Walden Dissertations and Doctoral Studies

Walden Dissertations and Doctoral Studies
Collection

2018

Compliance Strategies to Reduce the Risks of Money Laundering and Terrorist Financing

Cassandra Nottage
Walden University

Walden University

College of Management and Technology

This is to certify that the doctoral study by

Cassandra Nottage

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

Review Committee
Dr. Roger Mayer, Committee Chairperson, Doctor of Business Administration Faculty

Dr. Lisa Cave, Committee Member, Doctor of Business Administration Faculty

Dr. Rocky Dwyer, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2018

Abstract

Compliance Strategies to Reduce the Risk of Money Laundering and Terrorist Financing

by

Cassandra Nottage

MBA, University of Miami 1983

BA, University of Miami, 1980

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

October 2018

Abstract

Ineffective compliance programs expose banking and trust companies to increased risk of

money laundering (ML) and terrorist financing (TF). Using risk management theory, the

purpose of this multiple case study was to explore compliance strategies that Bahamian

bank and trust company managers use to reduce ML/TF risks. Study participants

comprised 7 senior risk and compliance managers experienced in risk strategy

development and implementation. Semistructured interview data were triangulated with

data collected from internal policy and procedural documents, publicly available papers

of the Financial Action Task Force on Money Laundering (FATF), the Basel Committee

on Banking Supervision (BCBS), and the Central Bank of The Bahamas. Thematic

coding resulted in 3 emergent themes including developing compliance strategies,

overcoming operational challenges, and strategy success and measurement. Findings

showed that effective compliance strategies resulted from risk and compliance managers'

assessments of ML/TF risks posed by potential and existing clients. The implications for

social change include the potential to prevent reputation damage attributed to ML/TF

risks, reduce the failure rate of Bahamian bank and trust companies, and thus positively

impact employment and tax revenue used for social programs in The Bahamas.

Compliance Strategies to Reduce the Risk of Money Laundering and Terrorist Financing

by

Cassandra Nottage

MBA, University of Miami 1983

BA, University of Miami, 1980

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

October 2018

Dedication

I would like to dedicate this study to my husband Pastor Charles L. Nottage, my

children – Cassandra Nottage-Mackey (Rashji Mackey), Charles Matthew N. Nottage,

my parents, Rev. Jack and Lady Sylvia Rahming, my brothers Rayford and Rory

Rahming, my Grandmother – Annie August Letitia Cooper Taylor, my aunts Lurlene and

Janet Mortimer, and my adopted mother – Dr. Lucille Richardson. I thank my family for

their love and support, and especially my parents for teaching me that all things through

Christ are possible. I would like to thank my loving and understanding husband for life –

Pastor Charles Nottage, for his love and support during the long hours I put into

completing this study. Finally, I am truly thankful and grateful to God for motivating and

strengthening me to travel this road and complete this journey - my life's goal.

Acknowledgments

Table of Contents

List of Tables

Section 1: Foundation of the Study

In late 1980s, the Group of Seven (G7) nations established the FATF. The taskforce has the responsibility of examining ML techniques and trends, reviewing actions taken by members at national or international levels, and developing measures to combat ML (FATF, 2017a). Anti-money laundering (AML) and combatting financing of terrorism (CFT) compliance requirements stem from international standards established by the FATF in 1990 and updated in 2001, 2004, and 2012 (FATF, 2017a). The most recent iteration, released in 2012, integrated the Special Nine Terrorism Recommendations into the FAFT Forty Recommendations and introduced (a) a risk-based approach to combatting ML and TF, (b) the national AML/CFT coordination requirement, and (c) the national ML/TF risk assessment requirement. The purpose of this case study was to explore compliance strategies that Bahamian bank and trust company managers use to reduce the risk of ML and TF activities threatening their business operations.

Background of the Problem

The business of banking and trust activity must address ML and TF risks (Mugarura, 2014). Bahamian AML/CFT regulations mandate that banking and trust companies develop and maintain robust AML/CFT compliance programs, which include record keeping, ongoing client monitoring, risk assessment systems to control for client risks, and annual training (Central Bank of The Bahamas, 2017a). Regulatory AML/CFT compliance is burdensome for Bahamian bank and trust companies, which account for the major constituency in the Bahamian financial sector (Central Bank of The Bahamas,

2017e). The FATF has continued to release updated procedural changes to address the AML/CFT challenges presented to the global financial system (Dion, 2015). Bank and trust companies that continuously update their AML/CFT compliance programs could reduce or prevent penetration of their operations by money launderers and terrorists. The 2001 inclusion of standards to CFT considerably increased operational expenses (McCarthy, van Santen, & Fiedler, 2014).

Problem Statement

Ineffective AML/CFT compliance programs expose banking operations to increased risk of ML and TF, which can result in bank failures (Yeoh, 2014). The United Nations Office on Drugs and Crime (2017) estimated that illegitimate financial flows account for 2-5% of the global gross domestic product. The general business problem is that Bahamian bank and trust companies lack effective AML/CFT compliance programs to mitigate the risks posed by ML/FT activities. The specific business problem was that some Bahamian bank and trust company managers lack compliance strategies to reduce the risks of ML/TF activities.

Purpose Statement

The purpose of this qualitative multiple case study was to explore compliance strategies that Bahamian bank and trust company managers use to reduce the risks of ML/TF activities. The population consisted of compliance and risk managers from four Bahamian bank and trust companies located in the Commonwealth of The Bahamas (The Bahamas) who are experienced in strategy development and implementation of AML/CFT compliance programs. The implications for social change include the potential

to reduce the failure of Bahamian bank and trust companies resulting from reputation damage attributed to ML/TF risks, thus positively impacting the unemployment rate amongst financial sector professionals in The Bahamas.

Nature of the Study

There are three primary research methods including (a) qualitative, (b) quantitative, and (c) mixed methods (McCusker & Gunaydin, 2015). I choose a qualitative methodology for this study. A researcher using qualitative methodology addresses a phenomenon that defies quantification or the use of statistical procedures (Yin, 2017). Moreover, qualitative research involves exploring a social phenomenon and generating words, rather than numbers, as data for analysis (Mukhopadhyay & Gupta, 2014). Quantitative and mixed methods researchers employ mathematical models and testing of predetermined hypotheses (Johnson, 2015). I determined that both methodologies were inappropriate for this study because the purpose of this study was to explore a phenomenon, not to test the relationship among datasets.

There are many qualitative research designs, but for this study, I considered three designs including phenomenology, ethnography, and case study. The purpose of a case study design is to explore a bounded system by gathering in-depth data from different sources (Yin, 2017). Phenomenological design is research based on individuals' lived experiences or worldviews with a purpose of generating common themes or patterns (Yin, 2017). Researchers who conduct ethnographic research focus on the culture of a group, and data is collected by interacting and interviewing participants (Marshall & Rossman, 2015). After considering the relative merits of the three research designs, I

choose to use an explorative multisite case study design. I rejected both ethnographic and phenomenological research designs on the basis that they were not suitable for this study because they would not have met my goal of exploring a bounded case to identify successful compliance strategies for reducing ML and TF risks challenging the operations of Bahamian bank and trust companies.

Research Question

The overarching question was: What compliance strategies do Bahamian bank and trust company managers use to reduce the risk of ML/TF activities?

Interview Questions

1. What AML/CFT compliance strategies did you develop and implement to reduce the risk of ML?

2. What AML/CFT compliance strategies did you develop and implement to reduce the risk of TF activities?

3. What AML/CFT compliance strategies were more effective in reducing ML and TF activities?

4. What technology did you use to assist in developing and implementing AML/CFT compliance strategies to reduce the risks of ML and TF activities?

5. How do you monitor the success of the AML/CFT compliance strategies?

6. What challenges did you encounter in developing and implementing the AML/CFT compliance strategies to reduce the risk of ML and TF activities?

7. How did you manage such challenges?

8. Is there any further information that you would like to share on the AML/CFT compliance strategies you developed and implemented to reduce the risk of ML and TF activities?

Conceptual Framework

In the 1980s, Stulz (1984) pioneered the work of risk management when he researched the implementation of firm hedging strategies that boosted corporate values. In his seminal research, Stulz (2015) introduced the principles of risk management as (a) a comparative advantage, (b) an integrated risk oversight to ensure avoidance of unintended outcomes. He also noted the importance of communication in risk management implementation. Risk management systems help in controlling, monitoring, and mitigating risks such as ML and TF activities, thus safeguarding national financial systems (Stulz, 2015).

Stulz (2015) posited that proper implementation of risk management systems would result not only in reducing risks confronting financial institutions, but also in supporting better risk-taking decisions by financial institutions. The framework for this study was an extension of risk management theory. The framework of risk management theory was most relevant to the study because I sought to explore compliance strategies used by Bahamian bank and trust company managers to reduce the risk of ML and TF activities. I used risk management theory to explore how compliance strategies are developed and implemented to reduce these risks challenging Bahamian bank and trust companies.

Operational Definitions

Compliance risk: The risk that bank and trust companies face due to violations of AML/CFT legal or regulatory obligations and requirements (Bank for International Settlements, 2017).

FATF 40 Recommendations: Recommendations that are recognised as the international standards for AML, TF, and proliferation of weapons of mass destruction (FATF, 2017d).

FATF: An intergovernmental policy-making body established by the Organization for Economic Cooperation and Development in 1989 charged with promulgating AML/CFT standards and promoting effective implementation of legal, regulatory, and operational measures for AML/CFT and other related threats to the integrity of the international financial system (FATF, 2017a).

Foreign Account Tax Compliance Act (FATCA): Tax legislation enacted by the U.S. Government. It obligates financial service providers worldwide to submit, automatically, financial account data on citizens of the United States to the country's Internal Revenue Service (Internal Revenue Service, 2017).

Money laundering: The process of transforming the proceeds of illegal activities (crime and corruption) into legitimate assets (Deleanu, 2013).

Operational risk: The potential financial loss that a bank and trust company can face due to its failure to comply with mandatory AML/CFT legal provisions including administrative monetary penalties and criminal sanctions (Bank for International Settlements, 2017).

Reputation risk: The potential loss of reputation that a bank and trust company can suffer due to its failure to comply with AML/CFT legislative and regulatory obligations and requirements (Bank for International Settlements, 2017).

TF: Activities that offer funding, financing or financial support to individual terrorists or terrorist groups for specific acts of terrorism or to develop and maintain an organizational infrastructure and promotion of terrorist ideology (FATF, 2016).

Assumptions, Limitations, and Delimitations

The purpose of this qualitative case study was to explore strategies bank and trust company compliance managers used to develop and implement effective AML/CFT compliance programs in changing regulatory environments. In the following subsections, I identify factors that affect the research process. Assumptions are factors a researcher considers true but that are not verifiable (Yin, 2017). Limitations include weaknesses that are beyond the control of the researcher (Madsen, 2013). Delimitations are choices made that set the boundaries of the study (Yin, 2017).

Assumptions

Assumptions represent factors that may influence the outcome of the study (Marshall & Rossman, 2015). Assumptions are views accepted as truth which have not been proven (Mukhopadhyay & Gupta, 2014). I used open-ended semistructured interview questions and document review to explore specific strategies related to the development and implementation of AML/CFT compliance programs. First, I assumed that the participants responded to interview questions truthfully. Second, I assumed that successful compliance strategies enhance organizational defenses against ML/TF risks

and thus result in reduction of the risk exposure. Third, I assumed that each participant was fully engaged in and contributed to the development, implementation, and maintenance of ML/TF strategies and would openly and freely answer questions posed in the interviews. The final assumption was that information gathered from participants would add depth and value to this study.

Limitation

Limitations represent circumstances that are beyond a researcher's control that may limit the scope of the study or affect the outcome of the study (Soilkki, Cassim, & Anis, 2014). One limitation was that interviewing at a given point in time would produce data that may not be transferable to other populations due to changes in technology and the business environment. Further, participants may not have offered the best international and industry practices to solve the problem. Organizational and cultural differences could also represent limitations of the study. A final limitation was the potential reluctance by participants to share openly and fully about their business strategies, plans, and decisions.

Delimitations

Delimitations are the constraints established by a researcher for a study on population, sample, and instrumentation (Merriam, 2014). Researchers use delimitations to narrow the scope of a study based on the purpose of the inquiry and the selected participants (Marshall & Rossman, 2016). I delimited participants of this study to senior risk and compliance managers employed by Bahamian bank and trust companies. Data collected from a relatively small sample limits generalization to larger populations.

Participants comprised a purposive sample of subjects with direct involvement in the forging of effective AML/CFT compliance strategies.

Significance of the Study

Bahamian bank and trust company leaders and society, in general, could benefit from the results of this study. Bank and trust company leaders could refine their compliance programs to focus on ML and TF risk reduction. A strong internal control environment could reduce the societal risks associated with terrorist activity. Financial crimes, such as ML and TF, have received much recognition and news coverage in the past two decades; however, there is a paucity of research in this area of study (Oke, 2016). ML can have a negative impact on economic development because it undermines legitimate businesses, accelerates capital flight, and lowers prospective investment or reinvestment in countries while increasing tax base erosion, which effectively decreases a government's revenue base (Schlenther, 2013).

Contribution to Business Practice

Bahamian bank and trust companies could benefit from this study. The results of the study could show the benefits of developing and implementing ML and TF risk reduction strategies. In so doing, the results of the study can spur retooling of AML/CFT compliance programs to minimize and limit bank and trust companies' ML/TF exposure via practical strategies that dissuade money launderers and terrorists from attempting to penetrate their organizations.

The results of the study may indicate improvements in operational efficiency that can reduce compliance costs and be leveraged to position business operations to take

advantage of emerging opportunities to solidify competitive advantage in the marketplace while creating value for all stakeholders (Hitt, Ireland, & Hoskission, 2017). Organizational benefits such as enhanced operational efficiency through better utilization of resources can ensue from the study (May, Dhillon, & Caldeira, 2013). Sustainability practices by managers lead to the preservation of resources (financial and human resources) for present and future operational needs (James, 2013).

Implications for Social Change

Bahamian society could benefit from the results of the study. Tourism is The Bahamas' largest economic sector, representing approximately 60% of gross domestic product (GDP). The financial services sector (15-20% of GDP) is the second largest business sector operating in The Bahamas and employs over 4,000 people in high-value jobs (International Monetary Fund, 2017). The financial sector plays an important role in the Bahamian economy and contributes more than $600 million to the nation's GDP (International Monetary Fund, 2017). Weak AML/CFT compliance programs can threaten bank and trust companies' viability by negatively impacting institutional reputation, profits, and shareholder value, leading to a reduced contribution to GDP and employment opportunities in the financial sector. Social change could result from the positive impact on employment levels in the bank and trust company sector if the risk of business failures resulting from ML/TF exposure is reduced.

