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The Current Ethical Challenges in the Nigerian Commercial Banking Sector

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Keywords : *commercial bank, ethics, unethical activities, BOFIA act, poaching, balance sheet, engineering, round training, CIBN (chartered institute of bankers of nigeria), APCON (advertising practitioners council of nigeria).*

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I. Introduction

a) The Nigeria Commercial Banking System and Ethical Challenges

Hassan K. (2000) sees the commercial banks as profit making oriented financial institutions set up for keeping and lending money and other valuation items for the purpose of making profit. Commercial banks are joint stock establishments structured to conduct banking business; that includes the business of receiving deposits on current account, savings account or other similar accounts paying or collecting cheque drawn by or other business as the governor of the Central Bank of Nigeria may include as the functions of the commercial bank.

Ogunbi and Ogunseye (2005) opined that there are basically three types of banking system. These include, the unit banking system, which is a method where all the departments of the bank operate under the same roof. The evidence of such a system is found in the Community Banks which are established and located in communities to serve the banking needs of the communities. They cannot branch out.

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In the branch banking system, the head office of the bank is located in the commercial nerve centre of the country or political headquarters of the country or state of the promoter (Ogunbi and Ogunseye, 2005). Branches of the banks are spread across the nooks and crannies of the country but are connected online to the headquarter to facilitate smooth operation. The Nigerian banking system can be seen as the branch banking system save for the establishment of the community banks.

The universal banking systems came into being as a fall out of the globalisation and internationalisation of the financial system. Under this procedure a bank is established to perform some basic commercial, merchant and developmental banking functions, in addition to carrying out ancillary financial functions like insurance, stock broking, agency services and the likes.

From the above explanations, the Nigerian banking system is graduating from the branch banking system to the more modern and much more rewarding universal banking system, so that it can work within the global thinking in the new world economics banking and financial order.

Commercial banks, the focus of this paper are retails banks that deal in short term money and credit Ogunbi and Ogunseye(2005). They are seen as the institutions that deals in money and credit and receives deposits from surplus spenders (which could be any of the economic agents, household, firms or government) repayable partly by cheque and partly by cash.

Commercial banks by their nature in a developing country like Nigeria perform some basic function.

Hassan (2000), Ogunbi and Ogunseye (2005), Anyanwu (1993), Umoh (2004), Donli (2004) enumerated the functions of commercial banks in Nigeria as thus;

- Facilitating business transactions through the use of cheques,
- Performing ancillary services like the issuing of letters of credit, drafts, transfers on behalf of their customers, bills drawn on the authority of letters of credit; discount bills and promissory notes,
- Commercial banks assist in the acquisition of stocks, shares either in the primary or secondary markets with their experts in their investment banking units, they assist the customers to trade in the capital market.

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- They act as attorneys, executors and trustees especially where the memorandum of association authorises it, or else they can take advantage of the default clause under S. 38(1) of CAMA 1990.
- Commercial banks act as agents and deposit mobilisation through current (chequing) or demand deposit accounts, saving accounts or time or fixed accounts.
- They are agents in safe-keeping of valuable goods, documents and customer particulars. This can be through bailment – bailor – bailee relationship over bailed goods like jewelleries, certificate of occupancy, educational and academic certificates and transcripts.
- They are agents of lending/credit creation on the satisfaction of core lending principles, such as suitability. Safety represents the fall back option or simply pure collateral. Ogunbi and Ogunseye (2005). Collateral takes the shape of stock or share certificates, landed properties or life insurance premium. Suitability deals with the situation where the purpose of the loan does not antagonise the prohibited areas i.e. the purpose of the loan should be in conformity with government policy, e.g. a loan to finance illicit trade or drugs or murder or any other form(s) of illegality will not be acceptable.
- Commercial banks act as agents in the payment system. Through this process, rent and rates, insurance premiums, periodic remittances to professional institutions, insurance companies (direct debit system), children in academic institutions outside the home country or states, and any other forms of standing instructions or direct debit system are performed.
- Assisting in saving mobilisations and as a catalyst for capital formation which is necessary for investment in the economy.
- Commercial banks facilitate trade and travels by making foreign exchange transactions available at competitive rate. Ogunbi and Ogunseye(2004).
- They encourage private, corporate and business people to purchase government treasury bills and development stocks which is a sufficient ingredient in boost investment in the Nigerian economy.
- They facilitate business transactions by making the use of cheques, bank-drafts and other financial documents possible. Ogunbi and Ogunseye(2004).
- They assist in providing short, medium and long term loans through the creation of loans and advances. This is used by the investors to develop the productive sectors of the economy.
- The commercial banks invest directly in the productive sectors of the economy through collaborative efforts and acquisition of shares in reputable blue chip companies.
- They give technical and financial advice to their clients in matters relating to investments, new acquisitions, portfolio re-structuring and diversification (Ogunbi, 2000).
- Commercial banks are agents in facilitating international transactions, through the procurement of foreign currencies, travellers cheques and affecting trade payments through their correspondent bank.
- Finally, they give reference reports on the integrity and financial standing of their customers where the customers are directly involved or indirectly requested to comment on their perceived assessment of their customer's capability to make reference report or stand ad referees to other people or institutions.

Among the Nigerian industrial sectors today, one can say that the commercial banking industry is the most visible and arouses the one of the most public interest (Adeyemo, 2012). This also raises the interest in the ethical challenges facing the banking industry. Olisimbye (1999) opined that the banking sector has become of the most critical sectors and commanding heights of the Nigerian economy with the wide implications on the level and direction of economic growth and transformation of Nigeria. But unfortunately presently, the much respected, cherished and time valued integrity and survivability of the basic functions of the Nigerian commercial banks have been called to question due to the unethical practices such like incessant frauds and accounting scandals. Ayozie (2012), Adeyemo (2012), Oseni (2006) opined that the incessant frauds in the commercial banking sector and unethical challenges stressed that the "spate of fraud in the Nigerian commercial banking sector has lately become a source of embarrassment to the nation, as apparent in the seeming attempts of the law enforcement agencies to successfully track down the culprits.

In the performance of these functions to their customers, certain ethical issues are raised. The determination of right and wrong, positive or negative performance, based on the individual or organisational involvement in the satisfaction of the banking customers is always questioned. The ethical, negative or wrong performances form the focus of this paper. What are they, and how can it be corrected.

Ethics in the context of this paper involves on what is right and wrong, or moral conduct pertaining to any aspect of the performance of the banking functions in Nigeria by the commercial banks.

Ethics consists of certain rules and standards of conduct recognised as binding in a professional body or an association. Obeng (1990).

Ethics and morality will be used interchangeably and considered synonymous with societal ideas of honesty, honour, virtue and integrity in matters of commercial banking in Nigeria.

Ethical issues are principles that serve as guidelines for both individuals and organisations.

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Morality refers to certain standards of behaviour which makes a person to be regarded by his/her community as being virtuous or upright in character. Obeng(1990).

Morals are beliefs or principles that individuals hold concerning what is right and what is wrong in a community or society. Clow and Baack(2004).

