

PERPETRATORS OF FRAUD AND FORGERIES IN THE NIGERIAN BANKING INDUSTRY

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Abstract

Frauds and Forgeries have ever been a serious problem in the banking industry. It is neither limited to this industry nor to a country. All over the world be it developing or developed, frauds and forgeries [F&F] have been a horrific universal phenomenon. Only few successes would have been recorded but for the collusion between either bank staff of the same bank; or with another bank's staff and/or with external parties such as customers and/or corporate entities. This paper therefore, examines the activities of F&F perpetrators in the Nigerian Banking Industry. Questionnaire was designed to collect data from 81 respondents such as Managers, Accountants and Bank-Inspectors in the branches located at the state capitals of the states in the South West Zone...Findings revealed that nearly all the categories of staff were involved from Board of Directors to temporary staff. A high percentage of the perpetrators were senior management staff from the Accountants//Inspectors; the Managers; the Managing Directors to the Board members. They were responsible for about 53.92 per cent of the financial value. Part of the recommendations was that the Banking Industry is overdue for a complete overhauling by the Federal Government and the various Regulatory Bodies.

Keywords: *Frauds and Forgeries, Perpetrators, Nigerian Banking Industry, Banks*

INTRODUCTION

Fraud and forgeries occur on daily basis in our banking industry. It is already the norm rather than exception. Few are exposed and only heaven knows the percentage of those still undetected or under concealment. The outrageous dimension, despite the industry's militant and vigilant stance in the recent times, is shocking. A high percentage of these criminals acts are complicated by collusion. Millions of naira is lost on daily basis to fraudsters through collusion (Bolton and Hand, 2002). The number of bank employees involve is rising each day, and many would go undetected. Olasanmi (2010) lamented on the number of such which escape detection. This is a source of encouragement to others to join in fraud perpetration. The astronomical dimension the activities of bank fraudsters are focussing is frightening. The existence of an effective banking industry has been getting paralysed. In recent times, banks closed doors to customers for hours or even days without notice and without apology to customers, at the slightest smell of a proposed attack. They carried out their operations with a complete understanding of all possible internal control measures installed; debug all anti-robbery technologies and are always around at the "best" time, that is, when substantial cash is in the till. These are signals that they operate with perfect information which had, probably, been furnished by an insider. The most embarrassing factor is the sophisticated weapons at the disposal of these fraudsters. The law enforcement agents must be provided with superior weapons to be able to successfully track them down or else such law enforcement agent is signing his or her death warrant. The possibility of misuse of such superior weapon is also debatable. Eseoghene (2010) was much concern about the indifference attitude of the media towards the expected publicity as was given in the case of armed robbers. The armed robbers were given widespread review of the newspapers. It is ironical that what armed robbers cart away is a piece of what fraudsters remove from bank tills and strong rooms.

The reputation of the banking industry is eroding fast. As stressed by Owolabi (2010:240), for any economy to develop and grow "the financial sector must be strong, solid, effective and efficient. The existence of an effective banking industry is a panacea to growing any economy" it is against these backgrounds that focus this paper on reviewing the activities of fraud and forgeries perpetrators who are staff and employees in the banking industry.

Statement of the problem

Fraud and forgeries perpetrators are increasing on daily basis; the worrisome issue is the extent of involvement of top management and collusion with outsiders and fraudsters. The problem hangs on actually knowing whether these perpetrators are mainly bank staff and whether top management staff are truly involved in this nefarious and unethical option.

Objectives of the Study

This study aims at making a historical review of frauds and forgeries in banks analysed the data collected to actually understand the status of perpetrators in the bank and the amount involved.

THEORETICAL AND CONCEPTUAL ISSUES

Bank frauds and forgeries involving fraudsters would have been reduced, if not impossible, without the connivance of some employees of the bank(s) in question. Such insiders part with relevant information that would assist in the perfection of the fraud and forgeries deal.

What is Fraud?

According to Adewumi (1986:1), fraud was defined as “a conscious premeditated actions of a person or group of persons with the intention of altering the truth and or fact for selfish personal monetary gain. It involves the use of deceit and trick and sometimes highly intelligent cunning and know-how.”

