EFFECTS OF MULTI-AGENCY APPROACH IN COMBATING MONEY LAUNDERING BY SELECTED STATE AGENCIES IN NAIROBI, KENYA

TONNY OMONDI JUMA

20S01DMGP006

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN GOVERNANCE PEACE AND SECURITY IN THE DEPARTMENT OF GOVERNANCE, PEACE AND SECURITY STUDIES, SCHOOL OF HUMANITIES AND SOCIAL SCIENCES AT AFRICA NAZARENE UNIVERSITY

DECLARATION

I declare that this document and the research that it describes are my original work and that they have not been presented in any other university for academic work.

Juma Tonny Omondi

Signature:________________ Date 04-07-2024

The research was conducted under our supervision and is submitted with our approval as university supervisors.

Prof. Elijah Siringi

Signature:________________ Date 04/07/2024

Dr. Eric Osoro.

Signature:________________ Date 04/07/2024.

Africa Nazarene University
Nairobi, Kenya

DEDICATION

I dedicate this research thesis to my wife Elsie and children Ray Omondi, Kerry Mabel and Eddie Omondi for their forbearance, support and inspiration.

ACKNOWLEDGMENT

I give thanks to our Heavenly father for His divine providence. Because of His grace, I have beenable to make it this far. Thanks to my supervisors, Professor Elijah Siringi and Dr. Eric Osoro, for offering me an exceptional level of support while I was working on this paper. I would wish to also extend my appreciation to my family for their support, especially during times when things were difficult. Finally, thanks to the faculty at Africa Nazarene University for preparing me to conduct this study

Table of Contents

LIST OF FIGURES

LIST OF TABLES

ABSTRACT

The menace of money laundering is a universal problem that continues to adversely affect the security of states in many parts of the world. Despite Kenya adopting a multi-agency approach to tackle financial crimes in 2015, the nation's overall money laundering threat is assessed as medium with a potential for increase while the nation's vulnerability to money laundering is assessed as medium high. The purpose of the study was to examine the effects of Multi-Agency approach in combating money laundering by selected state agencies in Nairobi, Kenya. The following objectives guided the and study; to find out the models of cooperation and coordination amongst selected state agencies involved in combating money laundering, to determine the effects of resource allocation to selected state agencies involved in combating money laundering and to establish the effects of training and capacity-building of Multi-Agency teams involved in combating money laundering. The study adopted descriptive research design and was anchored on securitization and institutional theories. The target population comprised of 383 personnel drawn from Ethics and Anti- Corruption Commission, Kenya Revenue Authority, Financial Reporting Centre, Assets Recovery Authority, National Intelligence Service, and Directorate of Criminal Investigations. Yamane's formula was used to arrive at a sample size of 195 personnel while stratified random sampling was adopted to ensure that the sample is representative of the various subgroups within the population. Reliability of research instruments was estimated by administering the instruments to a sample of 20 respondents who did not form part of the final study. Questionnaires were used for data collection. Analysis of qualitative data was conducted in a continuous manner, where in themes and subthemes were identified as they emerged while quantitative data was analyzed using both descriptive and inferential statistics. The findings were displayed using frequency tables, charts, graphs, and percentages. Findings indicated that there is positive association between multiagency approach and combating money laundering in Nairobi, Kenya. The study recommended that the multiagency framework be entrenched in law so as to reduce red tape, mistrust and competition among participating agencies, allocate more financial and technological resources and to ensure a continuous training regime so that members of the multiagency team are up to date on new trends of money laundering.

DEFINITION OF TERMS

Capacity building: Capacity development is of altering of behavior and attitudes and conveying knowledge, and developing skills while maximizing the benefits of participation, knowledge transfer, and ownership (Khamis, 2019).

Effectiveness: The term "effectiveness" refers to the degree to which the multi-agency tactic has either been successful in combating money laundering in Kenya or has been unsuccessful in doing so (Kibusia, 2020)

Financial crime: Refers to a type of property crime characterized by illegal conversion of property ownership for one's own personal use and benefit. (Wells *et al.*, 2021)

Money laundering: is any act that transforms cash or other assets obtained through unlawful conduct into cash or assets that appear legitimate thus masking their illicit origin (UNODC, 2021)

Multi-agency approach: This is a method of task execution in which different players cooperate and collaborate in a bid to maximize efficiency by leveraging each other's capabilities. (Kibusia, 2020)

Training Refers to teaching and learning undertakings that help members of an institution in gaining and applying the practical skills, abilities, knowledge and attitudes required by a certain task and organization (Khamis, 2019)

LIST OF ABBREVIATIONS AND ACRONYMS

ACFE	Association of Chartered Fraud Examiners
AML	Anti-Money Laundering.
ARA	Assets Recovery Agency
DCI	Directorate of criminal Investigations
EACC	Ethics and Anti-Corruption Commission.
FATF	Financial Action Task Force
FEC	Financial Expertise Centre
FRC	Financial Reporting Centre
IFCAAC	International Financial Crime and Anti-Corruption Center
KRA	Kenya Revenue Authority
NRRET	National Revenue Recovery Enforcement Team
OECD	Organization for Economic Cooperation and Development
UNDOC	United Nations Office on Drugs and Crime

CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1 Introduction

This chapter highlights the background of the study, statement of the problem, the purpose of the study, objectives of the study, study questions, significance of the study, the scope of the study, delimitations of the study, and limitations of the study, assumptions of the study, theoretical and conceptual frameworks of the study.

1.2 Background of the Study

United Nations Office on Drugs and Crime (UNODC) (2021) defines money laundering, in its simplest form, as any act that transforms cash or other assets obtained through unlawful conduct into cash or assets that appear legitimate thus masking their illicit origin. Money laundering serves to conceal the illegitimate source of financial assets, hence legitimizing unlawfully acquired funds (Ejanthkar & Mohanty, 2011).

While trade, technology, and transportation bring us closer together and create economic opportunities, they have also been misused and abused by criminal actors involved in economic and financial crimes. Organized crime has established a parallel global criminal economic and financial system centered on money laundering, illicit financial transfers, and corruption. Criminals use these three techniques to conceal, transfer, and eventually profit from their illegal profits. Modern organized crime relies heavily on the ability to launder illicit funds on a large scale, channel them through criminal financial brokers, and corrupt key players (Europol,2023)

Financial crimes like money laundering pose a global threat that continues to adversely affect the security of states in many parts of the world. Money laundering endangers international and national security since it corrupts government and legal systems, undermines free business by crowding out the private sector, and jeopardizes countries' financial stability and international capital flows. (World Bank, 2022).

Europol (2023) argues that almost 70% of criminal networks in the European Union use basic money laundering techniques, while 60% use corruptive methods to achieve their illicit goals. These practices undermine the rule of law, undermine trust in the justice system, and weaken societal and economic stability. The distinction between the illicit and licit worlds is blurring, with criminal money and assets intertwined with legitimate ones.

African Union (2019) lists three main sources of money laundering and illicit financial flows. These three sources include: First; trade based money laundering i.e. commercial tax evasion, trade mis-invoicing and abusive transfer pricing, second; criminal activities such as narcotics trade, human trafficking and smuggling, illegal arms trade and smuggling of contraband goods, last is corruption, theft, and bribery by corrupt government officials.

Ejanthkar & Mohanty, (2011), concurs with African Union by postulating that the typical drivers of money laundering are consistent all over the world. However, geographical differences exist in the factors that drives it. Corruption, for example, is one of the key drivers of the vice in developing countries due to overall greater levels of graft. Elsewhere, money laundering is largely driven by organized crime; drug trafficking, arms trade, human trafficking and piracy

UNODC (2022) argues that money-laundering methods can vary in complexity and sophistication, but often involve the following three phases:

Placement: This phase involves the initial entry of "dirty" money into the financial system. Criminals attempt to place illicit funds into legitimate financial institutions or businesses. This can be done through activities like structuring deposits (breaking up large amounts into smaller deposits to avoid suspicion), using cash-intensive businesses (like casinos or restaurants), or through smuggling cash across borders.

The second phase is layering; the purpose of this phase is to obscure the audit trail and make it difficult to trace the origin of the illicit funds. Layering involves conducting a series of complex financial transactions, such as wire transfers between accounts, purchasing and selling assets (like real estate or securities), or creating and canceling contracts. The goal is to create a web of transactions that are difficult to untangle, thereby distancing the funds from their criminal source.

The final stage is integration which involves introducing the laundered funds back into the economy by investing in businesses, purchasing high-value assets (such as luxury goods or real estate), or simply mixing them with legitimate funds in bank accounts. The goal is to enjoy the benefits of illicit funds without raising suspicion.

The underground nature of money laundering makes it challenging to accurately measure the global scale of the vice. Nevertheless, United Nations Office on Drugs and Crime (UNODC) approximates that between 2% to 5 % of the global Gross Domestic Product (GDP) or between $800 and $ 2 trillion is laundered annually (UNODC, 2022).

African Union (2019) agrees that illicit financial flows(IFFs) are prevalent and inherently secretive and it is nearly impossible to accurately assess the losses caused by IFFs in the continent, nevertheless, estimates of these amounts range from USD 50 to 80 billion per year and appear to be increasing. Surprisingly, this amount exceeds the continent's total yearly Official Development Assistance (ODA).

Moreover, the United States Department of State (2022) hypothesizes that the cash generated by some narcotics-trafficking groups can significantly exceed the funding available to law enforcement and security services in some emerging market countries. This threatens the reliability and stability of financial and governmental structures of such countries (US Department of State, 2022).

Schroeder (2010) advances that money laundering presents a threat to jurisdictions at three levels. First, from the perspective of law enforcement, laundering of illicit funds increases the danger postured by organized crime like illegal arms trade, drug trafficking, smuggling and racketeering, and because it makes those crimes easier to commit and provides the funds necessary for the criminal enterprise to function.

Money laundering threatens good governance and undermines democratic institutions because it reduces tax revenues and creates substantial underground economies that frequently restrict legal enterprises and disrupt financial sectors and institutions. Lastly, money laundering encourages graft in the public sector through bribes, kickbacks, illicit campaign contributions, and tax evasion.

Faced with the ever-increasing threat of financial crime including money laundering and terrorism financing within their jurisdictions, countries of the world are preoccupied with expanding and revamping their capabilities to combat the vice. To accomplish this goal, nations have embraced a multi- agency approach to security.

Fighting financial crimes involves several crucial steps, such as preventing, detecting, investigating, and prosecuting offenses as well as recovering the proceeds of crime Various government agencies may be involved, depending on the situation. These may include the public prosecutor's office, the police and specialized law enforcement agencies, financial regulators, the tax administration, the customs administration, anti- money laundering authorities like the financial intelligence units, and the bureau of public prosecution. This calls for the adoption of a multiagency approach OECD (2021).

Multi-agency approach involves different primary state security agencies and associated institutions working together in a cohesive and coordinated way, enhancing information exchange and providing a more efficient response to criminal activities (Kibusia, 2020).

Multi-agency approach in the fight against financial crime involves jointly collecting and evaluating intelligence, carrying out investigations, and creating policies to curb the threat posed by financial crime (Wilder, 2023).

Multi-agency approach reduces effort duplication by related agencies, fills in intelligence gaps, and provides a clearer threat posture. Multiagency coordination also aims to prevent competing effects of one organization's actions on the objectives, actions, and/or goals of another, and/or to generate gains for both parties and identify synergistic solutions that yield benefits greater than those that might be obtained in the absence of coordination (Serrano,2003). Moreover, Multi-Agency cooperation also has the advantage of fostering communication, which is necessary to plan an efficient response to a threat (Wilder, 2023).

Australia implemented a Multi-Agency strategy to combat financial crime after realizing the threat it posed to national security. To deter and disrupt the vice, Australian authorities established a Serious Financial Crime Taskforce in 2015. The task force, which also includes representatives from the Australian Securities and Investments Commission, Australian Taxation Office, Attorney Generals Department, Australian Border Force, Australian Crime Commission, and Director of Public Prosecution, is headed by the Federal Australian Police. The Multi-Agency group combines the expertise and information of eight federal agencies to focus on significant financial crimes such as fraud, money laundering, and stock market manipulation (Keen, 2015).

In Malaysia, a Multi-Agency approach to financial crime was adopted through the creation of the National Revenue Recovery Enforcement Team (NRRET) to promote collaboration and coordination among law enforcement and policing agencies. NRRET is domiciled at the Attorney General's office. Its membership includes the Company Commission of Malaysia, Malaysian Tax Authority, the Malaysian Anti-Corruption Commission, the Malaysian Central Bank, and the Royal Customs Department. NRRET also oversees information sharing and the preparation of combined actions among law enforcement organizations APEC/OECD (2019).

Similarly, according to FATF (2022) the Netherlands adopted a Multi-Agency approach to financial crime by institutionalizing Financial Expertise Centre (FEC), a collaborative effort of the National Tax and Customs Administration, the Fiscal Intelligence and Investigation Service, the National Police, the Public Prosecution Service, the General Intelligence and Security Service, De Nederlandshe Bank, the Netherlands Financial Markets Authority, the Ministry of Security and Justice and the Ministry of Finance. The FEC's mandate is to oversight and support the financial sector's integrity, as well as to combat financial crime, particularly money laundering.

International organizations are not left behind in adopting a Multi-Agency approach to combating financial crime. For instance, in 1989, the Group of Seven (G7), the seven largest economies at the time, established the Financial Action Task Force (FATF), an international intergovernmental policy-formulation agency. FATF was mandated to formulate and promote policies meant to combat money laundering nationally and internationally.

In 1990, FATF released 40 recommendations to combat money laundering. Recommendation 2 urges countries to guarantee that law enforcement agencies, policymakers, financial sector regulators and financial intelligence units have an effective coordination and cooperation framework to communicate and share information about funding of terrorism, laundering of illicit funds, and the spread of weapons of mass destruction. In other words, FATF advocated for the adoption of a Multi-Agency approach to tackling financial crimes (FATF, 2022).

The OECD promotes a 'whole of government' approach to combating financial crimes through the Oslo Dialogue. This initiative, launched in 2011, promotes effective cooperation among financial crime agencies through standard setting, capacity building, and impact measurement. The Oslo Dialogue aims to improve collaboration among various agencies involved in combating financial crimes, such as tax administrations, financial intelligence units, police, anti-money laundering authorities, anti-corruption authorities, and prosecutors. Collaboration is crucial in combating financial crimes, as each authority has unique duties, access to data, and investigation capabilities. (OECD, 2017).

The International Criminal Police Organization (Interpol), an international organization that supports international police collaboration and prevention of crime, adopted a Multi-Agency approach to combating financial crime by establishing the International Financial Crime and Anti- Corruption Center (IFCACC) to provide a synchronized worldwide response to the exponential rise in international financial crimes. IFCACC works closely with important players to help the group fight financial crime and corruption. These players include; the Egmont Group of Financial Intelligence Units, the FATF, FATF regional bodies, law enforcement agencies, police organizations, and the financial sector. IFCACC fights money laundering, fraud and other financial crimes by helping with investigations, operations, and analyses and by building up people's skills (Interpol, 2022).

A study conducted by the OECD (2017) in selected countries in Asia, Europe and the Americas to establish effective interagency collaboration in combating tax related crimes and other economic crimes found that tax evasion, money laundering, procurement fraud, other related crimes could jeopardize the political, strategic and economic interests of both developing and developed countries. The OECD warned that such illicit activities flourish in environments characterized by secrecy, weak regulations, lenient enforcement, and notably for this research, a lack of coordination between agencies.

The 2020 Money Laundering and Terrorist Financing Risk Assessment report, flagged Kenya as a high-risk jurisdiction for money laundering due to its strategic location as transport and communication hub in East and Central Africa. The report notes that a total of KES 24.6 billion (approximately USD 229 million) was frozen on suspicion of being proceeds of crime between 2017 and 2019.

Moreover, data from the Directorate of Criminal Investigations (DCI) on the value of proceeds generating predicates investigated between 2021-2023 indicates that a total of thirty-four (34) money laundering cases worth KES. 10,982,824,798.5 (US$ 84,159,577) were investigated during the period (Republic of Kenya 2023) despite money laundering being prohibited in Kenya under Sections 3, 4, and 7 of the Proceeds of Crime and Anti-Money Laundering Act of 2009(Republic of Kenya, 2021.

In 2015, during his Second State of the Nation Address, President Uhuru Kenyatta instructed the Attorney General (AG) to undertake an exhaustive review of the policies, legal frameworks, and institutional setups aimed at tackling financial crimes. In response, the AG assembled a team to carry out this evaluation. Their findings highlighted a significant challenge: there was insufficient coordination between agencies tasked with combating financial crimes. The team suggested more collaboration and cooperation between these bodies (Republic of Kenya, 2015).

Consequently, in November 2015, spurred by the President's directive, a collaborative effort was initiated to counter economic crimes in Kenya. This joint initiative, known as the multi-agency team (MAT), pooled officers from various entities including, the Financial Reporting Centre (FRC), the Ethics and Anti-Corruption Commission (EACC), the Kenya Revenue Authority (KRA)), the National Intelligence Service (NIS), the Directorate of Criminal Investigations (DCI) and the Asset Recovery Agency.

The MAT's main objectives included fostering better collaboration, cooperation and coordination, amongst the agencies battling corruption and other financial wrongdoings. They were tasked with pinpointing the resources required by each agency and advocating for them. They were also responsible for devising training programs to strengthen the capacities of these agencies, liaising with other relevant organizations to heighten the anti-corruption drive's impact, and designing effective communication methods to publicize the progress made in the battle against financial crimes.

Despite the existence of Multi-Agency teams to tackle financial crimes in Kenya, the nation was designated as a "major money laundering jurisdiction" in 2020 by the US government, citing several internal and foreign criminal activities happening both within the formal and informal sectors (Rudich, 2021). Similarly, Kenya's Money Laundering and Terrorism Financing Assessment report of 2022 concurs that Kenya's overall money laundering threat is medium with potential for the increase while the nation's vulnerability to the vice is assessed as medium-high, this finding agrees with the United States state department report which established that Kenya is susceptible to terrorism financing, laundering of illicit funds and financial fraud (Department of State, 2022). It is due to this reason that this study aims to examine the effects of multi- agency approach in combating money laundering by selected state agencies in Nairobi, Kenya.

121.3 Statement of the Problem

The threat of money laundering is a universal problem that continues to adversely affect the security of states in many parts of the world. According to estimates from the United Nations Office on Drugs and Crime (2021), between 2% to 5% of the world's GDP, or $800 billion to $2 trillion, is laundered internationally in a single year. Africa has been severely harmed by money laundering, which depletes its resources, impedes development, and encourages corruption. The UN estimates that illicit financial flows (IFFs) in Africa costs US$88.6 billion a year. This impedes development and the achievement of sustainable development goals. The primary causes of IFFs in Africa are commercial practices involving trade and tax evasion, drug trafficking, arms smuggling, human trafficking, poaching and corruption.

Kenya is susceptible to money laundering threats emanating from both within its borders and internationally through its banking system, legal entities, property market, and trans-border commerce. Recent evaluations of Kenya provide a concerning image of its efforts against terrorism financing and money laundering. For example, in 2021, the government of the United States of America labeled

Kenya as a "significant money laundering country" due to several local and international illicit business undertakings spanning both formal and informal sectors (Rudich, 2021).

In the same vein, the Kenyan report on Money Laundering and Terrorism Financing National Risk Assessment aligns with this assessment, placing the country's money laundering risk at a moderate level with the potential to escalate. Its vulnerability to such activities is rated as medium to high. Between 2016-2020, an alarming Ksh 24.6 billion (around USD 229 million) was captured or seized, linked to foreign illicit activities funneled and whitewashed within Kenya's borders (Republic of Kenya, 2021). This supports the Basel Institute of Governance's evaluation, which placed Kenya seventh on the list of nations most at risk of financial crimes including money laundering and terrorism funding.

