



# **Role of Legislation, Need of Strong Legal Framework and Procedures to Contest Effectively with Cybercrime and Money Laundering**

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## **Abstract:**

There is need for a robust and strong legislation to tackle white Collar-crime is stressed, which is on the rise in both the public and private sectors. The effect of immoral and unlawful actions in government, notably high-level bribes, has crippled the financial and legislative bodies in their normal functioning. The bank frauds, money laundering and cybercrimes are also on the rise, due to the widespread use of digital gadgets and the internet. The absence of strong network-security systems especially in banking sector has caused great losses indeed. The goal of this study is multidimensional; more about the importance of applying strong regulations as well as morality and ethical principles. It has been argued in this paper that morality and ethical norms have a positive influence on minimizing such crimes; if morality and ethics be coupled with strong legislation, it works as a Deterrence Force. It will undoubtedly be one of the most momentous global occurrences in recent history, having a long-term impact on culture, government operations, crime, economics, politics, and social relationships. The major role in combating the crime depends upon existence of strong legislation capable of causing reduction in crime rate, which allows the investigators vast powers and collaboration with prosecution and safeguarding the witnesses. The criminals are very well organized and using most modern technology and IT equipment, therefore, the police, investigators and prosecutors must have and be highly trained and equipped, similarly. appropriate methods and algorithms are required. We create a new method which is a dynamic atomic shared memory for message communication. A properly stated method is proposed for message communication and then implemented. According to this method, owners can be changed dynamically and their access to read and write also changes.

## **1. Introduction**

According to [1], the need of strong

legislation has been emphasized, but most of the time times the structure of naïve cases framed by law enforcement agencies, benefits to offenders.

Similar situations have been observed in [2] and [6] for offences of bank robbery and against women and children. According to [3], the most important issue is the Standardization of forensic evidence its procurement preservation and presentation in court of using FBI techniques by FIA. The paper [3] describes deficiencies in PECA and propose amendments to facilitate investigating agencies, courts and prosecution, [4] proposes for proper use of electronic devices for effective implementation of law. Regarding Bank frauds, [5] highlights the use modern equipment as well as discuss the role and effectiveness of Business Ethics in banking sector. The crime rates fluctuations in Pandemic situation has been reviewed in [7]. A study has been presented by [8] on public perceptions of white-collar crime and punishment. According to [9] and [10], national public survey on white-collar crime. Morgantown, WV: national white collar crime center has been highlighted. The useful reports regarding happenings to crime during the pandemic is reported by BBC in [11] and [12].

## 2. Bank Frauds

It has been observed that in most bank frauds, the employees of banks participate in frauds and perpetrate embezzlement and illicit transactions using computers and other digital technologies. The importance of corporate ethics in the banking industry cannot be overstated. Some politicians commit misdeeds, which must be called out with a strong and iron fist. Human behavior has been deteriorated recently, because of economic slump in all countries, political instability and the rise of the Covid-19 epidemic. The digital offences,

money laundering and unlawful transactions were at an all-time high even before Covid-19. Fighting such illicit professional practices is a huge task for the world specially Pakistan. Business activities are likewise expanding, necessitating the requirement for fair financial transactional activity. The consistent arguments on this issues are the most common causes of illegalities are accounts that are not working properly and people who purposefully take money from them. The majority of the crimes are performed with the aid of computer software, hacking and tracking as said earlier. The important reasons are:

- Deceptive behavior,
- Inadequacy (means: insufficiency),
- Ineffectiveness,
- Corrupt work style,
- Willful neglect and
- Dysfunction in commercial activities of the workers and employees. Particularly, when it comes to receiving and moving funds, as well as money exchange locally and internationally, auditing that is not up to par, using falsehoods to harm the market, misconduct by private and public companies, commercial, organizations and banks. The scarcity of trustworthy and well-trained bank officers is another reason.

## 3. White Collar Crime Frauds and Money Laundering

It is defined as a crime committed by persons of respectability and high social status in the course of the occupation. For example, it is committed for financial gains, such as securities fraud, embezzlement, corporate fraud and money laundering. In every society

offender having modes-operandi of committing white-collar crime working in influential capacity in the society; either managerial positions or publically and politically powerful. They operate the offence in groups. It is defined as a crime committed by persons of respectability and high social status in the course of the occupation.