Fraud is also a “Deceit or trickery deliberately produced in other to gain some advantages dishonestly (Olufidipe, 1994:7). For an action to constitute fraud, therefore, there must be a dishonest intention and the action must be intended to benefit the perpetrator to the detriment of another person. (Sydney, 1986:18). By these definitions, frauds in Nigerian economy cannot be restricted to the banks alone.

Computer Fraud

At times the computer is baptized with a title not belonging to it. This is on the computer fraud nomenclature. This term may seem ambiguous because a computer is not an animate object. It cannot, therefore, be fraudulent and cannot commit fraud. It appears misnomer, as it is the staffs of the bank and/or any other party in collusion with staff, not computers, commit fraud. However since “computer fraud is in common usage, this paper shall contextually also activate the use of computer fraud shell, contextually computer fraud to be any fraudulent or criminal deceptions with the computer system directly or indirectly to obtain an unjust or illegal advantage for financial gains.

Bank Frauds

Most authors on this issue concentrate on describing the type of frauds and the extent of the effect of frauds in banks. Ordinarily, when any act of fraud is committed with bank involvement (and not just through the bank), it can simply be classified as bank frauds.

A little deviation from the general definition or description is the distinction explained by Fagbemi (1986:30), as “every act of unfair dealing whether against the bank by its customers or by third parties, against the customers by the bank (including officers, etc); or indeed against the bank by its officers, etc” Contextually, any fraud committed through the bank, by way of normal banking services, without the knowledge of the bank, without any loss to the bank whatsoever, and without any suspicion by a reasonable official, is not a bank fraud.

What is Forgery?

The act of forgery can be committed if and only if written document is falsified or altered for the purpose of doing injury to another person or corporate in legal terms.

Adekanye (1986:7) quoted forgery as: “... any alteration of a writing made with intent to defraud is therefore forgery. Where a signature on a bill is forged or placed there on without the authority of the person whose signature. It purports be, the forged or unauthorised signature is wholly not operative and no right to retain the bill or to give a discharge therefore, or enforce payment there of against any party there to, can be acquired through or under that signature unless the party against whom it is sought to enforce payment is stopped from setting up the forgery or want of authority”.

Forgeries in banking transaction can be perpetrated by falsifying entries in the accounts of customers by bank officials as well as customers. In accounting parlance irregularity, intentional distortion of financial statement and accounting records for whatever purpose, arising from the above statement, is forgery.

Perpetrators of Frauds and Forgeries

Perpetrators in this context are the bank staff and employees involved in frauds and forgeries either exclusively or through collusion. A historical review using relevant literature on this issue would justify the banking staff level of involvement and the eventual penalties for such nefarious actions. Corroborating same, Okon and Unugbro (2003) reported that many qualified and experienced staff in the industry had been dismissed or have their appointments terminated or being retired prematurely. This implies that some experienced and qualified hands in the sector are lost due to involvement in fraud and forgeries.

Table 1 Numbers of Bank staff dismissed for Fraud and Forgeries: 1991-1993

S/N	Ranks	Number			Total**	%
		1991	1992	1993		
1.	Supervisors/Managers	66	132	127	325	22.15
2.	Officers, accountants & Executive assistants	60	66	58	184	12.54
3.	Clerks and cashiers	236	156	192	584	39.81
4.	Typists, technicians & stenographers	47	9	34	90	6.13
5.	Messengers, Drivers, Cleaners, Stewards And Security	51	54	61	166	11.32
6.	Temporary staff	24	-	5	29	1.98
7.	Uncategorized*	30	19	40	89	6.07
Total		514	436	517	1467	100

Source: NDIC Annual Report 1993/1994; Okon and Unugbro (2003)

*Staff whose status were not disclosed.

**Column total and Percentages computed by the authors.

A total of 517, 436 and 514 staff of banks were dismissed or retired or had their appointment terminated because of their involvement in fraud and forgeries during 1993. 1992 and 1991 respectively Managers and supervisors with accountants, Officers and Executive Assistants are responsible for about 35 per cent. Clerks and cashiers share about 40 percent. Others below the rank of cashier are 25 per cent.[Alashi, 1994;13] This is depicted in table1. The cash loss into Frauds and Forgeries in 1991 to 1993 is presented in table 2.

