the phenomenon of its first appearance was on the American continent and then spread at the local and international levels. From this point of view, the research gained importance in giving an idea of the hidden economy, which has become a significant part of the national economy, which has led to an increase in the volume of illegal funds that are prohibited by law and which ultimately distort the economy and make it difficult to distinguish between clean capital Resulting from money-laundering offenses. There is no doubt that the exchange of information and mature experience is a way of preventing this phenomenon from being adopted and working to weaken it in order to eliminate it and the extent of the role of the banking system in confronting and limiting it and shed light on the procedures of the banking system that have been taken to limit the phenomenon.

Money laundering crimes are considered one of the most dangerous crimes in the era of the digital economy, and it is the real challenge for us financial and business institutions are also a test of the ability of legal rules to achieve the effectiveness of confronting criminal activities and combating their patterns. Money laundering is also considered a crime following criminal activities that achieved illegal financial returns, so it was necessary to legitimize the proceeds of crime, which is known as dirty money, to allow it to be used easily, as their crimes generate exorbitant funds such as drug trafficking, arms smuggling, slavery, financial corruption and embezzlement activities. The interest of many countries in the region and the world has increased recently in confronting illegal money laundering operations after the expansion of this phenomenon globally in light of globalization and the escalation of the information revolution and communication technology and the absence of transparency in commercial transactions and the weakness of the laws and regulations established by the state to reduce them. It is clear that there is concern The possibility of expanding this phenomenon is increasing among the countries of the world, which is expressed by a series of research and studies, holding seminars and issuing regulations and instructions in this regard, as well as the strong international campaign led by the global anti-money laundering group.

Literature Review

Money laundering is a relatively new topic from the perspective of the search, and therefore, This is important from a legislative point of view and from the perspective of the financial sector in general and stock markets in particular. Review of the literature available in the field reveals the following observations as well as the potential for gaps, which emphasizes the importance of research in this regard, saying:

APG (2010) "Report on Methods and Trends of Money Laundering and Terrorist Financing", provides a number of cases studies highlighting the vulnerabilities of securities sector for money laundering. Typologies developed through sanitized case studies include use of front companies; use of professionals to facilitate the introduction of criminal proceeds; use of margin trading accounts and use of money orders among others. 2. Boskovic, G. (2003), "Types of money laundering and suppression methods. MA Thesis, Police Academy, Belgrade, Page. 31" has concluded that while money laundering methods vary in national and international framework, contemporary tendencies in money laundering include abuse of money deposit cards, use of Internet banking, abuse of electronic cash, abuse of securities, international trade abuse etc. 3. Claessens, R. (2006), Research Paper on "Ethics, Corporate Values and Prevention of Money Laundering, The Serbian Banks Association, Belgrade, Page 35" has rightly observed that that the global nature of the money laundering phenomenon makes the geographical borders irrelevant. Money launderers tend to shift their activities in jurisdictions with few or ineffective measures against money laundering. 4. Dr. Walter Kemp (2012), "Peace Operations and Rule of Law: Recommendations for dealing with translational Organized Crime" argues that states and international organisations have largely failed to anticipate the evolution of Transnational Organized Crime (TOC) from a localised problem into a strategic threat to governments, societies and economies. Organised crime is a clear and present danger in almost every theatre where the