<div align="center">

A Review of the Professional and Academic Literature

</div>

The process of reviewing existing literature related to an area of study helps a researcher gain an in-depth understanding of a research topic (Galvan, 2015; Machi &

McEvoy, 2016). In this literature review, I reviewed research on risk management theory, ML, and TF. I also reviewed the impact and risks of ML and TF on countries, international financial centers, and financial institutions. I reviewed articles, identifying and exploring strategies that facilitated the development or implementation of AML/CFT compliance programs or reduced the risk of ML and TF activities. In reviewing the articles, I also identified technological tools that would benefit compliance managers in reducing ML/TF risks. The information covered in the literature review is current and credible. Over 85% of the 168 articles reviewed in this chapter are peer-reviewed and published within the last 5 years of my expected graduation. Of the 267 articles I reviewed for this study, 85% were published within 5 years of my expected graduation in 2018.

The literature review helped me to develop the primary research question for the study: What compliance strategies do Bahamian bank and trust company managers use to reduce the risk of ML/TF activities? I reviewed articles gathered during searches of academic databases including Academic Search Premier, Emerald Management, SAGE Journals Online, ProQuest Central, Google Scholar, ProQuest Dissertations & Theses, and ABI/INFORM. Additional resources were obtained from scholarly monographs, The Central Bank of The Bahamas website, the FATF website, and government websites (e.g., Small Business Administration).

Researchers use literature reviews to identify a research topic, develop a framework, and analyze and synthesize scholarly sources that contribute to their research. Researchers use a literature review to avoid duplication of existing research literature. In

addition, I used the literature review to summarize the body of knowledge that supported

the research and to assist in identifying future areas for exploration. Key search words

used in these databases included combinations of *risk management, risk governance,*

enterprise risk management, corporate governance, risk-taking, FATF recommendations,

knowledge management, change management, strategic management, strategic thinking,

strategy, and *strategic leadership.* I also used the following words to search for articles in

the databases: *AML/CFT compliance programs, AML/CFT monitoring tools, qualitative*

case study research, AML,TF, ML, international financial centers, harmful tax and

Organization of Economic Cooperation and Development, and *offshore financial centers.*

Literature reviews are organized, topically motivated processes researchers use to

gain an understanding of existing the existing work of practitioners and scholars

(Lambert & Lambert, 2013). I gathered information from multiple studies on aspects of

the conceptual framework and identified the extent of the scholarly material available to

assist compliance managers in developing and implementing effective AML/CFT

compliance programs. Multiple researchers have emphasized best practices for managing

successful businesses. Consideration of this research informed how I organized the

doctoral study, including the central themes I identified. Scholarly information informed

my understanding of the vital concepts of risk management theory and AML/CFT

compliance requirements.

Risk Management Theory

Risk management involves control and mitigation of risks. Risk managers focus

on enterprise and business or operation risks (Zhao, Low, & Hwang, 2014). Risk

management is therefore a series of processes that managers use to control, monitor, and mitigate risks such as ML and TF activities to safeguard business operations (Stulz, 2015). The proper implementation of risk management systems reduces risks confronting financial institutions. Risk management involves an identification and assessment of a company's risks, development, and implementation of operational strategies to control and minimize these risks (Ai, Brockett, & Wang, 2015). Vital components of risk management systems include (a) risk governance, (b) risk culture, (c) risk strategy, and (d) risk assessment (Zhao et al., 2014).

      Enterprise-wide risk management (ERM). A successful ERM system helps managers avoid risks associated with the implementation of a compliance program (Holzinger & Parker, 2018). Internal stakeholders require induction into a risk culture. A company can institute a risk-aware culture by ensuring that clear accountabilities for risks are created across business operations and embedded in the corporate culture, and that stakeholders are advised accordingly (Zhao et al., 2014). This makes internal stakeholders at all levels aware of the operational risk challenging the company. A risk culture can continue in a company only if staff members at all levels understand expected behavior (Zhao et al., 2014).

      After the global financial crisis of 2008, many organizations focused on ERM due to its usefulness in reviewing and examining operational risks across business operations. ERM thus incorporates a range of processes developed to manage risk, in an integrated fashion, across an entire organization, accounting for interrelationships across risk situations (Gatzert & Martin, 2015). A functioning ERM plan is critical to the successful

development of organizational business strategy and supports the management and oversight of threats, opportunities, and risks. To be effective, an ERM program must integrate strategic management and business processes (Zhao et al., 2014). Moreover, ERM should be integrated fully into all strategic decision-making processes with operational risks being continuously considered and monitored and emerging risks anticipated (Zhao et al., 2014). Equally important is the board and senior managers' commitment to and continual support of risk management strategies, which should be visible to internal and external stakeholders, signifying the priority given to implementing ERM (Kotter, 2014).

Successful implementation of ERM comprises the following elements: (a) a management and control system to govern the internal environment and activities; (b) identification and monitoring of risk management activities; and (c) implementation tools including published risk appetite statement, risk assessment, senior management accountabilities, and regular reporting to the board (Lundqvist, 2014). Another critical element in risk management strategies is the role of internal audit. Internal auditors ensure that implemented risk strategies match the goals of the organization (Vinnari & Shaerback, 2014). The importance of internal audit to the success of the ERM is evidenced by the fact that the senior audit officer is generally given the responsibility of implementing ERM (Viscelli, Beasley, & Hermanson, 2016).

Boards of directors are responsible for risk governance and oversight of company operations. Risk governance entail understanding and approving of senior managers risk management systems, evaluating the risks identified by senior managers, and developing

risk mitigation plans to minimize the negative impacts on operations (Viscelli et al., 2016). Stakeholder pressure for boards of directors to fulfill these responsibilities places tremendous burdens on many senior management officials to develop and implement effective, vigorous systems and processes for identifying, assessing, managing, and monitoring enterprise-wide risks (Beasley, Branson, & Hancock, 2015). Organizations with an ERM program generally have a robust corporate governance structure (Anton, 2018). An ERM program is a critical strategic tool for assuring effective risk reporting and communications at the board level (Beasley et al., 2015). Viscelli et al. (2016) found that most of the entities that adopted ERM did so out of need to identify and understand the risks challenging their business operations.

Organizational value represents 22% of the total market capitalization of S&P 500 companies (Gatzert & Schmit, 2016). Management depends on critical risk management systems to minimize reputational issues that can negatively impact or destroy a company's business. Scholars have focused on defining and measuring reputation (Raithel & Schwaiger, 2015). Though critical to a company's survival, reputation research has tended to focus less on the risks associated with reputation and the management thereof (Gatzert & Martin, 2015). Bank and trust companies in The Bahamas face high levels of reputation risk in the form of ML and TF due to their business model centered on catering to international high net-worth clientele (individuals and legal persons). Such risk can ultimately lead to a negative outcome barring implementation of effective risk management systems.

Bank and trust company leaders face an increasingly complex marketplace due to globalization, deregulation, downscaling, and technological advancement. Risk management is a vital survival component for managers facing risks, including ML/TF (Acharyya & Mutenga, 2013). Hence, managers use ERM to effectively confront these risks. Managers consider risk management systems as tools for minimizing losses from operational risks, ensuring compliance with regulatory requirements, and assisting in safeguarding the financial soundness of business operations (and by extension the entire financial system; Krause & Tse, 2016). Marketplace challenges have forced firms to move away from silo-centric risk management to an ERM model.

The impact of strengths, weakness, opportunities, and threats analysis. Risk management positively impacts a firm's value (Ai et al., 2015; Kommunuri, Jandug, & Vesty, 2014). Farrell and Gallagher (2015) proved that ERM maturity results in higher enterprise value creation, with corporate governance being the vital ingredient in the risk oversight process. Silo-centric risk management evolved over the last 20 years to ERM as a business necessity to address regulatory compliance and corporate governance requirements (Coetzee, 2016). To successfully implement risk management strategies, firms must conduct a comprehensive operational risk assessment, cultivate a risk culture, establish a risk governance structure, and develop a focused risk strategy (Zhao et al., 2014).

Technological designs developed from modifications and improvements help make services reasonable, easy to use, and efficient, thus reducing operational expenses. The integration of information systems with risk and strategic management practices can

ease external challenges and concerns (Drnevich & Croson, 2013). Information systems are indispensable risk and strategic tools used by business leaders to boost operational efficiencies, thereby resulting in increased revenue and growth (Das, 2013). Environmental scanning is a critical component of enterprise risk management because the process allows for the gathering of intelligence on internal and external issues confronting companies. Environmental scanning is the collection and use of information about events, trends, and relationships in an organization's external environment (Fabbe-Costes, Roussat, Taylor, & Taylor, 2014).

Critical components of risk management include risks that challenge a company's operations and its stakeholders, and tools to confront these challenges. Companies must continuously conduct environmental scanning to avoid surprises that can be detrimental to ongoing viability and survival (Roy, 2018). Business leaders who have identified the strengths, weaknesses, threats, and opportunities (SWOT) while conducting operational assessments can avoid such surprises. To analyze the company's operations, managers may conduct a SWOT analysis using a SWOT matrix. The SWOT analysis is a critical tool for providing vital qualitative information to business leaders (Brooks, Heffner, & Henderson, 2014). Managers use a SWOT analysis as a tool in selecting the type of risk strategy that matches the business environment.

SWOT analysis allows strategists to identify companies' internal strengths and weaknesses, and external opportunities and threats. Thus, it enables them to compare opportunities and threats with strengths and weaknesses. By identifying their strengths, weaknesses, opportunities, and threats, companies can create strategies built upon their

strengths, eliminate or minimize weaknesses, and exploit opportunities or use them to counter threats and risks (Brooks et al., 2014). If used correctly, SWOT can provide a good basis for successful strategy formulation.

To successfully navigate the changing marketplace, a company's leaders must have the ability to properly plan activity and review current strategies (Kolbina, 2015). SWOT analysis allows business leaders to create action plans for using their companies' strengths, mitigating weaknesses, leveraging opportunities, and lowering threat risks (Kolbina, 2015). Risk managers use environmental scanning to monitor the competitive and external risk environment (Roy, 2018). Progressive management teams use strategic road mapping as a tool to maintain a competitive advantage (Roy, 2018). Strategic road mapping is a visual map that managers use to guide discussions on strategic goal setting and planning, focusing on environmental assessment, problem solving skills, and execution of a business model.

Successful companies tend to be those business operations that develop effective risk and operational strategies that take account of significant stakeholders and the impact on decisions, actions, goals, and objectives (Maxwell & Carboni, 2017). To predict future operational prospects and mitigate operational risks, companies require accurate environmental analysis (Ford, Huerta, Menachemi, & Babik, 2013). Environment scanning is, therefore, a critical influencer on business strategy that subsequently influences performance (Balas, Gokus, & Colakoglu, 2014). The environmental scanning data, when processed, analyzed, and interpreted can produce useful information for top managers (Sewdass & Du Toit, 2014). Company leaders use SWOT analysis to gain an

advantage over the competition because it is a good forecast instrument that is easy to use, needs little financial effort, and identifies important information that can become the basis of risk and business strategies that help achieve and enhance organizational value and goals (Brooks et al., 2014).

The managers of companies are developing and integrating into their operational strategies, new skills, and abilities to address turbulent business environments and to succeed in accomplishing financial, societal, and environmental goals. The increasingly turbulent and complex external environment contributes to the lack of management focus on threats and challenging opportunities (Cheng, Kadir, & Bohari, 2014). Successful companies constantly seek information that can impact their operations while identifying changes in the external environment (Ford et al., 2013). Porter's five forces analysis is a valuable management tool which reveals a simple and instructive method for analyzing the business threats and challenges (Kharub & Sharma, 2017). Porter's five forces seminal work, updated in 2008, now includes the importance of the five forces to industry analysis and the implications for individual firms. The five forces framework amongst other strategic management models and the attendant principles deepens business leaders' understanding of their business environment and its impact on their operations.

Continuous monitoring of risk management systems is critical and enables companies to (a) support the desired deliverables; (b) resolve problems that may arise; (c) assess periodically the effectiveness of systems; and (d) where necessary, make adjust to the business environment (Srivastava & Sushil, 2013). Strong strategic leaders operationalize internal and external environments through managing and controlling

competitive forces (Abreu Pederezini, 2017). During volatile business environments, companies require a different kind of leadership and focus; boards of directors and managers must learn to adapt and adjust their leadership styles to support and complement effective operational and risk strategy implementation (Marx, 2015).

 The strategic leadership impact. A primary leadership challenge that most companies are facing is that of cultivating skills such as the abilities and capabilities to anticipate, challenge, interpret, decide, align, and learn (Schoemaker & Krupp, 2015). This skillset is particularly useful when companies are faced with risks such as ML and TF while charting a business course in changing, uncertain, rapidly moving marketplaces. Leaders who use these skills with scenario strategic planning greatly strengthen the strategic focus of their companies (Amer, Daim, & Jetter, 2013). Leaders, in using the strategy scenario approach in operational planning, promote better decision-making in strategy development (Meissner & Wulf, 2015). Leaders, in using hindsight to create scenarios, develop impartial scenarios, which subsequently resulted in improved quality of judgment and decision-making (Meissner & Wulf, 2015). This approach to planning has the potential to enhance the strategies for reducing the ML/TF risks facing the Bahamian bank and trust companies.

 Leadership is important as volatile business environments tend to place considerable stress on executives as they struggle to make decisions and commitments that they have no certainty will work positively for the stakeholders (Badaracco, 2013). As such, without full engagement by senior managers, operational and risk strategies have little hope of success (Speculand, 2014). Managers succeed in risk and operational

strategy development through careful oversight of business culture and strategic execution, which could be the lynchpin of success or failure of corporate strategy (Sabourin, 2015). Managers use several drivers to execute plans including passion, initiative, rules, and agility. In volatile environments, these drivers must be present in managers for a business to compete successfully in the marketplace. Further, in changing environments, managers must ensure that three processes are ongoing during strategy implementation: (a) a periodic review ensuring reflection of objectives and goals, assessments, results influencers, and lessons learnt; (b) transparent communications to all stakeholders of the next steps; and (c) exposing of everyone's accomplishments to all stakeholders to encourage cross-functional exposure and problem solving while exerting group peer pressure to produce results (Sterling & Rader, 2012).

Leadership style directly impacts and influences risk management and strategic commitment to operational performance (Berkowitz & Wren, 2013). Northouse (2016) supported the findings of Berkowitz and Wren (2013) in his statement that transformational leaders 'empower followers and nurture them in change' (p.199). In times of changing environments, leadership is a key ingredient required to sustain change (Ganta & Manukonda, 2014). Further, strategic business leaders, in stressful environments, lead and assist employees through effective communication to face complex situations with renewed efforts and capabilities.

Florin and Carmen (2013) defined strategic planning as the developed actions encompassing business solutions for challenges facing companies. In the process of developing risk management processes, business leaders use strategic planning to align

financial administration, time, cost, and personnel distribution, to a firm's policymaking

machinery. Abdalkrim (2013) found that strategic planning as a management process

assisted managers in the implementation and executing of goals. The strategic planning

process includes managing resources, developing realizable goals, projecting business

events, creation of applicable procedures, and measuring outcomes (Constantinescu et al.,

2012). Managers use effective knowledge management in the strategic planning process

to ensure that a clear vision, objectives, and goals are developed to direct companies'

operations (Abdalkrim, 2013).