Table 2(a) Frauds and Forgeries in Commercials and Merchant Banks

Year	Amount involved(#M)		Total*	Percent *
	Commercial	Merchant		
1991	366.194	28.318	383.512	17.29
1992	351.93	59.82	411.75	18.56
1993	1376.3	41.92	1418.22	63.93
Total	2088.424	130.058	2218.482	
Percent	94.14	5.86		100

Table 2(b) Frauds and Forgeries in Commercial and Merchant Banks

Year	Actual expected loss			Percent
	Commercial	Merchant	Total	
1991	25.498	1.180	26.678	7.71
1992	64.8	8.31	73.11	21.12
1993	241.01	5.37	246.38	71.17
Total	331.308	14.86	346.168	
Percent	95.71	4.29		100

Source: (1).NDIC Annual Report [various issues] (2). Alashi (1994:13)

**Column total and percentages and Row percentages computed by author.*

Table 2 (a) and (b) showed that frauds and forgeries increase each year but with sporadic increase of 63,93 % and 71.17 % respectively.

Table 3 Loss attributable to Frauds in the Nigerian licensed Banks

Bank type	Year	No of Fraud cases		Amount involved(NM)	Actual Expected loss
Commercial Banks	1995	587		1,542.91	371.08
	1996	127		1,006.28	226.38
Merchant Banks	1995	19		57,77	4.16
	1996	14		5.08	2.75

Source: Nigerian Deposit Insurance Corporation (NDIC) 1996 annual report and statement of accounts.

According to the NDIC publication, about 1,914 bank staff of various ranks were involved in frauds between 1994 and 1996 and as usual must have had their appointment terminated, dismissed or on suspension. Loss from frauds on banks are untold hardship especially those who have liquidity challenges. As fraud cases in banks continues to raise, bank losses in terms of money also rises (Asukwo, 1999:17).

Table 4 Retired Staff due to involvement in Frauds and Forgeries

S/N	Ranks/Category	1998		1999		2000		Perc%	Total*
		No.	%	No.	%	No.	%		
1	Supervisors/Managers	112	36.01	178	29.9	132	26.8	27.16	422
2	Officers, Accountants & Executive Assistants	72	23.15	144	24.2	104	20.3	20.59	320
3	Clerks and Cashiers	82	26.3	92	15.4	137	27.8	20.01	311
4	Typists, Technicians & Stenographers	12	3.86	127	21.3	81	16.4	14.16	220
5	Messengers, Drivers, Cleaners, Stewards And Security	26	8.36	127	21.3	81	16.4	15.06	234
6	Temporary staff	5	1.61	15	2.5	8	1.6	1.80	28
7	Uncategorized	2	0.64	3	0.5	14	2.8	1.22	19
	Total	311	100	686	100	557	100		1554
	Percentage	20.01		44.14		35.84		100	

Source: NDIC Annual report 2000

*Column total and percentage, and row percentages computed by authors.

Table 4 shows a total number of 1554 staff lost their jobs because of their involvement in frauds and forgeries. Supervisors/Managers made up to 27.16 % percent. Officer, Accountants and Executive Assistants was 20.59 percent. From the rank of Executive Assistants up were responsible for 47.5 percent. Cashier and Clerks are 20 percent and others are 33 percent.

In Table 5 below Managers/ Supervisors and Officers/Accountants and Executive Assistants made up to 71.45 percent. Others share 28.55 percent. This signifies that senior staff of banks are becoming more fraudulent by the day. A percentage of 47.5 in 1998-2000 increasing to 71.45 in 2002-2006 is sporadic and unfortunate for industry.

Table 5 Bank Employees Involvement in Fraud and Forgeries cases 2002-2006

	Category of Staff	2002	2003	2004	2005	2006	Total	%*
1	Supervisor & Manager	16	25	157	169	118	485	37.83
2	Officer/Accent art and Executive	48	41	128	124	90	43	33.62
3	Clerks/cashiers	13	25	61	54	50	203	15.83
4	Typists, Tech Stenographer	-	-	18	16	60	50	3.90
5	Messenger, Drivers, Cleaners, Security guards & stewards	4	7	15	12	7	45	3.51
6	Temporary staff	4	8	3	3	50	68	5.30
	Total	85	106	379	378	331	1282	
	Percent	6.63	8.27	29.80	29.48	25.82		100

Source: Owolabi (2010); Compilations from C B N Annual Report 2002-2006

*Column and Row total and percentages are computed by the authors.