Ethics consists of certain rules and standards of conduct recognised as binding in a professional body or association. The banking, marketing, legal, advertising or medical associations has certain rules of conduct that guides the members in the performance of their professional duties to the public at large. These ethics specify the duties the practitioners of these professional bodies owe to themselves, to each other and owe to the general public in practising their professions. Obeng, (1990).

Chandan, et al (1990) defined ethics as a "theory of morality which attempts to systematize moral judgements and establish and defend basic moral principles".

As this definition suggests, moral principles and moral judgements are also subjective in nature and depend much upon the value system of an individual or society. But how do you determine the validity of the value system of the individual or the judgement about his/her ethical behaviour.

For example, killing or lying in itself may be unethical in some religions, but acceptable in others as a means of entering heaven. But killing or lying to save a life might become ethical. A terrorist to a government or a nation may be a killer, armed bandit or an immoral criminal. But to his own terrorist, religious or ethnic group, he/she is regarded as a freedom fighter or a hero. Killing someone may be religiously unethical, but nations yearly decorate war heroes based upon the number of enemies killed in war situations, or in counter terrorist activities.

From the above discussions, it is somehow easy to define ethics, but a bit difficult to identify what is ethical and what is not (unethical);

- How do we determine what is an ethical conduct in the commercial banking industry?
- Does ethical conducts in the banks have a universal application?
- Does commercial banking ethical conducts differ in time and from one bank worker to another from one time duration to another?
- Does the concept of ethical conduct in the bank depends on the religious background of the sponsors or owners of the banks?
- Does ethical conducts in banks vary with time?

These questions and many more becomes very expedient because the wearing of clothes (mini or maxi skirts, trousers and certain blouses are tolerated by certain religious sects and abhorred by others. What constitutes the definition of decent dressing? Does religion have any role to play in the commercial banking industry or in determining ethical conducts?

Based upon these questions, controversies and dilemma about the universal, acceptability of what constitutes ethical standards especially amongst the professional groups. Chandan (1990) further asked a number of related questions to solve the puzzle on ethical behaviour.

- Is there a set standard against which ethical standards can be measured? Or is there a situational code of ethics according to which the ethical merits of an activity or professional body can be measured and evaluated?
- Is the evaluation of ethical and unethical conduct(s) consistent among cultures and countries?
- Does it vary from one individual to another? Who (group or person(s)) decides on what is right or wrong?
- Is it the individual(s) family, professional institutes, associations, religious bodies (faiths) or the community?

Chandan (1990), Ayozie (2012), Chandan, et al (1990), Clow and Baack (2004) opined that the concept of ethics and morality does not only differ in interpretation and application, but also differs from culture to culture, and from one community to another. With changes to the moral values over time in Nigeria, Ayozie (2012) reported of study in the Nigerian Guardian (2012) Newspaper on certain subjects.

For example the issue of gay/same sex marriage was illegal 150 years ago in America, but has been legalised and acceptable as a way of life and marriage in the United States, United Kingdom, France and other European countries, as President Obama/ Prime Minister David Cameron is forcing and cajoling African countries to accept gay marriages. In churches in the western world and United States gay priests are allowed to preach and administer marital vows. But such practices are not only illegal in African countries, especially Nigeria, but morally and culturally unacceptable by all the religious faiths, including traditional worshippers. Gambling used to be widely condemned in the past. Now even the churches and individuals run baazar, bingo, auction, and lottery games to raise fund which is a form of gambling. Pre-marital sex was a taboo and morally unacceptable in the past. Today, couples live together and have children outside wedlock/marriage (live-in-lovers) or live as partners.

So how do we determine the validity of the value system of the individual or the judgement about the ethical behaviour?

In different countries and economies there is a lack of consensus about what is an ethical conduct.

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Consensus notwithstanding, I will identify banking practices, and commercial banking functions that are susceptible to ethical challenges in the modern day Nigeria.

The absence of moral values that has permeated every aspect of the Nigerian life, has equally directly and indirectly affected the financial services industry and in this case the commercial bank. The customers and the public believes that majority of the malpractices, bank frauds, and dishonesty in the commercial banks are perpetrated by insiders or with the very active connivance of the bank staffs and outsiders (customers). The multiplication and spread of bank frauds, unethical and unprofessional conducts presently in the commercial banks and within all the cadres of bank staff (Directors, Seniors, Middle and Lower Bank workers) is gradually eroding the public confidence in the Nigerian banking system.

II. What are These Unethical Practices

Unprofessional and unethical practices and behaviour are summarised as the abuse of the confidence, trust and interest the customers and public reposes in the directors, managers and staffs of the commercial banks.

These unethical practices are reflected in various forms and levels in the commercial banks Donli (2004), Ayozie (2012), Business Day (2004). Some and by no means the exhaustive unethical practices include the following:

a) Having Undue Access and Tampering with the Customers' Accounts

There had been reported cases in the print media, followed by customer complaints against undue access and manipulation of their accounts, both active and dormant, by the bank staffs. Bank staffs engage in unauthorised withdrawals from customer's accounts, unauthorised overdrafts, unauthorised lodgements and operations of the account, fictitious charges, payment of cheques and other banking instruments of commercial bank personnel against customer accounts, and the operation of fictitious accounts, or operating the accounts of dead bank customers. In most case customers that have relocated overseas or to other part of Nigeria, have had their bank account closed or made dormant. Customers who for job loss, have not operated their accounts for sometimes, have had their accounts make dormant by some dubious bank workers. To conceal most of these atrocities, commercial bank workers of different cadres engage in the manipulation of book keepers throw-out-items operated unethically and dubiously just for account reconciliation.

b) Conversion of Cheques or Cheque Conversion

Many bank directors and top management staff have been prosecuted by the Economics and Financial Crimes Commission (EFCC) for this type of sundry offences and others. EFCC have gained convictions and assets recoveries and plea bargain from very top bank official (e.g. Cecilia Ibru). Many bank in the past have had their banking licences revoked (Peak Merchant Bank in 2004). The commercial banks recklessly and dubiously converted FIRS cheque valued at Billions of Naira. The bank officials exploited the loopholes in the clearing system to divert funds into accounts other than that of the payee stated in the cheque. The clearing process which is only known to the bank workers, only confirms that the drawer's account is debited and funded. There was no control outside the collecting bank to ensure that the proceed and funds is credited into the right account. Because of the prevalent moral decadence in the Nigerian society and low ethical standards, this obnoxious malpractice thrives in the commercial banks. Some financial institution and commercial banks engaged in name-dropping of reputable multinational and blue chip companies to raise fictitious commercial papers and the funds are later converted for other personal and non-banking needs.

c) Outright Breach of Trust

Some commercial banks have in the past dishonoured their own managers cheques. This exemplifies the poor internal control system of the commercial banks although they might claim to have a genuine reason for their actions. Banks have also out-rightly refused to perform on crystallised guarantees, claiming that it will amount to loss.

d) Commercial Bank Frauds

Frauds can be described as a conscious premeditated action of a person or group of persons with the intention of altering the truth and or fact for selfish personal monetary gain. It involves the use of deceit and trick and sometimes highly intelligent cunning skill. The action usually takes the form of forgery, falsification of the documents and signatures. It also involves outright theft. Employees and customers of banks engage in certain degrees of fraudulent practices throughout the world. Fraud is not an inhuman behaviour.