If unchecked, money laundering in Kenya has the potential to corrupt government operations, boost criminal enterprises, and harm the formal economy, thereby jeopardizing national interests (Suter, 2021). Moreover, there is the looming threat of Kenya being blacklisted by the Financial Action Taskforce, currently; Kenya is grey listed potentially deterring international investments. Despite commendable initiatives from both state and non-state actors and the plethora of studies addressing money-laundering facets in Kenya, there is a significant academic research gap. Specifically, there is a dearth of research evaluating the effectiveness of a Multi-Agency strategy in fighting money laundering. In particular, the extent of cooperation and coordination among selected state agencies involved in tackling the vice, effects of resource allocation to selected state agencies charged with combating money laundering; and effects of capacity-building and training arrangements available to selected state involved in tackling money laundering. These three features of the Multi-Agency approach to money laundering were studied and documented.

1.4 Purpose of the Study

The purpose of the study was to examine the effects of Multi-Agency approach in combating money laundering by selected state agencies in Nairobi, Kenya.

1.5 Objectives of the Study

The study was guided by following objectives.

i. To establish the models of cooperation and coordination among selected state agencies involved in combating money laundering in Nairobi, Kenya.
ii. To determine the effects of allocation of resources to selected state agencies involved in combating money laundering in Nairobi, Kenya.
iii. To establish the effects of training and capacity-building arrangements available to selected state agencies involved in combating money laundering in Nairobi, Kenya.

1.6 Research Questions

The study was guided by the following questions.

i. What models of cooperation and coordination have the selected state agencies involved in combating money laundering in Nairobi, Kenya adopted?
ii. What are the effects of allocation of resources to selected state agencies combating money laundering in Nairobi, Kenya?

iii. What are the effects of training and capacity-building arrangements available to selected state agencies involved in combating money laundering in Nairobi, Kenya?

1.7 Significance of the Study

Money laundering enables criminal groups to mask the origins of their unlawful gains, which can result in economic disruptions, support for terrorism and diminished public faith in the banking system. Effective collaboration and coordination between different agencies can counteract these dangers and uphold the credibility of financial systems financial systems

Money laundering facilitates organized crime like terrorism financing, insurgencies, arms and drugs trafficking, racketeering, tax evasion and corruption that threaten the security of the nation. Effective Multi-Agency collaboration against money laundering enabled Kenya to curb the vice and better ensure the safety of its citizens. Tax evasion and money laundering frequently go hand in hand, a functional interagency coordination and cooperation against money laundering will curb tax evasion and tax avoidance thus enable Kenya Revenue Authority to raise more revenue for public spending consequently reducing the country's reliance on foreign debts.

As globalization continues to advance, countries, multilateral institutions and multinational corporations are becoming increasingly interdependent on each other for trade, investment, finance, and technology transfer. Effective Multi-Agency approach to combating money laundering will ensure that the country complies with international standards on money laundering. This was enabled in Kenya to foster better relationships with other countries and avoid sanctions or blacklisting.

1.8 Scope of the Study

The scope of the study aims to define the specific boundaries within which a study is conducted (Simon & Goes, 2013). Geographically, the study was conducted in Nairobi, Kenya. The objectives are drawn from the terms of reference of the Multi-Agency team, which include; enhancing cooperation, collaboration and coordination among agencies, to identify resource needs of each agency and lobby for the same, to formulate training and capacity building initiatives for Multi-Agency team combating money laundering in Kenya. Descriptive research design was adopted for the study, with the target population drawn from various state agencies tasked with tackling financial crime such as EACC, FRC, KRA, DCI, ARA, and NIS. These agencies were selected for the study because they form part of the Multi-Agency team combating money laundering in the country. The study was conducted between March and April 2024.

1.9 Delimitations of the Study

According to Dudovskiy (2018), delimitations refer to the characteristics established by a researcher to restrict the extent of the study, which are under the researcher's jurisdiction. The limitations of this study are attributed to the researcher's choice of objectives and research questions, variables of interest, theories, and the population for the study (Simon, 2011). Although the notion of a Multi-Agency strategy includes both public and private actors, this study exclusively focuses on the state agencies inside Kenya responsible for combating financial crime. Furthermore, the research will center its attention on the coordination methods employed by the governmental bodies responsible for countering money laundering. It will also examine the allocation of resources to the Multi-Agency teams, as well as the training and capacity-building opportunities provided for these teams.

1.10 Limitations of the Study

Dudovskiy (2018) posits that study limitations are known aspects that could potentially hinder the research process, which the researcher acknowledges before gathering data. Despite recognizing these factors, the researcher often has no power over them. The proposed research recognizes the challenge of accessing information due to its highly confidential and secretive nature pertaining to security matters. To address this challenge, respondents will be assured at the outset that the inquiry is strictly for educational purposes and that their anonymity and confidentiality shall be maintained.

The fact that the study depends on self-rating questionnaires for respondents from state entities in charge of combating financial crime may potentially be a limitation. This phenomenon implies that individuals may exhibit an inclination to overestimate their own abilities, as evidenced by the findings of Webster, Iannucci, and Romney (2002), who observed that respondents tend to inflate their self-perceptions in relation to positive attributes. In order to address this issue, the researcher will systematically examine the responses for any conflicting data.

1.11 Assumptions of the Study

According to Kothari (2014), assumptions in a study refer to elements that a researcher believes to be true, even though there isn't a direct way to confirm them. Given the sensitive nature of security issues, this study operates on the belief that respondents provided truthful information, which is crucial for deriving accurate insights to influence policy and practices. The research also presumes that the leadership of the agencies tackling money laundering in Kenya allowed their members to be part of this investigation.

1.12 Theoretical Framework

A theory is an organized set of concepts, definitions, and ideas that provides a structured perspective on certain events by detailing how different variables relate to each other, with the aim of understanding and forecasting these events. The securitization theory and institutional theory served as the foundational frameworks for this research.

1.12.1 Securitization Theory

Securitization theory was postulated by the Copenhagen School of Jaap De Wilde, Barry Buzan, Ole Woever in 1991. They term securitization refers to the process by which states define threats to their national security based on subjective assessment instead of objective assessment. According to the theoretical framework, the formulation of national security strategy is a very deliberate process undertaken by political leaders and policymakers. The theory holds that political concerns are categorized as significant security matters that require immediate attention when they are designated as perilous, menacing, threatening, alarming, and similar terms by actors who possess the social and institutional capability to escalate the issue beyond the realm of politics.

Therefore, instead of being perceived as existing independently, security vulnerabilities should be conceptualized as issues that are identified and addressed by individuals that engage in the process of securitization. In the present context, security is considered a matter of political significance, prompting political entities to adopt extensive measures to protect the state against perceived potential threats. In the present scenario, the political actors may encompass the executive branch, the legislative branch, or the state as a whole.

It is imperative to acknowledge that the process of securitization is not exclusive to political players. The establishment of a secure environment is contingent upon the collective efforts of various entities, including but not limited to law enforcement agencies, intelligence services, customs authorities, immigration services, border guards, and the military. Actors engaged in the process of securitization undertake a systematic evaluation of security threats in an impartial manner, aiming to address them via a range of security measures and initiatives (Collins, 2016).

According to securitization theory, the issue, which is being securitized, is often given great priority by the state, and all measures are employed to mitigate the threat. For the war on financial crime in Kenya, this prioritization is reflected in the adoption of a Multi-Agency approach, the allocation of more resources, and increased cooperation with foreign jurisdictions through mutual legal assistance (Republic of Kenya, 2015).

The theory of securitization significantly contributes to the understanding of how financial crime might be perceived as a concern to national security. However, it does not adequately address the notion of employing a Multi-Agency approach in countering these criminal activities. The second theoretical framework aims to address this void by elucidating the collaborative efforts of various entities, including the Directorate of Criminal Investigations, the Kenya Revenue Authority, the Ethics and Anti-Corruption Commission, the Financial Reporting Center, the Assets Recovery Agency, and the National Intelligence Service in combating the menace of money laundering

1.12.2 Institutional Theory

Institutional theory was advanced John Meyer and Brian Rowan in 1977. At its essence, institutional theory posits that organizations are embedded within broader institutional environments comprising norms, values, and regulatory structures. These institutions exert significant influence on organizational behavior, constraining and shaping their actions. Scott (2008) identifies three pillars of institutions: regulative, normative, and cognitive. Regulative institutions encompass formal rules and regulations imposed by governments or other regulatory bodies. Normative institutions refer to the socially accepted norms, values, and cultural expectations prevalent in society. Cognitive institutions involve shared beliefs, understandings, and taken-for-granted assumptions that guide organizational behavior.

The theory suggests that organizations strive for legitimacy within their institutional environments to ensure survival and gain resources. DiMaggio and Powell (1983) introduced the concept of "institutional isomorphism," highlighting how organizations tend to mimic the structures, practices, and norms of successful peers or established institutions to gain legitimacy. This mimetic behavior leads to homogenization within industries, as organizations adopt similar practices to conform to institutional expectations. Institutional theory is highly relevant in understanding multiagency coordination, particularly in the context of governance, public administration, and organizational behavior for example, as explained by McAdam and Scott (2004) the theory conceptualizes an institution as consisting of regulatory structures, professionals, norms, public opinions, laws and rules. Similarly, the various agencies forming part of the multiagency team rackling money laundering in Kenya must formulate and adopt standard operating procedures, information sharing protocols, clear communication channels, clearly defined roles and responsibilities, as well defined terms of reference for them to operate harmoniously.

1.13 Conceptual Framework

Independent variable **Dependent variable**

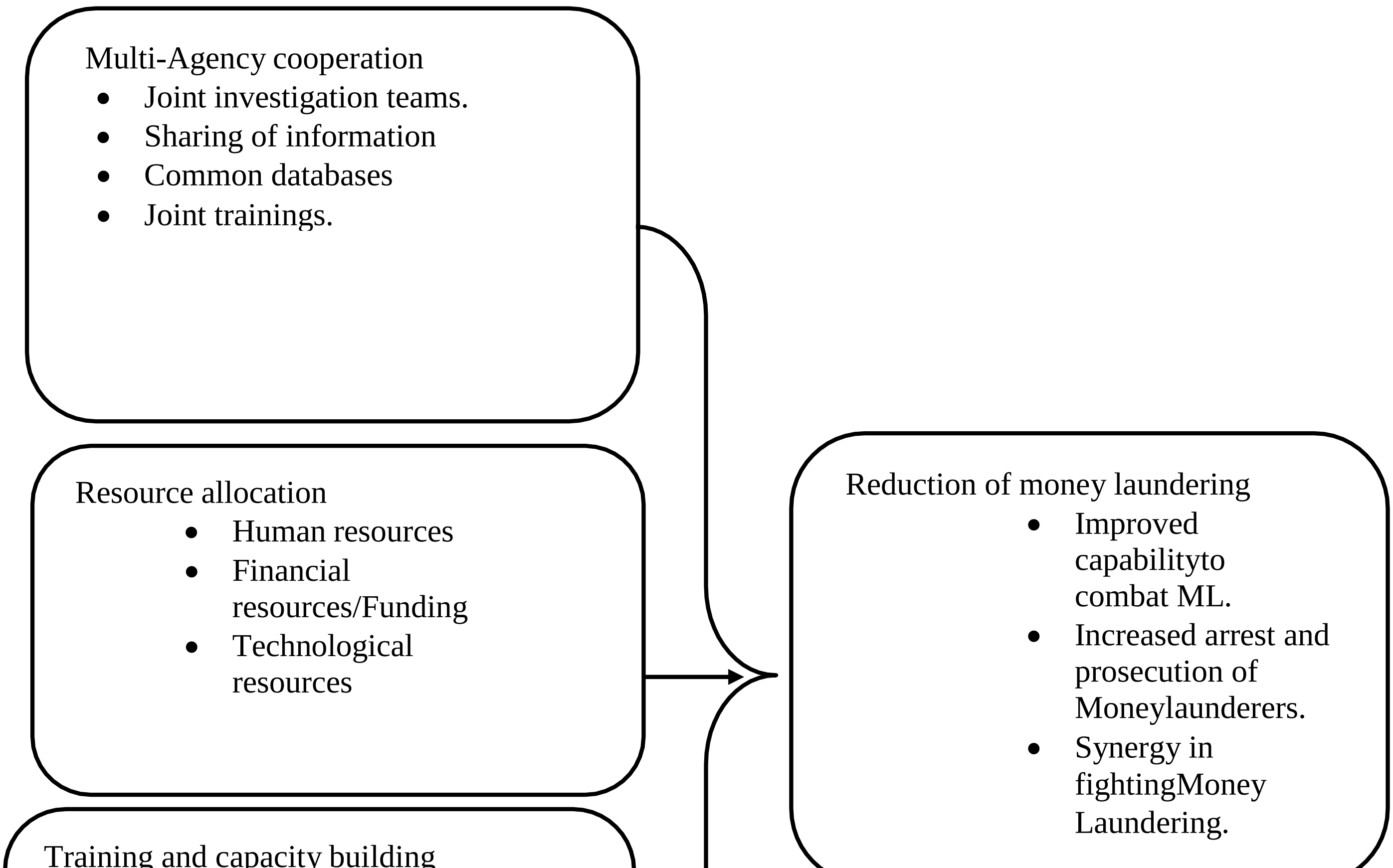


Figure 1.1: Conceptual frame work Source: Modified from Kibusia (2020)

According to Osanloo & Grant (2014), a conceptual framework is a logical structure of linked concepts that helps to produce a visual representation of how variables in a study relate to one another. The purpose of the conceptual framework is to help the reader quickly comprehend the variables as well as their presumed pattern of association.

Figure 1.1 presents a graphical representation of dependent and independent variables of the study. The independent variable is the Multi-Agency approach, which is operationalized in terms of extent of Multi-Agency cooperation and coordination, resource allocation to Multi-Agency teams, and training and capacity building opportunities available to Multi-Agency teams, while the dependent variable is the reduction in money laundering, which is operationalized in terms of improved capability to curb money laundering, increased arrest and prosecution of money launderers, synergy among agencies tasked with tackling money laundering and recovery of assets acquired through illicit funds.

Reduction of money laundering in Kenya depends on the extent of Multi-Agency coordination and cooperation adopted by the agencies combating money laundering, allocation of resources to the Multi-Agency teams combating money laundering and training and building capacity of Multi-Agency teams combating money laundering.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents literature related to this study, including Multi-Agency coordination and cooperation, resource allocation to Multi-Agency teams, and training and capacity-building arrangements for Multi-Agency teams charged with combating crimes.

2.1.1 Models of Multi-Agency Cooperation and Coordination

World leaders have been unrelenting in formulation and shaping of policies and legislation in response to the constantly altering dynamics of money laundering. This is due to the economic, social and political concerns that money laundering and related predicate offenses offer. According to Borlini (2017), since the 1970s, several jurisdictions have waged war against money laundering and the crimes that serve as its foundation, in differing degrees of severity and seriousness.

In the last three decades, Multi-Agency collaboration has been at the forefront of many political agenda tackling national and international security concerns. In 1990, Financial Action Task Force (FATF) released 40 recommendations to combat money laundering. Recommendation 2 encourages countries to ensure policymakers, financial intelligence units, law enforcement agencies and regulators of the financial sector have an effective coordination and cooperation framework through which they can communicate and share information with each other regarding the execution of policies and initiatives geared towards curbing terrorism financing, laundering of illicit funds and the proliferation of weapons of mass destruction FATF (2022).

Similarly, OECD encourages better collaboration and improved information exchange between various public entities combating financial crime both locally and globally in its 2009 and 2010 recommendations. In other words, FATF and the OECD advocate for the adoption of a multi- agency approach to tackling financial crimes OECD (2017).

Kibusia (2020) posits that the multi-agency strategy involves the synchronized and integrated collaboration among several essential security agencies and auxiliary institutions. The primary objective of this approach is to enhance the sharing of information and facilitate a more efficient response to criminal activities.

Multi-Agency working, in its broadest definition, combines the principles of partnership, collaboration, and cooperation and consists of a network of experts from many agencies that collaborate to satisfy the requirements of their client group. It involves more than one agency cooperating in a planned, collaborative, and official way, and it takes a whole-system approach to service delivery (Devaney et al., 2021).

Available literature on interagency relations has identified six factors; financial advantage, political advantage, professional values, problem solving, uncertainty reduction, and legal mandate as factors that account for agencies' involvement in cooperative or coordinated relationships with other agencies (Weiss 1987). The first three variables deal with voluntary collaboration, while the next three are related to external pressures that constrain an agency and force it to coordinate.

Financial rewards; acquiring additional resources, particularly cash and personnel are frequently a compelling reason to collaborate. These extra funds may come from grants or sponsorship money from outside sources, or they may come from savings gained via economies of scale.

Problem solving is another significant motivation for coordination among agencies as these agencies decide to collaborate when doing so allows them to meet demands for improving their performance on specific societal problems. Minimization of uncertainty; organizations strive to reduce dependencies and uncertainties stemming from environmental actors. When cooperation aids the agency in lowering some of the uncertainty resulting from its reliance on environmental resources, cooperation will occur. Professional values; certain agencies collaborate because employees think it is a good idea. Belief that organizations working toward common goals should collaborate rather than act in opposition to one another or that cooperation enhances service delivery, may give rise to the cooperation between agencies.

According to Serrano (2003), for a cooperative effort to be successful, leadership is essential at all levels of government (political, managerial, and service delivery). Since line-level staff and field operators are in charge of establishing working-level connections among agencies, they should be granted sufficient degrees of autonomy and discretion in decision-making. It is important to empower and encourage employees of the cooperating organizations to work together and share technical and other resources with other agencies. Foster a shared sense of purpose or ownership for the program among the collaborating agencies through professional development seminars, fostering better collaboration, utilizing collocation, and problem-solving training.

Developing a shared goal is another essential component of maintaining an efficient coordination. Successful interagency cooperation and collaboration require educating participants on their interdependencies and the shared goals they may accomplish through interagency collaboration.

A multi-agency strategy can be very beneficial as different government entities gather and store data on persons, businesses, and dealings that can directly be linked to the work of other authorities involved in fighting financial crime, including tax crimes and money laundering. Botha (2018) agrees with this observation when he opines that given the intricacy and multifaceted nature of financial crime, investigating authorities operating in isolation cannot battle it in all of its forms, raising the need for a Multi-Agency strategy.

Multi-Agency collaboration has a significant strategic role not only during investigations but also during the prosecution stage. Using interagency teams to investigate and prosecute financial crimes reduces the possibility of duplication of effort, especially when more than one agency is empowered to prosecute the same offense. It also improves investigative and prosecution capabilities by bringing together diverse sorts of knowledge and providing access to each agency's distinctive processes (World Bank, 2019).

Jenkins (2019) conducted a cross-national study in the United Kingdom, United States, Switzerland, Argentina, Mexico, and South Africa to find out the interagency coordination mechanism adopted by these countries in the fight against corruption. The study established that interagency consultations improve the overall effectiveness and quality of decision-making by bringing different views and specialized expertise, as well as establishing chances for agencies to compare their information and ideas with one another. The study also mentions the provision of devoted staff, the presence of a lead agency to manage and win over other agencies, and a committed political leadership to initiate collaboration across government and to provide the needed authority for decision-making in existing coordination structures as prerequisites for effective Multi-Agency coordination.

Similarly, (Eyerma & Strom, 2018) conducted a study in Switzerland, United States, Canada United Kingdom, and Ireland to assess the impediments to interagency cooperation between public health agencies and the police. The study established those differences in organizational culture between agencies, differences in handling classified information, and communication breakdown caused by mistrust and lack of familiarity across agencies are among some of the impediments to interagency collaboration. The study also emphasized that the adoption of interagency coordination during health and security emergencies increased the efficiency and effectiveness of the response.