The research report of the Economic and Financial Crimes Commission (EFCC) which indicated that top management staff, bank managing directors and even board members are responsible for the majority of bank fraud cases that come to the commission (Egbohor, 2004), lends credence to the NDIC (2000) an CBN Report of 2002-2006.

The studies of Aderibigbe (1999) on fraud revealed that the cashiers appear to be the most fraudulent group representing about 36%. In another report, Wells (2002) analyses show that majority of frauds (64%) are committed by employees. Managers and/or Executives are three and a half times more costly than frauds committed by employees, because the higher employee rise in an organization, the more they are entrusted with company assets

Table 6 Ten Banks with Highest fraud cases in total: 2001-2006

Year	Amount (#M) for 10 Banks	Total for All Banks (#M)	% share of total for all banks
2001	10,509.27	11,243.94	93.47
2002	11,481.06	12,919.55	88.90
2003	8,635.38	9,383.61	92.02
2004	1,024.74	11,734.00	85.88
2005	9,373.74	10,606.18	88.38
2006	2,512.73	4,832.17	51.77

Sources: Owolabi (2010); Compilations from CBN Annual Report 2001-2006

Table 6 shows the analysis of the banks with highest fraud cases and the amount involved. Even though perpetrators are not indicated, these amounts must have been the usual collusion of internal staff with another or with external parties.

From the historical review, it is inciting that the dynamic force behind frauds and forgeries in the bank are perpetrators mostly within the rank of Supervisor/Accountant and above. It is an records that insiders abuses are common among bank directors and top management, 'they receive loans from the bank, but refuses to pay' (Fagunjade, 2005)

Perpetrators' activities on the avalanche `of monetary wastages through Fraud and forgeries are not limited to the first decades. Table 7 is another shocker showing that perpetrators propensity to frauds and forgeries is astronomically increasing in the industry.

Table 7 Frauds and forgeries in the banking industry: 3rd quarter 2011 and 3rd quarter 2012

S/N	Variables	Third quarter 2011	Third quarter 2012
1	Total cases involved	519	1501
2	Total amount involved	N1,186,329,901.2	N4,148,583,310.50
3	Total amount lost	N656,406,798.62	N981,499,157.26
4	Outsiders involvement	385	1397
5	Inside(staff)involvement	127	117
6	Appointment terminates	56	51

Source: fitc (2012) reports on frauds and forgeries July-Sept, 2012 p.10

This table revealed a significant difference between the third quarter of 2011 and that of 2012. Cases involved increase from 519 to 1501, an increase of N982B or 189 percent. Amount involved also increase from N1.186B in 2011 to N4.148B in 2012. This is an increase of N2.962B or 249.75 percent over 2011.

An aspect of kin interest and relief, of course, was the 1379 cases (91.8 percent), which were predominantly of outside involvement. Bank employee were 117(7.79 percent) and frauds perpetrators collusion was 4(0.27 percent) of the cases reported.

This is an improvement over 2011 third Quarter where insiders' involvement of 127 out of 519 was 24.47 percent compared with 117 of third quarter, 2012 with 7.79 percent, showing a significant decrease of 16.68 percent. There were 56 appointments and 51 appointments terminated in the third Quarter under review for 2011 and 2012 respectively. The extent of fraud

in banks, rather than being abated, has continued to escalate. The historical review and discussion of frauds and forgeries in the banking industry in this paper has been only on reported cases. Multitudes of cases are perpetrated undetected and those detected may not be reported. The bank management probably perceive that such publicity may affect the goodwill of the bank. This single attitude is enough to encourage individuals with inordinate ambition to defraud in financial institutions.

RESEARCH QUESTIONS & HYPOTHESIS

The following research questions were designed to ensure the achievement of the set objectives of the paper.

1. What are the status, qualification and experience of respondents?
2. What is the status of frauds and forgeries in zone A (Lagos)?
3. What is the status of frauds and forgeries in zone B (Ogun, Osun, Oyo)?
4. What is the status of frauds and forgeries in zone C (Ekiti and Ondo)?
5. What categories of the employees are mostly involved in financial frauds and forgeries in all the zones combined?

The following hypotheses was formulated by the researcher and tested at 0.05 significant level.

H_0 = Fraud and Forgeries perpetration in each of the zones correlates.