Perry (1984) examined fraud and forgery as not only forging of another person's signature, but also the act of counterfeiting of coin, notes or documents, falsifying a document whether in a material particular or in copying of another person's signature or illegally using another person's signature.

Randiwkz (1979) classified fraud with white collar crime and defined them as illegal acts characterized by deceit and concealment, force or violence or threats thereof within the broad class of white collar crime.

Young (2002) hunted of the ample evidence which exists to show that individual integrity of those

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managing/running the commercial banks are not a higher level now. Ogwuma (1985) stated that although the existence of frauds in the banks is not an uncommon or unexpected behaviour, its prevalence now is very worrying.

The term fraud is defined in different ways by different authors. Boniface (1991) defined fraud as "any premeditated act of criminal deceit, trickery or falsification by a person or group or persons with the intention of altering facts in order to obtain in due personal monetary advantage. It usually involves the perpetration of some forgery or falsification of documents or illegal authorisation of signature. The certified fraud examines in Adeyemo (2012) defines fraud as illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent on the application of threat of violence or of physical forces. Frauds are normally perpetrated by individuals and organisations to obtain money, property or services to avoid payment or loss of services or to secure personal or business advantage. The Collens English in Adeyemo (2012) defined fraud as "deceit, trickery, sharp practice or breach of confidence, perpetrated for profit or to gain some unfair or dishonest advantage. Ojo (2008) concluded by stating fraud arises when a person in a position of trust and responsibility digresses from some agreed standards, breaks the rules to advance his personal interest at the expense of the interest of the public (customers).

From these definitions, it is apparent that fraud is a noticeable unethical practice by a privileged bank worker who takes undue advantage of a vulnerable/ weak customer. Frauds have many classifications but this paper restricts the classifications to four noticeable areas. Adeyemo (2012) classified them as;

a) Insider non-management fraud – These are perpetrated mostly by bank employees.

b) Outsiders/Insiders – This involves the collaboration of the bank staff and outsiders as explain below.

c) Outsiders fraud – This includes the customers and/or non-customers of the commercial banks.

d) Management frauds – This involves the management of the commercial banks.

For the purpose of this paper which involves the unethical challenges of commercial bank works, the insider, outsider/insider, and the management frauds would be explained. This discussion is just to reveal the unethical challenges facing the commercial bank workers.

a) The insider or non-management frauds are perpetrated by the employees and non-management staff of the commercial banks. This entails the application of fraudulent means to obtain money or other property from the commercial bank. Robertson (1996), Olatunji (2009) included that insider frauds in the commercial banks involves falsification, lying, exceeding authority, violation of the bank/employers policies embezzlement of the bank funds using in the form of cash or other assets.

Boniface (1991) some of the manifestations of employee frauds in the commercial banks includes the following unethical practices;

- Suppression of cash/cheques.
- Computer fraud which takes the form of alteration of the programmes or application packages, or bursting into the computer system through remote sensors. Diskette or flash drives can also be tampered with by bank employees, so as to gain access to unauthorised domains or give credit to accounts for which the funds were not intended. This kind of fraud can remain undetected for a long period of time.
- Diversion of fund by bank staff. Here the bank staff diverts customers deposits and loan repayments, tap customers funds from interest in suspense accounts from the banks.
- Cash thefts from the Tills and ATM machines by banks staff, or with connivance by the bank staff.
- Stuffing of fake/counterfeit currency notes in ATM machines by bank employees.
- Forgeries of customer's signatures with the intention of illegally withdrawing money from the account with the bank.
- Using forged cheques to withdraw money from customers' accounts.
- Opening and operating of fictitious account to which illegal transfers could be made and false balances credited.
- Claiming of overtimes for hours not worked.
- Lending to fictitious borrowers affected through fictitious accounts opened at a branch of the bank.

b) Outsider/Insider fraud – This involves a collaboration of bank employees/staff and outsider and customers for the purpose of defrauding the bank. For any bank outsider/customer to succeed, more often than not, there must be an insider who is providing information and other logistic support to the outsiders to succeed. (Adeyemo, 2012).

c) Management fraud – This type of fraud is normally committed by the management staff of the banks, which normally comprise of the board of directors, chairman, directors, managing directors and general manager. This is an embarrassing unethical practice as funds are held in trust for the investors by top management. The victims of this fraud includes the investors and creditors, and the medium for perpetrating this fraud is through the

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financial statement. The reasons for this type of fraud includes the 'painting/showcasing the bank in good light in the eyes of the regulatory bodies like CBN, NDIC (Nigerian Deposit Insurance Corporation), NASB (Nigerian Accounting Standards Board) and the need to pull in more investment from both the existing and potential shareholders of the organisation. Management always commit this fraud which is an unethical conduct.

Fakunle (2006) defined management fraud as the manipulation of records and accounts typically by the commercial bank's senior staff with a view to benefiting in some direct and indirect ways. Deception and deprivation are the main elements fraud, and management fraud satisfies this requirement.

Ajisebotu (2006) stated that management fraud has some basic elements which are;

- The damage suffered by the victim.
- A material false statement.
- Knowledge of the falsification (statement) and lastly the reliance on the false statement by the victim (customer).

The Association of Certified Fraud Examiners (ACFE) opined that this fraud manifests itself through overstatement of assets and revenues or understatement of liabilities and expenses, but is normally carried through five methods;

- Concealed liabilities and expenses,
- Fictitious revenues,
- Improper and or inadequate disclosure
- Improper asset valuation
- Timing differences

d) The outsiders frauds are perpetrated by customers and non-customers of the bank and the common methods according to Onkagha (1993) are; advance fee fraud (a.k.a. 419), forged cheques, cheque kitting, account opening fraud, counterfeit securities money transfer fraud, letter of credit fraud and clearing house fraud.