#### 4. Naïve Cases in Cybercrime and White-Collar Crime

It has been observed that development of naïve cases and weak investigation and non-supporting witnesses sometimes lead to weaken the hands of the prosecution. Sometimes the terrorists have been set free by the courts due to reasons such as deficiencies and flaws in legislation. The Cyber and White-Collar crimes are committed by using and accessing Computers and Networks by tracking and hacking the Data and information of people and organizations. No strategy can be successful in the absence of strong legislation. The criminals involved in Cybercrime and white-collar crime keep on acquiring and hacking the data of people, government, industry, banks and business organizations by crossing security barriers of computers and networks. The occurrence of crime increased particularly in threats to attack and asking money to stop the attack

#### 5. Threat is a new modus operandi?

Nowadays it is common to threats the people and CEO's of Business organizations. The occurrences of crime increased particularly in threats to attack and asking for money to stop the attack. Stricter security measures must be

adopted to safeguard the data and networks and strong encryption attained and implemented.

#### European Union Point of View

- The European Union advocates focusing on strong legal frame work.
- In addition, there exist justifications to amend the US cyber legal framework to reduce the frequency of crime.
- The present paper presents some salient legal, procedural and feasible measures.

#### Why deterrence force is important?

##### Examples:

- Punishment of Theft, Dacoity, Rape and narcotics smuggling in Saudi Arabia
- Punishment of Corruption in China is death penalty
- Punishment of Terrorist Activities in Islam

#### Spreading disinformation to harm business

- This strategy is adopted by many criminal minded people to harm the business.
- The incorrect information is believed to be true, particularly in stock markets.
- This is achieved by floating incorrect trade data willfully by miscreants.

Black Money	Counterfeiting	Credit Card
Currency arrangement	Embezzlement	Kickback
Investment Act to commit fraud	Insurance Trickery	Income Tax avoidance

*Table 1 : Selected areas of white-collar crime.  
Source [1]*

#### 6. Role of National Accountability Bureau (NAB)

The role of NAB is of immense impotence due to corrupt practices and recovery of the looted money. But unfortunately, due to false propaganda, this institution needs to redefine

its role so that the nation and the victims of NAB know that justice is being done. It has been reported in depth in [13] about the alarm regarding the issue of 90 days detention in NAB cases; accordingly, the report says, “The controversial provision empowering the National Accountability Bureau (NAB) to detain an accused for 90 days came on the radar of the Supreme Court when on the apex court described the clause as cruel and an injustice”. The author of [13] further states that the issue concerns filing of multiple references against accused by NAB. One of the appeals concerns a former Director general of FATA Disaster Management Authority, facing allegations of granting approval and forwarding fake and bogus claims of 161 persons, embezzling Rs59.6 million from the grants which were to be distributed as compensation among the affected for the damage caused to their houses due to security operations in Mahmand Agency. On one hand the the criminal commit offences against the nation and on the other hand criticize the national institution NAB.

The authors of this research paper are of the opinion that all constitutional institutions must be respected i.e. all courts of law, government agencies and functionaries, They have their constitutional role prescribed under law. However, where there exists any hardship to follow a particular procedure of law, the high courts, Supreme Court, legislative assemblies and parliament may take cognizance with their jurisdiction.

Section 24 (d) of the National Accountability Ordinance (NAO) empowers NAB to detain any accused in its custody for the purpose of inquiry and investigation for a period not

exceeding 90 days, but the court concerned can remand the accused to custody not exceeding 15 days at a time and for every subsequent remand the court will have to record reasons in writing, the copy of which will have to be sent to the high court concerned.

According to recommendation [13] NAB don't harass the accused and should exercise its authority while remaining within the four corners of laws, instead of perceived notion of its authority, adding that what is needed against a suspect in white-collar crimes was on documentary evidence.