The strategic planning process focuses managers' attention on issues challenging

companies such as ML and TF risks, perspectives on future productivity, costs, profits,

and related matters. Discussions on company challenges, focuses managers' attention on

the pressing issues and plans to address them (Blastein, 2012). Further, strategic planning

as a management tool aims to develop clear priorities focused on achieving common

goals (Chungyalpa & Bora, 2015). Managers use strategic planning processes to uncover

answers to three fundamental questions: (a) what is the purpose of a company or business

operation, (b) where does an operation or company wishes to achieve in the marketplace,

and (c) what strategies will allow the company or business operation to attain its goals

and objectives (Blastein, 2012)? Managers, in answering such questions, arm themselves

with the necessary knowledge and capabilities to embrace the future, seize opportunities

to achieve goals, and implement risk strategies to avoid business pitfalls. These questions

assist managers to clarify its strategic focus and equip companies to face the challenges

of an uncertain and volatile business environment (Badaracco, 2013). Strategic planning

supports a company's concentration on objectives (Abdalkrim, 2013). However, effective strategic planning can only occur when a company completes environmental scanning of its operations to understand the risks (threats and weaknesses) and opportunities confronting the business (Agbim, Oriarewo, & Zever, 2014).

There are seven critical elements required for successful risk management and strategy formulation including conceptual thinking ability, visionary thinking, analytical thinking ability, synthesizing ability, objectivity, creativity, and learning ability (Nuntamanop, Kauranen, & Igel, 2013). Moon's (2013) findings complemented that of Nuntamanop et al. (2013) and noted that successful business leaders were those who identified and supported the strategic thinking influencers in their companies. Creativity cultures, risk focused cultures, staff engagement and management, provision of necessary resources, and the funding and establishment of supportive work teams, encourages the development of successful risk management and strategy formulation (Moon, 2013). Business leaders possessing lateral and vertical thinking skills promote supportive working environments and cultivate an atmosphere where managers and employees work together to create, and to develop rational risk and operational strategies for vital business operations which influence business outcomes that impact companies' profitability (White, 2015).

Successful companies in volatile, changing, and evolving environments strengthen risk management through deploying strategic thinking capabilities of management teams by harnessing organizational knowledge and ensuring that in-house knowledge, expertise, experiences, and information are shared organization-wide (Self,

Self, Matuszek, & Schraeder, 2015). In comparison, leaders lacking strategic thinking and planning abilities, tend to develop silo-centric risk management strategies that can disadvantage their companies in the marketplace through diminished levels of competitiveness and innovation (Goldman, Scott, & Follman, 2015). Organizations without the will to adapt and modify policies to confront the rapid changes occurring in the marketplace are doomed to lose market position, relevance, and eventually die (Stros, Bukovinski, & Coner, 2014). Managers must constantly be learning, researching, and applying new tools to find solutions for challenges and problems that confront their operations such as AML know your customer (KYC) regulatory requirements.

In times of uncertain and unpredictable competitive or regulatory environments, bank and trust companies require resilient risk strategies to remain viable and sustain optimal performance for stakeholders. Unsustainability of environmental, economic, or social landscapes negatively influence business operations and breed unpredictability in the marketplace (Winnard, Adcroft, Lee, & Skipp, 2014). Poor resilience to changing environments and failure to enhance risk management systems and processes can result in disruption in business operations. Change management is critical to organizations in industries that are experiencing rapid rates of change in technological and regulatory environments (Philips & Phillips, 2014). In the past 10 – 15 years, there have been rapid changes in technological innovations in the financial sector coupled with advancing financial sector regulation. The former being initiated by competing technological firms while the later was fueled by the 2008 recession and the revised AML/CFT standards issued by FATF in 2012 (FATF, 2017d).

Business leaders use change management techniques to assist in the orderly transition to a future state while focusing on developing and fostering a new corporate vision and supporting culture (Phillips & Phillips, 2014). Bank and trust company managers use change and risk management to address the challenges emanating from the regulatory environment to assist in sustaining optimal performance for stakeholders. Business leaders use change management to continuously upgrade and enhance compliance, regulatory, and procedural processes to effect operational savings and address the risk challenges. Agile companies are those that adjust human resource strategies to fit and adapt to the business environment wherein it operates considering the impact of several vital considerations (Phillips & Phillips, 2014).

The banking and trust businesses have changed dramatically over the last decades. To survive the marketplace and the volatile business environment, successful business leaders espouse changing mental and risk attitudes in evolving operating business environments, develop a passionate vision, and a quality database of pertinent and useful information (Self et al., 2015). Further, they pursue challenging initiatives, continual evaluation of business plans, identifying problems, seeking help in solving issues, and being ethical in business dealings (Intezari & Pauleen, 2014). Business leaders have developed new tools to deal with the increasing rate of change that is impacting every facet of life (Leavy, 2014).

Business leaders who devote resources to strategic agility processes and the achievement of expertise in their business field, tend to be successful in weathering business and marketplace challenges (Idris & AL-Rubaie, 2013). Additionally,

knowledge management combined with strategic agility processes assist in the development of risk and operational strategies for penetrating new markets, enhancements in services and products, adoption of new business models as necessary and promoting innovation to stay ahead of competitors. Business leaders that align knowledge-based strategies and competitive-based strategies tend to achieve company critical goals (Bagnoli & Giachetti, 2014).

Business leaders achieve a level of compatibility between knowledge, risk, and competitive strategies, when they are successful in aligning knowledge-based and competitive-based strategies. In rapidly evolving business environments, managers use strategic learning to assist in changing their knowledge base, facilitating improvement in risk management processes, capabilities, and cultivating relationships in the marketplace through the interaction with internal and external forces (Idris & AL-Rubaie, 2013). Business leaders use strategic learning processes to assist companies, in post mortem discussions, to clearly review mistakes, risk challenges, risk governance, or negative incidences, products, services, or business environment.

Business leaders benefit from competitive intelligence (CI) when suitable processes and procedures are established to generate, harness, and interpret the CI data. Managers use this type of analysis in identifying opportunities, threats, weaknesses and strengths that can influence vision, strategic planning, risk management strategies, direction of business operations, and reactions to competitive forces which impact sustainable advantages in the marketplace (Bully, Baku, & Allan, 2014). In the current evolving environment, the use of CI by business leaders impacts decision-making, risk

management, and strategic planning processes due to the significant level of mergers, the march of globalization, and fragmentation occurring in the marketplace (Wang & Borges, 2013). Managers view knowledge as an organizational asset that supports risk management strategies and sustains competitive advantage in volatile, changing, and evolving environments subject to organizational culture (Singh, 2013). Business leaders view culture as a disruptive effect on change management when not controlled. Business leaders who establish learning organizations, ensure alignment of the culture, learning climate, and strategic performance of business (Wanto & Suryasaputra, 2012).

Rival Theory of Conceptual Framework

I reviewed strategic management theory as an alternative theory to that of risk management theory for this study. Strategic management is a defined procedure used to accomplish a company's growth activities in pursuit of its desired goals in a sustainable fashion (Diete-Spiff, 2014). The strategic management process includes several key steps such as goal setting, planning, and evaluation. Four other key elements are necessary to achieve company goals: (a) environmental scanning (e.g. challenges, strengths, weaknesses, opportunities, threats, competitors, and markets); (b) strategy formulation including planning and monitoring; (c) strategy implementation; and (d) evaluation and control (review and assessment). Business leaders use the strategic management process to consider both predictable outcomes and for contingencies through the development and implementation of meaningful strategies in evolving and changing external environments (Demir, Wennberg, & McKelvie, 2017).

Business leaders use strategic management best practices to exploit resourceful and cost-effective structures (Abdalkrim, 2013). Management of companies that embrace corporate knowledge management and mentorship programs produce successful operational results and accomplishments (Quinn & Strategy, 2013). Business leaders using strategic management best practices to improve their operational procedures and outcomes (Hardy & Thomas, 2014). Moreover, leaders working in companies committed to strategic management practices embrace efficient administration of resources such as human, financial, and information (Chinomona, 2013).

Managers use strategic management frameworks to assist in addressing two important issues – competitive advantage and creating value for stakeholders (Hitt et al., 2017). Leaders of corporations use the strategic management process to improve and increase the success in developing competitive advantage in the marketplace (Hitt et al., 2017). Business leaders create competitive advantage by developing exclusive firm resources that competitors cannot duplicate (Ritthaisong, Johri, & Speech, 2014). Companies that develop value-creating strategies usually achieve strategic competitiveness leading to overall satisfactory returns for stakeholders (Hitt et al., 2017). Reducing the risk of ML/TF would improve the reputation and shareholders' value of bank and trust company operations.

AML and CFT

ML consists of processes that assist in the conversion of illicit proceeds of crime into legitimate assets (Omar, Johari & Arshad, 2014). ML is a financial crime which may be rooted in criminal activity (drug trafficking, human smuggling, etc.) and at times in

encompass a series of complex transactions and several financial institutions locally or internationally. Suresh, Reddy, and Sweta (2016) noted that ML is a process whereby illicit funds and assets enter into financial institutions disguised as legitimate transactions. ML is a three-stage process: (a) placement; (b) layering; and (c) integration (Suresh et al., 2016).

The first stage, *placement*, is the process where the money launderer deposits the illicit proceeds into the financial institutions, purchase securities, or marketable monetary instruments. The second stage, *layering*, is where professionals create several business vehicles (e.g. companies, trusts, and foundations) for deployment as intermediaries for financial transactions to conceal illegal source of the proceeds. The third stage, *integration*, is where intermediaries use the illegal proceeds as legitimate economy transactions without detection. Criminal proceeds are difficult to identify if criminals are successful in integrating the proceeds, through various vehicles, into the legitimate economy (Helmy, Zaki, Salah, & Badran, 2016). Detection of such funds can only occur if employees follow procedures and document clearly all transactions posted to client accounts resulting in a defined audit trail, which is a vital element in an effective AML/CFT compliance program.

Omar et al. (2014) stated in their study that ML is one of the biggest challenges facing the global financial system as it has pervaded all economies. ML scams and schemes negatively impact the global international financial system by skewing the economic statistics of national economies (Omar et al., 2014). Sittlington and Harvey, (2018) advised that policy makers considered ML as a global financial system threat as it

facilitated serious and organized crime to invade and undermine the integrity of the financial system. Primorac, Melitic, and Pilic (2018) noted that the ongoing placement of illicit proceeds of crime into the legal flows in national economies could act as a destabilizing agent of the financial system.

Persons carrying out ML activities create multiple victims with the financial institutions having most to lose if AML/CFT supervisors find them at fault for complacent behavior and levy sanctions and penalties (Levin, Gutierrez, Carroll, & Alpher, 2016). One of the popular crimes associated with ML is fraud. Fraud is one of the principal sources of illicit funds and ML through financial institutions (Schlenther, 2014).

Tax evasion is another crime that victimizes nations by disadvantaging citizens by diverting funds that could be used for social and economic growth programs for criminal use and serves to distort national economic data (Masciandro, 2017; Mugge, 2014). As businesses and investors use economic data to plan for future growth and expansion, inaccurate economic data could lead to negative macroeconomic consequences for nations. Other outcomes resulting from tax evasion and fraud include (a) abnormal changes in money demand, (b) increase in ML/TF and other operational risks to financial institutions, (c) increased contagion effects on financial transactions, (d) increased financial system instability due to unpredictable money flows, and (e) increased volatility in exchange rates due to unforeseen cross-border asset transfers (Baker, 2013).

While the typical money launderer can be anyone, professionals within criminal organizations frequently infiltrate financial system (McCarthy et al., 2014). There is no normal stereotype for a money launderer. However, the typical money launderer has a

connection to a person or organization that has access to steady sums of money that

requires legitimizing (Soudijn, 2014). It is very difficult to identify a money launderer;

the person may be a reputable financial expert (Sittlington & Harvey, 2018). However,

money launderers represent a diverse group of persons when considering race, the level

of education, vocation, and social position of the person or organization which can

represent terrorists or terrorists organizations or professional in the financial industry

(Omar et al., 2014). Criminal organizations, such as the American mafia typically engage

in black market activities including ML. These activities often attract large sums of

money that require filtering into the banking system in a way to avoid detection

(Sullivan, 2015). Maleta and Stipanovic (2018) noted that due to introduction of

cryptocurrencies as a form of payment, bitcoin and the other cryptocurrencies, due to the

anonymity that cloaks such transactions, are useable payment to facilitate, drug

trafficking, and TF and are therefore required to be monitored and regulated.

Banks and trust companies face the challenge of monitoring legitimate clients

while addressing the risk of corruption and enticement from money launderers and terror

groups. Small businesses can also be susceptible to ML as most such businesses are

primarily cash-based and the temptation to evade the possible tax liability can lure

persons into ML (Gilmour & Ridley, 2015). Small business owners, for a fee, might

facilitate ML by mixing legitimate proceeds with that of criminal proceeds before

depositing into financial institutions (Gilmour, 2014).

Cash-based businesses that launder, deploy emissaries to deposit small

unnoticeable sums into bank accounts (Gilmour, 2014). Another game plan that criminal

enterprises use involves using small businesses to obtain a series of managers' checks or money orders and deposit the funds into multiple bank accounts at different locations (Gilmour, 2014). To erase the audit trail which could lead to the launderer, the perpetrator can use the funds deposited to purchase land, jewelry, or investment products (Young, 2013). Primorac et al. (2018) noted that there were many options available to the money launderer including currency transfers and dealings in currency markets, bank participation, developing business start-ups, real-estate purchases (land and buildings). Money launderers, however, have as their principle purpose, the 'cleaning' of illicit funds entirely derived from criminal activity (FATF, 2017a).

International standard setting bodies such as the FATF, have identified that ML and TF are at the opposite ends of a continuum (Sinha, 2014). TF apparatus is usually very different from that of ML. Funding used for TF activities originate from both criminal activity and reputable sources (FATF, 2017b). The latter occurs as there are state sponsors of terrorism with huge legal foreign currency resources (FATF, 2017b). The key purpose of combating TF is to prevent future terrorist acts from disrupting organized society before they occur (FATF, 2016). An important difference between the twin threats is that TF can occur utilizing very small amounts of funding making the detection of TF very difficult. At low levels of funding, TF transactions can be mistaken for transactions carried out in the ordinary course of business (FATF, 2016). ML is usually associated with operations that funnel large cash volumes, derived from criminal sources, through the banking system (Sullivan, 2015).