In the context of South Africa, a comprehensive evaluation was carried out by Botha (2018) to examine the potential effectiveness of implementing a holistic governmental strategy in addressing the issue of financial crime. The study listed various facets of financial crime to include corruption, money laundering, tax evasion, bid rigging, insider trading, identity theft, fraud among others. The study also established that weak and unstructured coordination among agencies responsible for fighting financial crime, lack of adequate personnel and material resources, sibling rivalry among agencies were some of the impediments to the war on financial crime in South Africa.

A study undertaken by Manyonge (2019), to evaluate the level of interagency collaboration among security agencies and its impact on terrorism prevention in Nairobi City established that sharing of resources, robust legal frameworks are some of the determinants of effective interagency coordination while political interference, inadequate resources and rivalry among agencies are some of the challenges to effective interagency coordination. This study focused on determinants and challenges to effective interagency coordination in fighting terrorism in Nairobi Kenya, it did not look at the models of Multi-Agency coordination, resource allocation to Multi-Agency teams and training and capacity building arrangements available to Multi-Agency teams, a research gap that the current study sought to plug.

Moreover, Kibusia (2020) examined the extent to which a multi- agency approach to security has contributed to counterterrorism efforts in Kenya. The study results revealed a decrease in the number of mortalities and victims resulting from acts of terrorism subsequent to the establishment of the multi-agency security team, in contrast to the period prior to its formation. This study drew its respondents from the disciplined forces responsible for combating terrorism in Kenya. The current study will draw its respondents from agencies charged with combating financial crimes. Additionally, Kibusia focused on the structure of Multi-Agency teams combating terrorism, the currents study will focus on, among other things, the models of Multi-Agency coordination adopted by agencies combating money laundering in Kenya.

Kirimi, Kinyanjui & Ngari (2022) conducted a study to assess the Multi-Agency approach to safeguarding Kenya’s frontiers. The survey utilized descriptive research strategy with a sample of 78 officers from the Kenya Defense Forces (KDF), the State Department of Immigration, the National Intelligence Service (NIS) and the National Police Service. Findings indicated that a Multi-Agency approach to border control has been effective in reducing cross-border conflicts as well as reducing illegal immigration into Kenya. This study's focus was on border control; current study will focus on money laundering.

The following are some of the models of Multi-Agency coordination that countries can adopt in their fight against various crimes:

The OECD (2017) advocates for the establishment of joint investigation units to address operational or specific case challenges, like the joint examination and investigation of intricate money laundering and terrorist financing incidents. These collaborative investigation units permit agencies with aligned objectives to work together, which broadens the skill set and expertise available. Furthermore, it facilitates the sharing of information among investigators from diverse backgrounds and specializations. Additionally, Noonan, Morningstar, and Ericson (2008) assert that the use of joint investigations can effectively mitigate redundancy resulting from simultaneous investigations, while also enhancing efficacy by allowing officers from different agencies to concentrate on distinct aspects of an investigation in accordance with their expertise and legal jurisdictions

Fusion Centres: They are often formed to centralize information collection and analysis operations for agencies involved in combating financial crimes including Directorate of public prosecution, Directorate of Criminal Investigations, Financial Intelligence Units, Revenue Authorities etc. The Fusion Centre is envisioned as an operational hub to effectively and efficiently address priority financial crimes through a four-pronged approach of prevention, detection, investigation, and resolution. By centralizing these operations, officials inside a center gain expertise with specific legal and practical aspects of an investigation, and specialized methods that can boost their efficacy can be devised. (Botha, 2018).Moreover, a Multi-Agency center of excellence has the benefit of being cost effective since the expense of data collection, processing, analysis and dissemination is shared among the participating agencies OECD(2017)

OECD (2017) suggests that another approach for coordinating organizations involved in fighting financial crime is the establishment of bilateral or multilateral Memorandums of Understanding (MOUs) between these agencies. Memoranda of Understanding (MOUs) are frequently employed with the objective of enhancing the exchange of information. Frequently, these Memoranda of Understanding (MOUs) aim to establish certain "inter-agency procedures" with the purpose of enhancing the parties' collaborative efforts and operational coordination.

The memorandum of understanding (MOU) may encompass clauses pertaining to the flow of information between agencies at the operational level, sharing of experiences, information interchange, provision of logistical or operational support, and overall resolution of coordination concerns.

According to Noonan, Morningstar, and Ericson (2013), the utilization of co-location and Secondments of personnel is considered a viable approach for skill transfer and fostering professional connections among workers in different agencies. Seconded officials contribute their expertise, abilities, professional background, and specialized knowledge by actively participating in the activities and functioning of the hosting organization. Many countries propose that the practice of co-location and Secondment provides extensive benefits for inter-agency cooperation. This approach encourages officials to actively engage with colleagues from different agencies and enhances the effectiveness of the cooperation that takes place.

Timely, comprehensive, and accurate intelligence from relevant entities plays a crucial role in addressing corruption and money laundering, as it contributes to the effectiveness of corruption investigation and prosecution efforts. Therefore, the exchange of strategic intelligence among different agencies is of utmost importance, it is advised that anti-graft agencies and other pertinent intelligence gathering agencies establish a platform for the purpose of sharing and coordinating intelligence (Chene, 2009). Other models: Additional measures for coordination and collaboration encompass the utilization of shared databases, the implementation of collaborative training initiatives, and the establishment of joint committees aimed at harmonizing policies within domains of mutual responsibility (OECD, 2017).

2.1.2 Allocation of Resources to Multi-Agency Teams.

Resource allocation, according to Harris (2014), is the assignment and management of assets in a way that meets the strategic goals of the organization. Kurt (2018), on the other hand, defines resource allocation as the meticulous deployment of scarce resources into jobs and projects where they may yield the best rate of return. McKinsey Global Institute (2013) argues that if resource needs are carefully identified, strategically allocated, and efficiently managed, high returns may be achieved by the concerned organization. Maritan &Lee (2017) listed people (human resources), finances, technologies, and materials as some of the resources an organization needs to achieve its strategic goals. This concurs with Khamis (2019) who also highlights human, financial, material and technological resources as the kind of resources that managers should procure to drive organizational tasks.

OECD (2021) illustrates that financial resources means having the budget and funds to pay for the operational needs of the multiagency while human resources entails having personnel that has the necessary information, skill sets, training, and competence to handle financial crime investigations. Because financial crime investigations require specialized knowledge and expertise and because a variety of specialized talents may be required within an investigation, it is imperative to make sure the multi-agency has the requisite experience in all pertinent sectors. An essential set of financial knowledge and abilities, including case management, intelligence gathering, and investigative tactics, should be had by all financial investigators. Furthermore, there will be a greater need for specialized financial investigators, including accountants, asset recovery experts, cyber experts, and forensic experts.

According to FATF (2022), all governments should prioritize protecting civilians from the harm caused by illicit behavior such as money laundering and terrorism financing, as a result, competent authorities combating money laundering and terrorism financing must continue to be provided with the resources they need to function effectively. This includes providing law enforcement, financial intelligence units, and other relevant authorities with the necessary funding, personnel, and tools to effectively detect, investigate, and prosecute money laundering and terrorist financing

Denrell (2004) examined the significance of business performance from the standpoint of resource adequacy as opposed to output and came to the conclusion that company resources, such as machinery, business contacts, brand names, technology, personnel competency, and process efficiency levels, serve as the foundation for providing and sustaining high-quality services. Denrell (2004) further explains that a company's resources encompass not only its physical assets but also its employees' skills and competencies, established procedures, and unique corporate attributes. Additionally, the company's resources include critical data and knowledge that it protects to enable it to create and implement strategies that can increase its effectiveness and efficiency. Borlini (2017) argues that financial crimes such as money laundering are a never-ending battle as criminals devise alternative strategies to beat financial sector regulators and investigators. It is therefore crucial that in the continuous battle against financial crime, investigators must keep ahead of the numerous ways criminal actors try to defeat them. One of the ways of achieving this is by ensuring that organizations charged with combating the vice are adequately resourced.

Gasela (2021) examined the effects of leadership on performance in the context of strategy implementation within public organizations located in the Northern Cape region of South Africa. The research utilized a survey methodology and utilized questionnaires as the primary method of data collecting. A sample of 38 executives from various public bodies located in the Northern Cape region was recruited for the study. Findings revealed that the presence of unqualified leadership, insufficient human and financial resources have a significant negative impact on the successful execution of strategic initiatives and overall organizational performance. The study underscored the importance of resource allocation in the implementation of strategic initiatives.

In a study conducted in Nigeria, Adusote & Akpa (2022) explored the impact of resource allocation on innovation among chosen Small Market Enterprises (SMEs) in Lagos State. Using a survey approach, they selected 483 participants from a total of 8,396 SME owners. The results revealed that the way resources were allocated significantly influenced the innovation levels of Nigerian SMEs.

A study on the impact of innovation and technology use as a strategic weapon for small and medium-sized businesses functioning in unsettling situations was conducted by Njihia (2017). The study used a descriptive survey and sampled 140 participants, selected by a combination of convenience, judgmental, and random selection. Findings indicated that some of these SMEs experience intense competition owing to social and technological issues as well as competition based on their market position because of the unstable environment they flourish in. Therefore, the study concluded that technology resources are some of the elements that help a corporation gain a competitive edge. As a result, innovation is needed to make sure that an organization has enough technology resources, which will also help those organizations obtain a competitive advantage.

The results align with the perspectives of (FATF, 2021) which contends that emerging technologies can enhance the efficiency, cost-effectiveness, and effectiveness of counter-terrorism financing (CFT) anti-money laundering (AML) strategies. These technologies can bolster the execution of FATF Standards, furthering worldwide AML/CFT initiatives, promoting financial inclusivity, and preventing unintended setbacks like financial exclusion.

Moreover, Thoithi, Kamau & Owino (2020) opine that Multi-Agency teams can use state of the art technologies like advanced analytics, machine learning and artificial intelligence (AI) to tackle financial crime. For example, artificial intelligence can scan massive amounts of data and detect patterns, behaviors, and anomalies faster than the human eye. It can analyze speech recordings for changes in emotion and motivation, which could indicate fraudulent activity. AI may investigate customer-employee relationships and alert businesses to potentially fraudulent transactions.

OECD (2021) reiterates the need for financial crime investigators to have access to relevant data and intelligence, as well as the hardware and software to analyse it. In terms of the data and intelligence required, this should include access to tax and other revenue information, bank account information, real estate information and commercial and company information. In terms of the technology resources, this includes computers, IT systems, smartphones, and data storage systems as well as the analytical tools to establish links, patterns and risks amongst different sources of data (both structured and unstructured data). Increasingly, law enforcement agencies need to have the skills and tools to conduct investigations in response to the increasing digitalization and globalization of criminal activity.

The study conducted by Onyango, Ngacho, and Omollo (2020) was to investigate the impact of resource allocation on the operational performance of the South Nyanza Sugar firm. The research design employed in this study was descriptive in nature, with a focus on a population of 994 individuals employed by the organization and sample of 329 respondents. Findings showed that the company exhibited insufficiencies in terms of material, financial, and technological resources, hence impeding the successful execution of its strategic strategy.

In order to determine how resource allocation affected the National Police Service of Kenya's strategic implementation, Lemarleni, Ochieng, Gakobo, and Mwaura (2018) conducted a study using a sample of 56 police officers holding the ranks of Inspectors and Chief Inspectors, stationed in 42 police stations. Self-administered questionnaires were used for data collection. Study findings confirmed the presence of a favorable association between resource allocation and plan implementation within the National Police Service of Kenya.

Wanjiku and Anyieni (2022) examined the impact of resource allocation on the performance of the Nyandarua County Assembly. The findings of their research revealed a statistically significant and positive correlation between resource allocation and performance within the Nyandarua county assembly. The researchers identified several key components of resource allocation, including sufficient funding, well-trained employees, and necessary physical resources such as vehicles, office space, stationary, and equipment.

In their study, Donna and Wanjira (2018) examined the relationship between the execution of strategic initiatives and the performance outcomes of higher education institutions in Kenya. The variables examined in this study included monitoring and control, leadership, communication, and strategic use of resources. Research findings have revealed a significant correlation between the elements of monitoring and control, leadership, communication, and strategic resource allocation, and their impact on the performance of higher education institutions.

2.1.3 Training and Capacity Building for Multi-Agency Teams

To stay competitive and relevant in a complex business environment, organizations must continually reinvent themselves (Chrisoplos, Christie, Bergman & Hauer, 2013). As a result, training and capacity building gives businesses the chance to improve the technical skills and competences required for success and organizational growth.

According to Jones and George (2008), the implementation of training and development programs within businesses serves the purpose of equipping employees with the requisite knowledge and abilities to effectively perform their job obligations, adapt to evolving conditions, and assume additional duties. Every progressive technology development renders the current methodologies and capabilities obsolete for future undertakings. Therefore, it is imperative for management to fulfill their crucial obligation of providing assistance for staff members who lack the necessary skills in learning them, while also supporting those who already possess the abilities in updating and enhancing them.

Ajetomobi (2021) adds that the human resources within an organization must be effective and efficient in order for its goals to be realized and accomplished. As technology improves, society needs to adjust. This calls for the management to pay more attention to developing and improving the skills of the workforce so that workers can always adapt to changes. Managers at operational and executive levels should set aside enough time to train and retrain their staff members to ensure that they have the necessary skills and knowledge for efficient and successful output.

Through training, managers can develop the knowledge, abilities, and competencies necessary to overcome obstacles at work while also assisting staff members in achieving their professional objectives within a structured framework (Blanchard & Thacker, 2003). Training is an investment that increases workers' willingness to put in more effort at work and gives them the confidence to take on responsibilities and make decisions on their own, which increases productivity.

Mehlape (2017) emphasizes the critical significance of comprehensive training implementation, along with the necessity of evaluating and tailoring training activities to facilitate the growth, competence, and optimal performance of personnel. Mumanthi and Gachunga (2014) argue that organizations must continuously evaluate the training needs of their staff in order to optimize the effectiveness of training; different staff members require different approaches and trainings in order to advance in their careers. In order to accomplish its strategic objectives, an organization must ensure that its training is appropriately designed and delivered, and that its participants are prepared to undergo the training.

Nassazi (2013) proposes two discrete approaches for staff training and capacity building in her study. The initial approach under consideration is on-the-job training, that involves the provision of training to staff while they are actively involved in their routine work tasks at their customary work sites. The second paradigm pertains to off-the-job training, wherein employees are temporarily relocated from their regular work settings to facilitate their undivided focus on the training program being offered.

African Union (2019) advices that in order to prevent and deter illicit financial flows, national law enforcement agencies and local monitoring networks should gradually improve their capacities. Actions include consistent capacity building and training for enforcement agencies, including police, military, judiciary, and customs personnel, as well as civil society. This would ensure that they are prepared with the knowledge, skills, technologies, and procedures to undertake monitoring services and data analysis.

UNODC (2022), concurs that training and capacity building is a key component of building the capacity of multi-agency teams to tackle money laundering. Specialized training programs that cover topics like beneficial ownership, trade-based money laundering, open-source intelligence, and financial investigations can significantly enhance the skills and knowledge of FIU, law enforcement, and prosecution personnel.

OECD (2021) adds that training in areas like legal knowledge, emerging risks, investigative techniques, interview techniques, using and leveraging technology solutions, management skills, and working in cross-agency and international investigations should be ongoing and available to all staff members combating financial crime.

For example, UNODC has implemented a project in Ukraine to support the National Financial Monitoring Service and other authorities in increasing their capacity to detect, investigate, and prosecute money laundering. This involved developing a comprehensive training curriculum and empowering national training teams to deliver the courses (UNDOC, 2022).

African Union (2019) holds that in order to combat IFFs, developing countries must have the necessary capabilities to adopt international best practices and norms. To that end, development partners have provided financial or technical assistance to help strengthen capacity for combating illicit financial crimes. The Africa Academy for Tax and Financial Crime Investigation assists African law enforcement in detecting and investigating tax and financial crimes, as well as recovering stolen funds. The Academy offers seminars for handling financial crime investigations, as well as specific courses on VAT fraud, money laundering, and asset recovery. By November 2018, the Academy had trained over 650 investigators from 80 nations, primarily in developing regions.

Similarly, in Kenya, the Basel Institute on Governance's International Centre for Asset Recovery has provided training to a multi-agency group of officers from the Ethics and Anti-Corruption Commission, the Office of the Director of Public Prosecutions, the Assets Recovery Agency, and the Judiciary. The training focused on strengthening inter-agency coordination and financial investigation skills for combating corruption and recovering illicit assets (Basel Institute of Governance, 2022).

A research conducted by Nama, Daweti, and Laurens (2022), observed that on-the-job training has the capacity to enhance employee performance and enable workers to acquire the requisite information and skills essential for executing job tasks effectively. Various forms of on-the-job training can be observed within a workplace setting. These include classroom lectures, simulation exercises, coaching and mentoring sessions, induction programs, apprenticeship opportunities, seminars and conferences, official training initiatives, as well as development courses.

Apprenticeships can also serve as a type of on-the-job training. There has been a growing significance attributed to capacity building, training, and personnel development. This has resulted in a substantial body of literature on the topic, which is widely available in both academic and non-academic spheres. The existing body of literature extensively emphasizes the significant correlation between staff training and capacity building, and its impact on the performance of both employees and organizations.

In their study, Kuruppu, Kaviranthe, and Kurunarathna (2021) investigated the impact of training programs on the performance of employees of several garment businesses in Malaysia. The research sampled 150 machine operators picked from specific apparel manufacturing to act as subjects. The research revealed a positive association between employee training and performance.

In Cyprus, Papadimitriou, Anastasiadou, and Kanteos (2021) aimed to evaluate how human resource practices impact employee’s job satisfaction, quality of service, and organizational performance within the hotel business in Cyprus’s urban centers. The study incorporated various variables, namely staff training and capacity development, communication and feedback, and employee compensation. The research revealed that the implementation of employee’s training and capacity development initiatives had a positive influence on enhancing the abilities of employees, increasing their motivation, and ultimately resulting in greater organizational performance.

In their study, Nama, Daweti, and Laurens (2022) analyzed o the effects of professional development and training on the performance of employees and the delivery of services within local municipalities situated in the Eastern Cape Province of South Africa. The study adopted a cross-sectional quantitative approach with a sample of 155 respondents picked from a population of 265 employees working in the local municipality. The research demonstrated that the implementation of staff training and capacity development initiatives resulted in a notable enhancement in employee performance.

Dangarembizi and Zemburuka (2020) examined the influence of training and development initiatives on the performance of employees within the defense forces of Namibia. The researchers adopted descriptive research design with a sample of 100 military members, encompassing individuals with levels ranging from Brigadier to Corporal. The study revealed that the implementation of training and capacity building initiatives had a beneficial impact on the skills, knowledge, and competence of employees, thus leading to enhanced performance.

Firesibehat (2018) conducted a case study of East African Agribusiness PLC in Ethiopia, to scrutinize the impact of staff training on the performance of the organization. The research study utilized a descriptive research methodology and distributed questionnaires to 300 respondents picked from a larger population of 500 employees at East African Agribusiness PLC. Findings disclosed that majority of the business's workforce had participated in training sessions on an annual basis. The organization employed various methods, such as seminars, lectures, presentations, simulations, and demonstrations, to effectively disseminate knowledge and skills to its employees. Furthermore, a significant majority of the participants, specifically 92% of the subjects expressed their agreement on the customized posture of the training program and its direct relevance to augmenting their task performance. In summary, the results of the study revealed that employee training plays a crucial role in equipping individuals with the essential skills required to effectively carry out their assigned duties, ultimately leading to enhanced overall performance within the organization.