III. Why are Frauds Committed in Nigerian Commercial Banks (Causes)

Ojo (2008) classified the causes of fraud and forgeries in commercial transaction, under to generic factors. The causes include the unethical involvement of commercial bank staff which is the focus of this paper. two classifications are: Ojo (2008), Endogenous or institutional factors and Exogenous or environmental This applies more to the institutional factors. The factors.

a) The endogenous/institutional factors which covers the focus of this paper and are unethic al practic e by the bank staff are;

- Poor book-keeping by bank staff.
- Genetic traits – which are trans-generational (or inherited) attributes possessed by the staff, that propels them (him/her) to engage in bank frauds e.g. some inherited it from their parents, or pathological kleptomaniacs who steals just for the fun of it or for conquest are not suited for professional bank jobs.
- Inadequate infrastructural facilities, e.g. poor communication systems and incessant power failure results to a build-up of unbalance postings.
- The overcrowding of office space(s) encourage staffs to commit bank fraud.
- A weak accounting and poor weak internal control system.
- Ineffective/poor internal auditing system.
- Inadequate supervision of subordinates by superiors.
- Staff disregards for ("KNC") Know your customer rule.
- Poor data base management and information communication technology (ICT).
- Conflicting, ineffective, and helpless personnel policies.
- Disparity in the salary structure between certain categories of staff with almost te same qualification e.g. HND and BSc graduates.
- Poor salaries and conditions of services.
- General frustrations occasioned by management unfulfilled promises to the staff and the bank union members.
- The employee/staff refuses to abide by laid down procedures, including sound ethical conduct, and most times without any sanction or penalty.
- Failure to engage in regular call-over.
- The commercial bank's reluctance to report fraud and place a disclaimer on convicted ex-staff due to the perceived negative publicity and destruction of the bank brand/image. This encourages more fraud.
- The banking experience of employees.

Commercial bank frauds occur more and at a higher rate of recurrence among staff with little experience and knowledge in financial matters. The more experience and knowledgeable a bank employee is, the less probability that frauds would pass such staff undetected unless with the active support of that staff (Adeyemo, 2012).

The literature of Alahi (1994) identified fraud causes under two headings or classifications. These are;

i. Institutional factors
ii. Societal environmental factors

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The institutional factors are those are traceable to the internal environment of the commercial bank, while the environmental/societal factors include those outside the banking industry.

Some of the common causes in Alashi (1994) of the institution fraud factors are;

- Inadequate infrastructures.
- Delays in procuring documents.
- Lapses in management control systems of corporate customers.
- Negligence by the customer.
- The huge volume of work done by the staff, which makes it difficult to detect the bank frauds by staff.
- Few bank workers, doing heavy volume of work.
- Low banking experience of workers.
- Inadequate/lack of training.
- Very poor management/management style.
- Poor recruitment system.
- Poor security arrangement.
- Unnecessary use of sophisticated accounting machines, making human interaction and supervision minimal.
- Frustrations on the job and lack of motivation to work.
- Lapses in the management control systems of corporate customers.

The societal/external environmental causes are;

- Slow and tortuous legal processes delays in the prosecution of fraud cases. A frustrated party due to long adjournments and delays might likely abandon a case, and this will lead to miscarriage of justice.
- Non/late reporting of frauds to the police or supervisory bodies.
- Societal emphasises on wealth and money as a symbol of achievement. Ayozie (2012)
- Low societal values/moral.
- Lack of specialised manpower (i.e. forensic investigators) for the investigation of fraud.
- Lack of effective punishment/deterrent.
- Fear of negative publicity to the banks.
- Frequent adjournment of court processes. This night frustrate an applicant and favour the defendant who committed the fraud.
- Fraudulent activities of prosecuting officers and connivance with the judges to release some defendants accused of fraudulent activities.
- Unnecessary and abuse of the plea bargaining process by the bank workers and prosecutors.

b) In all the classifications of fraud, the authors all agree that fraud leads to loss of money which belongs to the customers or the bank. The image and reputation of the bank is also negatively affected as customers' morale is low. The loss of money lead to reduce level of resources, which hampers the operation of the bank and this might lead to loss of patronage.Other effect includes loss of confidence in banks by the customers. So a commercial bank should set good ethical conduct aimed at promoting a healthy banking habit, which will be profitable to the bank and to the customers (Ayozie, 2004).

Majority of the commercial banks have been affected by one form of bank fraud or the other, by insider bank staff. Bank frauds come in various degrees and forms, and have been committed by bank staff at every level, but the greatest fraudulent acts are generally perpetrated by the experienced bank staff of most commercial banks who have gained sufficient knowledge, trust and control over a specific area, department and branch of the commercial banks. The risk to the banks reputation in the nation due to bank fraud is not quantifiable, but mostly enormous, so the risk to the image of the bank by bank staff who engages in fraud should be an ongoing concern. The saving grace is that most of these bank losses occasioned by bank frauds are covered by the relevant insurance policies. There have been reported cases of commercial bank forgeries and fraud which is on the steady increase. The losses that emanated from such fraudulent practices as payment on forged instruments, diversion of customer funds into other accounts, especially those owned by the bank staff and their accomplices, defalcations, illegal transaction in travellers cheques using active and dormant customer accounts without necessary authority and approval, and recycling of cheques, are most common cases of fraud and unethical practices by the bank staff. Most banks because of image, reputations and customer perception failed to report cases of fraud and forgeries to the relevant authorities like EFCC, CIBN, CBN, and to the Nigerian police authorities, as the actual quantum of commercial bank forgeries and fraud in the system yearly, far exceeded the figures reported by the Nigerian media. In majority of these cases, there were the actual involvements of insiders, most who are bank staff, and experienced directors of the bank.

c) Credit Facilities Granted Internally (insider related credits)

The Banks and Other Financial Institutions Act (BOFIA 2002) provides against the abuse in granting credit to insiders in a commercial bank or financial institution. The Act (2002) defines who a director is, and the specific conditions for granting credit to such persons. This and other measures by the regulatory authorities notwithstanding, non-performing insider related credits more than any other factor, accounted for the collapse of most of the commercial banks that went into liquidation and some other ones that were

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recapitalised in the last ten years. It went so bad that one or two directors accounting for over 90% of a bank's entire loan portfolio. Even when the danger of such concentration is brought to the notice of the bank directors (perpetrators), there is obvious reluctance to bring the indebtedness down to within the single obligor limit. Business Day (2004). This practice is made more virulent by concealment which the regulators might not detect early enough, until the health of the bank has been terminally impaired. There is also the practice of endless role-over of non-performing insider credit at very ridiculous lower rates of interest, to favour the perpetrators.

d) Dealings in Securities by Insiders (Bank staffs and their associates). Insider Dealings in bank Securities

With the crash of Enron, Worldcom, and the liquidation of most prominent commercial banks in Nigeria, there is now the revelation of unreasonable exuberance in the capital market. The crash had a tremendous impact on the U.S. and Nigeria capital markets, with the revelation of insider dealings, including abuses relating to stock options. The Securities and Exchange Commission (SEC) in the past ten years had black listed many employees of various stock broking firms for gross insider abuses and unethical and unprofessional activities, which includes clothing shares of multinational and blue chip companies and selling the shares to the uninspecting members of the Nigerian public. There are also reported cases where commercial bank staff engages in unethical and authorised purchases and sales of securities, placement of bank funds by treasury offices in real, phony finance houses and terminally sick banks, and engaging in unauthorised lending to distress borrowers for their family and personal gains.

e) Unauthorised Tampering with Customers' Accounts

There had been reported cases by bank customers on the manipulation of their personal or corporate accounts by bank workers. This includes unauthorised withdrawals of funds from customer's accounts, fictitious charges, unauthorised overdrafts and payment of cheques of bank personnel against customer accounts or fictitious account so to conceal these nefarious atrocities, bank workers engage in the manipulation of book-keepers thrown-in-item, computer rejects and other items needed for account reconciliation.