METHODOLOGY

Research Design

This is a survey in that questionnaires were used to collect data from sampled branches. Descriptive statistics (percentages and ranking) were used to show the extent of involvement of staff categories. Test of association [correlation], was computed using Spearman's rank correlation.

Sample and sampling techniques

A sample of 81 banks includes 10 headquarters and 71 branches from the south west. The pattern of sample composition is in table viii below. The state capitals were preferably used in sampling the banks. Because of the nature of the problem under study, random sampling cannot be used but only to be satisfied with any accommodating branch that complete the questionnaire and return it. A proportionate distribution of branches within commercial and cannot be guaranteed.

Table 8 Pattern of sample composition

Sex	Freq	%	Age (years)	Freq	%	Experience in Banking	Freq	%
Male	59	72.84	Less 35	50	61.73	Less than 10 years	52	64.20
Female	22	27.16	35 & over	31	38.27	10 years & above	29	35.80
Total	81	100	Total	81	100	Total	81	100

Instrument

The instrument was divided into four sections. Section A collects demographic variables of respondents such as age, sex, and experience in bank e.t.c. Section B request respondents to fill in amount of Fraud in branch, and the category of staff involved. Section C requests respondents to write at least five of the causes, types, defection and prevention of Fraud and Forgeries. Section D request for the various workshops/conferences/seminars attended.

Administration of Instrument

About 400 questionnaires were distributed with the help of research assistants. Only about 100 questionnaires only 81 returned. Only 81 responses were used. Others were faulty mainly because respondents were not within the management cadres targeted. Such cadres were Managers, Supervisor/Accountants and Auditors/Inspectors. The states involved were Ekiti, Lagos, Ondo, Ogun, Osun and Oyo. They were in Zones. Zone A is Lagos with 31 (38.20 %) respondents; Zone B is Ogun/Osun/Oyo with 29 (35.80) respondents and Zone C is Ekiti and Ondo with 21 (25.93 %) respondents.

ANALYSIS & FINDINGS

Research Question 1

What are the status, qualifications and experience of respondents?

The respondents' variable characteristics presented in table 9 show those 20 Managers (24.69), 46 accountants (56.79 %) and 15 internal auditor/inspectors (18.52 %) were involved in completing the questionnaires. Most of the respondents were either HND/Degree holder (39 representing 48.15 percent) or MSc/MBA (39 representing 48.15 %). The respondent experience in the banking industry shows that 52 (64.20 percent) had less than 10 years and 29 (55.80 %) had 10 or more years. These data show a good status level as well as qualification level. On the part of experience, many of the respondents were not as experienced. This may be an index for high level fraud perpetration.

Table 9 Respondent's Variable Characteristics

Variables	Freq	Percent
1.Sex; Male	59	72.84
Fem	22	27.16
Total	81	100
2.Age; Less than 35yrs	50	61.73
35yrs and above	31	38.27
Total	81	100
3.Rank/ Status; Manager	20	24.69
Accountant	46	56.79
Internal/Inspector	15	18.52
Total	81	100
4.Qualifications; Schl CERT	0	0
ND/NCE	3	.40
HND/Degree	39	48.15
MSc/MBA	39	48.15
PhD	0	0
Total	81	100
5.Experience in Banking Industry		
Less than 10yrs	70	86.42
10yrs and above	11	13.58
Total	81	100

Research Question 2

What is the status of Fraud and Forgeries in Zone A (Lagos)?

The data presented in table 10 is for Zone A (which is Lagos). Column 1 shows the categories of employees involved; from members of the Board of Directors down to temporary staff. Column 2 is the frequency of occurrence of fraud and forgery; Column 3 is the amount in Million Naira; Column 4 is the percentage based on the amount of frauds committed by each category and Column 5 ranked the percentages.

The percentages in column 4 and the ranking in column 5 show that Managers are ranked first, followed by accountants/inspectors. Officers/Executive Assistants bagged third while the board member came fourth. From the Accountant/Inspectors and above, perpetrators within those categories were responsible for N283.26M representing 65.24 percent of the total frauds and forgeries.