In a similar vein, Khamis (2019) undertook a case study on the Zanzibar Social Security Fund with an objective of evaluating the impact of training on the performance of employees. The research employed a survey methodology, utilizing questionnaires and interview schedules as tools of data gathering. The sample consisted of 90 participants selected from a population of 160 employees affiliated with the Zanzibar Social Security Fund. The analysis revealed that a significant proportion of employees participated in annual on-the-job training sessions, which primarily consisted of PowerPoint presentations and lectures. A significant proportion of the participants expressed consensus regarding the positive impact of training on their customer handling abilities, resulting in enhanced organizational reputation and productivity.

Similarly, a case study was undertaken by Njiru (2021) in Kenya, focusing on Care International Kenya, with the aim of examining the impact of staff training on organizational efficacy. The study adopted descriptive research design, and drew sample of 54 respondents from a population of 165 employees at Care International, Kenya. The researchers operationalized the independent variable by defining it in terms of the objective of training, training content, methods of training utilized, as well as the impact of staff training on organizational effectiveness. The study's findings revealed that staff training is effective in developing both operational and leadership skills. In terms of the specific training methods employed by Care International, the study identified the use of PowerPoint presentations, e-learning platforms, and seminars. The study ultimately determined that a robust positive association exists between staff training and organizational success. The population for Njiru's study was selected from a Nongovernmental organization known as Care International. The present study will select its sample from governmental entities in Kenya that are engaged in the fight against financial crime.

Omosa, Onyango & Onditi (2018) assessed the effect of staff training on work execution in the county government of Kissi. Results indicated that the criteria used to select trainees are not objective. During the course of the previous year, the majority of the county's workforce did not receive any training. The study also reveals that the trainers hired by the county are ineffective in delivering the desired results, and that the content of the training is not relevant to the jobs that they do. The majority of respondents did not have an opinion regarding whether or not employee training provided by the county can motivate workers to work harder and remain employed by the county for longer periods of time. The results of the study indicate that employee training has an effect on the performance of the organization. Omosa, Onyango & Onditi’s study focused on criteria used to select training participants, competence of trainers and the relevance of training materials. It did not scrutinize the training and capacity building approaches available to employees, a gap that the current research intends to fill.

Kairu & Rugami (2017) conducted a study to examine the effects of staff training on the operational performance of Kenya Revenue Authority. The study adopted a descriptive research design and utilized questionnaires to collect data from a sample of 108 employees drawn from the top management to supervisory levels. The study established a positive correlation between staff training and operational performance at KRA and recommended that in order to improve KRA's performance, it should prioritize staff training and provide ongoing training to employers through seminars and professional engagement programs. This would help employees retain high competency in their areas of specialization. Kairu & Rugami generated their study sample from the managerial cadre ignoring other cadres thus leaving a gap that this study seeks to fill.

Similarly, Kimari, Gathenya &Kihoro (2018) analyzed the influence of training on judicial service delivery in Kenya. The study adopted a descriptive research design. The target population comprised of 14,542 advocates, 160 judges, 419 magistrates and 5070 paralegals. Structured interview guides and questionnaires were used as instruments of data collection. The study found out that training had a positive impact on judicial service delivery in Kenya.

2.2 Gaps in Literature

Analysis of available empirical and theoretical literature reveals that most of the studies conducted on Multi-Agency approach in Kenya have focused on terrorism; Manyonge (2019) and Kibusia (2020) border security; Kirimi, Kinyanjui & Ngari (2022), no substantial study has focused on threat of money laundering despite the threat intensifying in the country in the past years thus exposing a gap that the current study endeavored to fill. Additionally, most of these studies have focused on determinants of effective Multi-Agency approach, structure of Multi-Agency coordination and challenges to Multi-Agency coordination. Models of Multi-Agency cooperation, resource allocation to Multi-Agency teams and training and capacity building for Multi-Agency teams are some elements of Multi-Agency approach that have been overlooked by researchers in Kenya. It is against this background that this study sought to determine the effects of Multi-Agency approach in combating money laundering by selected state agencies in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the research methodology that was used for the study is presented. The chapter highlighted research design, study population, sampling methods and procedures, data collection procedures and instruments, data analysis and reporting, as well as any ethical concerns that arose during the course of the research.

3.2 Research Design

Rahi (2017) explains that research design is the comprehensive approach employed by a researcher to effectively integrate many components of a study in a coherent and rational manner, with the aim of addressing the research problem at hand, clarifies that research design serves as a framework for the systematic collection of data, the establishment of measurement protocols, and the subsequent analysis of these data.

This study employed descriptive research design with a mixed methods approach integrating components of both qualitative and quantitative research methodologies (Creswell, 2012). The use of mixed methods research in this study is appropriate as it facilitates the acquisition of a broader range of empirical and unprocessed data, hence enhancing the content validity of the study. Additionally, mixed methods approach is deemed suitable for this study as it aims to not only quantitatively identify relationships, but also qualitatively gather comprehensive perspectives from respondents regarding the subject matter.

3.3 Research Site

Notwithstanding the prevalence of money laundering nationwide, this study was specifically undertaken in Nairobi, Kenya. The collection of data was undertaken in Nairobi due to its status as the state capital, which naturally hosts the head offices of state entities responsible for addressing this issue. In addition, the formulation of policies that govern the operations of the Multi-Agency teams takes place at the headquarters.

3.4 Target Population

Etikan, Musa, and Alkassim (2016) argue that a target population is "the entire group of individuals, units, or elements from which a study intends to collect data and draw the findings. The target population for this study was 383 personnel that make up the Multi-Agency team combating financial crime. The team was drawn from Directorate of Criminal Investigations (DCI), Financial Reporting Centre (FRC), Ethics and Anti-Corruption Commission (EACC), Kenya Revenue Authority (KRA), National Intelligence Service (NIS), and Assets Recovery Agency (ARA). The study's population is summarized in table 3.1

Table 3.1: Target Population

Target Population	Frequency	Percentage (%)
EACC	68	17.75
FRC	74	19.33
NIS	56	14.62
DCI	80	20.89
ARA	65	16.97
KRA	40	10.44
Total	383	100

Source: State Department of Interior and Coordination of National Government, 2022

3.5 Study Sample

3.5.1 Sampling size

Lavrakas (2008), explain that the sample size of a survey refers to the number of units selected from a target population so as to gather data that aligns with the objectives of the researcher. For this study, 195 officers was chosen to participate in the study as respondents using Yamane's formula.

Yamane’s formula is expressed as: n=N/(1+N(e)2)

Where: n=sample size

N=Population size while e=allowable error. (0.05)

n=383/1+383(0.05)2 = 195

3.5.2 Sampling procedure.

Cooper and Schindler (2014), argue that a sampling procedure is a method a researcher uses to make sure that several homogenous or heterogeneous groups are fairly represented in the final sample they choose for their study. Stratified random sampling was utilized in order to obtain a representative sample of respondents from various agencies involved in the fight against financial crime. According to Mugenda & Mugenda (2003), stratified random sampling is a technique used to select subjects in a manner that ensures the representation of existing subgroups within the population is more or less proportional in the sample. In this particular scenario, the Financial Reporting Center, Kenya Revenue Authority (KRA), Assets Recovery Agency (ARA), National Intelligence Service (NIS), Directorate of Criminal Investigations (DCI) and Ethics and Anti-Corruption Commission (EACC), constituted the subgroups from which the sample was selected.

The determination of sample size distribution across strata is contingent upon the respective stratum sizes, as illustrated in Table 3.2.

Table 3.2: Sampling matrix

Agency	Population size	%	Sample size
EACC	68	17.75	33
FRC	74	19.33	38
NIS	56	14.62	29
DCI	80	20.89	42
ARA	65	16.97	33
KRA	40	10.44	20
Totals	383	100	195

Source: Researcher, (2023)

3.6 Data Collection

3.6.1 Data Collection Instruments

According to Cox (2012), the features of the respondents, research topic, research objectives and questions, research design, expected data, and findings all influence tool and instrument selection. This is because each tool and instrument collects unique data. For this study, primary data will be gathered. Primary data is information obtained directly from the field by a researcher. The study used questionnaires as the main instrument of data collection. According to Creswell (2012) A questionnaire, in addition to being easier to complete, can collect a large amount of information in a reasonable amount of time, ensure anonymity, allow the use of standardized questions, and have uniform procedures.

The questionnaires had both open-ended and closed-ended questions. The open-ended questions allowed respondents to express their thoughts on the questions, while the closed questions gave those options from which to choose the one that best fit their thoughts based on the research question. Furthermore, the questionnaire was divided into two sections; the first section captured the demographic characteristics of the respondents while the second, third and fourth sections answered questions related to the three objectives of the study.

To assess the perception of respondents concerning the effects of Kenya's Multi-Agency approach to combating money laundering, the study employed a five-point Likert scale to gather data wherein participants were asked to indicate the level to which they agree or disagree on effectiveness of Multi-Agency approach to combating money laundering in Nairobi, Kenya. The replies ranged from very effective to least effective

3.6.2 Piloting of Research Instruments

Research instruments were piloted to identify any issues that may have posed challenges in terms of comprehension or clarity for the participants. In a bid to estimate instruments reliability, questionnaires were administered to 20 (10% of the sample size) pilot participants. These pilot participants were selected based on their profiles aligning with the characteristics of the target population. The pilot participants were drawn from EACC, KRA, DCI, FRC, ARA and NIS. The pilot testing took place in Nairobi City because the agencies in charge of combating money laundering and other financial crimes are based there. Furthermore, expert advice from supervisors was sought to obtain their valuable perspectives and feedback on the data collection tools, with the aim of enhancing their content.

3.6.3 Validity of Research Instruments

A test's validity refers to how closely it measures the variables it claims to. According to Orodho (2014), the accuracy and significance of inferences drawn from research findings constitute validity. In other words, it refers to how accurately data analysis results reflect the phenomenon being studied. Mugenda & Mugenda (2012) emphasizes enlisting the advice of experts and professionals in a given discipline to help assess content validity. The researcher obtained content validity in this study by soliciting expert opinion and judgment from supervisors at Africa Nazarene University's School of Governance, Peace, and Security Studies.

3.6.4 Reliability of Research Instruments

According to Creswell (2012), the reliability of a research instrument refers to its ability to consistently deliver results or data over multiple trials. Reliability of an instrument refers to the extent to which that instrument exhibits consistency. Piloting of the study instrument was conducted to establish whether the instrument of data collection can produce consistent results when used severally. Cronbach’s Alpha coefficient was used to estimate instrument reliability. Through test-retest method, questionnaires were presented on two separate occasions to the same group, and the responses were compared. The first test generated a correlation coefficient of 0.82 while the second generated a correlation coefficient of 0.84, giving an average of 0.83. According to Orodho (2014), a correlation coefficient of 0.75 is regarded as sufficiently high enough to estimate the instrument's reliability.

3.7 Data Analysis and Reporting

After the collection of all data, data was cleaned to identify any incomplete, inaccurate, or inappropriate data in order to improve quality through the rectification of recognized mistakes and omissions. Data was analyzed qualitatively as well as quantitatively.

To examine the quantitative data, Statistical Package for Social Scientists version 24 was utilized to generate descriptive statistics such as means, frequencies and percentages. This data was presented using charts, graphs and tables for ease of interpretation and comprehension.

Qualitative data was explored by understanding the meaning of information disclosed by the respondents and comparing it to documented data from previous research on Multi-Agency approach to combating crimes. It was then organized into themes, categories and patterns relevant to the study. Results from qualitative data were presented using tables.

3.8 Ethical and Legal Considerations

During the research, professional rules and etiquette was followed. To begin, permission from the appropriate authorities was sought. For identification purposes and in order to prove the legitimacy of the study, a letter of introduction from African Nazarene University was obtained. Before data collection process began, a permit from the National Commission for Science, Technology, and Innovation (NACOSTI) was acquired. Before participation of staff in the research study as respondents, permission of the management of agencies combating money laundering was sought. Furthermore, the research adhered to Africa Nazarene University's procedures, as well as the research conduct rules. Respondent participation was voluntary, and no one was compelled into being a respondent. The respondents' identities were concealed throughout the research process and even afterward to protect their safety, whether from personal harm or victimization.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF THE FINDINGS

4.1 Introduction

This chapter summarizes and interprets the findings. The chapter specifically focuses response rate of the study, demographic information about respondents, and a complete analysis of findings based on the study's three main objectives. Finally, the chapter covers inferential analysis—correlation and regression analysis.

4.2 Response Rate

Data collection process was smooth. Out of 195 instruments that were administered, 148 interviewees successfully completed and returned their questionnaires representing a 75.89% as presented in Table 4.1. The response rate of 75.9% was considered adequate and suitable for making conclusions because according to Mugenda and Mugenda (2003), a response rate of 50% is satisfactory, 60% is good, and more than 70% is exceptional for making conclusions.

Table 4.1 Response Rate Outcome

Questionnaire category	Outcome (F, %)
Filled and returned	148 (75.9%)
Neither filled nor returned	47(24.1%)
Total	195 (100)

*Percent are in Brackets; F – Frequency

Source: Researcher (2024)

4.3 Demographic Information

The study determined the respondent’s gender, level of education, agency attached and period worked at a Multi-Agency framework. Precisely, this information was obtained to ensure that respondents across all the four demographic characteristics are adequately represented.

4.3.1 Gender

Findings indicated that a total of 90 respondents were male which represented 60.8% and 58 of them were female representing 39.2% of the total respondents. The gender distribution indicated that sentiments provided by respondents regarding multi-agency approach in combating money laundering in Nairobi, Kenya were gender sensitive as displayed in Figure 4.1.

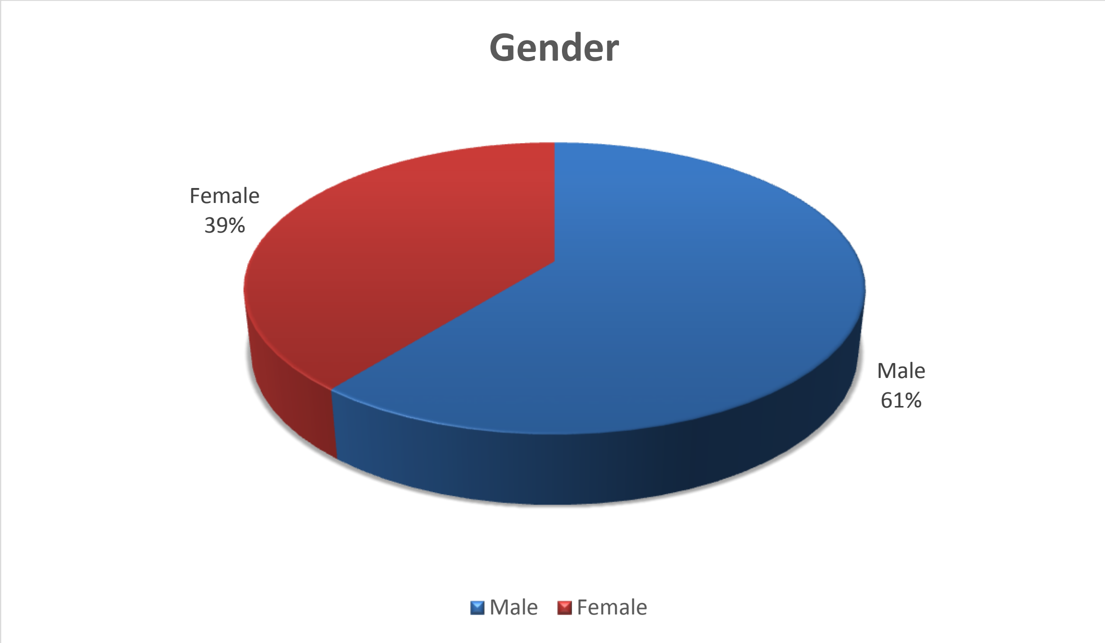


Figure 4.1: Distribution of Gender of the Respondents
Source: Researcher (2024)

4.3.2 Highest Level of Education

Formal education develops a more, well-rounded individual who can think critically, solve problems, and have a broader viewpoint. These are skills that are required in a Multi-Agency framework for combating financial crimes.

Findings in Figure 4.2 show that all the respondents had qualified with various education awards. 72 %(107) of the respondents had gained undergraduate degrees as their highest education level, 8 % (12) of the respondents attained Masters' degree, 5.0%(7) of the respondents attained PhD degree, 12% (18) of the respondents attained diploma level and finally, 3.0%(4) of the respondents had a secondary level. The above information gives a clear indication that all the respondents had acquired prerequisite skills and knowledge to execute the functions in combating money laundering, Nairobi, Kenya.

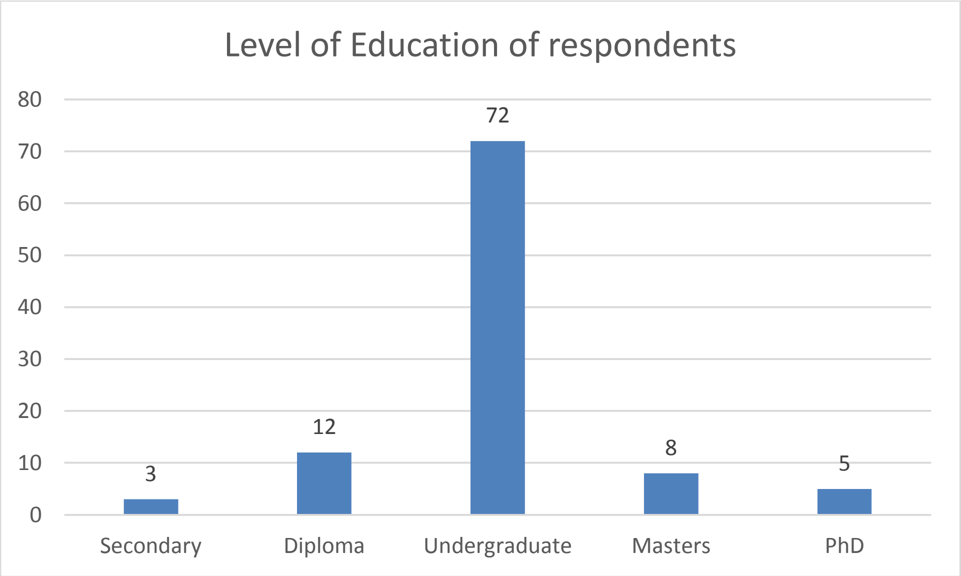


Figure 4.2: Level of Education of the Respondents.
Source: Researcher (2024)

4.3.3 Agency Attached

The information regarding respondents' agencies attached to was required since it was significant in identifying their role in combating money laundering in Nairobi, Kenya. To a greater extent, 15 (10.2%) of the respondents were KRA officials, 27(18.2%) of the respondents were ARA officials, 28(18.9%) of the respondents were EACC officials, 19(12.8%) of the respondents were DCI officials, 20(13.5%) of the respondents were NIS while 39(26.4%) of the respondents were NIS officials. A conclusion was reached that the agencies combating financial crime were adequately represented within the Multi-Agency framework for combating money laundering. This suggests that members of the Multi-Agency team were fairly selected from the various agencies during its formation and establishment in order to maximize the equity of each agency's contribution and guarantee that crucial input is not overlooked due to a staffing shortage from one or more agencies.

This is well shown in Figure 4.3.