### **6.1 National Accountability (newly-amended) Ordinance, 2021**

The promulgation of a new accountability law will affect, according to [13] nearly 100 high-profile cases involving senior bureaucrats and others. A closer look into the National Accountability (newly-amended) Ordinance, 2021 suggests that nearly 2,700 accused (60pc of total ongoing 8,272 references, investigations, inquiries and complaints) either might get relief under the newly-promulgated accountability law or their matters would be transferred to the authorities, departments and courts concerned under the respective laws. Presently, 332 high-profile/mega cases are under process at the NAB regional offices. They link to a former president, six former prime ministers, eight ex/sitting chief ministers, 126 former/sitting ministers/senators/MNAs/MPAs, 159 serving/retired bureaucrats and fake accounts cases.

According to the analysis presented in [14], the opinion of experts say that amendments made in the National Accountability Bureau (NAB) law through a presidential ordinance are a mix

of good, harsh and controversial provisions.

**All victims claim that they are being victimized due their no fault which is not correct.**

However, points important to be adhered to and construction of strong cases are given below:

- Construction of naïve cases against criminals may not be sent to court pre-mature. The language of the cases registered (FIR) is not effective most of the times. The false propaganda is that the cases have been made as a result of political victimization, such impression may be ruled out. The cases are registered by Law enforcement agencies, but the state witnesses do not support most of the times, the prosecution and investigation officers in court.
- Further, according to [14], the eminent constitutional expert Mr Wasim Sajjad explained that giving accountability courts the power to grant bail was a fairamendment but attaching the condition of a surety bond equivalent to the alleged corruption amount was unjust. “It is always the discretion of the relevant court to fix the surety money. But in the present case, a legislative order through a presidential ordinance has been given to it to follow,” he said. “Courts determine a reasonable surety bond amount while granting bail.

### **Recommendations**

1. There is need for reaffirmation and making currently available legislation into

a stronger set of procedural and criminal law. To reduce corruption and bribery, the government must take proactive measures.

2. The public funds not to be squandered or wasted. To prevent bribery and corruption, take strong measures against public servants and place them under rigorous observation.
3. Computerization i.e. e-commerce and e-governance, be implemented in all public sector companies. Reducing rules and making the procedure simpler with appropriate tools will also help the process.
4. In every society offender having modes-operandi of committing white-collar crime working in influential capacity in the society; either managerial positions or publically and politically powerful. They operate the offence in groups.
5. The major role in combating the crime depends upon existence of strong legislation capable of causing reduction in crime rate, which allows the investigators vast powers and collaboration with prosecution and safeguarding the witnesses.
6. The criminals are very well organized and using most modern technology and IT equipment, therefore, the police, investigators and prosecutors must have and be highly trained and equipped, similarly.

7. The fair play according to the merits of the case and guilt of offenders shall bring coherence and confidence.
8. The bribe cases must be taken up sternly with iron hands particularly where national exchequer is harmed with unbearable amounts.
9. Cybersecurity threats are only going to continue to increase, so it's essential to enforce coding security best practices, like using secure coding standards. Implement most recent most effective coding security best practices and secure coding standards to help ensure that the banks' software development is secure. key coding standards to help ensure secure software development, which may include:
  - CERT
  - CWE
  - CVE
  - OWASP
  - DISA STIG
  - NVD and CVSS
10. A static code analysis or SAST tool can help ensure secure software development. The banks may secure their network using by using encryption; banks and other financial institutions can remain in control of data protection regardless of where it's located. Encrypted information is safe in transit, on the network, and even in the cloud. In cases where system security fails, encrypted data is still safe from prying eyes.
11. All concerned must possess the knowledge and awareness of security compliance standards; the security

compliance management is the process of monitoring and assessing systems, devices, and networks to ensure they comply with regulatory requirements, as well as industry and local cybersecurity standards. Staying on top of compliance isn't always easy, especially for highly regulated industries and sectors.

12. The recommendations suggested in [15] are very useful, for example, the Bank Regulations and Opportunity 2022 marks a period of great regulatory change around the world for community banks, national banks, bank holding companies, credit unions, and the financial system. For that reason, it is imperative to stay up to date on the current regulatory changes and banking laws, as well as new proposals being discussed in the jurisdictions in which institutions operate. They may have a crucial impact on digital transformation initiatives.

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