The United States introduced FATCA in 2010 to prevent tax evasion and the resultant ML. FATCA obligates, worldwide, foreign financial service providers to submit financial account data on U.S. citizens to its Internal Revenue Service (Internal Revenue Service, 2017). Such obligation is the cause of much dissent amongst European Union (EU) partners (Kaye, 2014). The problem with FATCA is that there are no reciprocity provisions in the agreements to obtain like data from America, which is notably the world's largest offshore financial haven. Blank and Mason (2014) supported Kaye (2014) and agreed that FATCA contained no provisions that guarantees reciprocity. Countries such as the EU members are pushing the United States to accept reciprocity provisions before signing-up to FATCA while copying the provisions for their own purposes (Blank & Mason, 2014). FATCA has complicated Bahamian bank and trust companies' compliance programs, challenging compliance managers to meet the requirements imposed by the legislation (Ahlawat & Telson, 2015).

In the fight against ML and TF, agreements like FATCA has become critical in the move to establish a multilateral platform to enhance exchange of information globally to fight tax evasion and other financial crimes (Kaye, 2014). However, the Unites States and its allies have some misgivings to resolve. Moreover, Blank and Mason (2014) gave a harsh critique of the FATCA; they labeled the United States as a hypocrite due to FATCA obligating offshore bankers to act as unpaid police officers for the IRS while the U.S. state of Delaware and several other locations in the United States continued to assist foreign nationals to avoid and evade taxes. Notwithstanding this critique, business leaders believe that, in the fight against ML and TF, FATCA and its clones would dramatically

change the information cooperation landscape for offshore centers (Blank & Mason, 2014).

The FATF international AML/CFT standards, updated in 2012, captured the Special Nine Recommendations, created to combat terrorism, while introducing the concepts of the risk-based approach to combatting ML/FT, the national AML/CFT coordination, and national AML/CFT risk assessment requirements (FATF, 2017b). Recent statistical updates reflected criminal assets representing 3.6% of the worldwide GDP with 2.7% (1.6 trillion dollars) accounting for laundered proceeds (Khrawish, 2014). The banking and trust business, globally, is challenged daily with ML and TF risks (Mugarura, 2014).

The 2001 inclusion of antiterrorism standards in the FATF Forty Recommendations greatly increased operational expenses for stakeholders (McCarthy et al., 2014). Regulatory bodies require countries to provide scarce resources to strengthen their legislative framework to include the antiterrorism provisions and the AML/CFT regulatory and compliance regimes. Yeoh (2014) found that ineffective AML/CFT compliance programs increased ML/TF risks, and exposed banking operations to heightened threats of failure. The ML/TF risks were significant as Schlenther (2016), in his study, discovered that the flow of criminal proceeds, for the 2002-2012 period, from developing countries grew by 10% over the period. Khrawish (2014) noted that criminal assets represented 3.6% of the worldwide GDP with 2.7% or $1.6 trillion dollars accounting for laundered proceeds.

Intervention policies have been around for centuries, first surfacing in the late 19th and early 20th century as a mechanism to confront national risks, challenges, threats, and financial systemic risks (Lawson & Tardelli, 2013). There are some scholars who believe international forces are pushing the ML frameworks and standards purely based on the need to protect national self-interests and not the broader issue of global financial systems integrity (Serhan, Mikhael, & El-Warrak, 2016). However, ML and other economic crimes have had a significant negative effect on developing countries, serving to retard economic growth, and promote political instability (Jayasree & Siva Balan, 2016). Examples of the negative impact on developing countries' economy and political systems includes instability of the financial system, lack of control of economic national policy, economic distortion and investment instability, undermining of the legitimate private sector, loss of revenue, corruption, and prevalence of organized crime. Economic growth and political stability are under threat from the financial crimes such a ML and corruption (Omar et al., 2014). Developing countries are particularly vulnerable; to avoid the destruction of civic, political, or national institutions, governments must redouble efforts to curtail and regain control over financial crimes such as ML and corruption.

In Canada, like many other nations, proceeds from drugs and fraud are the usual sources of laundered funds (Simser, 2013). However, there are emerging financial avenues and products that are susceptible to ML such as prepaid access cards, person-to-person loans, online gambling, trade-based commodity schemes, and art trading schemes. Dolar and Shughart (2012) agreed with Simser's findings that AML and compliance programs were costly. Regulatory entities need to evolve and calibrate sufficiently to

meet an environment dominated by online virtual environments (Dolar & Shughart, 2012). Accordingly, many countries juggle priorities for national resources in meeting international AML/CFT standards. The FATF mutual evaluations of Asian-Pacific region countries revealed that the compliance with the 40 FATF Recommendations stood below the level of FATF member countries (FATF, 2017e). In addition, the primary challenge of these countries was that of prioritizing AML/CFT enhancements against other national priorities such as infrastructure, health, education, and food security. In the war of AML/CFT, the FATF appears to have disregarded the issues and challenges for developing countries and small island nations that bear the cost of enhancing, restructuring, and shaping the legal, and financial systems to comply with international standards.

Standard setting bodies like the FATF and OECD mandate that AML regimes (developed for developed economies, in the first instance) be implemented by all countries, notwithstanding the practical difficulties that countries like the Lesser Developed Countries (LDC) suffer when trying to develop and adopt cost effective workable regimes (Mugarura, 2014). There is a need for an approach that satisfies both the international standard setting bodies' requirements and the LDCs' introduction of appropriate regimes as the United Nations member states were not uniformly implementing the standards but were unevenly applying those standards based on the members' vested strategic self-interests (Mugarura, 2014). A transnational approach would assist greatly in the economic and cybercrime fight and would best assist countries in staying abreast of the evolving nature of these crimes, which can breach multiple

national boundaries. In addition, Menon and Siew (2014) maintained that a suitable platform would be effective in curtailing such crimes and used to choral international cooperation in a more synchronized fashion, resulting in the development of a level playing field.

In formulating AML/CFT implementation strategies, countries must include customer due diligence (CDD) requirements (Mugarura, 2014). The CDD requirements must be consistently applied across all financial services customer groupings. Irwin, Slay, and Choo (2013) supported this view as they documented that online financial service providers did not have adequate KYC and CDD systems in place to verify the identities of account holders. Best practices for protecting a financial institution's operations from ML and TF is by implementing a multilayered KYC identity checking system, which covered matching customer information with government databases such as driver's license, social security, and criminal records (Irwin et al., 2013).

International financial centers share responsibility for the problems faced by financial institutions in developed countries (OECD, 2017). International organizations, onshore countries, and their citizens identify international financial centers as immoral based on their belief that these centers have facilitated past financial crises and negatively impacted foreign tax systems by undermining fair global tax competition leading to the dampening of economic growth for developing countries and encouraging corporates to be socially irresponsible (Batrancea, Chirila, & Nichita, 2014). However, tax planning has assisted in wealth preservation, preservation of natural human rights, freedom of movement, and capital for decades (Batrancea et al., 2014). These financial centers have

come under repeated scrutiny in the fight against ML/TF (FATF, 2017c). Some scholars

such as Young (2013) believe that Western economic powers have bolstered the defiance

of international financial centers by supporting their lack of commitment and avoidance

of full compliance with AML/CFT international standards. Complicating matters further

is the discord within the G20 regarding the control of the global financial system and tax

evasion/avoidance strategies (Kaye, 2014).

AML/CFT impact on banks and trust companies. ML/TF have become global

problems affecting and impacting the global financial system. Suspicion of ML/TF

causes serious issues for financial institutions as they increase the entities' reputational

risks (King, 2013). Violations of AML/CFT legal provisions, regulatory guidelines, and

regulations are prime targets of supervisory intervention and resultant imposition of

monetary penalties (Central Bank of The Bahamas, 2017f). Financial institutions and the

financial system of a country exist and operate smoothly when there is a degree of

confidence and trust developed with the populace. KYC rules and due diligence

procedures are utilized by banks and trust companies to develop such confidence and to

obtain vital information on clients to avoid enabling money launderers and terrorist

groups.

ML/TF risks tend to erode public trust and confidence; thus, AML/CFT client

monitoring programs are useful in detecting such threats to avoid or minimize

reputational damage (Helmy et al., 2016). An integral component in AML/CFT

compliance program is the AML/CFT monitoring tool and processes. The monitoring

tool and processes identify and isolate ML/TF risks in client transactions (Helmy et al.,

2016). Banks and trust companies can use monitoring tools to assist in the identification of criminal proceeds. Compliance managers overseeing client transactions (frequency and amounts) use monitoring tools to assist them in identifying suspicious transactions that may result from or indicate the presence of ML activities (Irwin, Slay, Choo, & Lui, 2014).

Individuals and entities launder licit proceeds for personal gain but such activity can also serve to support terrorism (Primorac et al., 2018). ML is a phenomenon that can negatively impact nations as it provides financial resources derived from serious criminal offenses (fraud, corruption, tax evasion, murder, etc.) to terrorist organizations, and organized crime groups (Filipovic, Bartulovic, & Susak, 2018). Financial institutions that do not commit to embracing AML protocols, policies, procedures, and controls established by the compliance units, usually fail to avoid infiltration of a financial institution by money launderers. Primorac et al. (2018) noted that corruption presents problems to regulators in the fight against ML and TF as individual personal interests tend to be prioritize above the national security of a country. As such, these researchers admonished financial institutions to implement internal controls and measures to mitigate potential ML threats to their institution. An important element of any AML strategy is a unified vision aligned to and with compliance programs. Entities that possess a unified vision for the overarching business strategy aligned to their compliance programs with reasonable growth and profit targets, lowered the prospects of noncompliance for the sake of attracting business prospects (Mazur, 2012).

Researchers criticized the United Kingdom (UK) framers of AML/CFT legislation as vague and not helpful to the financial service providers leading to over reporting by financial institutions (Sinha, 2014). The UK judge in the case of Hong Kong & Shanghai Banking Corporation versus Shah noted that such vagueness and less than helpful guidance on the matter, was proving to have a negative effect on the banks' ability to safeguard their operations by identifying criminal proceeds. The challenges and the need to comply with the legislation resulted in overreporting of suspicion of clients and attendant transactions to avoid conflicting with the law (Sinha, 2014).

Hastily conceived and approved CFT measures developed by the FATF on 9th September 2001, placed tremendous compliance burdens and related costs on financial institutions due to the incompatibility of AML and CFT compliance monitoring measures required to be instituted (Sinha, 2014). In addition, due to ML (proceeds of illegal activity) and TF (involves legitimate funds most times) being at opposing ends on the monitoring spectrum, several scholars have opined that it was not a good decision by FATF to fuse the AML and CFT regimes and that the matter should have been thought out before the hasty decision made in September of 2011 (Sinha, 2014). This criticism was not belittling the fact that targeting terrorist money was not important but sought to highlight the inherent differences that exist between ML and TF, which could upend efforts to combat financing of terrorism. The fusing of the CFT regime with that of AML framework appeared to have weakened efforts to detect TF through the financial system as such activity was not a natural activity for financial institutions (Sinha, 2014). Monitoring for CFT, unduly burdened financial institutions to carry out such activity in

the process of monitoring transactions or bank accounts, as law enforcement was better suited for such investigative efforts.

Knowledge, an organizational asset, is important for companies to harness as it sustains competitive advantage in changing and evolving regulatory environments (Singh, 2013). The Bahamian AML/CFT regulatory regime mandates that all staff (management and line staff) are to undergo AML/CFT training on an annual basis to ensure that the most up to date information and tools are available to combat ML and TF. Training involves the transference of AML/CFT knowledge and information that strengthens the compliance culture of organizations thus improving due diligence procedures and monitoring of client account behavior (Young, 2013). Banks and trust companies improve their organizational AML/CFT knowledge reservoir by attending training and mentoring sessions. Managing the ML/TF risks challenging their operations, managers of banks and trust companies must constantly sharpen their risk management tools. A robust compliance and internal audit programs are two planks in companies' strategies that assist them in surviving in the changing regulatory environment (Dion, 2015).

Bahamian banks and trust companies have accepted the development and implementation of AML/CFT compliance and internal audit programs as necessary costs of conducting business (Central Bank of The Bahamas, 2017a). Balancing client privacy and AML/CFT compliance presents bank and trust companies with challenges related to customer relations. Managers must consider continuing significant costs associated with

maintaining effective, robust compliance and internal control programs with penalties for noncompliance and the cost of reputation risks (Dolar & Shogart, 2012).

Bank and trust company managers depend on compliance and internal control systems to assist in fortifying their survival prospects in the changing regulatory environment (Ai et al., 2015). The onset of the AML/CFT regulatory environments gave rise to new staffing requirements (line and management staff). The government, by enacting the Financial Intelligence Unit Act (FIUA), introduced the posts of ML reporting officer and that of a compliance officer and obligated all financial institutions to employ persons to fill the positions (Central Bank of The Bahamas, 2017d). The staffing, annual training, record keeping and due diligence requirements, have greatly increased operational costs of bank and trust companies (Dolar & Shogart, 2012).

Legislative framework of AML and CFT. The most stringent of legislative frameworks without an appropriate AML/CFT compliance program has limited effect on ML/TF activities because they are egregious and heinous crimes, respectively (The Central Bank of The Bahamas, 2017f). In a traditional sense, ML is a white collar, victimless crime because there is no visible bodily harm inflicted on individuals while TF usually leads to destructive, murderous events that destroy lives and that harm, maim, or kill numerous people (FATF, 2016). The government in enacting the Financial Transaction Reporting Act (FTRA) introduced business minimum standards for the adherence of the Bahamian financial institutions and other financial service providers to assist in safeguarding their operations from the perpetuators like money launderers and terrorist financiers by monitoring client relationships and client transactions (Central

Bank of The Bahamas, 2017c). Financial institutions that have lax AML/CFT controls tend to attract criminals/terrorists seeking channels to deposit/invest illicit funds.

The FTRA and the Financial Transaction Reporting Regulations (FTRR) comprise the core of the AML/CFT legal regime as they embody the KYC regulations, annual training requirements, record keeping requirements, suspicious transaction reporting requirements, and the creation of the Compliance Commission (Central Bank of The Bahamas, 2017c). The criminal justice system primarily impedes ML and TF activities through its financial reporting requirements (Young, 2013). The Bahamas does not have a cash reporting system but obligates financial institutions to file suspicious transaction reports to the Financial Intelligence Unit (FIU) (Central Bank of The Bahamas, 2017d). FIU gains its power from the FIUA (Central Bank of The Bahamas, 2017d). The Proceeds of Crime Act (POCA) is the umbrella legislation which obligates financial institutions, nonfinancial institutions, and individuals in reporting suspicious transactions and contains dissuasive penalties for noncompliance (Central Bank of The Bahamas, 2017b).