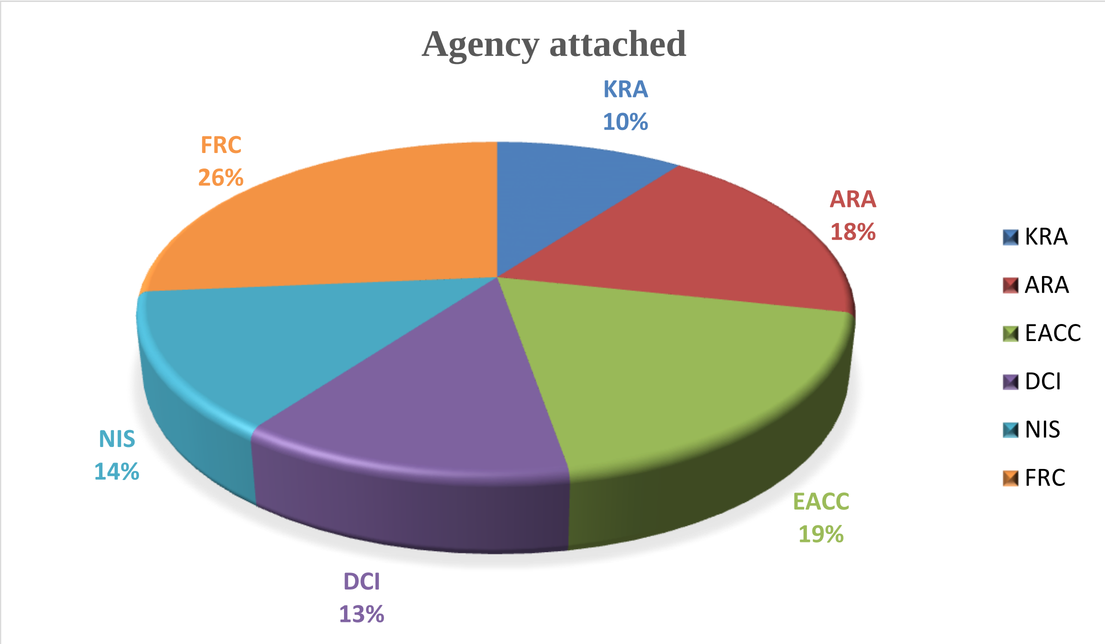


Figure 4.3: Agency Attached
Source: Researcher (2024)

4.3.4 Length of Service within the Multi-Agency Framework

Respondents' work experience within the Multi-Agency framework was important to gauge the respondents' understanding of the different aspects of multi-agency approach in combating money laundering. Figure 4.4 indicates that 27(18.2%) of the respondents have served within the Multi-Agency framework for less than one year, 82(55.4%), 1 to 5 years and 39(26.4%) of the respondents had served for between 5 to 8 years. These findings indicate that the bulk of respondents 121(81.8%) had been in the Multi-Agency team for a significantly long period of between 1-8 years. Therefore, they were judged as experienced enough and able to provide relevant and in-depth information for this investigation. The findings are visualized in Figure 4.4

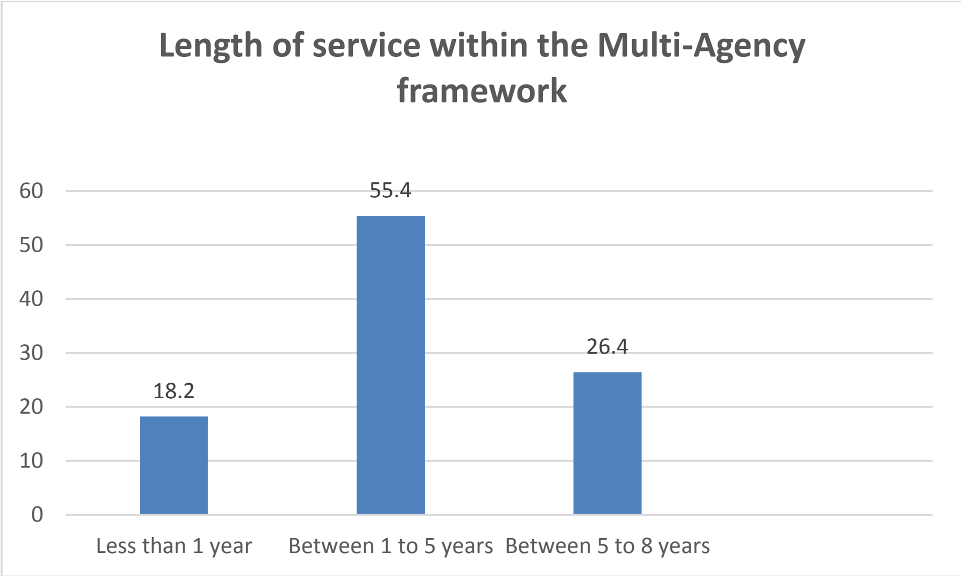


Figure 4.4 Length of Service within the Multi-Agency Framework

Source: Researcher (2024)

4.4 Models of Cooperation and Coordination in Combating Money Laundering in Nairobi, Kenya

The first objective of the study was to determine the models of cooperation and coordination adopted by agencies involved in combating money laundering in Nairobi, Kenya. Consequently, respondents were asked about the models of Multi-Agency cooperation and coordination adopted by agencies fighting against money laundering in Nairobi Kenya.

Findings show that Multi-Agency center of excellence/fusion centers is the commonest model at 75% (111), followed by joint operations / investigations with other agencies at 50% (74), secondment of personnel and appointment of liaison officers /contact points with other agencies tackling money laundering recorded 25%(37) and 10%(14) respectively. From the results, Multi-Agency center of excellence is the most preferred model of Multi-Agency approach in combating money laundering in Nairobi, Kenya. This is because Multi-Agency center of excellence/fusion center provides an efficient and effective system to share intelligence and information, streamline operations maximize resources, and improve the ability to fight financial crime by coalescing data from diverse sources.

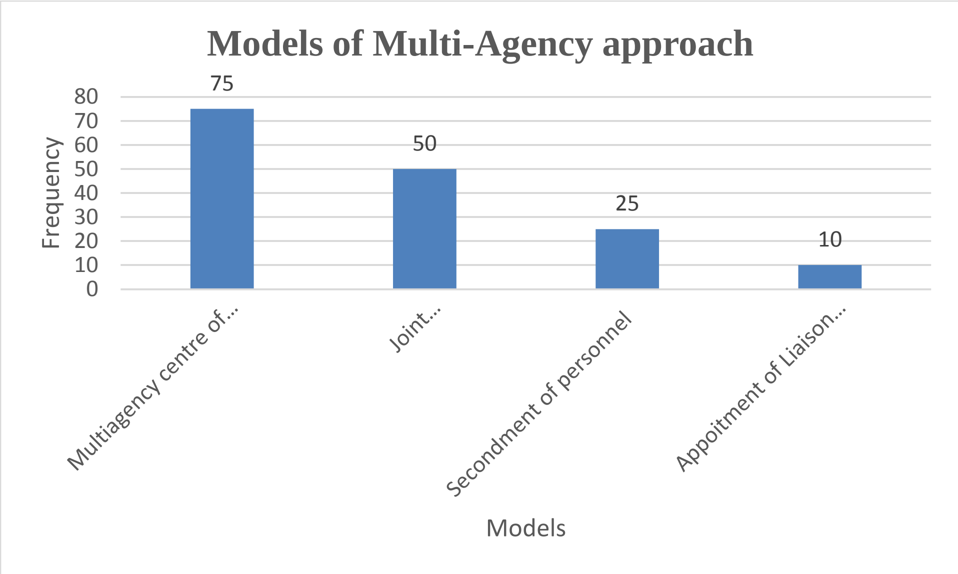


Figure 4.5 Models of Multi-Agency Cooperation and Coordination

Source: Researcher, (2024)

4.4.1 Benefits of Adopting Multi-Agency Approach in Combating Money Laundering

The respondents were tasked to pick the option that best captured their opinion on the benefits of adoption of Multi-Agency approach in curbing money laundering in Kenya. 80% of the respondents strongly agreed that adoption of Multi-Agency approach has made it easy to access to information, 83% of the respondents strongly agreed with improved investigative capabilities and 90% of the respondents strongly agreed with reduced duplication of roles among agencies as a result of coordination.

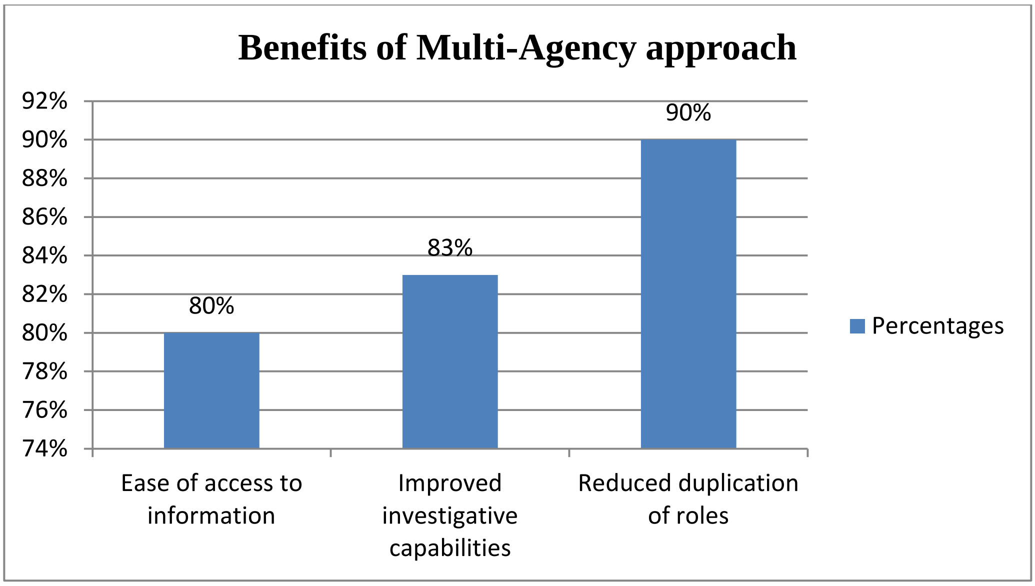


Figure 4.6 Benefits of Multi-Agency Approach

Source: Researcher, (2024)

4.4.2 Effects of adoption of Multi-Agency Approach in Combating Money Laundering in Kenya

Meanwhile, to measure the perceptions of respondents on the effects of adoption of Multi-Agency approach in combating money laundering, a Likert scale with values ranging from 1-5 was used where, 1 implied strong disagreement and 5 implied a strong agreement with the statements.

According to the findings shown in Table 4.2, there was a general agreement that adoption of Multi-Agency approach has led to increased freezing of proceeds of crime. This was in accordance with the mean score of 3.595 corresponding with the responses and a standard deviation of 0.667.

Adoption of Multi-Agency approach has led to increased prosecution of money laundering cases as shown by a mean of 3.574 and a standard deviation of 0.921. Findings also show that Multi-Agency approach has led to increased forfeiture forfeiture/confiscation of proceeds of crime with a mean of 3.351 and standard deviation 1.032. However, Majority of the respondents 127(64.2%) were either neutral or disagreed that adoption of multiagency approach has led to increased conviction of perpetrators of money laundering.

Table 4.2: Agreements on Effect of Cooperation and Coordination Outcomes

Source: Researcher (2024)

Statements on outcomes of Cooperation and Coordination	**Strongly Agree F**	**%**	**Agree F**	**%**	**Neutral F**	**%**	**Disagree F**	**%**	**Strongly Disagree F**	**%**	**Mean**	**Std. Dev**
Adoption of Multi-Agency approach has led to increased freezing of proceeds of crime.	35	23.6	48	32.4	41	27.7	19	12.8	4	2.7	3.595	0.667
Multi-Agency approach has led to increased prosecution of money laundering cases.	31	20.9	51	34.5	43	29.1	18	12.2	5	3.4	3.574	0.921
Multi-Agency approach has increased the rate of conviction of perpetrators of money laundering	24	16.2	4	2.7	38	25.7	33	22.3	49	33.1	3.561	0.932
Multi-Agency approach has led to increased forfeiture/confiscation of proceeds of crime.	21	14.2	53	35.8	40	27.0	25	16.9	9	6.1	3.351	1.032
Composite	30	20.25	50	33.95	41	27.375	22	14.525	6	3.725	3.5203	0.888

4.4.3 Effectiveness of Multi-Agency Approach in Combating Money Laundering

Moreover, the survey sought to determine how effective adoption of Multi-Agency approach has been in combating money laundering in Kenya.

Result established that 19(12.8%) of the respondents noted that adoption of Multi-Agency approach was very effective, 75(50.7%) of the respondents noted that adoption of Multi-Agency approach was effective, 24(16.2%) of the respondents noted that adoption of Multi-Agency approach, 20(13.5%) of the respondents noted that adoption of Multi-Agency approach was least effective and 10(6.8%) of the respondents noted that adoption of Multi-Agency approach was non-effective in combating money laundering in Nairobi, Kenya.

Generally, the respondents agreed that Multi-Agency approach has been effective in combating money laundering as shown in Figure 4.7.

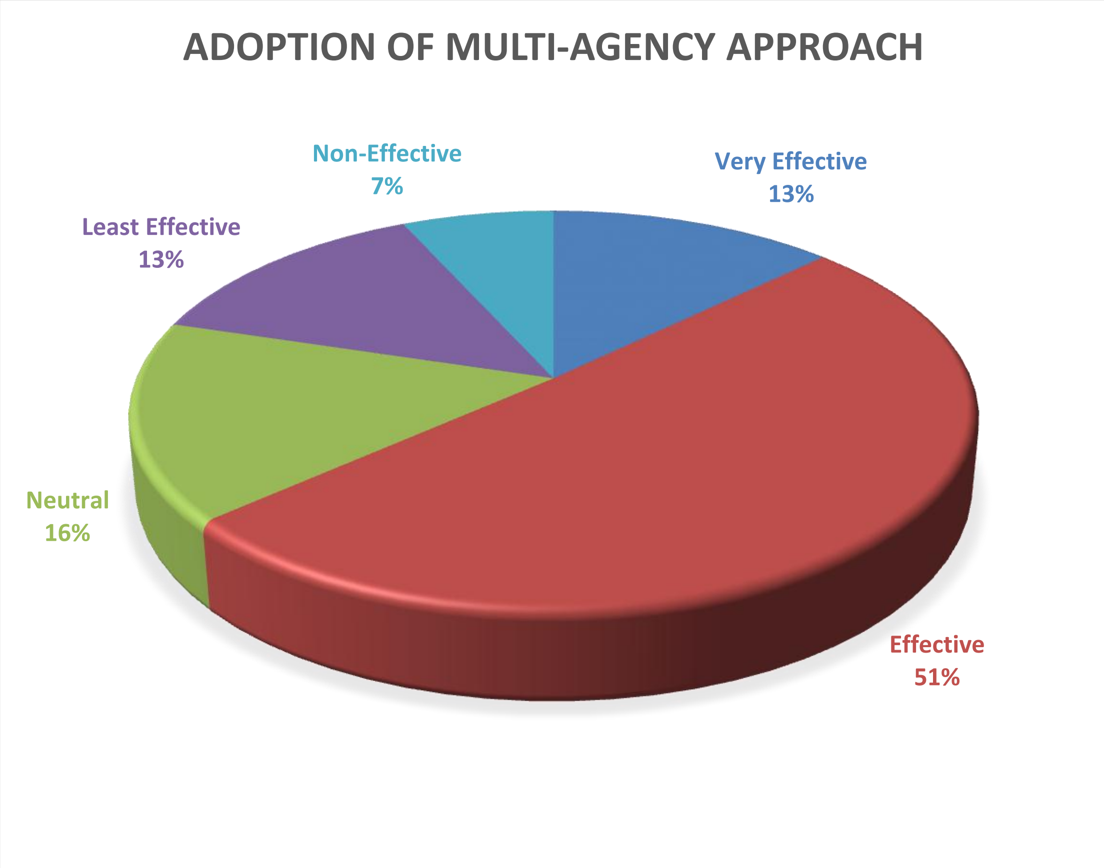


Figure 4.7: Perceptions on Effectiveness Adoption of Multi-Agency Approach

Source: Researcher (2024**)**

4.5 Allocation of Resources to Agencies Involved in Combating Money Laundering

The study's second objective was to establish the effects of allocation of resources to Multi-Agency teams combating money laundering in Kenya. First, the respondents were expected to state the extent to which they have been allocated resources. Notably, 118(80%) of the respondents agreed that they have been allocated qualified personnel, 104(70%) of the respondents agreed that office space and equipment have been mobilized in combating money laundering, 99(67%) of the respondents agreed that they have access to relevant databases, 59(40%) of the respondents agreed that they have access to analytical tools needed in combating money laundering, 89(60%)

of the respondents agreed that financial resources/operational funds been mobilized in combating money launderings, and finally, 59(50%) of the respondents agreed that motor vehicles have been allocated. The findings were visualized in Figure 4.8.

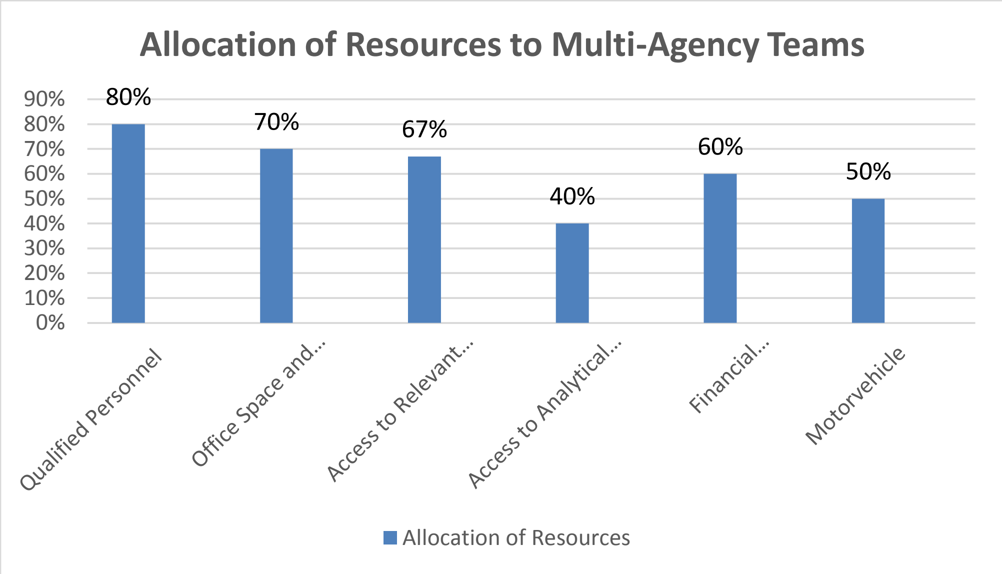


Figure 4.8: Allocation of Resources to Multi-Agency Teams
Source: Researcher, (2024**)**

4.5.1 Perception on Effectiveness of Allocation of Resources in Combating Money Laundering

The study also sought to establish perceptions of respondents on effectiveness of allocation of resources to Multi-Agency teams combating money laundering. The findings established that 67(45.3%) of the respondents' considered allocation of resources to Multi-Agency teams tackling money laundering very effective, 32(21.6%) of the respondents' found it effective, 17(11.5%) of the respondents' perceptions was neutral, 11(7.4%) of the respondents' perceptions was least effective and finally, 21(14.2%) of the respondents' perceptions was non-effective. Notably, this is deduced in Figure 4.9

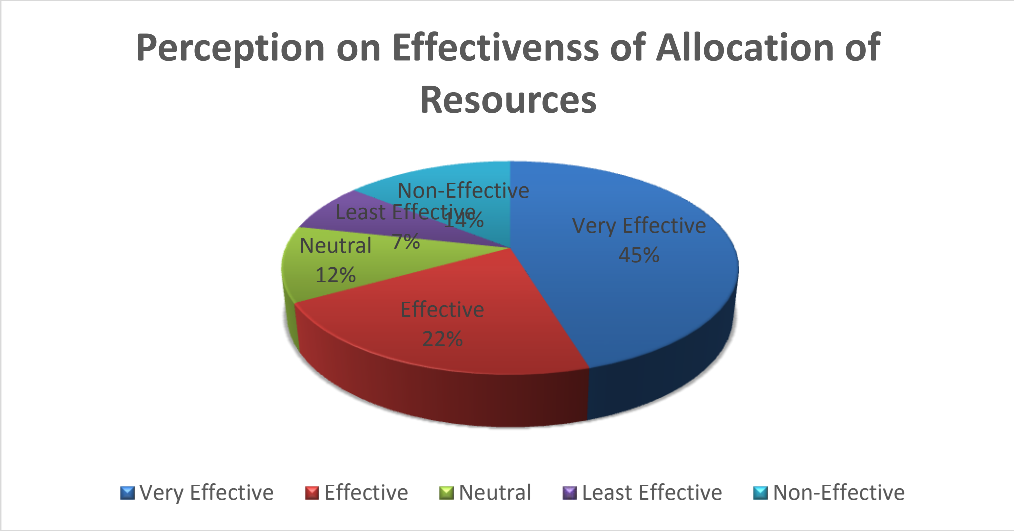


Figure 4.9: Perception of Respondents on Effectiveness of Allocation of Resources