f) Meeting the Commercial banks Capitalisation Requirements

The Central Bank of Nigeria (CBN) does not accept borrowed funds for bank capitalisation. Evidences abound in the recapitalised commercial banks verification that the Director and promoters disguise borrowed funds, just to satisfy the requirements of recapitalisation. There are also reported cases of commercial banks evacuating cash from their bank vaults, and using that to obtain drafts of other banks for the sole purpose of acquiring shares in the bank.

g) Over Ambitious and Unrealistic target setting for bank staff (Females in Particular), Unrealistic profit and Liability Targeting by the Commercial banks

It is the practice in most commercial banks especially the new generation banks, who set unrealistic, unattainable and unachievable goals, profit and liability targets for their staff, most especially for the young, mobile, pretty female staff. These includes mandating the females and in most cases the males to mobilise 100 new customers in a week or month, with a clearly, specified proviso that the staff might not have his/her appointment confirmed if the unrealistic targets is not met within the time limit. Most female staff have been given the target of mobilizing a minimum of N10m per week, with the confirmation of appointment and probably the promotion tied to this unachievable high achievements and targets. A lot of female staff have been sexually assaulted, raped and killed all in a bid to achieve the targets, and most have lost their jobs because of the difficulty in achieving such targets. Commercial banks through the use of 'cost of funds' as identified in their books have abused the payment of brokerage to bank staff, based on the principal sums mobilised. To retain their banking jobs, and ensure progress in their career, bank staff resorts to unethical and unwholesome practices, like "corporate pro-stitution" and sleeping with their clients, so as to attain this unrealistic targets, while at the same time keeping their eyes open for greener pastures. In such an atmosphere and situation, survival of the fittest is the watch word, where ethics, morality, dedication and professionalism are thrown to the waste bins.

h) The Non-observance of know your customer Procedures

The standard practice universally in commercial banking is that the staffs and the banks must know their customers. This is often breached when accounts are opened by proxy, or when a person that is unknown by the staff or the bank opens an account, especially in this era of aggressive marketing and deposit mobilisation to meet the unrealistic and unachievable targets. The surrounding implication, is that such accounts could be used for nefarious/ dubious transaction transactions illicit trade, money laundering and terrorism, and then abandoned without the banks being able to trace the owners of such accounts. Having sufficient information about the customers and making use of that information is the most effective strategy against the usage of back accounts for illegal activities such as money laundering and for terrorism. In addition to minimizing the risk of being used for illicit and other nefarious activities, this protects the bank against fraud, reputation and other

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financial risks, and enables individual commercial banks to recognise any suspicious activities and accounts. This made the CBN in the past to introduce the concept "know your customer – (KYC)" manual for commercial banks and other financial institutions in Nigeria. Not minding these procedures enumerated above, a lot of commercial banks deals with unknown individuals, customers and corporate bodies that brings to the banks very large cash deposits, running into billions of naira, and which are never reported to the CBN, ICPC, NDLEA and the EFCC as required by the law, and the new cash life banking policy. Such unknown accounts have been used for illicit activities, including terrorism, drug trade and money laundering, after which the owner(s) go underground without a trace.

i) Deceptive Advertisements and Opening of New Branches :

Section 6(1) of BOFIA Act (2004) (as amended) categorically states that "no bank may open or close any commercial bank branch office anywhere within or outside Nigeria, except with the prior consent in writing of the bank. But recent event events have made mockery of the law as there are several cases of commercial banks opening cash centres, ATM centres and branches without getting the approval of the Central Bank of Nigeria (CBN). Some branches operate for some years before their requests for approval are forwarded to the Central Bank of Nigeria (CBN). Also there are numerous cases of acquisition of properties, shares in companies, establishment of subsidiaries, without getting the prior approval of the CBN. In most of the cases, these commercial banks did not have the necessary free funds to support their investments. Not minding the clear guidelines by the CBN and the Advertising Practitioners Council of Nigeria (APCON) in respect of financial adverts and financial sales promotions, there were many deceptive adverts in the past, on sales promotion, and non-existing products, and adverts that did not reflect the realities on ground. Many commercial bank adverts use exaggerated claims and puffery, Ayozie (2012) e.g. a new/or marginally capitalised bank describing itself as very solid or the first to introduce certain non-existing products. The CBN and APCON have had cause in the past to stop some financial adverts by advertising agencies, on behalf of their client i.e. the commercial banks.

j) Unhealthy Competition and staff Poaching among the Commercial bank

The continuing expansion of the banking system at a pace faster than the development of competent hands results in undue competition for available experienced employees/bank staff (Business Day, 2004). This leads to staff poaching, head hunting and excessive inducement in the area of remuneration and other perquisites (Jumbo housing grants/loans, upon engagement, signing – on bonuses and foreign holiday trips for the workers and their families. This invariably leads to an excessive rise in the banks operating costs. Poaching if not properly checked can be injurious to the operations of the commercial banks that have suffered the "brain drain and head hunting activities. (Business Day, 2004). These commercial banks; are left with the additional burden of having to recruit and train the staff, and having to wait for a long time before these staffs become experienced enough to master the jobs. Critical and very useful secret and open information can later be used as a competitive strategy, which will be taken from the old company to the new one. There is also the problem of the appointment of employees/staff who lacked adequate banking experience and qualifications for the position offered them. This invariably discourages the commercial banks from training their staff, and consequently the overall skill level of the banking industry is affected. Most commercial banks do not follow rigorous employment and interview processes. Employments are based solely on the Director's/Sponsor's recommendation on gold platted complementary cards and not on academic/professional qualifications or experience on the current or previous jobs. Other employees are recruited based on the sexual relationships between the bank director and the employees. This invariably has affected the ethical conduct of such unqualified staff. Another problems is the running down and bad mouthing of competitors through deliberate misinformation on mass media, and the internet, such as the circulation of phoney/false list of distressed banks, misuse of confidential bank/customer confidential information gained through banking operations and interactions with other in the banking industry.

k) The late/non Remittance of duty Collections and vat

Most commercial hardly comply with the requirement that they should remit the custom duties and VAT (value added tax0 to the Central Bank of Nigeria (CBN) with the stipulated period of one week (seven days). The CBN and the federal ministry of finance had in the past blacklisted some commercial banks who delayed remittance or deliberately hold on to government funds of VAT and custom duties. This is clearly a breach of law and contract and is considered an unethical practice.

l) Balance Sheet Engineering

Business Day (2004) – Most commercial bank have this problem of transparency and accountability. There are reported cases of deliberate rendition of inaccurate returns to the regulatory authorities like the state or federal ministries of finance and the Central Bank of Nigeria (CBN), with the intention and purpose of misleading them, and benefit from such deceit. The