UN has peace operations. 5. EAG (2013) "Typology Report on Money Laundering Through the Securities Markets" has recommended inter alia that jurisdictions that have not designated securities market offences viz., insider trading, market manipulation and securities-related fraud as ML/TF offences may make the necessary changes in their laws to include the same. 6. FATF (2009) "Report on Money Laundering and Terrorist Financing in the Securities Sector" illustrates the risks associated with the various types of intermediaries, products, payment methods and clients involved in the securities industry. Unlike other sectors, the risks lie mainly not in respect of the placement stage of money laundering, but rather in the layering and integration stages. Typical securities-related laundering schemes often involve a series of transactions that do not match the investor's profile and do not appear designed to provide a return on investment. 7. FATF (2010) Report on "Global Money Laundering & Terrorist Financing Threat Assessment", concludes that combating ML/TF requires an ongoing understanding of the methods used by criminals to launder their illicit funds and terrorists to fuel terrorism. These methods range from well-known practices established over many years to modern techniques that exploit innovations in global payment networks and continuous advances in technology. Hence national assessment of ML/TF risks, threats and vulnerabilities is vital. 8. FATF (2011), "Report on Laundering the Proceeds of Corruption", underlining the inadequacy of existing efforts, concludes inter alia that corrupt PEPs disguise their ownership through corporate vehicles and trust companies and use gatekeepers and nominees to launder proceeds through the domestic and foreign financial institutions. They have used their power to acquire state assets, control law enforcement, and capture banks. Past cases demonstrate that AML standards are not always being implemented by financial institutions; nor are AML laws and regulations being enforced by regulatory authorities or supervisors.... 9. FATF (2013) Report on "The Role of Hawala and other Similar Service Providers (HOSSPs) in Money Laundering and Terrorist Financing" concludes that effective supervision of HOSSPs is one of the primary challenges facing regulators and their Governments. The international community can address the resulting vulnerability by bringing the HOSSPs under a risk-based AML/CFT regulatory and supervisory framework that is effectively implemented. 10. Financial Services Authority, UK (2011) Report on Bank's management of high money laundering risk situations" has concluded that around three quarters of banks in their sample study, including the majority of major banks, are not always managing high-risk customers and Politically Exposed Persons (PEP) relationships effectively and must do more to ensure they are not used for money laundering. 11. FINTRAC (2013), "Money laundering trends and typologies in the Canadian Securities Sector", concludes that all financial sectors in Canada are vulnerable to the efforts of those seeking to launder their criminal proceeds, and securities dealers are no exception. A strong compliance program is essential in order to reduce this vulnerability. 12. Government of India (2012), "White Paper on Black Money" highlights the vulnerabilities of financial instrument-Participatory Note (PN). PN is a derivative instrument issued in foreign jurisdictions, by a Foreign Institutional Investor (FII) against underlying Indian securities. PNs are popular among foreign investors. These instruments are traded overseas outside the direct purview of SEBI surveillance thereby raising apprehensions about the beneficial ownership and the nature of funds invested in these instruments. Concerns have been raised that some of the money coming into the securities market via PNs could be the unaccounted wealth camouflaged under the guise of FII investment. 13. Grow Brian (2006) "Gold Rush: Online payment systems like E-gold Ltd.- the currency of choice for cybercrooks", Bloomberg Business Week, articulates that crime courses through the internet in ever-expanding variety. Hackers brazenly hawk stolen bank and credit-card information [. . .]. Money launderers make illicit cash disappear in a maze of online accounts. 14. IMF (2005) "Anti-Money Laundering and Combating the Financing of Terrorism: Observations from the Work Program and Implications Going Forward," observes that the overall level of compliance with FATF standards is low for all assessed countries. Only 21 percent of all recommendations were rated fully compliant, and 24 percent were rated largely compliant. As against this, 29 percent were rated partially compliant and 26 percent non-compliant. Further compliance regarding basic AML preventive measures (for customer due diligence, suspicious transactions reporting and other measures as well) is relatively low. 15. IMF (2012), "Guidance Note on Anti Money Laundering and Combating the Financing of Terrorism- Inclusion In Surveillance and Financial Stability Assessments", argues that ML or TF activities may give rise to significant levels of criminal proceeds or "hot money" flowing into and out of individual financial institutions in ways that are destabilizing for these institutions. Such inflows or outflows can be either cross-border or domestic and where transactions in illegal markets or criminal proceeds are significant in relation to the size of the country's formal sector, these flows can affect the entire financial system and have cross-country or potentially global effects. 16. Jean B Weld (2011), "Current International Money Laundering Trends and Anti-Money Laundering Co-Operation Measures" Resource Material Series (UNAFEI) no. 83 Page: 37-47, articulates that the volume and variety of global money laundering challenges faced by investigators and prosecutors seems infinite.... Criminals and money launderers will continue to exploit new technologies, weak AML/CFT jurisdictions, financial secrecy jurisdictions (from which it remains difficult to obtain mutual legal assistance), greedy and gullible victims, and underground value transfer systems. 17. John Madinger (2011), "Money Laundering: A Guide for Criminal Investigators" essays the