Source: Researcher, (2024)

4.5.2 Adequacy of The Resources Allocated for Combating Money Laundering.

Further, the respondents were asked to state their opinions on whether the resources allocated to Multi-Agency team combating money laundering in Nairobi, Kenya were adequate. Findings show that 57% of the respondents were convinced that the highlighted resources were adequate in combating money laundering while 43% of the respondents did not agree as highlighted in Figure 4.11

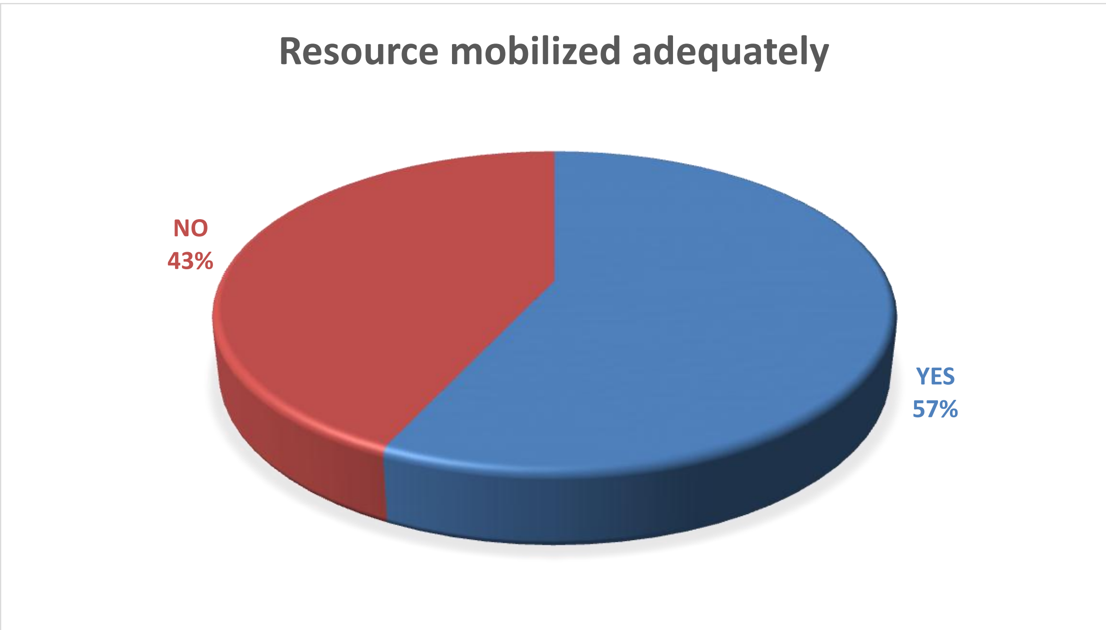


Figure 4.10 Adequacy of resources.

Source: Researcher, (2024)

4.5.3 Additional Resources

The respondents who thought that the allocated resources were inadequate were tasked to state what additional resources they would need in their fight against money laundering. Findings show that 133(90%) of the respondents advocated for additional funds for operations, 70(47%) wanted more access to relevant databases while 74(50%) mentioned more trainings while 27(18%) wanted more motor vehicles for ease of movement during operations. Findings are visualized in Figure 4.12

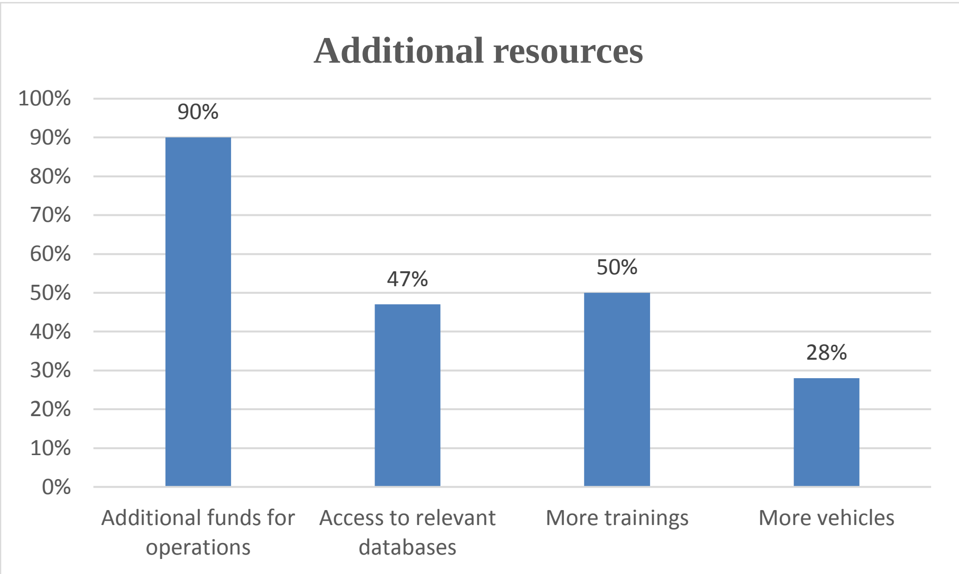


Figure 4.11 Additional Resources.

Source: Researcher, (2024

4.5.4 Perceptions on Effect of Allocation of Resources Outcomes

The study was also interested in determining the effect of allocation of resources to agencies involved in combating money laundering in Nairobi, Kenya. Therefore, the respondents were required to rate their extent of approval with different assertions about allocation of resources by agencies.

As findings showcased in Figure 4.4 indicate, most of the respondents agreed that allocation of resources has led to improved staff morale due to manageable workloads with a mean of 3.487 and standard deviation of 0.965. The respondents also agreed to access to relevant database with a mean of 3.486 and a standard deviation of 0.965. Moreover, ease of data analysis due to availability of analytical tools showed a mean of 3.527 and standard deviation 0.586.

The composite mean score of the variables was 3.5185. This composite mean implies that most of the respondents agreed with the statements provided on effect of allocation of resources to the Multi-Agency team combating money laundering.

	Strongly Agree		Agree		Moderate		Disagree		Strongly Disagree		Mean	Std. Dev.
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**		
Improved staff morale due to manageable work loads	25	16.9	51	34.5	46	31.1	23	15.5	3	2.0	3.486	0.965
Easy access to relevant databases for forensic investigations	26	17.6	52	35.1	48	32.4	19	12.8	3	2.0	3.534	0.621
Ease of data analysis due to availability of data analysis tools	28	18.9	49	33.1	49	33.1	17	11.5	5	3.4	3.527	0.586
Composite	**27**	**17.8**	**51**	**34.23**	**48**	**32.2**	**21**	**13.27**	**4**	**2.46**	**3.5185**	**0.724**

Table 4.3.: Agreements on effect of allocation of resources Outcomes

Source: Researcher, (2024)

4.6 Availability of Training and Capacity Building Arrangements for Multi-Agency Team Combating Money Laundering.

With regards to the question on availability of training and capacity building arrangements for Multi-Agency teams combating money laundering in Nairobi, Kenya. 109(84.7%) of the respondents agreed that training and capacity building arrangements are available while 39(15.3%) of the respondents stated that local training and capacity building are unavailable as illustrated in Figure 4.12

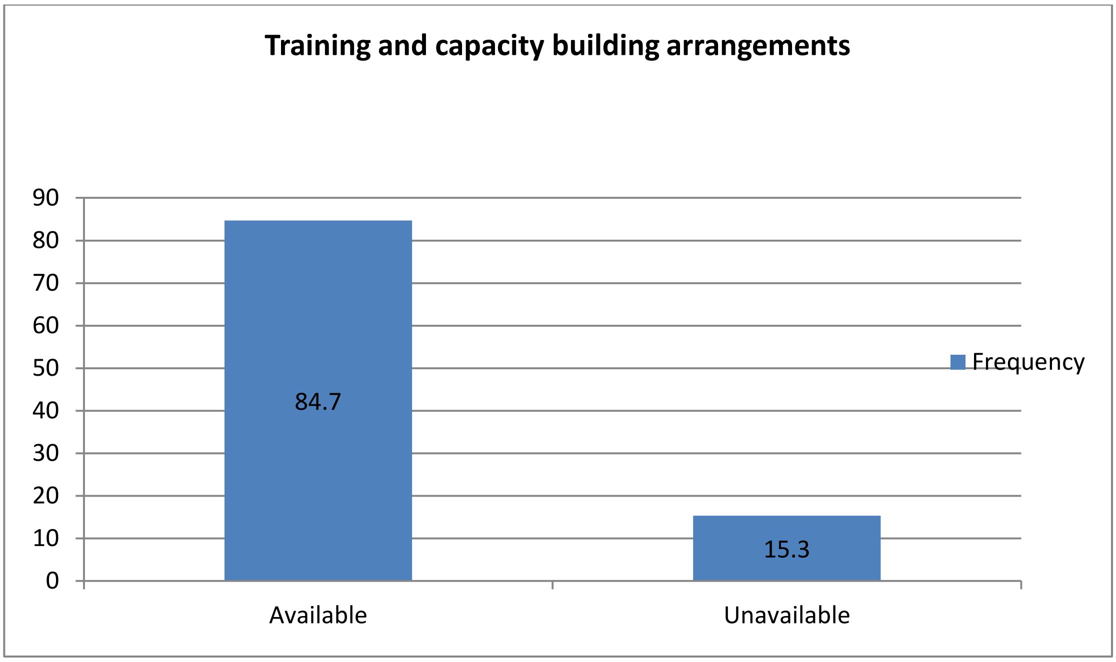


Figure 4.12 Availability of Training and Capacity Building Arrangements
Source: Researcher, (2024)

4.6.1 Overseas Training Opportunities

With regards to whether the respondents had attended trainings outside the country or trainings offered by an organization based outside Kenya, 105(71%) of the respondents stated that they have not attended any trainings abroad while 43(29%) responded that they have attended trainings abroad/offered by an organization based overseas. The findings are visualized in figure 4.13

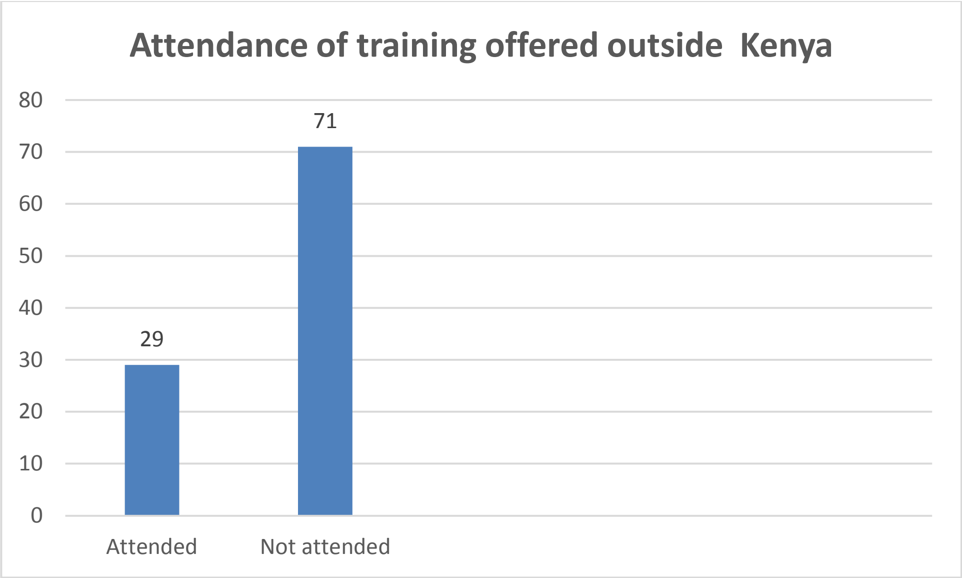


Figure 4.13 Attendance of Training outside Kenya

Source: Researcher (2024)

4.6.2 Foreign Institutions that Offered Training

Respondents who have attended training abroad or training offered by an organization based abroad were asked to list those institutions. Results show that 30(68%) respondents have attended training offered by Association of Chartered Fraud Examiners and are qualified as Chartered Fraud Examiners, 6(15%) have attended training at Basel institute of governance while 7(17%) of the respondents have trained at the OECD Academy for tax and financial crime investigations. These findings are as displayed in figure 4.14.

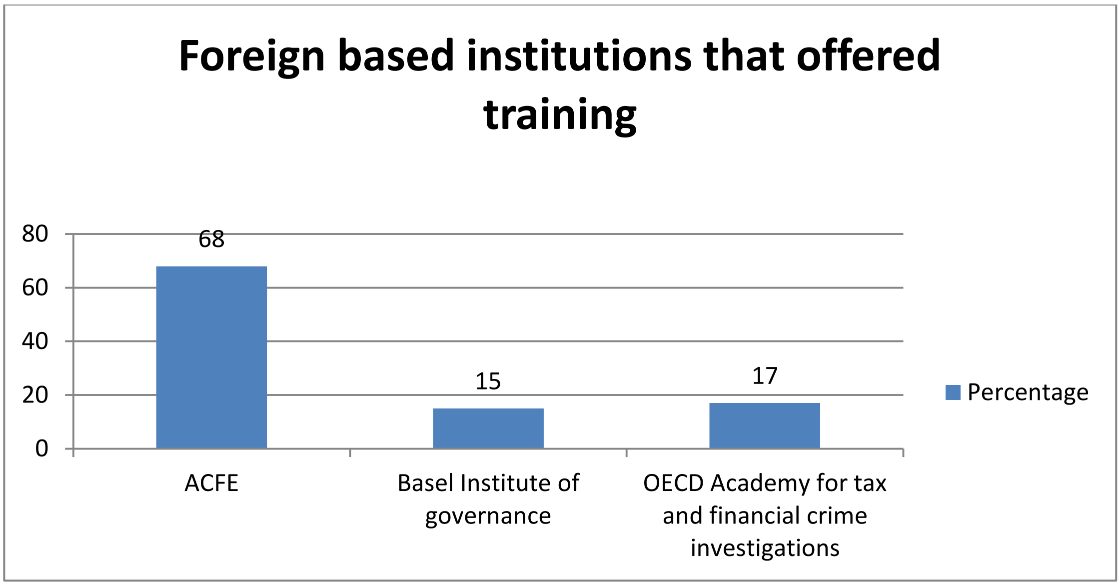


Figure 4.14 Foreign Institutions That Offered Training

Source: Researcher (2024)

4.6.3 Core training modules

The study also sought to establish specific core modules that respondents are trained on during the process of training. The findings of the study noted that 139(94%) were trained on financial investigations, 44(30%) of the respondents were trained on data analysis, 136(92%) of the respondents were trained on money laundering techniques, 123(83%) of the respondents were trained on asset profiling and tracing, and finally, 144(97%) of the respondents were trained on handling classified information. The finding of the study was displayed in Figure 4.15.

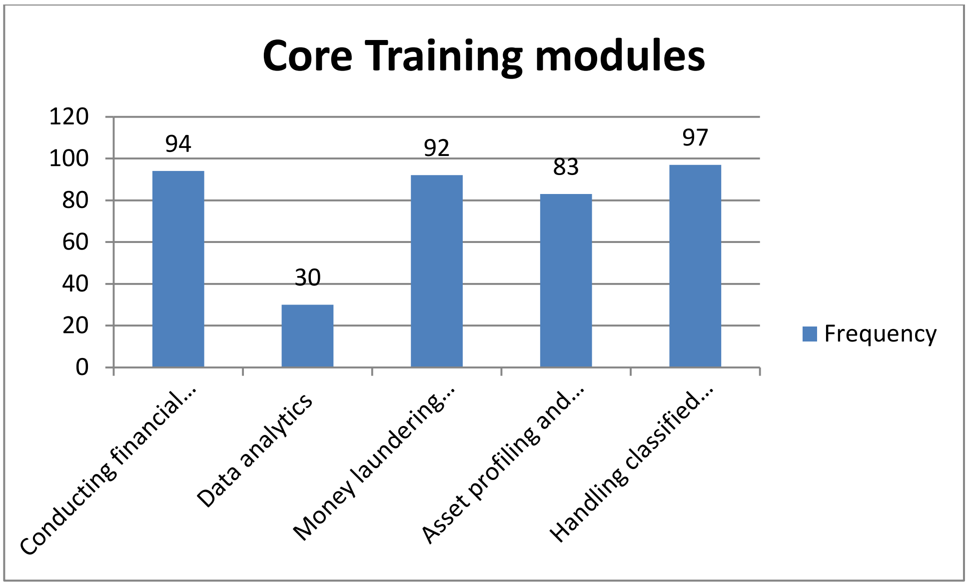


Figure 4.15 Core Training Modules

Source: Researcher, (2024)

4.6.4 Relevance of training

With regards to the question as to whether the trainings offered were relevant to the respondent's job requirements, 144 (97%) agreed that the training was tailor-made and was relevant for their job requirements while 4 (3%) deemed the trainings irrelevant. Findings are as displayed in Figure 4.16

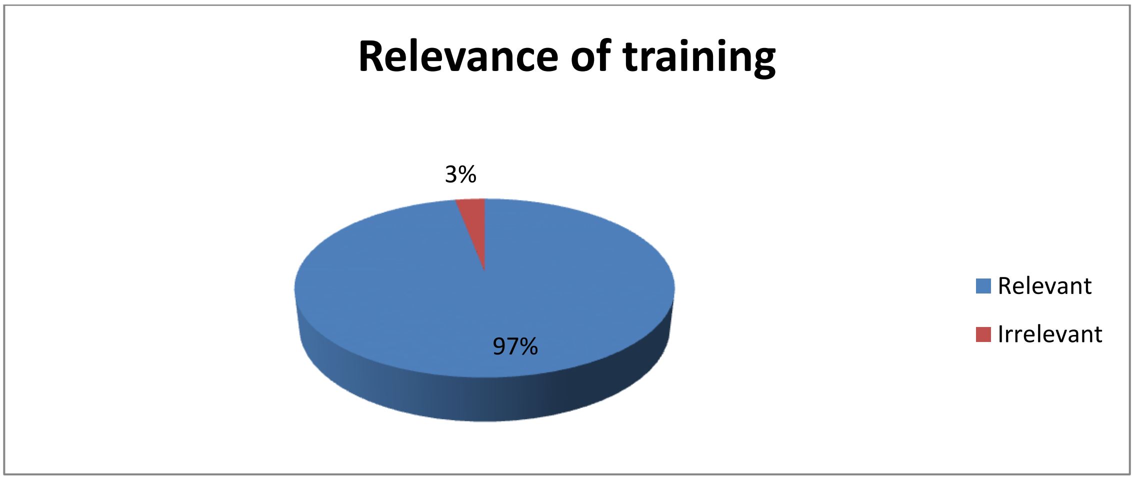


Figure 4.16 Relevance of Training

Source: Researcher, (2024)

4.6.5 Perceptions on Effect of Training and Capacity Building

With regards to the effects of training and capacity in combating money laundering, majority of the respondents affirmed that training and capacity building enhances employees' skills, knowledge and competence as shown by a mean score of 3.628 and standard deviation of 0.637. The study participants also concurred that training and capacity building boosts employee's morale as shown by a mean score of 3.730 and standard deviation of 0.592. Moreover, respondents also agreed that training and capacity building leads to improved employee performance as indicated by a mean score of 3.432 and standard deviation of 0.807. Finally, the respondents noted that training and capacity building inclines employees to organizational goals as shown by a mean score of 3.615 and standard deviation of 0.607. The composite mean score of the variables was 3.601. This composite mean implies that most of the participants agreed with the statements provided on effect of training and capacity building in combating money laundering in Nairobi, Kenya.