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commercial banks manipulate their balance sheets with the intent of concealment of deposits to reduce cash reserve requirements reclassification of loans to other sectors of the economy as lending to the real sector, so as to benefit from the lower cash reserve requirements of 9.5% (per cent) instead of 12.50% (per cent). They also conceal to avoid liquidity ratio penalties, for the deceitful purpose of understanding the volume of deposits in order to evade insurance premium payable to the Nigerian Deposit Insurance Corporation (NDIC). In the past, the NDIC sought the assistance of the CBN to debit the accounts of some commercial banks that refused to pay the insurance premium due, after the discovery of hidden deposits by banks examiners and finally for the classification of balance sheet items as off-balance sheet items.

m) Indecent Dressing by Bank Employee

The banking industry by nature is a conservative place that has a peculiar but acceptable decent type of dressing both for the males and females. Very recent observation reveals that young female graduates have been given over ambitious and unrealistic marketing targets. In a bid to mobilise funds and meet up with the unrealistic targets, they wear "micro mini skirts" and some revealing tops just to entice their male clients and use that as an avenue to meet up with the fund targets. Many staff have been sexually harassed and abused because of the indecent dressing. The male counterparts tattoo part of their bodies, wear tight fitting trousers and polo shirts so as to entice their rich female clients. Clients have complained of this unconservative and unethical dressing by all categories of bank staff, who is a bid to mobilise funds among their clients with their dressing.

n) Foreign Exchange Malpractices

Most commercial bank officials used the foreign exchange for sharp malpractices and as an avenue to get rich quick. They do this by; (i) selling forex to customers without the customers having the required cover for such bids or selling to ghost customers who did not even apply for the forex, (ii) round tripping practices involving suspicious dubious documentations to support the opening of foreign exchange accounts by either customers or bank workers.

o) There are growing incidences of fake currency either printed, distributed and inserted to be dispensed in the Automated Teller Machines (ATM). The Central Bank of Nigeria (CBN) Governor Sanusi (2013) provided an alarming figure of the growing trend of currency counterfeiting in Nigeria. Recorded counterfeit notes per one million pieces processed were about 3.9 pieces in 2007, 6 pieces in 2008, 8.4 pieces in 2009, 7.3 in 2010, 5.4 in 2011 and 8.4 pieces in 2012. The dispensing of this fake Nigerian currency notes by the ATMs is made possible with the connivance of fraudulent bank staff and their external accomplices. The Get Rick Quick Syndrome prevalent in the society has entered the banking profession, making bank staffs to partake in printing and distributing counterfeit currencies.

p) Strong ethical orientation and training will inculcate in the bank staffs, the virtue of honesty, hardwork and fear of God. Currency counterfeiting is not only illegal, can lead a staff to jail on conviction, can also adversely affect the image of the individual concerned and the corporate image of the bank. Also, it is recommended that for every 5 – 6 years, the federal government, through the CBN has to re-design the currency notes, because after that period, counterfeiter tend to catch up with the printing of fake/counterfeit currencies.

q) Commercial bank management should collect current and relevant references about the staff. These references should be constantly updated. The only caveat is that references are more relevant the time/day it was given because an honest worker in the bank today might change due to societal or peer influences.

IV. How do we Correct the Unethical Conducts or Improve on the Ethical Standards in Nigerian Commercial Banks

In order to improve on the ethical climate in the banking industry, a plan of action is necessary, and this plan of action can be categorised into three different levels and areas where each level has a significant contribution towards the formation of the entire ethical system. Ayozie (2012),Donli (2004), Business Day (2004). Some of these measures are contained in some cases the financial and advertising laws, and the ethics, and code of conduct of the Chartered Institute of Bankers of Nigeria (CIBN), the Advertising Practitioners Council of Nigeria, the National Institute of Marketing of Nigeria, the Central Bank of Nigeria (CBN) and the EFCC manuals on financial institution, amongst many others.

V. On an Individual or Personal Level Promotional Activities' (Bank Advertisements, Sales Promotion and Dressing Code)

The individual bank consumer can do a lot to protect him/herself from the effects of the unethical and misleading adverts and banking influence. We have to understand that all customers do not react to the same stimulus in a similar manner. Hence, morally offensive dressings, and advertisements must be so considered

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after an objective evaluation of the intent and content of any financial/misleading advertisement, or the expressed intent of any male/female bank worker who dresses provocatively or unethically. This means that the advertisement or the style of dressing must be explicitly manipulative and provocative, and the consumers morally and ethically balanced so as to be consciously aware of such intended manipulation and provocation. Chandan, et al, (1990), Ayozie, (2012). Based on these assessments, a bank consumer has many alternatives to choose from. These are;

a) If the customer believes that the financial advertisement is misleading, dubious or contains a non-existing product, or if the sales promotion is deceitful, he/she may stop patronising the bank, start with a boycott of their services and advice his/her friends to act likewise. Simply they will engage in consumer boycott of the banking services. If there are sufficient numbers of people thinking in the same manner, then the commercial bank will get the message, change the misleading advertisement or sales promotion, so as to win back the loyalty and confidence of the bank customers. There had not been any noticeable customer boycott of any financial/banking service in Nigeria.
b) The customers should write to the commercial bank to lodge their complaints. The customers individually or in consortium with other customers or consumer groups may write to the bank, APCON, CIBN, or CBN raising the issues in a specific way. The writer had had cause to complain to the BARCLAYS Banks in London and NATWEST Bank, and the complaints were promptly looked into and resolved satisfactory. Most reputable banks and their managers take complaints seriously, and take necessary action in order to correct the anomalies, and also to keep the customer's goodwill and loyalty and to maintain the brand.
c) Write to a media house (print or electronic). Many houses (print, electronics and the societal network sites) have consumer oriented columns, where they encourage customers to lodge their banking service complaints. They are also phone in programmes on Radio and Television stations where customer's complaints are looked into. We have the social network sites where almost all the commercial banks are hooked up with and a section for FAQs (frequently asked questions) and consumer complaints are answered via the internet. Most of these media houses publicly take up the cause on behalf of the customers.
d) Write directly to the public affairs or customers complaints department of the commercial bank with the complaint to be favourably looked into.
e) File a complaint with the proper regulatory agency. There are several legal bodies which oversee the relationship between the customers and the commercial banks and also check the truth, decency and legality of financial advertisements. Such regulatory body includes the CBN, APCON, SERVICOM, CIBN and the Consumer Right Protection Agency of Nigeria. These bodies could assist in getting some remedial action from the commercial banks for the customers, if there is a justified reason(s) for it.
f) Write to an appropriate superior in the commercial bank, or make a verbal complaint about an unsatisfactory product or service by the commercial bank to a superior authority in the banks. The attention given to the complaint and the remedial actions recommended by the superior authority will determined whether the complaint could be taken further or resolved at that particular point.
g) Finally, the customer can see a solicitor or lawyer for an individual or group action suit, depending on the problem. This can be expensive and time consuming, but if the complaint is a very serious one, like the tampering of personal accounts or lodgement of suspicious funds for money laundering, then it can be a very useful action. For example, if money have been lodged and debited from an account without the owner'sconsent, such account owner should report such transactions to the bank, senior staff, the regulatory body or to the Nigerian Police.