At times, established laws, regulations, and legally enforceable guidelines policies, may not be sufficient to prevent ML or TF. The FATF introduced in 2012 revised recommendations and guidance that promoted a risk-based approach to assist financial institutions to allocate scarce resources and boost AML/CFT compliance (FATF, 2017d). Bank and Trust company managers identified virtual environments as facilitators of ML/TF (Irwin et al., 2014). Some virtual environment benefits criminals because the environment offers a high level of anonymity with possible minimal levels of

detection without real-world risks (Irwin et al., 2014). McDonald (2013) evaluated the risk-based approach and the effectiveness of sanctions. The study of ML/TF risk reduction strategies is necessary as the occurrences of ML/TF activities have increased over the recent past and is an ever-present danger to the global financial system and key stakeholders (Irwin et al., 2014).

Governments were obliged to introduce their financial institutions to AML/CFT regulatory frameworks following the issuance of the 1990 FATF 40 Recommendations (FATF, 2017b). In The Bahamas, banks and trust companies began their AML/CFT legislative framework criminalizing ML in 1995. Prior to 1995, there was only the legal provisions to pursue proceeds of crime derived from the illegal drug trade (Central Bank of The Bahamas, 2017b). ML directly impacts transparency in the financial system and distorts the financial market health, and subsequently can affect the effective functioning of the entire economy (Franjic, 2018). As such, after the passage of the 1995 laws, supervisors obliged all financial institutions to implement AML programs to monitor and guard against the numerous formal and informal channels that were susceptible to ML abuse (Central Bank of The Bahamas, 2017a).

Knowledge management, the preservation of vital intel and information, facilitated via the institutionalization of AML/CFT training, record keeping, introduction of creative reforms, and more robust legislative framework, have assisted in the establishment and sustenance of adequate AML/CFT monitoring systems (Behrens, 2015). New technologies require managers to continuously review AML/CFT compliance programs to remain relevant (Central Bank of The Bahamas, 2017a).

AML/CFT regulatory compliance. A successful AML/CFT compliance program starts with the leadership of bank and trust companies' top management including the board of directors and senior managers (Walter, 2013). AML/CFT compliance can only be effective when risk and compliance managers have the support of the senior managers who have engrained compliance within the corporate culture that emphasizes the elements of honesty and integrity (Bank for International Settlements, 2017). AML/CFT compliance must be the business of all personnel in a bank and trust company and failure to receive support from internal stakeholders can result in an adverse impact on its operations and external stakeholders (Bank for International Settlements, 2017). AML/CFT compliance programs include: (a) a compliance officer, (b) an AML officer, (c) KYC due diligence procedures and policies, (d) policies and procedures covering monitoring tools, retention of records policy, compliance reviews, and internal risk management reviews, (e) ongoing staff training, and (f) the supporting IT infrastructure. Financial Institutions must meet the challenges associated with multiple types of risks: compliance risk, including reputational, operational, and legal risks (Walter, 2013). Banks and trust companies are faced with criminal activity, particularly, ML/TF threats, which have risen significantly over the past years (Helmy et al., 2016). Banks and trust companies use the legal provisions and rules found in the AML/CFT legislative regime to assist in mitigating ML/TF risks.

The principal legislation giving AML/CFT guidance to Bahamian financial institutions are the FTRA, FTRR, POCA, and the FIUA (Central Bank of The Bahamas, 2017f). The managers of bank and trust companies use the Central Bank's AML/CFT

guidelines to assist in developing and implementing an appropriate compliance framework to mitigate the risks. Compliance programs comprise written AML/CFT processes for client relationship on-boarding, periodic review of client due diligence and transactional data, a client risk rating scheme, monitoring of client transactions and associations, retention and maintenance of records, staff training, periodic client and transaction review, designation of a compliance officer, designation of a ML reporting officer, and internal controls, policies and procedures (Central Bank of The Bahamas, 2017a). A key component of a strong AML/CFT compliance program is that of a comprehensive and effective monitoring system (Helmy et al., 2016). Such a system is vital in the identification of potential suspicious transactions. A necessity of any comparable AML/CFT compliance program is an agile, dependable, cost effective, and reliable information management system and technological filtering tools such as World-Check or Lexus Nexus (Levin et al., 2016).

Managers use AML/CFT compliance programs to assist in mitigating ML/TF risks. Managers of bank and trust companies use AML/CFT compliance programs to reduce and minimize the risk and exposure to ML/TF (The Central Bank of The Bahamas, 2017a). When developing an AML/CFT compliance program, compliance managers must be cognizant of new challenges such as computer hacking and penetration, virtual environments, and virtual currencies (Irwin et al., 2014). Mangers of financial institutions use compliance programs to protect their operations from money launderers, terrorist financiers, and other criminals.

Dolar and Shughart (2012) confirmed that financial institutions must defend and protect their operations from ML/TF risks. A robust compliance program is necessary for bank and trust companies to fulfil their obligations to shareholders, staff, and customers while safeguarding their investments, customer funds, and company jobs. Compliance managers see ML/TF risks as key causes of reputation damage and supervision intervention, which can lead to significant penalties, punitive legal actions resulting in sizeable monetary loses, or even revocation of licenses. The HSBC AML case highlighted the enormity of monetary penalties that levied for AML/CFT violations (Protess & Silver-Greenberg, 2012).

Technology is vital to compliance programs. A primary concern of bank and trust companies is client data protection. As such, filtering and monitoring tools are vital to the bank and trust companies' protection of client privacy balanced with data integrity and protection of bank and trust companies' critical systems from penetration by money launderers and terrorist groups (Sim-Tang, 2013). As such, banks and trust companies struggle to ensure that their information and technological systems (ITS) are cost effective and robust to minimize ML/TF risks. A robust ITS is an important tool that banks and trust companies utilize to safeguard client information (Tang & Ai, 2013). Compliance managers favor creation of centralized databases of client transactional data and due diligence documentation to enable direct access to client data and information to compliance staff, allowing for timely cross checking and verification of client data, via filtering tools, at any location of a business operation thus minimizing AML/CFT exposure (Gileadi, O'Sullivan, & Hamilton, 2013).

The increase of customer and transaction data that are being handled by the institutions is burdensome and presents problems in detection and identification of ML activities concealed by criminals using or attempting to use financial institutions for laundering activities (Suresh & Reddy, 2018). Accordingly, banks and trust companies which are profit making entities entrusted with clients' funds and information, are obligated to ensure a confidential and safe environment for stakeholders to operate. Automated systems are necessary tools for bank and trust companies to facilitate the streamlining of their AML/CFT, auditing and internal control processes to balance their many obligations and to avoid duplication of functions and tasks thereby effectively reducing compliance costs using technology.

Transition

In Section 1, I discussed the foundational and background information, problem statement, purpose statement, the research question with interview questions, the nature of the study, operational definitions, and the conceptual framework. In addition, I include a commentary on the assumptions, limitations, delimitations, and the significance of the study. I also discussed the review of professional and academic literature on the topics of risk management and AML/CFT strategies.

The purpose of this doctoral study was to explore compliance strategies to reduce the risk of ML/TF activities. The lack of compliance strategies negatively impact compliance managers' ability to reduce ML/TF activities. Section 2 contains information regarding my use of a qualitative case study to idenify successful srategies to reduce ML/TF risks. The topics in this section include a purpose statement, the role of the

researcher, participants, research method and design, and population and sampling. Other

relevant themes in this section include ethical research practices, data collection

instrument, data collection technique, data organization technique, data analysis

technique, and reliability and validity. In Section 3, I included the purpose statement,

research question, the study's findings, the applications to professional practice, and

implications for social change. Lastly, I concluded the section with my reflections, a

discussion on recommendations for action, or further research.

Section 2: The Project

The purpose of Section 2 is to provide an overview of the development of my

qualitative case study. In Section 2, I included subsections on (a) the purpose of the

study, (b) the researcher's role, (c) participant selection, (d) research methodology and

design, (e) the population and sampling, (f) ethical research practices, (g) data collection

instruments and technique, (h) data organization, (i) data analysis, and (j) reliability and

validity. The research strategies outlined in Section 2 relate to fulfilling the purpose of

this study, which was to explore compliance strategies that Bahamian bank and trust

company managers use to reduce the risks of ML/TF activities.

Purpose Statement

The purpose of this qualitative multiple case study was to explore compliance

strategies that Bahamian bank and trust company managers use to reduce the risks of

ML/TF activities. The population consists of compliance and risk managers from four

Bahamian bank and trust companies located in the Commonwealth of The Bahamas who

are experienced in strategy development and implementation of AML/CFT compliance

programs. The implications for social change include the potential to reduce the failure of

Bahamian bank and trust companies resulting from reputation damage attributed to

ML/TF risks, thus positively impacting the unemployment rate amongst financial sector

professionals in The Bahamas.

Role of the Researcher

My role of researcher was to gather data from participants, and then to analyze

and interpret the collected data (Delyser & Sui, 2014). Moreover, my role was to partner

with participants to explore and understand a phenomenon (Khankeh, Ranjbar, Khorasani-Zavareh, Zargham-Boroujeni, & Johansson, 2015). My role as researcher included interacting with and interviewing knowledgeable and qualified participants to collect data on the strategies that managers of Bahamian bank and trust companies develop and implement to reduce ML/TF risks.

My experience with the research area helped to boost my understanding of participants' observations and insights (Berger, 2015). My passion and understanding of the research area propelled and compelled me to study this phenomenon comprehensively, which resulted in critical findings (Bryman, 2015). As a former senior regulator of 36 years, my familiarity with and professional experience in financial sector regulation, policy development, and AML/CFT compliance assisted me in gaining an in-depth appreciation of the collected data. My last 12 years of work experience at the Central Bank of The Bahamas was spent as the manager of the Bank Supervision Department. As a former senior bank and trust company regulator, I have observed the challenges that bank and trust companies have been confronted with regarding ML/TF risks. Additionally, having lived in The Bahamas for over 57 years, I am familiar with the research location.

Researchers are required to maintain objectivity and to be ethical in the data collection process (Malone, Nicholl, & Tracey, 2014). However, researchers with strong professional or personal affiliation with the study population could allow biases and conviction to seep into research settings (Cope, 2014). Biases are inherent, thus making it easier for a researcher to attach to a perspective, which undermines impartiality (Malone

et al., 2014). I minimized bias by deliberately detaching myself from the issues selected for discussion, thereby maintaining a neutral stance while interviewing participants. Bracketing occurs when researchers deliberately puts aside their beliefs about the research phenomena (Edward, 2018). Researchers can employ bracketing to contain preexisting biases during data collection, data analysis, and writing up of results and recommendations (Johnston, Wallis, Oprescu, & Gray, 2017). I employed bracketing throughout the research.

To minimize research bias, participants and researchers should not be associated (Robinson, 2014). Moreover, researchers must always be mindful that participants' views must not be filtered through the researchers' worldviews to avoid bias and engender a deeper understanding of a phenomenon (Bell, 2014). Further, researchers ought to always be mindful of their personal assumptions and values because there is a tendency for them to impact the research environment during the critical stage of data collection and analysis (Malone et al., 2014). Hence, I (a) avoided research biases by selecting participants who had no close affiliations with me, (b) omited personal viewpoints, and (c) omited personal assumptions during the data collection and analysis processes.

Ethical standards released in the 1979 *Belmont Report* mitigate bias during the interview process (U.S. Department of Health and Human Services, 1979). I used the three principles of the *Belmont Report* to guide the interview protocols of my study: (a) respect, (b) beneficence, and (c) justice. The standards provided in the *Belmont Report* are mandated to govern and apply to researcher and participant interaction (Collins & Cooper, 2014). Consequently, these ethical standards help researchers maintain a level of

respect for all participants, ensuring protection of their identities and impartiality in the treatment of participants.

Researchers use an interview protocol to govern the facilitation of participant and researcher interactions that assist in the creation of an environment that encourages participants to share rich data (Amankwaa, 2016). Interview protocols are established guidelines that researchers use to outline the research background of the study, to summarize the pertinent information relative to the study, and to allow for a consistent interview structure (Boehm & Hogan, 2014). Researchers use interview protocols to ensure consistency in the capture of vital research information (Drabble, Trocki, Salcedo, Walker, & Korcha, 2015). An interview protocol assists researchers with maintaining consistency across all interviews because it provides a procedural guide that steers the interview process (Baškarada, 2014; Wang, Xiang, & Fesenmaier, 2014). Amankwaa (2016) noted that interview protocols establish uniformed methods to gather comparable data from all participants. Hence, I used an interview protocol (see Appendix A) to establish an organized interview structure and to maintain consistency in all participant interviews.

Participants

Researchers must establish participant eligibility criteria (Yin, 2017). Further, participants must be knowledgeable and possess experience regarding the research topic (Sowman, Sunde, Raemaekers, & Schultz, 2014). Researchers use eligibility criteria to aid in the selection of experienced and willing participants who can offer relevant data on the research topic (Latiffi, Brahim, & Fathi, 2016). I chose participants based on their

knowledge and experience concerning risk, compliance, and strategy development. Eligibility criteria for study participants were as follows: (a) employment as a risk manager, compliance manager, or strategist in a Bahamian bank and trust company; (b) 10 years of professional bank and trust company industry experience regarding business practices related to compliance, risk, or strategic management and implementation thereof.

Researchers rely on the approval of gatekeepers who regulate access to specific groups or organizations to pursue research objectives (Gülmez, Sağtaş, & Kahyaoğlu, 2016). Gatekeepers are persons who allow researchers to gain access to a company's employees for the purpose of participating in a study (Whicher, Miller, Dunham, & Joffe, 2015). Powell, Wilson, Redmond, Gaunt, and Ridd (2016) suggested that researchers frequently seek gatekeeper endorsement to gain access to participants. Researchers' friends and colleagues are used to broker access to organizational participants (Robinson, 2014). I used organizational executives to gain access to research participants for this study.

Upon receiving Walden Univesity's Institutional Review Board (IRB) approval for my study, 11-10-17-0494467, letters of cooperation were sent by email to identified gatekeepers to obtain confirmation of their willingness to allow me access to potential participants. Upon receipt of approval from selected gatekeepers, researchers must work to recruit potential participants (Lynn, 2014). Subsequently, letters were sent requesting the participation of the potential participants via e-mail, which included an informed consent form for respondents to review. Upon accepting the invitation to participate, the

participant confirmed participation in the study by emailing "I Consent" to me. Upon receipt of the participant acceptance email, I contacted each participant by phone to agree to a date, time, and place for the interview. I used a diary for record keeping purposes and sent out follow-up notes to remind the participant of their upcoming interviews.

Researchers must establish a good working relationship with participants to engender and build trust, to foster an environment of confidentiality, and to facilitate a smooth data collection process (Kral, 2014). The quality of data that respondents provide is contingent on the relationship the interviewer cultivates with the interviewee (Stühlinger & Hackl, 2014). Moreover, participants require an environment of trust to feel comfortable enough to answer queries openly and honestly (Grieb, Eder, Smith, Calhoun, & Tandon, 2015). Assuring participants of the confidentiality measures, listening, and being sensitive to respondents' anxieties assist in building an environment of trust (Owen, 2014). Fostering a good working relationship with participants helps to resolve issues that may arise during the interview process (Brett et al., 2014). I built rapport and established relationships with participants by explaining at the beginning of the interview process the purpose and significance of the study. Moreover, I engendered an environment of trust with respondents by reiterating my intent to maintain confidentiality and to be sensitive to anxieties, hesitations, and general apprehensions during the interview process.