Table 10 Fraud and Forgeries Perpetrators in Lagos State (Zone A)

s/n	Category of Employees	Frequency of Occurrence	Amount in Million (NM)	%	Rank
1	Board of Directors	2	57.00	0.13	4
2	Managing Directors	2	39.99	9.21	5
3	Managers	13	97.10	22.36	1
4	Inspectors/Accountants	18	89.17	20.54	2
5	Office/Executive Assistants	12	71.81	16.54	3
6	Computer Staff	15	33.55	7.73	6
7	Clerks/cashiers	16	26.48	6.10	7
8	Technician/Stenographers	2	3.48	0.80	9
9	Messengers/Drivers	4	12.56	2.87	8
10	Temporary Staff	3	3.16	0.73	10
Total			434.30	100	

Research Questions 3

What is the status of Fraud and Forgeries in Zone B (Ogun, Osun and Oyo)?

Table 11 contains the data for this zone. Members of the Board of Directors and temporary staff were not involved in frauds and forgeries. The percentages of frauds and forgeries from the Accountant/Inspector and above were 56.15 percent representing N20.55M out of the total perpetration of N36.6M

Table 11 Fraud and Forgeries Perpetrators in Oyo/Ogun/Osun (Zone B)

S/N	Category of Employees	Frequency of Occurrence	Amount in Million (NM)	Percent	Rank
1	Board of Directors	0	-	-	9
2	Managing Directors	4	11.8	32.24	1
3	Managers	2	0.60	1.64	7
4	Inspectors/Accountants	9	8.15	22.27	2
5	Office Executive	3	5.7	15.57	4
6	Computer Staff	10	6.15	16.67	3
7	Clerks/cashiers	8	3.0	8.20	5
8	Technician/Stenographers	0	0	0	9
9	Messengers/Drivers	3	1.2	3.20	6
10	Temporary Staff	0	0	0	9
Total			36.60	~ 100	

Research Question 4

What is the status of Fraud and Forgeries in Zone C (Ekiti and Ondo)?

The next is Table 12 for Ekiti and Ondo states. Not all the categories are involved. Computer staff, Cashier/clerks, Messengers/Drivers and temporary staff were exempted. Majority of the frauds were committed by officers from Accountants/Inspectors and above. These categories were responsible for N143M out of the N148.02M representing about 97 percent in the zone. Managing Directors were leading with N80M at 44.05 percent. This was followed by the Board of Directors with N40M at 27.02 percent. Managers came third with N13M at 8.79 percent and lastly Accountant/Inspectors with N10M at 6.76 percent.

Table 12 Fraud and Forgeries Perpetrators in Ondo/Ekiti States (Zone C)

S/N	Category of Employees	Frequency of Occurrence	Amount in Million (NM)	Percent	Rank
1	Board of Directors	1	40	27.02	2
2	Managing Directors	2	80.0	54.05	1
3	Managers	1	13	8.78	3
4	Inspectors/Accountants	1	10	6.76	4
5	Office Executive	1	5	3.38	5

6	Computer Staff	-	-	-	8.5
7	Clerks/cashiers	-	-	-	8.5
8	Technician/Stenographers	-	-	-	8.5
9	Messengers/Drivers	-	-	-	8.5
10	Temporary Staff	1	0.02	0.01	6
Total			148.02	~100	

Research Question 5

What categories of the employees are most involved in Fraud and Forgeries in the entire zone combined?

Table 13 shows a combined data from all the zones. All the categories of employees were involved. Ranking shows that Managing Directors were responsible for N131.79M or 21.46 percent of the total frauds. This was followed by Managers with N110.70M at 18.02 percent. The third were Accountants/Inspectors with N102.27M at 16.66 percent. There was a close rank between the third and the fourth. The Board of Directors bagged the fourth position with N97.0M at 15.80 percent. These some categories were responsible for N441.76M out of N613.87M representing about 72 percent.

Table 13 Fraud and Forgeries Perpetrators
(All the Zones together Lagos, Oyo, Ogun, Osun, Ondo, Ekiti)

S/N	Category of Employees	Frequency of Occurrence	Amount in Million (NM)	Percent	Rank
1	Board of Directors	3	97.0	15.80	4
2	Managing Directors	8	131.79	21.46	1
3	Managers	16	110.70	18.03	2
4	Inspectors/Accountants	28	102.27	16.66	3
5	Office Executive	15	77.51	12.62	5
6	Computer Staff	26	44.70	7.28	6
7	Clerks/cashiers	24	19.48	4.80	7
8	Technician/Stenographers	2	3.48	0.57	9
9	Messengers/Drivers	7	13.46	2.24	8
10	Temporary Staff	4	3.18	0.51	10
Total			613.87	100	

Hypothesis One

H_0 = Fraud and Forgeries Perpetration in each of the Zones correlates.