basics of finding ill-gotten gains, linking them to the criminal, and seizing them. Articulating a clear and concise understanding of money laundering practices, it explains the investigative and legislative processes that are essential in detecting and circumventing this illegal and dangerous activity. 18. Jyoti Trehan (2004), "Crime and Money Laundering: The Indian Perspective", provides an overview of how the parallel economy of crime imperils the economic well-being of many states and the inevitable nexus of black markets and capital flight. It also articulates that criminal use of legitimate fronts the extreme vulnerability of transitional economies and that information technology has come as a huge boon to transnational crime. 19. Margaret E. Beare and Stephen Schnieder (2007): "Money Laundering in Canada: Chasing Dirty and Dangerous Dollars" provide a different dimension to the entire issue of money laundering and argue that the costs of compliance upon deputized reporting entities (REs) or the impact of the strategy beyond process outputs such as arrests, prosecutions, and forfeitures should also be factored in while devising national strategies to combat money laundering. 20. Milenovic, M. (2004), Research Paper "Money laundering, Pulse Magazine on corruption, July-August, Centre for Management, Belgrade, Page 1-6." has observed that money laundering is almost never a problem of a single state, but rather a multinational problem due to the utilized methodology. Information exchange, state to state cooperation, development of the state's 'black lists' of money launderers, criminals, organized crime group members, terrorist group members, as well as information exchange with other states and relevant organizations, represents an initial step in the long-term and difficult fight against money laundering. 21. Moneyval (2008), "Typology Research: Money laundering in Securities market" argues that securities market is a potentially attractive mechanism for money laundering. This attraction stems from a variety and complexity of financial instruments available, the ease and speed of transaction execution (for example on-line auction), and the ability to easily execute transactions across international boundaries. 22. Nelson Yiu-mo Cheng (2012), "The Effectiveness of Money Laundering Investigations in Fighting Transnational Crime: A Comparison of The United States and Hong Kong", Brookings Institution publication, concluded that the U.S. money laundering investigation regime may be considered as very effective in going after the "money" though not necessarily the "people," whereas the Hong Kong regime is good at going after the "people" but not necessarily the "money. Deficiencies need to be addresses in both regimes to be more effective. 23. Patrick M. Jost, and Harjit Singh Sandhu (2001), "The Hawala Alternative Remittance System and its Role in Money Laundering" state that hawala is an ancient system originating in South Asia; today it is used around the world to conduct legitimate remittances. Like any other remittance system, hawala can, and does, play a role in money laundering. The paper also provides instances sanitized cases of hawala transactions used for money laundering. 24. Professor Bibek Debroy & Laveesh Bhandari (2011) "Corruption in India: The DNA and RNA", argue that public officials in India may be cornering as much as Rs.92,122 crore (\$18.42 billion), or 1.26 per cent of the GDP, through corruption. The book estimates that corruption has virtually enveloped India growing annually by over 100 percent and most bribery is accrued from the transport industry, real estate and other public services". 25. Robinson, Jeffery (1998) "The Laundrymen: Inside Money Laundering, the World's Third-Largest Business," Arcade Publishing, New York, Page 4. highlights the fact that crime has really gone global in a big way and law enforcement efforts have been sporadic at best. The author also argues that not much will change unless international cooperation efforts are better organized and the fact that financial services, as desired, are available if one is willing to pay the fee needs to certainly change for success in anti-money laundering efforts. 26. Russell G Smith and John Walker (2010), "The illegal movement of cash and bearer negotiable instruments: Typologies and regulatory responses" argue that in many case, in order to avoid detection, serious criminals simply retain the proceeds of their crimes in cash or use bearer negotiable instruments in connection with their money laundering activities. Although not a new concern, the illegal movement of cash and bearer negotiable instruments across borders is likely to continue. 27. Sgt. George Pemberton, Royal Canadian Mounted Police (2000), "Vancouver Integrated Proceeds of Crime Section, Money Laundering in Securities Markets" underscores the point that the putative problem of money laundering in the securities markets does exist, and on a large scale. Criminals are well ahead of law enforcement in this field. The article also provides examples of a few of the methods that money launderers are employing in the market. 28. Sikman, M. & Jovanovic, V. (2010), Research Paper "The concept of money laundering as a manifested function of organized crime. Security, Police, Citizens, MIA Republic Srpska – Department of police education, Banja Luka, N. 1-2/10, Page 81-100" have noted that education is necessary not only to ensure that competent authorities effectively counter executors of the criminal acts, but also to increase knowledge of the bank employees, legal business representatives, all the tax payers or citizens, in order to carry out their social role within the overall fight against financial crime. 29. Smith, Susan L. and Ericson, Daniel W. (2008), "E-Gold, Ltd. Money Laundering Monitor, U.S. Department of Justice, Criminal Division, Asset Forfeiture & Money Laundering Section, Vol. 13, Page no. 3 argue that as with other online payment services, digital currency dealers and exchangers often keep personnel, web hosts, and assets offshore and not always in the same country, complicating regulatory jurisdiction. This is one of the most challenging tasks for supervisors and law enforcement officials. 30. The Wolfsberg (2007) "AML Principles: Frequently Asked