Research Method and Design

The purpose of this qualitative multiple case study was to explore compliance strategies managers use to reduce the risk of ML/TF activities in their business

operations. To achieve this purpose, I interviewed seven compliance and risk managers employed with four Bahamian bank and trust companies. The best approach for addressing the research question was a qualitative case study design. Researchers use a qualitative case study to gain deeper insight of a business problem by way of interviews, observations, and related documents (Yin, 2017). Further, researchers use a qualitative research method to study a specific business problem by generating a narrative rather than generating numbers (Mukhopadhyay & Gupta, 2014; Xu et al., 2015).

Research Method

I adopted a qualitative research method for this study to understand the risk management strategies compliance and risk managers of Bahamian bank and trust companies use to reduce the risks of ML/TF activities challenging their business operations. Researchers use a qualitative research method to closely interact with study participants (Ahmed & Ahmed, 2014). The qualitative method faclitates the capture of data regarding specific research questions during the participant interview process (Bristowe, Selman, & Murtagh, 2015). Moreover, in studying complex issues and problems, researchers prefer qualitative methods to carryout in-depth exploration and analysis (Cairney & St Denny, 2015). I captured in-depth data by conducting face-to-face interviews with participants.

Qualitative research involves exploring real-life experiences and interactions with evolving and developing concepts (Marshall & Rossman, 2015). The qualitative research approach is accepted by the business community as an effective research methodology that assists scholars in exploring the complexity of real business problems, issues, and

organizational situations (Myers, 2013). Researchers use the qualitative method to gather data and address emergent inquires (Merriam, 2014).

Qualitative methodology offers researchers a blueprint for inductively exploring business problems (Mukhopadhyay & Gupta, 2014). I selected the qualitative research method because it facilitated the recording of interviews, note-taking regarding my observations of participants, and capturing vital insights (Cairney & St Denny, 2015; Gergen, Josselson, & Freeman, 2015). The qualitative method is useful for gathering participants' reflections and information (Fletcher, De Massis, & Nordqvist, 2016). I used a qualitative method to gain critical information from participants through interviews and observations for analysis and review.

I considered using both the quantitative and mixed methods methodologies. Johnson (2015) noted that the quantitative methodology emphasizes the development and employment of mathematical models, theories, and hypotheses to study and analyze a phenomenon. A quantitative method is an appropriate research method for studies that focus on theories or hypotheses that are tested by variables (Parry, Mumford, Bower, & Watts, 2014). Researchers use a mixed methods approach for synthesizing and integrating quantitative and qualitative data in a single study (Bakla, 2018).

I deemed quantitative and mixed methods approaches to be inappropriate for this study because I did not examine the relationship between independent and dependent variables and did not have much use for numerical data analysis. Quantitative or mixed methodologies are not suitable for studies requiring data collection from participant interviews or observations (Gordon, Rodde, Skaro, & Baker, 2015). Qualitative

researchers focus on groups or a small number of individuals, which facilitates gathering in-depth insights related participants' perceptions and lived experiences (Yin, 2017). The appropriate research method for this study was the qualitative method because of my focus on exploring AML/CFT compliance strategies used by compliance and risk managers of Bahamian bank and trust companies to reduce the risks of ML/TF activities challenging their business operations.

Research Design

Research designs are blueprints that guide researchers in linking, gathered data, analysis of that data, and data conclusions in a study. Researchers must understand and select the best fitting research design for possible studies to guide the capture of data, analysis of data and the accurate interpretation of data (Ioannidis et al., 2014). The chosen research design must match the goal of the researcher (Yin, 2017). Researchers use the case study approach to gain a deeper understanding of the perspectives of participants (Malone et al., 2014). A researcher uses a case study design to explore a contemporary phenomenon within a real-life context (Yin, 2017).

Researchers use a case study research design to deepen the understanding of collected data witin a bounded system (Azzi, Battini, Faccio, Persona, & Sgarbossa, 2014; Yazan, 2015). Case studies are identifiable by boundaries, rich descriptive text, emerging themes, and contextual basis (Yin, 2017). Moreover, a case study is an appropriate and reliable framework for studies focusing on human experiences (Baškarada, 2014). Accordingly, I used a case study design to explore strategies

managers of Bahamian bank and trust companies use to reduce the risk of ML/TF activities.

Yazan (2015) described how a case study design helps a researcher gain insight and understanding into contemporary phenomena in their qualitative studies. The multiple case study design facilitates the investigation of complex real-life contextual issues and contemporary phenomenon (Yin, 2017). Researchers use a qualitative case study design when studying the *why* and *how* of a phenomenon (Shekhar, 2014; Yin, 2017). I used a qualitative case study to gain an in-depth insight of the *why* and *how* of compliance strategies to reduce the risk of ML/TF activities.

Before considering and selecting a case study design, I considered several other research designs, including phenomenology and ethnography. Researchers use phenomenological designs when seeking to interpret lived experiences from participants' perspectives (Chan & Walker, 2015; Gill, 2014). Gaining an understanding of and insights into experiences, behaviors, attitudes, processes, and opinions are of paramount importance in phenomenological studies (Dowden, Gunby, Warren, & Boston, 2014). Accordingly, as my intent was to explore compliance strategies used to reduce risks of ML and TF activities, phenomenological design was rejected.

A researcher uses an ethnographic design to explore a group culture to document patterns of behavior and beliefs (De Chesnay, 2014). Similarly, Marshall and Rossman (2015) indicated that ethnography entails the exploration of a culture or social grouping. Researchers use an ethnographical design to understand culture in seeking to explain group behavioral issues and problems (Jerolmack & Khan, 2014). Case study research is

the research design of choice for this study as it provides a degree of flexibility to the researcher that is not usually available in other qualitative approaches (Hyett, Kenny, & Dickson-Swift, 2014). This study was an exploration into a specific business problem within a bounded system, and did not focus on understanding an organization's culture. Therefore, the ethnographical research design was rejected.

Saturation in qualitative research occurs at the stage where gathering new data fails to add value to understanding the phenomenon under exploration (Fusch & Ness, 2015). Data saturation is accepted as the concept of continuous sampling and data gathering until the point where no new insight or theoretical understandings are gained (Mejia & Phelan, 2014). Data saturation is reached when no new data or information is forthcoming from additional data collection (Fusch & Ness, 2015). Data saturation in the interview process is the point when new information becomes redundant with repetitive themes (Thomas, 2015). Continuous data collection continues until no new themes or information emerges and the researcher reaches data saturation (Frederick, 2015). I continued interviewing participants until no new ideas were forthcoming and information became redundant.

Population and Sampling

I utilized a purposive sampling for this study. Purposive sampling is the grouping of participants according to a preselected criterion germane to the research question (Palinkas, Horwitz, Wisdom, Duan, & Hoagwood, 2013). Purposive sampling is a process used to select participants based on the knowledge, experience, and expertise of the researcher (Turner, Hyunjung, & Andersen, 2014). Researchers use purposive

sampling to recruit participants who possess similar knowledge regarding a problem
(Palinkas et al., 2015).

Purposive sampling is appropriate when the researcher has a working knowledge
of the population (Robinson, 2014). Researchers use purposive sampling to capture
participant information by utilizing a qualitative inquiry method (Yin, 2017). I used
purposive sampling to select participants that meet the established criteria.

The population for this study was senior compliance and risk managers employed
in the Bahamian bank and trust companies' sector of the financial services industry in
The Bahamas. For data collection purposes, Owen (2014) identified 12 participants,
Thomas (2015) advised two IT leaders while Shoup (2015) suggested seven participants
as a suitable sampling for interview research exploring emerging themes and patterns.
However, Gray (2014) maintained that the ideal sampling size is known only post
completion of the research. A review of these studies failed to identify an ideal number of
participants to meet saturation requirements. Palinkas et al. (2015) suggested that
purposeful samples of experienced participants result in meaningful and substantial
responses, which promotes information-rich studies. Considering the variances in the
sampling selected by scholars for purposive population sampling size, I selected seven
participants for this study, one of which submitted written responses to the interview
questions.

There is no set number of interviews required to reach data saturation. Yin (2017)
noted that data saturation occurrs when no new information is obtained through
interviewing participants. Gibbins, Bhatia, Forbes, and Reid (2014) attained saturation in

12 interviews. Noohi, Peyrovi, Goghary, and Kazemi (2016) advise researchers to stop collecting data when no new information is forthcoming from identified sources. Accordingly, I ceased to collect data when information became redundant.

I conducted semistructured interviews facilitated by open-ended questions to collect data from participants. Researchers use semistructured open-ended interview questions to obtain a comprehensive understanding of business problems confronting a study's participants (Wijbenga, Bovend'Eerdt, & Driessen, 2018). Participants in a qualitative study partake in recorded face-to-face interviews (Bowden & Galindo-Gonzalez, 2015). Bowden and Galindo-Gonzalez (2015) favored the interview process because such sessions helps a research with the following: (a) building of a relationship with participants, (b) identifying any participant constraints, and (c) listening to and observing participants. I conducted face-to-face interviews with participants in a familiar environment, research partner offices, to encourage participants to openly share details and information related to the study. According to Synnot, Hill, Summers, and Taylor (2014), participants tend to share information more freely during semistructured interviews.

Ethical Research

Case study researchers must follow ethical principles before, during, and after their research to ensure the research process does not unduly negatively impact human subjects (Yin, 2017). Ethical principles ensure the safety and wellbeing of participants and researchers, mitigate risks that can otherwise result, assures faith in the process, and confirms research credibility (Alby & Fatigante, 2014). Minimal acceptable standards

relating ethical research conduct include: (a) participants should not be mistreated or harmed, (b) participants agree to be involved in studies (voluntary participation), and (c) commitment to keep confidential all information obtained from participants (Mukhopadhyay & Gupta, 2014). The interviews occurred in an atmosphere of honesty and respect to the participants. No violation of participants' time, property, or privacy, both on a personal or professional level occurred. I completed the National Institutes of Health (NIH) web-based training concerning the protection of human subjects in research studies. My certificate number is 1538239.

In gaining participants' voluntary informed consent, researchers obligate themselves to clarify the purpose of their studies and intended dissemination (Owen, 2014). Participants' informed consent forms the basis and essence research ethics (Gordon et al., 2015). Researchers provide participants with a copy of the informed consent form to remind participants of their rights, minimize the risk of misconceptions, to show respect, and preserve privacy of respondents (Beskow, Check, & Ammarell, 2014). Thus, I provided each participant with a copy of the informed consent form with the Walden University IRB approval number to read and advised verbally that they understood their rights before commencing interviews.

The information on the consent form provides for (a) voluntary participation, (b) the right to withdraw or terminate the interview at any time, (c) the right to request elimination of any responses prior to the publication of the study, and (d) an explanation as to the confidentiality arragements for the interview contents inclusive of retention for 5 years. I gave each participant the opportunity to acknowledge that he or she fully

understands the purpose of the informed consent form and to ask any questions on any note therein. Informed consent is a crucial tenant of qualitative research and as such prospective participant's ability to provide informed consent form an important element of the ethics appraisal process (Hammersley, 2015). If participants do not understand the elements of the research, the researcher should not ask the participant to sign the document (Owen, 2014). Pietkiewicz and Smith (2014) cautioned that respondents must understand, while informed consent has been given, participation in research is always voluntary and that they can consent or decline participation in the research. I commenced interviews upon receipt of participants' verbal agreement that they are fully aware of the contents of the informed consent form. A hallmark of qualitative research is the ability and right of participants to withdraw at any time throughout the study (Gibbins et al., 2014). Three out of 15 participants in the Gibbins et al. (2014) study withdrew from the research without penalty.

Participant incentives, stipends, or allowances tend to reduce barriers to participation (Begley, McCarron, Huntley-Moore, Condell, & Higgins, 2014; Lewin, 2015). Incentives provided to persons comprise everything that can entice participation in research (Smaglik, 2016). Incentives are a leverage to extract prospective respondents' contributions to research (Lewin, 2015). Participants taking part in the study did not receive monetary incentives to secure their participation. The invitation email included a copy of the participants' informed consent form.

Safeguarding participants' confidentiality is a key element in qualitative research and is fundamental in research ethics (Morse & Coulehan, 2015). Due to the sensitive

data given by participants, guaranteed confidentiality assures participants that they can speak openly and freely (Morse & Coulehan, 2015). Ensuring that participants' identity and information confidentiality is essential to research of business problems (Barazzetti, Hurst, & Mauron, 2016).

To ensure confidentiality of participants' data, I did not use participants' nor organizational names to code data files. Instead, each data file included a participant and a number signifying order of interviews. For example, *P1,* in which *Participant X* represents the interviewee and order of interview. To avoid leaks of information or accidental release of participant data, I ensured that sole access to collected data remained with me. I stored all electronic files / records on a password protected memory device and along with media comprising raw data such as the audio-recorded interviews, notes, interview transcripts, reflective notes, and research logs, which is further protected by lock and key in a secure cabinet with the intent to destroy them after 5 years.

Data Collection Instruments

The researcher is the primary data collection instrument in qualitative research studies (Yin, 2017). I acted as the primary data collection instrument for the study. In doing so, a researcher uses his or her knowledge and skills to ensure the quality of the conclusions and findings are of a high standard (Da Costa, Polaro, Vahl, & Gonçalves, 2016).

Credible case study research requires data to be obtained from at least two of the available data sources including (a) archival records, (b) direct observations, (c) documentation, (d) interviews, (e) participant-observation (i.e., site visits), or (f) physical

articles (Yin, 2017). Similar to what Yin (2017) recommended, I used a semistructured interview technique with open-ended interview questions to collect data, noting observations, as well as review of corporate and archival documents and records. Field interviews offer several advantages (Mukhopadhyay & Gupta, 2014). The most important of these advantages is that the researcher has an opportunity to observe the participant in their environment as well as witness the body language of interviewees, which can give a deeper meaning to responses. Researchers consider using a semistructured interview technique with open-ended interview questions, useful in encouraging dialogue on issues guided by identified themes in a consistent and methodical manner intended to stimulate expansive responses from participants (Rossetto, 2014; Shoup, 2015). In-depth interviewing of participants is useful in gaining understanding of people's experiences and events, and the significance and importance they make of experiences and occurrences (Owen, 2014). In accordance with Harvey (2015), I asked for the participants' consent to record all interviews with a digital recorder.