Table 14 shows the ranking (column 5) of tables 2, 3 and 4 (appendix) together. Column 2, 3 and 4 are for Zones A, B and C respectively. The correlation matrix is presented in table 15 using spearman's rank correlation.

Table 14 Ranking of Frauds and Forgeries based on Status involved

Categories of Staff	Columns	Ranking [All Zones 1	Ranking [Zone A] 2	Ranking [Zone B] 3	Ranking [Zone C] 4
1 Board of Directors		4	4	9	2
2 Managing Directors		1	5	1	1
3 Managers		2	1	7	3
4 Inspectors/Accountants		3	2	2	4
5 Office Executives		5	3	4	5
6 Computer Staff		6	6	3	8.5
7 Clerks/Cashiers		7	7	5	8.5
8 Technicians/Stenographers		9	9	9	8.5
9 Messengers/Drivers		8	8	6	8.5
10 Temporary Staff		10	10	9	6

Table 15 Nonparametric Correlations

Spearman's rho	All Zone	Zone A	Zone B	Zone C
All Zone Correlation Coefficient	1.000	.867**	.571	.807**
Sig. (2- tailed)	.	.001	.085	.005
N	10	10	10	10
Zone A Correlation Coefficient	.867**	1.000	.411	.644*
Sig. (2- tailed)	.001	.	.238	.044
N	10	10	10	10
Zone B Correlation Coefficient	.571	.411	1.000	.190
Sig. (2- tailed)	.085	.238	.	.599
N	10	10	10	10
Zone C Correlation Coefficient	.807**	.644*	.190	1.000
Sig. (2- tailed)	.005	.044	.599	.
N	10	10	10	10

** . Correlation is significant at the .01 level (2-tailed)

* . Correlation is significant at the .05 level (2-tailed).

DISCUSSION ON FINDINGS

The objective of this study is to analyse those who are perpetrators of fraud and forgeries in the banking industry. Findings from the study show that a huge amount of money has been lost into frauds and forgeries. About N613M was lost despite the respondent's reluctance to give actual information. This finding correlates with other previous publications of the NDIC and Aderibigbe (1999) where a substantial amount was lost to frauds and forgeries.

One significant revelation from the findings was the vulnerability of fraud and forgeries among the top level management. Egbobor (2004) quotes the research report of the Economic and Financial Crimes Commission (EFCC) showing that top management staffs, bank managing directors including even board members, are responsible for the majority of bank fraud cases that came to the commission. This result has again vindicated the EFCC report. It is unfortunate that published fraud cases usually avoid these categories who are Accountants/Inspectors, Managers, Managing Directors and Board members who were responsible for about 72 % of the amount of frauds and forgeries in the study areas combined.

All the categories of staff in the banking industry are involved in frauds and forgeries, even up to temporary staff. Tables 10, 12 and 13 support this statement. The study area was zoned according to a priori expectation that criminality will be high in Lagos, average in Osun, Ogun, and Oyo and low in Ekiti and Ondo states. This study shows that only zone A (Lagos) and zone C (Ekiti and Ondo) are vulnerable. Zone B (Osun, Ogun and Oyo) deviates. Consequent upon this, there is a high correlation between zone A and zone C and also between the two Zones and all the Zones Altogether.

CONCLUSION

This study evaluated the extent of frauds and forgeries perpetration and the perpetrators. Research on the issue of Frauds and Forgeries has always been meeting with reluctance from respondents. In the first instance, they would not want to expose their place of work so as to secure their employment and/or retain public trust. Second, some of the respondents who are to treat the questionnaire are perpetrators. Such respondent would never affirm frauds and forgeries cases in his/her branch. One alarming phenomenon on frauds and forgeries is that the cankerworm is eating deep in the banking industry daily. FITC (2012) in table 15 shows a staggering increase from third quarter of 2011 to third quarter of 2012. The industry needs to be salvaged so as to salvage our economy and the financial sector from collapse.

Based on the findings, following recommendations are made. The Country and especially the Banking Industry need overhauling and rebranded from the pervasive, derogatory

and fictitious value system. The Federal Government and the banking industry Regulatory Bodies should closely monitor this sector and programme an enduring change.

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