Questions with regard to Beneficial Ownership" underscore the need to clearly identify the beneficiary ownership or beneficiary of an account opened by financial institutions. This is imperative to ensure that financial institutions are aware of the risk profile of the client and whether the purported client is acting as front to someone else. 31. Tushar V. Shah (2013), "Commentary on the Prevention of Money Laundering Act, 2002 with Rules, Regulations, Notifications and Forms, 2013" highlights the salient features of the Prevention of Money Laundering Act, 2002 and how the Act is a watershed development in India's efforts to fight against money laundering and financing of terrorism. 32. United Nations Office on Drugs and Crimes and World Bank (2007) "Initiative on Stolen Asset Recovery (StAR): Challenges, Opportunities, and Action Plan" states that assets are often hidden in the financial centers of developed countries; bribes to public officials from developing countries often originate from MNCs and the intermediary services provided by lawyers, accountants, and company formation agents, which could be used to launder or hide the proceeds of asset theft by developing country rulers, are often located in developed country financial centers. Recovery of such assets is vital to curb the menace. 33. United States Department of Justice (2013), "Over view of Money Laundering and Forfeiture, Volume 61, explores inter alia, the means employed by criminals to launder illicit profits and the tools available to investigators to identify, seize, and ultimately forfeit criminal proceeds. The article presents a cogent explanation of why charging money laundering offenses and forfeiting assets is an indispensable tool for attacking the financial infrastructure used by criminal organizations and other criminal offenders to launder their illicit proceeds. 34. Zeljko Dj. Bjelajac, (2011), Research Paper No. 151, "Contemporary Tendencies In Money Laundering Methods: Review Of The Methods And Measures For its Suppression" has observed that one of the most important features of the implementation of the money laundering suppression measures is the establishment and upgrading of the control system, to determine whether financial and other institutions implement supervision and internal control in the field of money laundering prevention.

Research and Methodology

The study will employ the analytical method to test its hypotheses. It will be divided into three chapters in its theoretical and practical aspects, money laundering operations and ways of confronting them through the banking system. The first chapter deals with the theoretical framework of the study, which includes three subjects. Money laundering, the second chapter includes the role of the banking system in the face of money laundering, and the third was devoted to presenting the practical side of the role of the banking system in the face of money laundering. The research used the presentation of its theoretical part on the Internet. The practical side has collected the required liabilities from within the banking system in the province. Finally, conclusions and proposals for the study were reached.

The conceptual and conceptual framework of illegal operations within the hidden economy

The hidden economy is also called the shadow economy, the informal economy or the parallel economy. It includes not only illicit activities but also forms of income that are not reported, and therefore the shadow economy covers all economic activities that are generally taxable if reported Tax authorities.

Some economists refer to the phenomenon of the emergence of the hidden economy for many reasons, including the high rate of tax, administrative systems, list of prohibitions, administrative corruption. In his study on the sources of illegal funds, Dr. Khalid al-Hamed believes that the hidden economy does not result in all illegal activities, Illegal activities are mainly produced by illegal activities.

Table 1: Group of Countries and % total of official domestic product for illegal activities

% total of official domestic product	Group of countries
44-35	The Developing Countries
30-21	Countries of economic transformation
16-14	Organization for Economic Co-operation and Development (OECD) countries

Money Laundering is one of the forms of economic crime, a phenomenon associated with organized international crime, especially drug trafficking, international terrorism, arms smuggling, fraud and counterfeiting, political corruption and administrative and financial corruption. It has been defined by the High

Working Group as possession, possession or use of an asset with the prior knowledge that this asset was obtained as a result of the commission of a crime or participation in the involvement of that crime, that is, operations of funds obtained from illegal activities.

We must remember that the money-laundering process is not one thing, but it is a process that involves stages and a series of procedures. In general, money laundering goes through three basic stages:

The first stage is the process of the introduction of money in the legal financial system, and the goal of this phase to get rid of the process of cash transfer from place or place of possession and converted into different forms of cash or financial checks tourist and mail orders and others. The second stage is a process of transfer and exchange of dirty money within the financial system in which it was introduced. Third stage is the process of merging money with legitimate money to ensure that its dirty photographer is hidden.