Interview protocols are procedural guides that help researchers direct qualitative research (Darawsheh & Stanley, 2014; Vohs & Lysaker, 2014). Moreover, interview protocols embody the research objectives and measures to follow in conducting interviews (Radaelli, Guerci, Cirella, & Shani, 2014). An interview guide ensures consistency of treatment of all participants by providing a systematic and comprehensive approach to the interviewing process and eliminates predetermined responses and giving interviewers latitude to enquire and explore within fixed areas of inquiry (Grieb et al., 2015). The protocol comprised best practices including (a) allowing the participants to be

expansive in their responses not dominating the conversation, (b) not exerting influence as to steer the interview in a specific direction, (c) ensuring objectivity, (d) observing the established protocol, and (e) developing appropriate follow-up questions (Yin, 2017). I used an interview protocol (Appendix A) to ensure uniformity and consistency in interviewing participants.

Member checking is an important tool in a qualitative study, which serves to strengthen the reliability of the research (Marshall & Rossman, 2015). Member checking is a critical element that supports the credibility of qualitative research (Andraski, Chandler, Powell, Humes, & Wakefield, 2014). In addition, subsequent to the transcription of the recorded interview data, researchers use member checking to afford participants the opportunity to assist in the validating and verification of the accuracy of the data and interpretation of the information obtained during the interview process, which effectively improve the credibility of the research (Theron, 2015). Member checking transferred the burden of accuracy of data and legitimacy of the research process from me to the study respondents (Marshall & Rossman, 2015). Similarly, Andraski et al. (2014) noted that member checking ensures that participants confirm the researcher's interpretation of data.

Wang et al. (2014) conducted member checking to enhance the accuracy of theme interpretation during their research about smartphone use. I used a similar process of member checking to ensure that participants validate my interpretation of the collected data. Throughout this process, I asked participants to confirm my interpretation and

meaning of themes or categories. After member checking, I imbedded any revisions, clarifications, and amendments into the final themes.

Methodological triangulation is the employment of multiple methods or data sources in qualitative research to gain a comprehensive understanding of phenomena (Burau & Andersen, 2014; Modell, 2015). Carter, Bryant-Lukosius, Blythe, and Neville (2014) and Cope (2014) noted that triangulation, when used as a qualitative research strategy, can test the reliability and validity of data and conclusions through the comparison of information from various sources. The triangulation of multiple sources enhances the validity of case study findings (Ravitch & Carl, 2015).

Researchers use methodological triangulation for comparing, confirming, and checking evidence from different types of data sources, such as primary and secondary research or interviews, archival documents, public records, photographs, and observations (Carter et al., 2014). I employed methodological triangulation comprising interviews, observation, and review of organizational documents. Organizational documents comprise policies, procedures, internal memos, program proposals, organizational reports, and other outputs of the actions related to strategies managers use to reduce the risks of ML/TF activities.

Data Collection Technique

Qualitative researchers merge data from multiple sources and techniques (Jarkas & Horner, 2015). Case study research design is attractive to researchers because of the use of multiple sources and techniques (Wilson, 2014). Observing study participants, note taking during interviews, field notes, and documents provided by respondents, are

suitable data collection techniques (Antwi & Hamza, 2015). Like Antwi and Hamza (2015), I used semistructured interviews (Appendix A), participant observation, and document analysis as my data collection techniques.

Yin (2017) noted that conducting interviews is a primary data collection technique used to facilitate case study research. Conducting interviews consists of interactions between researcher and participants (Marshall & Rossman, 2015). Face-to-face interviews conducted in familiar surroundings tend to produce more comprehensive research data (Thompson, 2018). To create rapport with participants, Owen (2014) recommended an allotment of at least 60-90 minutes for research interviews. Barnao, Ward, and Casey (2015) emphasized the use of semistructured interviews to secure research data.

Before the interview process commenced, I reviewed the informed consent form with each participant at the beginning of each interview to ensure participants read and understand their rights. I answered any queries or questions of participants before proceeding to obtain verbal agreement that the participants understand the implications in participating in the study. Participants' agreed interview times and dates governed the interview process. The interview process proceeds more smoothly when participants are kept abreast of the researcher's expectations (Bond et al., 2014). Like Levashina, Hartwell, Morgeson, and Campion (2014), I requested participants' agreement to record all interviews. Upon receipt of such permission, I commenced the semistructured face-to-face interviews which did not last more than 60 minutes.

Researchers favor semistructured interviews when conducting qualitative research to diagnose specific business problems (Fortier et al., 2014). Moreover, researchers use semistructured interviews as a tool when conducting in-depth probing into the participants' behavior (Gilbart et al., 2015). However, the atmosphere created by semistructured interviews is conducive for dynamic exchanges between participant and researchers resulting in uncertainty of outcomes (Conzelmann & Keye, 2014). However, researchers realize that there are constraints and weaknesses when conducting interviews (Grieb et al., 2015).

A researcher using interviews as a primary collection tool can be disadvantaged due to the subjective nature of interviews (Marshall & Rossman, 2015). Further, respondents may not give honest or useful information and data to the interviewer (Onwuegbuzie & Byers, 2014). Researchers can also neglect to ask questions that extract comprehensive narrative regarding the phenomenon. A more important failing in the interview process can be researchers' inability to understand nuances or meanings conveyed by participants during the interview process (Bevan, 2014).

In case study research, observation of participants can be used to identify nuances, meanings, and value attached to responses and related data (Onwuegbuzie & Byers, 2014). Further, researchers use observation as a tool during the interviewing process participants to capture a deeper and richer understanding of a phenomenon, by insights gained through viewing body language that participants are unaware of (Nicholls, Fogarty, Hay, & Ramjan, 2016). Nieboer, van Hoof, van Hout, Aarts, and Wouters (2014) used observations of participants to deepen their research findings. However,

observation as a data collection technique is subject to researcher bias and is usually not replicable (Jarkas & Horner, 2015).

I also collected organizational documents such as policy and procedures, risk and compliance strategies, compliance manual, and minutes to substantiate interview responses. Researchers use document analysis a means of triangulation to bolster research creditability (Wilson, 2014). Notable scholars such as Merriam (2014) and Cobbold (2015) confirmed and recognized document analysis as a qualitative data collection tool to supplement interviews and observations. Document analysis, while useful, has both advantages and limitations. Several advantages gained from using document analysis are: (a) efficiency, (b) accessibility, (c) economy, (d) reliability, (e) accuracy, and (f) scope (Wilson, 2014). Several disadvantages linked to document analysis are data inadequacy and judgement bias (Ravitch & Carl, 2015).

Member checking is a useful tool used by qualitative researchers to enhance research reliability and validity (Marshall & Rossman, 2015). Researchers use member checking to verify that the final report, specific description or themes accurately represent participants' responses, and contain accurate interpretations and conclusions (Yazan, 2015). Thus, I conducted member checking by allowing respondents to review interpretation of interview data and information and comment on their accuracy. Throughout the process, I asked participants to confirm whether themes or categories identified the issues correctly, and whether the written account was representative and accurate.

Data Organization Technique

Researchers use data organization techniques to access, store, evaluate, and communicate research findings (Korhonen, 2014). Researchers use data organization techniques to facilitate effective data analysis (de Waal, Goedegebuure, & Tan Akaraborworn, 2014). Researhers depend on a reliable system to gather, track, organize, process, consolidate, store, safeguard, salvage, validate, and share data (Jarkas & Horner, 2015).

Organization of documentation of data activity is essential to maintaining data integrity and facilitating efficient write-ups during analysis (Yin, 2017). I collected data through (a) interviews, (b) journalized notes taken during interviews (observations of body language), and (c) review documentation gathered from participating organizations. I organized all information gathered from interviews and documents to gain maximum understanding of the phenomenon via themes and trends. Description, pattern identification, concept categorization, and generalization are typical methods for organizing and analyzing data gathered for qualitative case studies (Patichol, Wongsurawat, & Johri, 2014). To achieve efficient data organization, I created a database using an Excel spreadsheet to capture a record of interview dates, the name of participants, data derived from both the participants, and participating bank and trust companies.

A cruical phase in data organization is gaining an understanding of the entire interview by listening to the audio recordings, reviewing the transcripts, and any related or reflective notes. Interview record keeping is facilitated by audio and video recording,

which aids in the analysis of data (O'Connell, Dyment, & Smith, 2015). Grieb et al. (2015) noted that audio recording of interviews limits the distractions during the interview process. Accordingly, I digitally recorded and transcribed all research interviews and in doing so I remained focused on the participants, their responses, and body lanuage while preserving participants' commentary for transcription. I used a smartphone and an additional digital recorder as backup devices to record interviews. Post interviews, I transcribed the data into a text document.

To ensure confidentiality of participants' data, I did not use participants' or organization's names to code data files. Instead, all data files included a date format. For example, *P1,* in which *Participant X* stands for the interviewee and the numeral represents the order of each interview. NVivo 10.0 can be used to aid in organizing and coding of common themes throughout the study (Brennan & Bakken, 2015). Accordingly, I used NVivo software version 12 to aid in the organization and coding of common themes throughout the study.

Morse and Coulehan (2015) noted that the protection of participants' data is a vital and critical element of ethical research. To ensure confidentiality of participants' data, I did not use participants' nor organizational names to code data files. Instead, each data file included a participant and date marker. I stored all electronic files / records on a password protected memory device and along with media comprising raw data such as the audio-recorded interviews, notes, interview transcripts, reflective notes, and research logs. Further, I stored all study and research data under lock and key in a secure cabinet

with the intent to destroy them after 5 years by permanently deleting soft copies and

shreding all hard copies to avoid any data breaches.

Data Analysis Technique

Researchers use qualitative data analysis to identify, classify, and process data

obtained from the study of a phenomenon (Derobertmasure & Robertson, 2014; Yin,

2017). Data analysis comprises the preparation, organization, and reporting of collected

data (Elo et al., 2014). Yin (2017) developed the five stages of data analysis including (a)

capturing the data, (b) grouping the data, (c) identifying emerging themes, (d) reviewing

and assessing the data, and, (e) presenting the conclusions. Jagadish et al. (2014)

confirmed Yin's data analysis processes. Qualitative data analysis is a continuous process

of review that begins at commencement of data collection and culminates with the

finalization of the research project (Soilkki et al., 2014). I utilized the five stages of data

analysis for this study.

To obtain the necessary data for this study, I conducted semistructured interviews

with selected participants, which I recorded. Next, I transcribed the recorded interviews

to capture the relevant data (Cridland, Jones, Caputi, & Magee, 2015). I obtained

additional data from company documents (annual reports, minutes, internal

documentation on compliance and risk strategies and operational documents) and achival

documents sourced from FATF, Central Bank of The Bahamas and the BCBS. Multiple

data sources tend to increase the credibility of the study's findings (Wilson, 2014). To

capture data from company documents, I (a) focused my review on information related to

ML/TF risk reduction strategies, and (b) additionally took notes of pertinent information

and copies of relevant documentation. Next I added the acquired information and data retrieved from company documents to the transcribed interview data. Finally, I categorized the data into themes or groupings for data analysis culminating in the interpretation of findings.

I used the methodological triangulation to enhance the validity of my study. Triangulation is the use of multiple methods or data sources employed by researchers to gain a comprehensive understanding of phenomena (Carter et al., 2014). Moreover, triangulation, can be used to test the validity of research through the convergence of data from various sources (Wilson, 2014). Triangulation is a process that significantly enhances the credibility of case study research (Cope, 2014). Methodological triangulation involves the use of more than one type of method to study a phenomenon (Ashatu, 2015). Aligned with Ashatu (2015), I employed multiple data collection strategies in this study inclusive of notes taking, analysis of company documents and archival documentation sourced from FATF, BCBS and the Central Bank of The Bahamas to substantiate the interview results and findings.

The conceptual framework is the thread that connects the literature, method, and the results of the study (Borrego, Foster, & Froyd, 2014). The risk management theory involves consideration of both predictable outcomes and for contingencies through the development and implementation of meaningful strategies to reduce ML/TF risks in evolving and changing external environments (Demir et al., 2017). Accordingly, within the context of risk management theory and process, bank and trust company managers would be able to identify strategies that can reduce ML/TF risks. Lynch, Smith, Provost,

and Madden (2016) recommended using participant narrative quotes to validate conclusions. I too used participants' quotes to support the data analysis. NVivo trademark software aids researchers in collecting, organizing, and analyzing diverse data types (Castleberry, 2014).

Researchers use NVivo software during data analysis to code and to link themes within and across interviews (Zamawe, 2015). NVivo assists in data organization and coding while facilitating data analysis, identification of themes, comprehension, and development of emergent issues (Sotiriadou, Brouwers, & Le, 2014). Further, NVivo helps with data conceptualization, coding, management, browsing, clarification, and providing access to data records in a timely fashion (Derobertmasure & Robertson, 2014; Sotiriadou et al., 2014). I used NVivo 12.0 to assist with data storage, management, coding, analysis, theme recognition, and linking themes within and across interviews.

In accordance with Yin (2017), I continued the inerviewing process until I reached a point of saturation. The iterative process of organizing codes into groupings was reflexive, using continuous comparison between transcripts to detect common and recurrent themes. Researchers use thematic analysis to identify themes from transcribed data (Teruel, Navarro, González, López-Jaquero, & Montero, 2016). Researchers use coding to identify themes in participants' transcripts and the point of saturation to ensure research reliability, validity, and creditability (Yin, 2017). In using thematic analysis, researchers seek themes that relate and directly address the central research question (Braun, Clarke, & Terry, 2014). Along with the NVivo software, I used thematic analysis when categorizing data to create meaningful themes.

Reliability and Validity

The credibility of a study's findings depends on the reliability and validity of a qualitative research study (Anney, 2014). The established standards to certify that a research study includes sufficient rigor are reliability and validity (Gheondea-Eladi, 2014). Munn, Porritt, Lockwood, Aromataris, and Pearson (2014) noted that the concepts of these two elements (reliability and validity) in quantitative research were similar to dependability and creditability in qualitative research. Yazan (2015) identified the vigor and rigor assessment criteria for qualitative research as dependability, credibility, confirmability, and transferability. I used the measures promoted by Gheondea-Eladi (2014) to ensure reliability and validity of the study.

Qualitative validity varies from that assigned to quantitative validity, because it refers to the credibility, authenticity, and trustworthiness of the study's results and findings (Yin, 2017). Data accuracy boosts validity of research (Gonzalez, Rowson, & Yoxall, 2015; Shekhar, 2014). Validity results from consistent and accurate data (Elo et al., 2014). Pursuant to Cronin (2014), I confirmed the validity of the study by ensuring the credibility, transferability, and confirmability of the research findings.

Dependability

Dependability occurs through an audit trail of spontaneous and operational communications (Kihn & Ihantola, 2015; Shirazian et al., 2016). Crosschecking a study's findings ensures its dependability when, and if, other researchers wish to duplicate the research (Battisti, Dodaro, & Franco, 2014). I sought participants' active assistance for reviewing, validating, and member checking collected data, to ensure that correct and

meaningful interpretation of data. This process reduced errors, biases, and presumptions in my analysis. Member checking occurs when researchers request participants to review and submit feedback the researcher's interpretation (Allen, Schetzsle, Mallin, & Ellen, 2014).