VI. Organisational/Corporate Level

This is the most important level of which the management of the commercial banks can play an important role in shaping the ethical climate of the banks. Very top management and experienced bankers should play a strong ethical role models and mentors for the younger ones so as to see that sound ethics permeates all the levels of the organisational hierarchy. One way to achieve high standards of ethical conduct for the young bankers is to set goals that are achievable, realistic and not over ambitious, because setting too high goals, unrealistic targets, or over ambitious fund mobilisation targets might induce some employees, especially the females to use unethical methods to achieve them. This is especially true at the marketing level. The ethical concept must be clearly defined and communicated at all levels, and that the management must ensure that these concepts are respected and followed through ethically and responsibly. So if the top bank management and directors establishes a policy of ethical conduct for all members of staff and enforces this policy, then the best opportunity exists for proper ethical conduct in commercial banking and the marketing of financial services. In addition, without the framework of general organisational policies, the bankers themselves should develop personal standards of ethical, moral or professional conduct, and abide by these norms,

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without been coerced to do so. The development of strong moral, personnel, ethical and professional code on the part of the commercial bankers is further strengthened by certain motivations which are both internal and external. Some of these motivations are:

a) Civic Responsibility – The commercial bank as an organisation and their employees (bankers) are part of the society in which we live and presumably they are highly respected members of the community. Any unethical banking behaviour would have an adverse reflection on their integrity, reputation and honour. Since it is not always possible to separate social life from business life. So a conflict between the social role and the business role would have a negative impact on the banker's civil role to the society. So commercial bankers consider it their civic role/duty not to offend any segment of the community around them. They want to make sure that the customer's banking and financial needs are adequately satisfied and on time too. They make sure that issues of deposits, withdrawals and other sundry banking and non-banking services are promptly and satisfactorily attended to.

b) Employment of Staff – Commercial banks should be wary of employing new staff without obtaining suitable references or aiding and abetting new staff in their failure to meet their financial and non-financial needs/obligation to previous employers and customers.

c) Legal Obligations – In order to defend and protect the defenceless customers, some laws have been enacted by the legislature for the CIBN, CBN, APCON, NIMN, etc which makes it a criminal offence to deliberately mislead the customers by false and non-existing claims Ayozie (2012), e.g. through Consumer Protection Laws, APCON, CIBN and CBN financial and advertising laws. The fear of punishment itself would act as a deferent to most commercial banks who would then abstain from untruthful, deterrent, false and misleading advertising claims. There are also legal provisions for the consumers in case their private or corporate accounts have been compromised. Customers have right to question insider related credit facilities, fraudulent transactions, fake opening of an account with a customer's names. Customers have legal indemnity, in case their private accounts had been comprised by bank employees.

d) Banks should be cautions, patient and wary of employing new staff without obtaining suitable references from previous employers, academic and religious leaders/teachers. Such references especially from previous employers and teachers must be cautiously verified over time. Instances about where bank workers who were sacked from one bank, dubiously get work with another bank only to commit a more grevious bank fraud still exists in the banking sector.

e) Commercial banks should be too hard on new staff in their failure to meet their financial obligation to previous employers.

f) The relevant regulatory bodies like the CBN, CIBN, EFCC, ICPC, and APCON should enforce their requirements which states banks should seek references from previous employers or last institutions attended before recruiting new staff into any position, particularly senior management positions, or junior positions where the staff will be exposed to huge raw cash. In the face of staff cut throat competition, many commercial banks fail to observe this precautionary necessary measure. At other times, commercial banks that are expected to give some reference to their former staff bring in bad blood in their responses often as a result of their circumstances under which the staff in question left the bank. If the staff were to be excellent and was poached by the new bank, previous employers in most cases delay the references or write negatively about the staff.

g) There should be thorough meticulous and more professional internal and external auditing of the financial transactions/activities of the bank staff and the corporate entity. There must not be a long time gap so that the dubious activities of the staff will be detected early. Internal auditing can be unannounced and should be periodic.

h) Bank staff personal accounts must be periodically monitored to detect the diversion of customer's money into such accounts.

i) All cases of fraud detected immediately must be reported to the relevant regulatory and professional institutes like the Chartered Institute of Bankers of Nigeria (CIBN). A disclaimer in a widely circulated national daily must be immediately placed so as to inform other staff who might be disposed towards committing bank fraud, and to act as a deterrent to other staff.

j) The provision on the BOFIA Act (Bank and Other Financial Institutions Act) must be rigorously and religiously adhered to. The conditions for granting insider credit must be adhered to and verified by the auditors or other senior management staff/or directors who must be professional in their approach. Non-performing insider related credit facilities especially those not tied to profit yielding ventures must be discouraged. Concealment of credit facility information as well endless role-over of non-performing insider credit at ridiculous rates of interest must be discouraged or reduced to the barest minimum. Insider dealings on securities, insider abuses and other unprofessional/unethical practices must be internally and externally checked. Cloning of share certificates must be discouraged.

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k) Necessary internal mechanism and forensic accounting must be introduced and monitored to eliminate the manipulation of customer's accounts by bank workers. Other activities that must be reduced to the barest minimum are unauthorised withdrawals and overdrafts, concealment of bank atrocities, manipulation of book keeper's thrown out items, computer rejects and fictitious charges.

l) The CBN measure to make cheque clearing stringent must be maintained. There should be thorough control outside the collecting commercial bank to ensure that the proceed is credited into the right account. Name dropping of multi-national companies so as to raise fictitious commercial papers must be discouraged.

m) The foreign exchange unit of the commercial bank, especially at the headquarters must be monitored, and manned by senior but competent bankers, who understand the foreign exchange practices. Round tripping and the use of balances on customer accounts for the purchase of foreign currency without their consent must be eliminated or reduced to barest minimum.

n) Periodic verifications/checks must be done by the CBN to make sure that the capitalisation base of the banks are intact. Borrowed or stolen funds for the purpose of recapitalisation must be detected early.

o) All VAT, custom duties and other government money must be remitted to the CBN within the stipulated seven days. The federal ministry of finance and the relevant regulatory section in the CBN must enforce this guideline. Defaulting banks must be blacklisted and their names published in the media.

p) Balance sheet engineering will be eliminated if transparency in commercial banking activities are reinforced. This will eliminate the problem of deliberate rendition of inaccurate returns to the regulatory authorities with the intent to mislead and benefit therefrom. Transparency will eliminate the shortcomes innumerable in the section under balance sheet engineering.

q) The CBN and other regulatory agencies must closely monitor the activities of the commercial banks who desire to open new branches either locally or oversees. The cash centre or ATM (Automated Teller Machine) centres must also be monitored to make sure that the security of customers when withdrawing their money is guaranteed. Section 6(1) of BOFIA as amended must be enforced. No bank must open any bank cash/ATM centre without the approval by the CBN as recommended in the BOFIA Act. All cases of acquisition of properties, shares in companies' establishment of subsidiaries must be with the approval of the CBN.