To achieve the success of these three processes, money-laundering strategies stem from the need to hide the true source of illicit property, the need to maintain money-laundering arrangements and the need to change and multiply the mechanism to collect a significant amount of legitimate cash.

Methods used in money laundering operations are divided into the following: Laundry methods in the banking field, including filing and financing through banks and Re-lending. Methods of washing in the non-banking field as cash transactions, counterfeit invoices, establishment of fictitious companies, manipulation of customs declarations, smuggling of funds abroad.

The causes of the phenomenon of dirty money are due to several international factors, most notably: The contraction of the role of state control over economic processes in light of the spread of concepts of market liberalization and the expansion of the role of private companies and passing decisions and the emergence of so-called secret accounts for customers. The spread of the Internet and facilitate the management of electronic commerce, whether these operations legitimate or illegal. Ease of integration of international companies among themselves and the acquisition of some of each other by buying or contributing to financing and financing from different sources. The weakness and ambiguity of international, regional and local laws and regulations, accompanied by the low level of control over international borders and the corruption of executive bodies responsible for reducing this phenomenon. The rise of political and military opposition movements in many countries, particularly in Asia, Africa and Latin America, which necessitated the mobilization of funds to sustain these movements.

Effects of money-laundering operations is given as national income and distribution, local savings, inflation rate, the value of the national currency, unemployment, consumption pattern, social Impact. Through a number of indicators and signs, the bank can have an idea of a suspicious transaction as follows heavy activity on the account and a low balance, multiple transfers from and to the same account, insensitivity of client account costs processes, sudden changes in the account that conflict with its historical activity, creations of multiple people with the same account, the client refused to give evidence of his identity, account-specific methods are provided by reflection or picture only, names of related sponsors who are difficult to contact or identify.

The process of confrontation requires the planning, organization and effective training of bank employees and preventive follow-up, all within the framework of a conscious scientific administration that receives suspicions and collects doubts and evidence sufficient to advance to the level of evidence and evidence and dispense them and collect the necessary information and documents. All those working in the field of combating money laundering must realize that this crime is based on good planning, organization and innovation of modern means of money laundering. Therefore, bank control officers should be able to constantly develop and devise new means to detect washing operations.

There are three main tasks that need to be identified in order to achieve the goal of reducing money laundering. The first is the elements of the money laundering process and stages. The committees take the following administrative steps before embarking on their operations as planning, identifying the participating parties as their respective roles, management and guidance washing operations, follow-up, prosecution and prompt intervention. The crime of money laundering has four main elements, the crime is not committed without one of them, and it is important to know these elements: Dirty money, false source, deceptive activities, parties to implementation. The second is methods of money laundering, including banking methods, legal methods, commercial methods, cultural and recreational methods, electronic banking methods. The third is the preventive measures of money laundering (means the discovery of money

laundering operations): The money laundering operations have negative effects on the economic activity as a whole and it increases the risks to the stability of the banking and financial sectors. Accordingly, we believe that it is in the interest of the banking family as a whole to combat money laundering. In fact, the reputation of each bank is in danger and may be eliminated by laundering. In addition, banks may suffer direct losses from fraud.

Description and analysis of sample data

In the sample of this research, managers, department managers and managers' assistants were selected, as well as other employees with experience and banking proficiency. Twenty (20%) of the managers were selected and the percentage of the assistant managers was (5%) and the percentage of the other employees was 75% %) As for (50%) followed by (40%), which is their career service from 20 years and above, (15%). In this sample, it was found that the percentage of authorized persons was (25%) and the percentage of those authorized (B) was (75%). Authorization refers to irresponsibility of officials and reflects (a) a high level of experience and responsibility, while level B reflects a low degree of experience but a stronger degree of friction with clients for a bank.

