

**AN EVALUATION OF MONEY LAUNDERING IN UGANDA WITH A CASE OF
BANK OF UGANDA**

BY

KABI FRED

2011/HD06/4537U.

**A RESEARCH REPORT SUBMITTED TO COLLEGE OF BUSINESS AND
MANAGEMENT SCIENCE AS A PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF A MASTER OF BUSINESS
ADMINISTRATION OF MAKERERE UNIVERSITY**

November, 2014

ABSTRACT

The study evaluated Money Laundering in Uganda with reference to Bank of Uganda. The study was guided by three research objectives which were to establish and examine forms of Money Laundering, challenges faced in handling Money Laundering and strategies for controlling Money Laundering in Uganda. The study used cross sectional survey design with quantitative approaches. The study population involved Commercial Bank Branch Managers, Supervisors, CID Police Officers and Bank of Uganda employees. Data collection utilized questionnaires and Data was analyzed to obtain frequencies, percentages and means to explain central tendency in responses. From the findings, it was revealed that Money Laundering is done through Banking Institutions, by cash smuggling, in gambling places, through professionals like Lawyers and Accountants, through Electronic Money and Internet as well as Shell Companies. In controlling Money Laundering, the major challenge is that Money Launderers connive with corrupt government officials. The other challenges are inadequate information, resources and expertise and failure to implement Anti Money Laundering Regulations and Policies. It was suggested that Financial Institutions should improve on their internal controls, train employees on key Money Laundering aspects, put in place compliance officers to oversee and monitor all Banking activities, report all suspicious activities immediately and establish a client's identification system. It was therefore concluded that a common form of Money Laundering is through Banking Institutions as well as gambling houses. The biggest challenge of Money Laundering is that Money Launderers work with corrupt Government Officials which make it very hard to control. It was therefore recommended that compliance officers be employed and facilitate effectively, train all Commercial Bank employees and put in place and strengthen Money Laundering internal controls.