Statements on Training and Capacity Building	**Strongly Agree**		**Agree**		**Moderate**		**Disagree**		**Strongly Disagree**		**Mean**	**Std. Dev.**
	F	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**		
Enhance employees skills, knowledge and competence	33	22.3	57	38.5	32	21.6	22	14.9	4	2.7	3.628	0.637
Boosts employee morale	36	24.3	58	39.2	34	23.0	18	12.2	2	1.4	3.730	0.592
Leads to improved employee performance	32	21.6	48	32.4	30	20.3	28	18.9	10	6.8	3.432	0.807
Training inclines employees to organizational goals	34	23.0	54	36.5	32	21.6	25	16.9	3	2.0	3.615	0.607
Composite	**34**	**22.8**	**54**	**36.7**	**32**	**21.6**	**23**	**15.7**	**5**	**3.2**	**3.601**	**0.661**

Table 4.4: Agreement on Effect of Training and Capacity Building Outcomes

Source; Researcher, (2024)

4.7 Inferential Statistics

This segment highlights the inferential statistics such as multivariate regression analysis, which were utilized to show the effect of Multi-Agency approach in combating money laundering in Nairobi, Kenya. The presumption that independent variables have an influence on the dependent variable was probed. The primary inferential strategies which were utilized incorporated the P-value, and Beta coefficients and the R-squared (R2). For the general fitting of the model, the F-statistic and t-statistic were utilized to conduct significance tests.

4.7.1 Regression Model Summary

Multiple regression analysis was conducted to establish the extent to which the independent variable predicted the dependent variable. Results are as shown on table 4.5

Table 4.5: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.9473	0.8974	0.768	0.049

Source: Researcher (2024)

The values of the Adjusted *R-Squared* displayed that after model adjustment for inefficiencies the independent variables would describe 76.8 percent of combating money laundering in Nairobi, Kenya. These statistics point that there was a solid relationship between the independent and dependent variables.

4.7.2 Analysis of Variance

The results of a 2-tailed ANOVA test conducted on the variable Multi-Agency approach as summarized in table 4.6 shows that the variable has a P-value of 0.010, indicating that the model is statistically significant considering that the P-value is less than 0.05 at 95% significant level. From these results, a conclusion is drawn that, at 5% significance level, Multi-Agency approach has a significant effect on combating money laundering in Nairobi, Kenya

Table 4.6: ANOVA Test Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1.904	4	0.4760	3.348	.010(a)
Residual	0.121	143	0.00085		
Total	**2.025**	**147**			

Source: Researcher (2024).

4.7.3 Regression Coefficients

A regression analysis was performed to establish if the independent variable; adoption of Multi-Agency approach can be relied on in explaining the change in independent variable; combating money laundering in Nairobi, Kenya. Findings illustrated in Table 4.7 show the effect that would occur in combating money laundry in Nairobi, Kenya due changes (increasing or decreasing) independent variables.

Table 4.7: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.856	0.388		2.206	0.021
Cooperation & Coordination	0.612	0.431	0.174	1.420	0.018
Allocation of Resources to Agencies	0.478	0.437	0.353	1.094	0.031
Training & Capacity Building	0.898	0.385	0.309	2.332	0.021

Source: Researcher (2024)

The coefficients in Table 4.7 were used complete the regression equation relating the dependent and the independent variables.

The regression model ($Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 +\beta_4X_4+ \varepsilon$) therefore becomes.

$$\mathbf{Y=0.856 +0.612X_1+ 0.478X_2++0.898X_3+0.755X_4}$$

The model shows that, holding the predictor variables constant, combating money laundering in Nairobi, Kenya would be 0.856. The outcome also depict that a unit rise in cooperation and coordination would result to a 61.2% increase in combating money laundering in Nairobi, Kenya, a unit surge in allocation of resources will lead to a 47.8% increase in combating money laundering in Nairobi, Kenya while a unit rise in training and capacity building will lead to a 89.8% rise in combating of money laundering in Nairobi, Kenya. Based on the outcomes, it can be deduced that a unit increase in study variables has a positive effect in combating money laundering in Nairobi, Kenya positively.

4.7.4 Correlation Analysis

The researcher used a Karl Pearson Moment correlation analysis to explain the effect of multi-agency approach in combating money laundering in Nairobi, Kenya. The results in Table 4.8 show that there is significant relationship between variables combating money laundering, coordination and cooperation, allocation of resources and training and capacity building. It was clear that there was a positive correlation between combating money laundering and cooperation and coordination with a correlation figure of 0.321 ($p<0.05$); there was a positive correlation between combating of money laundering and allocation of resource with a correlation figure of 0.526 ($p<0.05$); there was a positive correlation between combating money laundering and training and capacity building with a correlation value of 0.122 ($p<0.05$). These findings reveal that cooperation and coordination, allocation of resources and training and capacity building all have positive associations with combating money laundering in Nairobi, Kenya. This means that for every unit alteration in the variables, combating money laundering in Nairobi, Kenya improves.

Table 4.8: Correlations between Multi Agency Approach and Combating Money Laundering

Variables	Correlations	Combating Money Laundering	Cooperation & Coordination	Allocation of Resources	Training and Capacity Building
Combating Money Laundering	Pearson Correlation	1			
	Sig. (2-tailed)	.			
Cooperation & Coordination	Pearson Correlation	.321	1		
	Sig. (2-tailed)	.020	.		
Allocation of Resources to Agencies	Pearson Correlation	.526	.426	1	
	Sig. (2-tailed)	.032	.002	.	
Training and Capacity Building	Pearson Correlation	.122	.166	.042	1

Source: Researcher, (2024)

CHAPTER FIVE

DISCUSSION, SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter recaps the results of the study in relation to its main objectives. The chapter goes ahead to make generalizations and recommendations resulting from the study results and analysis of data. The study aimed to find out the effects of Multi-Agency approach in combating money laundering in Nairobi, Kenya. Precisely, it sought to determine the models of Multi-Agency cooperation and coordination adopted by agencies combating money laundering, the effects of allocation of resources to Multi-Agency teams combating money laundering and the effects of training and capacity building of Multi-Agency team combating money laundering.

5.2 Discussion of findings

5.2.1 Models of Multi-Agency cooperation and coordination

The success of anti-money laundering efforts rely heavily on the cooperation of various institutions, such as the office of the public prosecutor, ombudsman, auditor general, procurement regulator, the police, financial intelligence units, and courts through the multi-agency framework.

Multi-agency approach to curbing financial crime entails agencies jointly collecting and evaluating intelligence, carrying out investigations, and creating policies to curb the threat posed by financial crime. The study established that the government of Kenya has adopted a Multi-Agency approach in tackling various forms of financial crimes including money laundering.

The agencies involved in this Multi-Agency framework include: Kenya Revenue Authority, National Intelligence Service, Financial Reporting Center, Ethics and

Anti-Corruption Commission, Assets Recovery Agency, and Directorate of Criminal Investigations, the commonest model of Multi-Agency coordination and cooperation was the use of Multi-Agency centers of excellence/fusion centers.

Botha (2018) argues that Multi-Agency centres of excellence/fusion centers are often formed to centralize information collection and analysis operations for agencies involved in combating financial crimes. The fusion center is envisioned as an operational hub to effectively and efficiently address priority financial crimes through a four-pronged approach of prevention, detection, investigation, and resolution. By centralizing these operations, officials inside a center gain expertise with specific legal and practical aspects of an investigation, and specialized methods that can boost their efficacy can be devised (Botha, 2018). Moreover, a Multi-Agency center of excellence has the benefit of being cost effective since the expense of data collection, processing, analysis and dissemination is shared among the participating agencies OECD (2017)

Majority of the respondents concurred that adoption of Multi-Agency approach in combating money laundering has made it easy for investigators to access relevant information, improved investigative capabilities of team members and reduced duplication of roles among agencies combating money laundering in the country. These findings are consistent with (World Bank, 2019) which argued that Multi-Agency collaboration has a significant strategic role not only during investigations but also during the prosecution stage. Using interagency teams to investigate and prosecute financial crimes reduces the possibility of duplication of effort, especially when more than one agency is empowered to prosecute the same sort of offense. It also improves investigative and prosecution capabilities by bringing together diverse sorts of knowledge and providing access to each agency's distinctive processes.

Additionally, most of the participants agreed that adoption of Multi-Agency has resulted to increased freezing of illicitly acquired funds, increased prosecution of money laundering cases and increased forfeiture/confiscation of proceeds of crime. These findings aligned with the findings of Kirimi, Kinyanjui & Ngari (2022) which indicated that a Multi-Agency approach to border control has been effective in reducing cross-border conflicts as well as reducing illegal immigration into Kenya. The findings also agree with findings of Kibusya (2020) which revealed a decrease in the number of mortalities and victims resulting from acts of terrorism subsequent to the establishment of the multi-agency security team.

5.2.2 Allocation of Resources to Multi Agency Teams

The second objective was to determine the effects of allocation of resources to agencies involved in combating money laundering in Nairobi, Kenya. Resources refers to all the assets that an organization possesses, such as data, knowledge, organizational procedures, people, and capabilities, that enables the company to formulate and implement strategies that improves its efficacy and efficiency (Jay, 1991)

Resource allocation, according to Harris (2014), is the assignment and management of assets in a way that meets the strategic goals of the organization, if resource needs are carefully identified, strategically allocated, and efficiently managed, high returns may be achieved by the concerned organization.

According to OECD (2021), appropriate resources should be allocated to investigate and enforce financial and economic crimes, regardless of organizational structure. The available resources will depend on the jurisdiction's fiscal limits and priorities. The required resources vary based on the nature, scale, and stage of a jurisdiction’s economic growth. For instance building the legal and physical infrastructure may take priority over gaining powerful analytical and technology tools.

Whatever the organisational model, sufficient resources should be allocated to investigate and take enforcement action in respect of tax crimes. The level and type of resources will vary in accordance with the overall budgetary constraints and other budgetary priorities for the jurisdiction. In particular the type of resources needed may vary depending on the nature, scale and developmental stage of the economy. For example, it may be more urgent to build the legal and physical infrastructure before acquiring advanced analytical and technology tools.

Wanjiku &Anyieni (2022) identified several key components of resource allocation, including sufficient funding, well-trained employees, and necessary physical resources such as vehicles, office space, stationary, and equipment

Findings indicate that Multi-Agency team tackling money laundering has been fairly resourced as follows: Qualified personnel (80%), office space and equipment (70%), access to relevant databases (67%), access to analytical tools (59%), financial resources (60%) and motor vehicles (50%).

These findings align with the findings of Maritan &Lee (2017) who listed people (human resources), finances, technologies, and materials as some of the resources an entity needs to attain its strategic goals, as well as Khamis (2019,) who also highlights human, financial, material and technological resources as the kind of resources that managers should procure to drive organizational tasks.

With regards to the adequacy of the resources allocated, 57% of the respondents agreed that the resources were adequate while 43% were of the view that the resources were inadequate. These findings contradicted those of Manyonge (2019), who found out that inadequacy of resources was one of the challenges bedeviling

Multi-Agency teams combating terrorism in Kenya. Similarly, these findings contradicted those of Kamau, Adhiambo, Wario &Moronge (2020) who established that the national police service is inadequately resourced thus negatively affecting the performance of the service.

The respondents who thought that the resources are inadequate mentioned operational funds (90%), office space and equipment (70%), relevant databases (47%), more trainings (50%) and more vehicles (28%) as the resources that should be added. With regards to the effects of allocation of resources, majority of respondents agreed that allocation of resources to the Multi-Agency team has improved staff morale due to manageable workloads, improved access to relevant databases and made it easy to analyze data due to availability of data analysis tools. These results align with the findings of Lemarleni, Ochieng & Gakobo (2018) who confirmed the presence of a favorable association between resource allocation and plan implementation within the National Police Service of Kenya.

5.2.3 Training and Capacity Building

Training is the process of equipping officers with the knowledge, skills, and abilities needed to perform particular tasks. Money laundering is becoming more pervasive and sophisticated, as a result, training and capacity building is crucial in combating the vice as it empowers professionals with the technical knowledge and skills to detect, prevent, and mitigate money laundering activities.

Financial crimes span the globe and affect every nation to varying degrees due to their complexity and sophistication. Tracking down the perpetrators of these crimes might be costly and time consuming especially when multiple jurisdictions are involved. Due to the complexity and lengthy procedures involved in the fight against corruption and money laundering as well as the recovery of criminal proceeds, specialized investigative abilities are needed. This calls for training and capacity building of personnel involved in combating such crimes

Capacity building initiatives can take various forms including training programs, workshops, and certification courses. Some of the relevant training areas for money laundering investigators include; financial crime investigations, legal framework in the fight against financial crimes, money laundering and cryptocurrencies, operational analysis, interview skills and open source intelligence among others.

The study sought to establish the effects of training and capacity building of Multi-Agency teams combating money laundering. Majority of the respondents (84.7%) agreed that there are training opportunities available for multi- agency teams while 15.2% stated that there are no training opportunities for the Multi-Agency teams. The training opportunities are both local and foreign based. Among the foreign institutions that have offered training to the members of the Multi-Agency team include; Association of Chartered Fraud Investigators (68%), OECD Academy for Tax and Financial Investigations (15%) and Basel Institute of governance (15%).
Participants agreed that the training offered is relevant to their job demands. The core subjects they are trained on include Conducting financial investigations (94%), data analysis (30%), money laundering techniques (92%), asset profiling and tracing (83%) and handling classified information. The results on the relevance of training agrees with the findings of Firesibehat (2018), who emphasized the need for customized posture of the training programs and its direct relevance to augmenting employees task performance.

With regards to the effects of training and capacity building arrangements available to Multi-Agency teams combating money laundering, majority of the respondents were in agreement that training and capacity building enhances employee's skills, knowledge and competence, boosts employees' morale, and leads to improved employee performance besides inclining employees to organizational goals.

These results agree with the findings of Dangarembizi and Zemburuka (2020) whose study findings revealed that implementation of training and capacity building initiatives had a beneficial effect on the knowledge, skills, and competence of workers, thus leading to enhanced performance and Nama, Daweti, and Laurens (2022) who demonstrated that the implementation of staff training and capacity development initiatives resulted in a notable enhancement in employee performance.

5.3 Summary of main findings.

On the specific objective of finding out the models of Multi-Agency approach adopted by the government in its fight against financial crime, the study established that the government had adopted different models of Multi-Agency approach, the main one being adoption of Multi-Agency center of excellence/fusion center. Moreover, the study found out that adoption of Multi-Agency approach had made it easy for financial crime investigators to access relevant information, improved their investigative capabilities as well as reduced duplication of roles among agencies combating money laundering.

The respondents also agreed that adoption of Multi-Agency approach has led to increased freezing of proceeds of crime, increased rate of prosecution of money laundering cases, increased forfeiture/confiscation of proceeds of crime. They were however neutral on the question of whether Multi-Agency approach has led to increased rate of conviction of perpetrators of money laundering. Respondents also agreed that adoption of Multi-Agency approach has been fairly effective in combating money laundering.

On the second objective on the effects of allocation of resources to Multi-Agency team combating money laundering in Nairobi, Kenya, the study found out that qualified personnel, office space and equipment, relevant databases, analytical tools, financial resources and operational funds and motor vehicles are some of the resources that have mobilized in combating financial crime. Simple majority of the respondents agreed that the resources were adequate, those who acknowledged that the resources were inadequate wanted additional funds, access to more databases, more training opportunities as well as more vehicles for ease of movement.

Additionally, the study disclosed that allocation of resources to Multi-Agency team combating money laundering has led to improved staff morale due to manageable workloads, easy access to relevant databases for forensic investigations besides making it easy to analyze large volumes of data due to availability of data analysis tools. Overall, the study established that allocation of resources to Multi-Agency teams combating money laundering has been effective.

On the third objective on the effects of training and capacity building arrangement available to Multi-Agency teams combating money laundering, the study established that there are training and capacity building arrangements team. The training opportunities are available both locally and internationally; the main institutions that have offered training to the teams include Association of Chartered Fraud

Examiners, Basel institute of governance and OECD academy for tax and financial crime investigations.

Most of the respondents approved that the training was relevant and tailor made to their job requirements. The main subjects of training include: Conducting financial investigations, data analysis, and money laundering techniques, asset profiling and tracing as well as handling classified information. The study also established that training and capacity building enhances employees' skills, knowledge and competence, boosts employees' morale, leads to improved employee performance and inclines employees to organizational goals.

5.3 Conclusion

The study concluded that adoption Multi-Agency center of excellence/fusion center as the main model of Multi-Agency coordination and cooperation has fostered better collaboration, cooperation and coordination, amongst the agencies battling money laundering and other financial crimes in Nairobi, Kenya.

Multi-Agency approach has had a positive net effect in the fight against financial crime by making it easy for financial crime investigators to access relevant information; it has improved investigation capabilities of investigators and reduced duplication of roles among agencies combating money laundering.

Overall, adoption of Multi-Agency approach has had a remarkable effect in tackling financial crimes as it has allowed for the harnessing of the state's human and material resources to secure the nation. The net result of this has been: Increased freezing of proceeds of crime, increased prosecution of money laundering cases and increased forfeiture/confiscation of illicitly acquired wealth. Conviction of perpetrators of money laundering remains a challenge due to the inefficiencies within the judicial system.

5.4 Recommendations of the Study

Multi-Agency approach to combating economic crimes in Kenya is not anchored in law as it was borne out of a presidential directive in 2015; as a result, the Multi-Agency team is marred with bureaucracy, mistrust and rivalry among the participating agencies. The study recommends that the approach be anchored in law so as to eliminate the resultant challenges and enhance efficiency.

Tackling financial crimes such a money laundering is a never-ending battle as criminals continuously devise new strategies to beat financial sector regulators and investigators. Continuous training programs for members of the Multi-Agency teams are vital to provide them with skills and knowledge to detect, investigate, and disrupt money laundering activities effectively.

The study also recommends that the government allocates adequate resources, especially financial resources to facilitate operations and technological resources like block chain analytics, big data analytics and artificial intelligence to enhance the detection and prevention of money laundering.

5.5 Areas for Further Studies

The study focused on the effects of Multi-Agency approach to combating money laundering in Kenya, it did not focus on the role of Mutual Legal Assistance in the fight against the vice, and studies on the same would be insightful since international cooperation is a key component of the fight against financial crime.

Further research could explore the role of professional bodies in tackling money laundering, including the drawbacks they face in developing and implementing effective anti-money laundering regulations.

Lastly, another study should focus on the role of private sector including financial institutions, law firms, real estate companies and casinos combating money laundering.

REFERENCES

Adusote, A. Y., & Akpa, V., O. (2022). Resource allocation and innovativeness of selected SME's in Lagos state, Nigeria. *Journal of Strategic Management*. Vol 7 (2) pp 12-19.

African Union (2019) Domestic resource mobilization: Fighting against and illicit financial flows; African Union Commission Publishing. Addis-Ababa.

Ajetomobi, E. R. (2021). Capacity Building and Performance of Employees in Akoko South West South West Local Government in Nigeria. *Journal of business and management.* Vol. 23(5) pp 14-23.

Best, J & Khan, J (1999). Research in Education (3rd Ed) Prentice u Hall; New Delhi.

Botha, A. E. (2018). Combating financial crime: Evaluating the prospect of a whole government approach. PhD Dissertation, University of South Africa.