Table 2: Description of sample data

Data	Number
O 1 administrative level	
A - Director	4
B - Associate Director	1
C - Employees	15
Gander	
Male	6
Female	11
Functional service	
A - 10 to 15 years	5
B - 15 to 20	1
20 years and more	4
Levels	
Level A	2
Level B	6

Banking Efficiency Development Courses: (77%) and (23%) were those who did not participate in these courses. For those who lost their courses, they received 52%, but 48% were competitive as follows:

writing financial reports at 30%, financial management at a rate of 20%, financial analysis of 15%, Russian economic, surveillance and follow-up, each of which was at a rate of 10%, political was by (0%), reveal course topics can appear in this ratio (44%). As for the number of courses (46%) for participants (one session) and 30% for participants in two courses and 15% for participants in 3 courses and 7% Courses.

Table 3: Analysis results for banking efficiency courses

Data	Number
Q 1 participating in the development of banking efficiency courses	
A) Yes	14
B) No	4
Q2 Number of banking efficiency development courses participated.	
A.1	
B-2	6
C.3	4
D.4	2
E.5	
Q3 To limit the subjects of the courses to the education and development of professional competence or have they been developed to other fields?	
A) Yes	9
B) No	8
Q4 work in all sections?	
A) Yes	7
B) No	12
Q5 Provide expertise and efficiency in the work of the Division of current deposits?	
A) Yes	8
B) No	6
Q6 Is the bank's intention to develop efficiency and staff by opening courses outside the country?	
A) Yes	8
B) No	10
Q7 Number of banking efficiency development courses participated?	
A.1	6
B-2	4
C.3	2
D.4	1
E.5	

The work of the people of the bank. In this sample, it is clear that the majority of bank employees did not work in all the bank's divisions. Their percentage is 64%. The minority ratio is 36% for those who worked in all the bank's divisions. The percentage of those who have an idea of what kind of work is carried out by the Banking Inquiries Division is (10%) and (90%) is a very large percentage and refers to those who do not know any idea about the subject and therefore those who have an idea of what the business Conducted by the Division of Banking Inquiry expressed their opinion on these acts as follows:

Why open the account? Inquiry about the customer's address and work. Bank inquiry the auditor or client directs to the entity facilitating his or her work or the nature of the audit to the client. A bank query is the bank's front end that determines how the customer's transaction is consistent. The bank query is the one that prepares the customer with the books of the instruments, which is the point where the movement of the restrictions is withdrawn from the withdrawal and deposit. The bank inquiry is the entity that shows the customer's balance in the bank and this shows that the outlook to the bank receipt is different.

In this research, questions were asked about the current deposits division. The results were as follows:

The percentage of those who have experience and efficiency in the work of the Division of Current Deposits is 57% and 43% are those who do not have this experience and efficiency. It was found after these percentages that those who have experience and efficiency in the work of the Division of Current Deposits were given Their opinion on the issue of opening the current and future accounts by four percentage points to four levels: Easy and simple (36%), by any employee per year by (32%), by the most efficient staff in the Division by (16%), minute by (16%).

This indicates the weakness of work in the Division of current accounts despite the seriousness and this reveals the ignorance of the banking officer the seriousness of money laundering operations. It was also shown in the research sample that those who support the idea of a sponsor request for the person who wants

to open an account is (50%), while those who do not support this percentage is also (50%) as a measure of opening the account.

As for the other measure, which is the presence of employees in the Division who follow up the movement of accounts receivable and payable, the most support this measure (90%) and the minority (10%) which is not supported, as for the type of this control and its usefulness is at four levels and different rates as follows: for the purpose of organizing periodic reports to the head of the division (27%), for the purpose of organizing periodic reports to the Director (31%), for the purpose of organizing periodic reports to the Central Bank (34%) By order of 6%

It was also found that in the case of a high deposit and withdrawal in a particular current account with a low balance, there are many reactions in varying proportions as shown: notify the direct official (66%), discussing this within the scope of the Division only (9%), accountability of the client for the reasons for this by (23%).

It has also been found that in the case of observation that one of the accounts has multiple and diversified transfers (internal and external) the following procedures are done: informing the direct official according to a special estimate or by telephone, for example (42%), discuss the client in this to find out the reasons (47%), failure to do both options above (10.526%).

It may also indicate that in the case of the movement of accounts to a customer does not reflect the economic activity and bear the costs, commissions and many benefits are done the following: notify the direct official by (61%), writing the relevant reports and submitting them to the concerned authorities by (4%), discuss the client to find out the secret in this rate (14%), not to talk about it completely (19%).

It has also been shown that in the event of significant and abrupt changes to the client's account, the following shall be done: informing the General Administration of this percentage (42%), notify the Central Bank of this percentage (10%), customer's accountability for the source of these changes by (26%), failure to do so totally (21%).