r) All financial adverts must as a matter of urgency be vetted by the CBN and APCON, to ensure that misleading and false claims are eliminated. This will assist the customers in making a wise choice in the information they receive. Every claim made in the print, electronic, outdoor, transport, internet and stadia adverts by be truthful and verifiable. Customer emotions must not be misleading. Adverts must not mislead, deceive and offend the customers.

s) Head hunting and poaching must be discouraged, and eliminated, not minding the continuing expansion of the banking system. The available competent hands must be encouraged to staying within a bank and mentor the junior ones overtime. If poaching is not discouraged, commercial banks will be greatly affected by the "financial brain drain". Hence banks will spend so much in constant recruiting and training of new staff. They cannot afford the luxury of this exercise because of available limited resources. It will also reduce the risk of revealing critical, but secret competitive information from one commercial bank to another. Employee skills and competences will be maintained overtime if need hunting and poaching is eliminated. Staff will be committed to the growth of a bank, instead of moving from one bank to another like rolling stones that gathers no moss.

t) Commercial banks should not set unrealistic, unattainable profit and liability targets for their staff. Staff should be encouraged to be hardworking, but not through unattainable targets on fund mobilisation for new staff, and must especially for the females. Target setting must be a joint activity, set by the bank management and the worker. Unethical and unwholesome practices must be discouraged. Females should not be made to compromise their integrity just because targets are to be met. Dedication and professionalism must be encouraged amongst all cadres of workers. Aggressive deposit mobilisation must be realistically achieved, and staff must not be made vulnerable.

VII. Preventing and Controlling of Bank Frauds

Adeyemo (2012) opined that to guarantee an effective strategies of fraud prevention and control, commercial banks are to ensure that the operational systems are designed with inbuilt control devices. Banks can reduce or totally eradicate frauds if all the control devices built into the system are respected uncompromisingly and unconditionally. Some of the recommended measures are;

- Hiring honest, genuine, hardworking and sincere people – Banks needs to hire honest and sincere staff, because the cost of hiring a dishonest staff is incalculable, especially to the brand and to the image of the bank. A dishonest staff will undermine any attempt to create a positive work environment

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and constantly strive to defeat any internal control put in place (Adeyemo, 2012).

- Pre-employment back ground checks, especially the criminal records checks (CRCs), educational history checks, previous employment verification, family background and civil history for possible law suits, will be helpful in hiring honest people. This must be done thrice and not once for a proper honest report which can be used for employment.
- Exemplary Leadership – The top management of the bank must set an excellent ethical standard to be followed by other bank staff. Every staff no matter how highly placed should be governed by the same ethical standards rules and regulations of the commercial bank, and the banking professional body.
- There should be adequate and constant training especially in frauds and ethical standards.
- The judicial process should be reinforced in the media to encourage speedy hearing of fraud cases, and the publication of such cases will act as a deterrent to other staff, who might wish to engage in fraud.
- Performing announced and unannounced audits checks (internal and external audits) – There should be regular/periodic assessment procedures by all commercial banks, and this must be complemented with uncustomary random announced and unannounced financial audits and fraud assessments (Adeyemo, 2012). This helps to unearth any vulnerability and appraise the effectiveness/effectualness of the existing controls and send the message to all bank employees that fraud prevention and control are of high priority to the commercial bank.
- Probing every unpleasant major or minor allegations of fraud – A timely, meticulous, and honest investigation of any allegation of commercial bank fraud, direct to internal control and warning signals of frauds will give the indication that frauds are not treated with kid gloves by the commercial bank.
- Enforcing internal controls – Internal controls should be designed to promote operational efficiency and effectiveness, provide reliable financial information, safeguard assets, and records, encourages adherence to prescribed policies and finally to comply with the regulatory agencies (Adeyemo, 2012). It will also ensure that transactions are valid, properly authorized, properly recorded, properly valued, classified, reconciled to subsidiary records and done by many employees and not carried by a single staff.
- Establishing a favourable work environment – The setting up of a favourable work environment devoid of rancour, bitterness, and jealousy, encourages a bank staff to follow an established ethical code of conduct, laid down policies and procedures which will make them operate in the best interest of the bank. It opens a line of communication between the employees and management of the commercial banks and guarantees positive staff recognition, sound reward system, greater motivation to perform and productivity. A favourable work environment that has a fair, honest and positive reward system has the tendency of reducing the act of internal and external bank fraud.

VIII. Self/Personal Ethical Measures

Even though all the measures and motivations enumerated above are adequate to encourage ethical standards among the commercial bankers, there are some self-personal policing activities that will further ensure that bank staff operates within the accepted code of conduct. These self-policing/personal ethical measures are:

a) Being very modest in dressing when going for official assignment especially for fund mobilisation. This is very essential for the ladies and young male bankers. Workers should not over or underdress. Dresses should not be too revealing, or showing the cleavages of the females so as not to discourage the concentration of the customer especially the males. The perfumes if used must not be too choking or overbearing. Party shoes and clothes must not be worn to work. The banking job is a conservative one, although dynamic, but the dressing must be within the acceptable societal norms, so as to reduce sexual harassment among the vulnerable workers.

b) Bank staff of all cadres must strictly adhere to the code of conduct set by the CIBN and their respective banks. Such will maintain the integrity and brand image of the bank. Constant training and reminders on the ethical issues must be periodically given to all workers (senior, middle and lower level workers).

c) Financial motivation and mentoring should be encouraged. The senior staff must constantly encourage the junior workers, and motivate them to learn on the job and adhere strictly to strong ethical values. “Hard work does not kill”. This will reduce the get rich quick syndrome of the younger staffs in particular.

d) Adequate motivation must be given and maintained as this will reduce the temptation of bank fraud. Staffs must have access to decent acco-mmodation/housing and personal loans. Constant training locally and overseas must be introduced so as to increase the motivation and interest of the workers in doing their jobs satisfactorily.

e) Whistle Blowing – Commercial bank workers must be encouraged to blow the whistle directly or

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indirectly, by pointing out any unethical, unwholesome or fraudulent activities which were detected in their cause of their work. They must immediately report to their superiors or managers depending on the customer/worker complaint procedures in the banks.

IX. Conclusions and Summary

It is really difficult to identify what is ethical or unethical, as this varies from one culture, society, occupation or institution to another. Ethical values are situation specific and time oriented. Ayozie, (2012). Nevertheless, everyone whether in business, medical, law, advertising and more specifically now in the commercial banking sector must have a sound ethical base that must apply to the conduct of the banking business. The writer has enumerated the problems and solutions which is not exhaustive. Morals and ethics have been viewed as personal viewpoints, and moral judgements are seen as meaningless expressions of emotion. Not minding the viewpoints, sound ethical and moral values are very relevant both to the bank workers, the customers, the regulatory bodies, and to the business world in general. Not minding the ethical challenges Nigerian commercial bankers have performedcreditably well, considering the unfavourable economic, political and social climate in which they operate in.

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