Borlini, L. (2017). EU anti-money laundering regime: An Assessment within international and national scenarios. *Journal of Macroeconomics and Finance research*. Vol 7(3).

Checkland, P. (1999). Systems thinking, systems practice: New York. John Wiley & Sons

Chene, M. (2009). Coordinating mechanisms of Anti-corruption institutions. Berlin. Transparency International.

Collins, A. (2016) Contemporary security studies. (5th Ed). New York. Oxford University Press.

Cooper, D., & Schindler, P. (2014). Business Research Methods: McGraw-Hill Irwin; New York.

Cox, T. (2014). The importance of research in determining organizational performance: *International Journal of Management Reviews*. Vol 2(4). Pp14-19.

Creswell, J. (2012). Research Design: Qualitative, Quantitative and Mixed Methods Approaches*:* Los Angeles. Sage Publications.

Dangarembizi, F. & Zemburuka, I. (2020). An Assessment of the impact of training and development on employee's performance in the Namibian Defense Forces at Okahandja. *International Journal of Human Resources Studies*. Vol 10(3).

Denrell, J.(2004).Comment: The Performance of performance: Journal of Management & Governance,8(4),345-352

Devaney *et al* (2021). *A review of International experiences in relation to implementation of a statutory duty for interagency collaboration to ensure the protection and welfare of* *children.* UNESCO child and family research Centre.

DiMaggio, P.J., & Powell, W.W(1991) The new institutionalism in organizational analysis. Chicago. Chicago University press.

Donna, O. K., & Wanjira, J. (2018). Strategy implementation and organizational performance among institutions of higher learning in Kiambu county. Master's thesis. *Kenyatta University*.

Dudovskiy, J. (2018). The Ultimate Guide to Writing a Dissertation in Business Studies: A Step- by-Step Assistance. *Open Journal of Business and Management*, Vol 8(4)

Ejanthkar, S., & Mohanty, L. (2011) The growing threat of money laundering. Capgemini Consulting. Delhi

Etikan, I., Musa, S.A., & Alkassim, R. (2016). Comparison of convenience and purposive sampling: *American Journal of theoretical and applied statistics.* Vol. 5(2) pp5-9

Europol (2023) European financial and economic crime threat assessment: The other side of the coin. An analysis of financial and economic crime. Publication office of the EU. Luxembourg

Eyerma, J. & Strom, J. K. (2018). Interagency coordination between law enforcement and Public health. Department of Justice. Washington DC.

FATF (2021). Opportunities and challenges of new technologies for anti-money laundering and counter terrorism financing. FATF, Paris.

FATF (2022). Mutual evaluation report: Netherlands. FATF. Paris.

Firesibehat, T. (2018). Effects of employee training on organizational performance: A case study of East African Agribusiness *PLC*. Unpublished Master's Thesis. *University of St. Mary's.*

Gasela, M. (2021). Impact of leadership on performance during strategy implementation in Northern Cape based public entities. *Journal of Africa Public Service and Performance Review.* Vol 5(4) pp 16-21

Grant, C. & Osanloo, A. (2014). Understanding, selecting and integrating a theoretical framework in dissertation research. *Administrative issues journal*. Vol. 4(2). Pp 11-17

Jenkins, M. (2019). Interagency coordination mechanisms. The effectiveness of national anti-corruption efforts. Transparency international. Paris

Kairu, M., & Rugami, M. (2017) Effects of staff training on the operational performance of KRA. Journal of strategic management. Vol 2(1) pp 1-18.

Khamis, M. K. (2019). Effects of training on employee performance: A case of Zanzibar Social Security Fund. Published Master's thesis. Open university of Tanzania.

Kibusia, J. K. (2020). Contribution of Multi-Agency approach to security in the fight against terrorism in Kenya: A case of disciplined forces. *Master's Thesis*. Africa Nazarene University

Kimari, M., Gathenya, J., & Kihoro, J. (2018)Influence of training on judicial service delivery in Kenya. The strategic journal of business and change management. Vol 5(1) pp 275-303.

Kirimi, J, M., Kinyanjui, F. K., & Ngari, L. (2022). Adoption of Multiagency Approach in securing Kenya's International Borders. International Academic journal of Arts and Humanities.Vol1(2) pp 394-409.

Kothari, C., R. (2014). *Research Methodology, Methods and Techniques*: New Delhi New Age International (P) LTD publishers.

Kuruppu, C. L., Kaviranthe, C, S., & Kurunarathna, N. (2021). Impact of training on employee performance in selected apparel sectors in Sri Lanka. *Global Journal of Management and Business Research*. Vol 21(2)

Lemarleni, J., Ochieng, I., Gakobo, G., & Mwaura, P. (2020). Effects of resource allocation on strategy implementation at Kenya Police Service. *International Academic journal of Human Resources and Business Administration*. Vol 2(4) pp 1-26.

Manyonge, N, N. (2019). Security forces interagency coordination and terrorism prevention in the cities: A cases of Nairobi City: Master's thesis; University of Nairobi.

McAdam, D & Scott, W., R (2004) Organizations and movements in social movements and organization theory. New York. Cambridge University press.

Meyer, J., & Rowan, B. (1977) Institutionalized organizations: Formal structures as myths and ceremony. American Journal of Sociology. Vol 83 pp 340-363.

Mark, B., Levine, D., & Szabat, K (2016). Basic Business Statistics: Concepts & Applications. New York. Pearson Higher education

Mugenda, M, & Mugenda, O. (2003). Research Methods: Qualitative and Quantitative Approaches, Nairobi; African Center for Technology Studies

Nama, K., Daweti, B., & Laurens, M. (2022*)*. The impact of training and development on employee's performance and service delivery at local municipality in South Africa. *Journal of problems and perspectives in management*. Vol. 20(4) pp 42-51.

Nassazi, A. (2013). Effects of training on employee performance: Evidence from Uganda. Master's thesis; Vaasa University of Applied Sciences.

Njihia, C. (2018). Innovation and use of technology as a strategic tool in small and medium. enterprises operating in turbulent environments: Unpublished Master's thesis. *USIU-Kenya*

Njiru, J. (2021). Effects of employee training on organizational effectiveness in NGO's funded by UNHCR. *Journal of Humanities and Social Sciences*. Vol 11(20).

Noonan, P. M., Erickson, A. G., & Morningstar, M. E. (2013) Effects of Community Transition Teams on Interagency Collaboration for School and Adult Agency Staff. *Journal of Career Development and Transition for Exceptional Individuals*, 36(2), 96–104. https://doi.org/10.1177/2165143412451119

OECD (2021) Fighting tax crimes: The ten global principles (2nd Ed) OECD publishing. Paris.

OECD (2017), Effective Inter-Agency Co-operation in Fighting Tax Crimes and Other Financial Crimes (3rd Ed) OECD Publishing, Paris. http://www.oecd.org/tax/crime/effective-

Omollo, N, F., Ngacho, C., & Onyango Y. J. (2020). *Effects of resource allocation on the performance of South Nyanza Sugar Company*. International Journal of Social Sciences

Omosa, J., Onyango, M., & Onditi, A. (2018). Influence of employee training on organizational performance. A case study of Kisii County. *International Journal of Advanced Research*. Vol. 6(10) pp 35-40

Orodho, A, J. (2009). Elements of Education and Social Sciences Research Methods *(2nd Ed);* Maseno. Kenezja Publishers.

Oso, W, Y. & Onen, D. (2011). Writing research proposal and report: A handbook for beginning researchers. Nairobi. The Jomo Kenyatta foundation.

Papadimitriou, C., Anastasiadou, S., Kanteos, G. (2022). Effects of human resource practices on quality of service and organizational performance in Cypriot urban hotel industry. Retrieved from: https://ceur-ws.org/Vol-3293/paper65.pdf

Rahi, S. (2017). Research Design and Methods: *International Journal of Economics and Management Sciences.* Vol 6 (2), pp5-11

Republic of Kenya (2015). *Report of the taskforce on the review of the legal, policy and institutional framework for fighting corruption in Kenya.* Government Printer. Nairobi.

Republic of Kenya (2021). The national money laundering and terrorism financing risk assessment report. Government Printers. Nairobi.

Republic of Kenya (2023). Update on the national money laundering and terrorism financing risk assessment report. Government Printers. Nairobi.

Rudich, D. (2021). *Kenya illicit finance risks and assessment.* The Sentry.

Schroeder, W. R. (2010). Money laundering: Global threat and international community's response. *FBI law enforcement bulletin*. Washington DC

Serrano, R. (2003) what makes interagency coordination work? Insights from literature and two case studies. New York. Inter-American Development Bank

Suter, C. F. (2021). The enforcement aspects of combating money laundering in Kenya. Unpublished Master thesis. Strathmore University

Thoithi, M., Kamau, J., & Owino, E. (2020) Fraud and economic crime: Opportunity in the face of adversity, Pricewaterhouse Coopers. Nairobi. Kenya.

United States Department of State (2022). International narcotics control strategy report: Money laundering. Bureau of International Narcotics and Law enforcement: Washington DC. Department of State.

UNODC (2022). World drug report. UNODC Research. Brussels.

Wanjiku, L. N., & Anyieni, A. (2022). Effects of resource allocation on performance of Nyandarua County assembly. *International journal of scientific and research publications.* Vol 4(3).

Weiss, Janet A. (1987). "Pathways to Cooperation Among Public Agencies" in Journal of Policy Analysis and Management 7: 94-117.

Wells, J., *et al*. (2021) *Fraud Examiners manual (2021 Eds).* Austin, Texas. ACFE

World Bank (2019). *Preventing money laundering and terrorism financing: A practical guide for Bank Supervisors*. World Bank. Washington DC

APPENDICES

APPENDIX I: Letter of Introduction

I am Tonny Omondi Juma, a postgraduate student enrolled in the Master's program at Africa Nazarene University. I am now engaged in a research endeavor investigating the effects of Multi-Agency approach in the combating of money laundering in Kenya. As a knowledgeable individual in the field of research, I kindly invite you to engage in this study by diligently filling in the questionnaire with utmost honesty. I assure you that any data provided will be handled with utmost discretion and exclusively utilized for the objectives of this research endeavor. I express my sincere gratitude for your valuable support and collaboration.

Sincerely,
Tonny Omondi

APPENDIX II: Research Questionnaire

Section A: Biodata

Please respond to the questions in a suitable manner by marking your answer with a tick [√] or by completing the designated blank spaces.

1). What is your gender

Male [ ] Female [ ]

Please the level of education attained?

a) Secondary [ ]

b) Diploma level [ ]

c) Undergraduate [ ]

d) Masters [ ]

e) Doctorate [ ]

3) Which of the following agencies are you attached to?

a) KRA [ ]

b) ARA [ ]

c) EACC [ ]

d) DCI [ ]

e) NIS [ ]

f) FRC [ ]

4) For how long have you worked within the Multi-Agency framework?

a) Less than one year [ ]

b) 1 to 5 years [ ]

c) 5 to 8 years [ ]

Section: B Models of Multi-Agency cooperation and coordination

1)How does your agency cooperate and coordinate with other agencies combating money laundering?

a) By being part of a Multi-Agency centre of excellence/Fusion centres. [ ]

b) By conducting joint operations/investigations with other agencies [ ]

c) Appointment of liaison officers/contact points with other agencies. [ ]

d) Secondment of personnel to other agencies tackling money laundering [ ]

e) Using common databases. [ ]

f)Signing of MOUs with other agencies [ ]

2) Choose the option that best describes your opinion on the benefits of adoption of Multi-Agency approach in the fight against money laundering in Kenya.

Benefits of Multi-Agency	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
Ease of access to information				
Improved investigative capabilities				
Reduced duplication of roles among agencies as a result of coordination				

3) Choose the option that best describes your opinion on the effectiveness of adoption of Multi-Agency approach in the fight against money laundering in Kenya

Effectiveness of Multi-Agency	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
Adoption of Multi-Agency approach has led to increased freezing of proceeds of crime.				
Multi-Agency approach has led to				

increased prosecution of money laundering cases.				
Multi-Agency approach has increased the rate of conviction of perpetrators of money laundering.				
Multi-Agency approach has led to increased forfeiture/confiscation of proceeds of crime				

4)In your opinion, how effective has adoption of Multi-Agency approach been in combating money laundering in Kenya?

a) Very effective [ ]

b) Effective [ ]

c) Neutral [ ]

d) Least effective [ ]

e) Non effective [ ]

Section C: Effects of allocation of resources to Multi-Agency teams combating money in Kenya.

1) What resources have been mobilized for Multi-Agency teams combating money laundering in Kenya?

Resources	**Yes**	**No**
Qualified personnel		
Office space and equipment		
Access to relevant databases		
Access to analytical tools		
Financial resources/Operational funds		
Motor vehicles		

2) In your opinion are the resources mobilized adequate in combating money laundering in Nairobi, Kenya?

Yes [ ]   No [ ]

3)If your answer is NO, what more resources do you think should be allocated to Multi-Agency teams combating money laundering in Kenya?

…………………………………………………………………………………………

……………………………………………………..……………………….………

………………………………………………………………………………………….

……………………………………………………...

4)To what extent do you agree with the following effects of allocation of resources to Multi-Agency teams combating money laundering in Kenya?

Effects of allocation of resources	Strongly Agree	Agree	Disagree	Strongly Disagree
Improved staff morale due to manageable work loads				
Easy access to relevant databases for forensic investigations				
Ease of data analysis due to availability of data analysis tools				

3) What is your perception on effectiveness of allocation of resources to Multi-Agency teams combating money laundering?

a) Very effective [ ]

b) Effective [ ]

c) Neutral [ ]

d) Least effective [ ]

e) Non effective [ ]

Section D: Effects of training and capacity building arrangements available to Multi-Agency teams combating money laundering in Kenya.

1) Are there any local training and capacity building arrangements available for MATs combating money laundering in Kenya?

Yes [ ] No [ ]

2) Have you attended any relevant training outside the country/or offered by an institution based overseas?

Yes [ ] No [ ]

3) If your answer is Yes, list the foreign institution(s) where you attended training.

4)What specific areas are you trained on during training?

a) Conducting financial investigations [ ]

b) Data analysis [ ]

c) Money laundering techniques [ ]

d) Asset profiling and tracing [ ]

e) Handling classified information [ ]

Others…………………………………………………………………………………

……………………………………………………………………………………

……………………………………………………………………………………

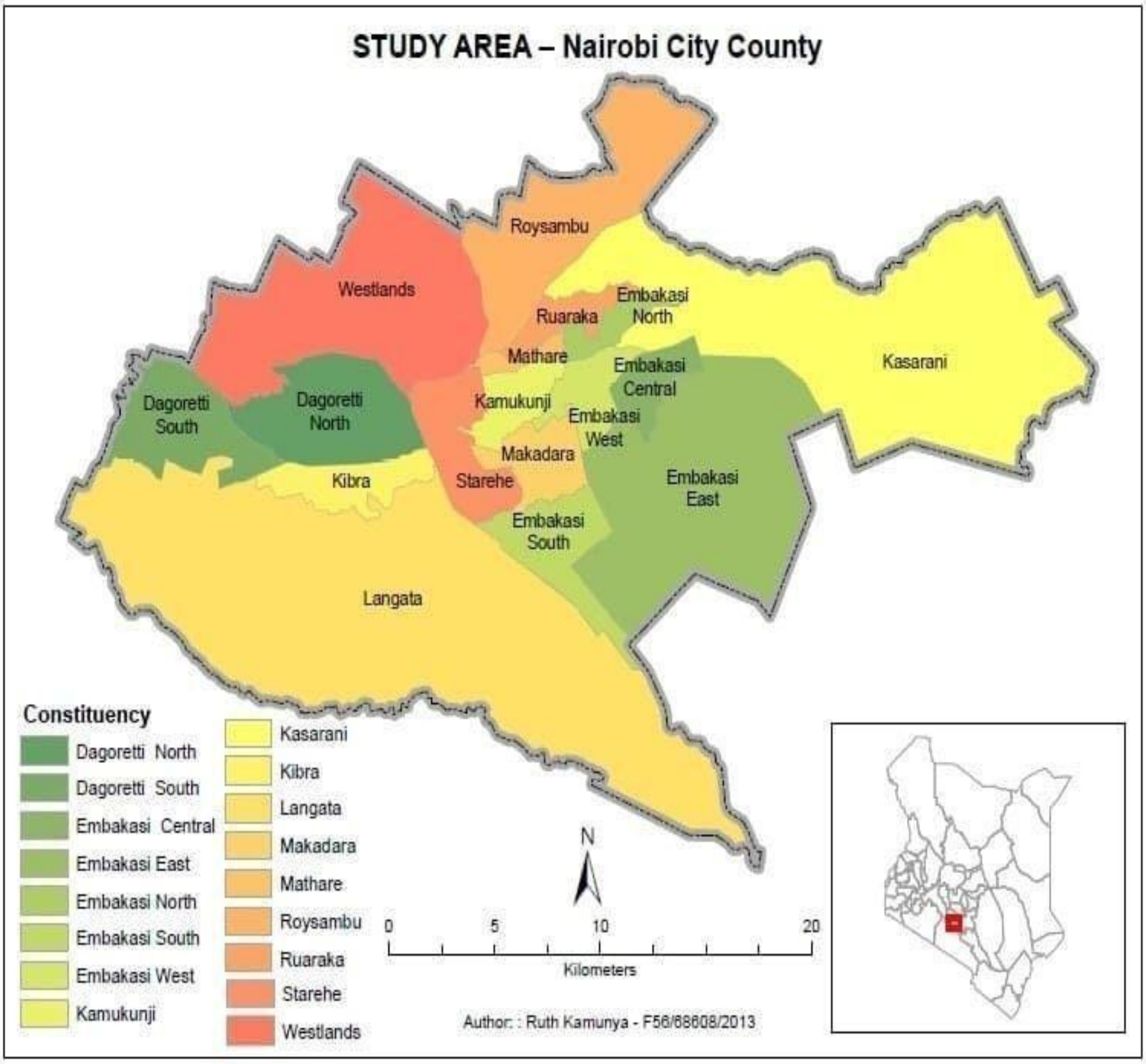
3) Was the training tailor made/relevant for your work requirements?

Yes [ ] No [ ]

4) To what extent do you agree with the following effects of training and capacity building arrangements available to MATs combating money laundering in Kenya?

Effects of training and capacity building.	**Strongly Agree**	**Agree**	**Disagree**	**Strongly Disagree**
Enhances employees skills, knowledge and competence				
Boosts employees morale				
Leads to improved employee performance				
Training inclines employees to organizational goals				

APPENDIX III: Study Area



APPENDIX IV: Authorization Letter

AFRICA NAZARENE
UNIVERSITY

P.O.Box: 53067 – 00200
Nairobi, Kenya.
Tel: 020 252 7170/1 – 5
Email: vc@anu.ac.ke
www.anu.ac.ke

29th January 2024

RE: TO WHOM IT MAY CONCERN

Juma Tonny Omondi (20S01DMGP006) is a bonafide student at Africa Nazarene University. He has finished his course work and has defended his thesis proposal entitled: -

"Effect of Multi-Agency Approach in Combating Money Laundering in Nairobi, Kenya".

Any assistance accorded to him to facilitate data collection and finish his thesis is highly welcomed.

Prof. Rodney Reed
Deputy Vice Chancellor, Academic & Student Affairs

Appendix V: NACOSTI Permit

REPUBLIC OF KENYA

HARAMBEE

NACOSTI

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 282255 **Date of Issue: 18/March/2024**

RESEARCH LICENSE

This is to Certify that Mr.. Tonny Omondi Juma of Africa Nazarene University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECTS OF MULTI-AGENCY APPROACH IN COMBATING MONEY LAUNDERING IN KENYA for the period ending : 18/March/2025.

License No: **NACOSTI/P/24/34086**

282255

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

See overleaf for conditions