It was also concluded that in the case of deposits by persons with anonymity, the following procedures are taken: placing a question mark on it (14%), notifying the concerned authorities of this percentage (52%), discussing the current account holder by 23%, not talking about it at all (9%)

In the end, a result was reached after it was questioned on the subject of money laundering. (56%) is the percentage of those who do not have the slightest idea on the subject of money laundering and then it was found that those who have an idea on this subject, the level of knowledge and awareness of this subject is on three levels with varying rates as follows: simple (33%), medium (33%), deep and comprehensive (33%).

Discussions and Conclusion

Through the our research in the practical aspect of the research, we relied on a sample of banks by distributing a questionnaire form to department managers in the bank and the general manager we get a number of conclusions were reached which can be reviewed in the following:

The hidden economy is part of the economy, which is the invisible part, which is parallel to the declared economy. The hidden economy is divided into two parts, legal and illegal, that dirty money is a source of hidden economy in its illegal part and that the legal part is legitimate and sources of funds are legitimate but not registered.

Money laundering is an integral part of the hidden economy and appears in the illegal part of it, as it hides the sources of illicit funds and turns them into legitimate sources. And the hidden economy, and without these operations, money would not be able to return to the apparent economy.

The hidden economy and money laundering operations have a range of effects. The effects of the hidden economy includes the economic growth and public services. The effects of money laundering operations includes the national income and distribution, local savings, inflation rate, the value of the national currency, and unemployment, consumption pattern, and social impact.

Banks are the line of defense in the face of money laundering operations, because they represent the main channel of money laundering operations, because of the banking secrecy granted by the banks customers, which makes banks easy channel for money laundering operations, so banks are considered one of the best means to try to eliminate these Operations and fill the gaps for criminals.

I have concluded from the research sample that the cycles of development of banking efficiency is good but not ideal as it was (77%) both inside and outside the country. The subjects of these courses were not ideal but acceptable (52%). The subjects reveal the need to pay more attention to the topics of management and financial analysis to create an effective banking officer in the field of banking supervision and control.

However, the number of courses attended was small, with the largest percentage (30%) of participants participating in one session. The majority (56%) affirms that the bank does not intend to develop banking efficiency by opening courses outside the country. As for the work of the people of banks has concluded that the idea of bankers about the Banking Inquiry Division is very small as it was not aware of the importance of this division is the front end of the work of the bank and perform many different functions such as processing operations books of Sukuk and show the client balance in the bank and show how to walk Customer transaction etc. As for the work of bank accounts, it was concluded in the research sample that support for the idea of a sponsor request for a person who wishes to open an account is acceptable (55%) as a measure of opening the account, which is (48.5%).

It was also concluded that the majority of the Bank's employees did not work in all divisions of the Bank (64%), which indicates that their experience and banking efficiency are low. He concluded that the work in the current account division is good and is (57%). As for the control of the movement of bank accounts, they are excellent, and it has been concluded that the majority of bankers are highly transparent with their direct officials when they notice and detect any errors, manipulations and fraud on the movement of bank accounts. They gave the bankers who have experience and competence in the current accounts division their opinion on the procedures of opening current and forward accounts and most of them supported that this idea is easy (36%) and carried out by any employee in the year (32%).

Finally, it was concluded in the research sample that the knowledge and awareness of the two banks for money laundering operations is low despite its high risk (44%). Depending on the description and analysis of the sample data and according to the conclusions presented, the following suggestions may be made:

The subject of the hidden economy should be addressed more broadly by analysts, a radical and wide revision of all banking rules and procedures currently in place for you in line with modern development and this area, especially in the procedures of opening accounts and internal and external transfers.

The need to issue a law (regional anti-dirty money or the application of Iraqi law in this area), the need for banking cooperation to combat the face of money laundering operations, and to develop a plan studied in advance agreed upon by all bankers, the need to estimate the internal money laundering operations with the need to face internal dirty money.

Opening courses inside and outside the country to increase the banking culture and that the topics of these courses focused on management and financial analysis so as to create an effective banking officer in the field of supervision. The application of banking rules and procedures ideally when performing any banking business from depositing, withdrawing or opening an account etc. The need to recognize and familiarize bankers with money laundering operations because of its high risk and continuously. Development and development of the Banking Inquiry Division is the front end of the work of the bank and perform many different functions.

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