I used multiple sources of data to ensure the reliability of the research findings such as company annual reports, and policy documents. Researchers use multiple data sources to ensure reliability of the findings (Hussein, 2015). To ensure reliability of a study's findings, researchers use multiple sources as a base for judging research results (Noble & Smith, 2015).

Credibility

Researchers verify a study's findings to increase credibility (Cope, 2014). Credibility encompasses the conclusions participants make regarding researchers' findings (Westerman, Spence, and Van Der Heide, 2014). Participants' certification of a study's findings as reliable and accurate boosts credibility (Yazan, 2015). To address credibility of the study, I employed the use of member checking by participants. Participants engaging in member checking reviewed my interpretation of the study's findings to ensure that the information captured conveys the correct and intended interpretation (Caretta, 2016). After competing each interview, I held follow-up sessions with the participants to ensure that I had captured the data and information correctly and for them to confirm that interpretation of their comments and data is credible.

Confirmability

Triangulation encompasses multiple sources to crosscheck a study's findings which boost the validation of the confirmability of the research (Yin, 2017). Elo et al. (2014) maintained that confirmability is comparable to dependability as the existence of both can be confirmed using similar processes. Confirmability refers to the impartiality and accuracy of the data (Elo et al., 2014). Researchers ensure confirmability when a study's findings reflect no personal biases, based solely on collected data (Cope, 2014). To ensure the confirmability of my doctoral study, I employed the use of triangulation. Triangulation involves using multiple sources of data such as interviews, observation, documentation review, and note taking (Carter et al., 2014). I used multiple sources of data including observations, note taking, and review of company documents to validate the study's findings. Moreover, I used NVivo 12 to assist me in ensuring that there is confirmability of the data, by doing tests to identify the frequencies of words and themes.

Transferability

Transferability of a study occurs when the results of a study are relevant and hold value for individuals with no association to the research findings (Cope, 2014). Researchers ensure transferability when research findings are applicable to unassociated groups (Elo et al., 2014). Researchers confirm transferability by ensuring applicability of their study's findings to other settings (Noble & Smith, 2015). Transferability is assured when researchers make available an appropriate level of information to permit other unrelated parties to benefit from research findings. I will present my findings at academic

conferences and in a peer reviewed journal. This will give other researchers the opportunity to transfer my findings to other settings.

Yin (2017) explained that data saturation enhances validity. Data saturation occurs when participants have no fresh or critical data to add to the data trove and repetitive information appears (Cleary, Horsfall, & Hayter, 2014). Data saturation is a necessary element in a qualitative research study to ensure comprehensive research conclusions (Morse, 2015). To accomplish data saturation, I ensured that the study's participants be given the opportunity to answer all interview questions until no new information, data, or theme is revealed. Accordingly, I continued the interview process until information offered by the participants is redundant.

Transition and Summary

In Section 2, I detailed information regarding my research study. I began the section with the purpose statement. Next, I explained my role as the researcher and provided detailed information about the selected participants of the study. The section also included the reasons for choosing a qualitative research method and a multiple case study to address the central research question. According to Bristowe et al. (2015), researchers utilize a qualitative research method to answer the specific research question of their study. Moreover, this section included information regarding the population and sampling, ethical research, data collection techniques, instrument, and organization. I concluded the section with information on how I ensured reliability and validity of my doctoral study.

Section 3 includes the purpose statement and research question. Further, in this section, I presented the study's findings, the applications to professional practice, and implications for social change. Next, I concluded the section with a discussion on recommendations for action, further research, and my reflections.

Section 3: Application to Professional Practice and Implications for Change

Introduction

As a member of the Caribbean FATF since its inception in 1990, The Bahamas subscribes to the FATF 40 Recommendations. The Bahamian AML/CFT legal and supervisory regime adheres to the FATF 40 Recommendations and the BCBS Standards on Banking Supervision. The licensees of the Central Bank of The Bahamas must comply with onsite and offsite surveillance of their compliance using a risk-based approach.

The purpose of this qualitative multiple case study was to explore compliance strategies that Bahamian bank and trust company managers use to reduce the risks of ML/TF activities. During the study, I confirmed that compliance strategies used by bank and trust company managers were multifaceted and primarily based on risk management and containment policies and procedures. Regardless of the approach, strategies implemented by bank and trust company managers to reduce risks of ML/TF activities and exposure to their operations comprised myriad of elements.

Presentation of the Findings

The overarching research question for this study was: What compliance strategies do Bahamian bank and trust company managers use to reduce the risk of ML/TF activities? The target population for the study was drawn from four participating financial institutions licensed by the Central Bank of The Bahamas including (a) one commercial, retail bank that services the domestic population of The Bahamas; (b) two pure trust companies that service the non-resident market; and (c) one bank and trust company that services the non-resident market. The participants included three C-suite and four

manager-level team members. I conducted audio-recorded semistructured interviews in the participants' offices and reviewed two sets of internal documents obtained from two participants to gain an in-depth understanding of the compliance strategies used to reduce the risk of ML/TF activities.

The participants contributed their experiences, concepts, and perceptions of compliance strategies used to reduce ML/TF risks during the interview process. The seven participants responded to eight open-ended interview questions. I employed an interview protocol (Appendix A) as a guide to ensure that I gathered all data needed to respond to the research question. I then transcribed the recordings and conducted member checking by presenting the participants with my interpretation of the interviews to close possible gaps and imprecise statements. Subsequently, I imported the substantiated interview data and information from the policy documents into NVivo 12 software to code, organize, and analyze the data. To better organize the data, I coded interview transcripts and notes from the seven participants as P1, P2, P3, P4, P5, P6 and P7 respectively to protect their identities.

During the study process, I examined participant internal company policy documents including bank and trust company client risk assessment methodology and related policies, policies to prevent ML/TF, and policies regarding breaches of international sanctions. During the review of the internal documents I confirmed that the information contained therein supported the findings from my analysis of the interview data. Archival external documentation published by the BCBS, The Central Bank of The Bahamas, and the FATF were also examined. In doing so, I found that the external

documentation contained data that supported the study's findings regarding compliance strategies and strategy review methods. The interviewees included senior compliance and risk professionals with decades of experience in the financial services sector. All participants met the criteria for inclusion in the study and no participants withdrew. I conducted member checking with each participant to ensure the accuracy of my interpretations of the interviews. Table 1 reflects the type of financial institution engaged as partners for the study, while Table 2 reflects the participant coding for the study.

Table 1

Types of Participating Bank and Trust Companies

Type of participating company	Business focus	Number of participants
Commercial bank	Retail banking business for the local Bahamian population	2
Trust company	Conduct fiduciary business for non-residents	2
Trust company	Conduct fiduciary business for non-residents	1
Bank and trust company	Conducts banking and fiduciary business for non-residents	2

Table 2

Participant Coding and Position

Participant	Coding	Position
1	P1	Manager, compliance
2	P2	Assistant vice president, internal audit
3	P3	Chief operations officer (responsibility included oversight of risk management)
4	P4	Compliance manager
5	P5	Compliance manager
6	P6	Group compliance officer
7	P7	General legal counsel and compliance manager

Most of the participants' responses regarding strategies, challenges, audits, and reviews supported the concepts of risk management theory. Stulz (2015) noted that an integrated risk oversight ensured avoidance of unintended outcomes and stressed the importance of communication in risk management implementation. Business leaders and managers use risk management systems to assist in controlling, monitoring, and mitigating risks such as ML and TF activities, thus helping to safeguard national financial systems (Stulz, 2015).

Prior to commencing the coding exercise, I generated a word cloud in NVivo 12 to identify possible themes. The words *risk, client, compliance, system*, and *review* were most noticeable. The results were not a surprise given that knowledge of the client, use of technological systems to support compliance programs, and risk management are critical components in managing ML/TF risks challenging bank and trust companies. The themes

of the study relate to one another and are indicative of an integrated process involved in

implementing compliance strategies. The interconnectedness and overlap of the major

themes are representative of the multifaceted nature of AML/CFT compliance regimes.

To effectively reduce ML/TF activities and exposure in Bahamian bank and trust

companies, collaborative, wholistic, and company-wide risk management strategies are

necessary. When reviewing the interview data against the company documentation and

the archival documentation from the FATF, BCBS, and the Central Bank of The

Bahamas, I identified the emergent themes as developing compliance strategies,

overcoming operational challenges, and strategy success and measurement.

Compliance strategies were focused on staff training in the process of onboarding

clients, conducting customer due diligence and gathering the necessary documentation,

risk rating clients, sufficiency of technological systems, and ongoing monitoring of client

account activity. Operational challenges were primarily associated with implementing

adequate and wholistic compliance approaches, the need for effective staff training, and

the development of information technology systems that can adequately support the

compliance program. Participants noted that strategy success and measurement was as

important given the need to review strategies from time to time to facilitate any necessary

adjustments to ensure ML/TF risks were contained. Participants employed several

processes to measure the adequacy of compliance strategies including internal audit

reviews and compliance client reviews based on risk ratings.

Main Theme 1: Developing Compliance Strategies

Developing compliance strategies was the first theme to emerge from the interview data as participants answered Questions 1 and 2 during the interviews. Participants identified strategies that were most useful in reducing the risk and exposure to ML/TF activities. There was a common thread throughout the seven interviews with respect to strategies including (a) ongoing staff and management training in AML/CFT policies and development of risk policies and procedures for onboarding clients, (b) monitoring of clients' transactions, (c) risk rating of clients, and (d) development and maintenance of functional technological platforms. All participants connected these critical elements as important in developing effective ML/TF compliance strategies.

P2 stated that "AML/CFT strategy for on-boarding of new business comprised primarily procedures and policies consistent with Central Bank guidelines and international best practice." P4 "applied those onboarding policies via procedures for the different business lines that are consistent with Central Bank policies and guidelines." Summing up the posture of the participants, there was a general acknowledgement that without appropriate and comprehensive compliance strategies to combat ML/TF activities, their banking and trust operations would face challenges to comply with the legal, statutory, and supervisory regulations, policies, and guidance. These elements relate back to the critical components of risk management and to company leaders' use of a series of processes to control, monitor, and mitigate risks such as ML and TF activities to safeguard their business operations (Stulz, 2015). This view is substantiated by my findings in the literature review that vital components of risk management systems

include (a) a risk governance, (b) risk culture, (c) risk strategy, and (d) risk assessment (Zhao et al., 2014). Participants' responses to Interview Questions 1 and 2 revealed that the most effective compliance strategies used to reduce ML/TF risks in their operations were associated with four primary strategies: (a) strategies for onboarding clients, (b) strategies for ongoing staff education and training for staff, (c) strategies for technological systems development to support onboarding and monitoring clients, and (d) strategies for risk rating clients.

Onboarding clients. P1, P2, P3, P4, and P7 emphasized the importance of onboarding policies including a review of the customer due diligence documentation and analysis of risk associated with the prospective client to ensure compliance with the risk tolerance of the institution established by its board of directors. P2 noted that "among the strategies we have, the first starts with the on-boarding of new business." P2 further stated that "we have procedures and policies to ensure that we screen persons before we on-board them." P1 explained that customer due diligence was a key element in KYC onboarding programs. As described by P1, client information gathered for review included "primary address, proof of address, purpose for the account, account activity level in terms of transactions and dollar value volume, nationality, source of funds, and source of wealth." P3 noted that "the new business committee is responsible for reviewing documentation from all prospective clients." P4 advise that onboarding policies were important and that "it gives you an appetite for the strategy of the bank in terms of what the bank will tolerate in terms of its business or the types of clients that it on-boards." P7 mentioned that "we have a new business policy," which involves

routinely reviewing "all prospects and prepares detailed memos on source of wealth, client backgrounds, transaction frequency, results of internet searches and supporting documentation."

Most of the participants confirmed that they conducted Google searches while onboarding clients to verify if there was any negative information on the client in the public domain (see Table 3). Four out of the seven participants also noted that in onboarding clients they conducted additional searches on World-Check or the Office of Foreign Assets Control (OFAC) list of sanctioned, designated entities and individuals. OFAC is an office of the United States Treasury Department. In this initial stage of contact with the client, P2, P3, P4, and P7 further noted that compliance or risk personnel would carry out investigations to ascertain whether prospective clients are politically exposed persons (PEPs). This is important because the AML/CFT guidelines issued by The Central Bank of The Bahamas (2017h) require financial service providers to maintain an enhanced onboarding process for PEPs and that only senior managers can approve such persons as clients. P1, P4, P6, and P7 also used World-Check (a popular tool that lists information on individuals and entities) to assist in the verification of prospective clients' identities (see Table 3).

Table 3.

Due Diligence Searches

Participants	Comments
P1	We carry out basic screening at the time of onboarding.
	The company is in the process of introducing World-Check which will be implemented soon.
	We carryout basic OFAC checks and basic internet searches on all clients to determine if there is any negative information publicly available
P2	Google search assists the personnel in the screening of clients.
	System searches by NIB number are carried out.
	Self-disclosure regarding PEP affiliation is allowed but independently checked against an internal list.
P3	Google searches are conducted to obtain publicly available information on clients.
	Searches of online newspapers - Italian newspaper may have had an article on a client.
	Internet Searches give you background information on clients and what they've been involved with and who they are involved with which may lead to a placement in higher risk.
P4	Our regular background searches consist of security, World Check, Lexus Nexus reviews. We use all three of these search engines daily.
	Internet and Google searches are usually expansive and as such volumes can be uncovered. I go through every single page and I take every single link and translate into English if warranted.
	We use a company called Proximal Consulting that can really give me a true background, because sometimes we do find news feeds or information when we are performing those searches that lend to the possibility that something is not right
	here. You have situations for example where you have clients that are involved in certain industries that carry high risk whether it's oil, shipping, those types of industries where you always want to make sure that you really do have the comfort in terms of the source of funds.
P6	Search engines are used to scan for terrorist information in the OFAC list, World Check and Equity databases - we now use them all,
P7	The World Check search has been great - service is integrated into the system and scans for client information on a weekly basis. If any client article, data or information surfaces they are flagged for review.

P6 comments were supported by internal AML/CFT policy and guidance

documents. One such policy document on preventing ML and TF reflected that "the

business unit responsible for onboarding customers is the first line of defense responsible

for embedding a strong risk and control environment into the daily activities relating to

new business." Another section of the policy document noted that "in relation to AML

controls, as the first line of defense, it is the responsibility of the business unit to

understand the customer's source of funds and wealth, expected account activity, and

ownership structure. Information should also be collected on any associated and / or

controlling parties."

The onboarding process is heavily relied on by managers to set the parameters for

cultivating a relationship with prospective clients while ensuring that the risk they pose to

the institution is contained to a manageable level. The averse appeared to be implied; if

enough documentation was not obtained from the initial stages of contact with the

prospective client, inaccurate data would result which could negatively impact proper

monitoring of transactional accounts for suspicious activity. New clients are onboarded

only after a favorable review of customer due diligence documentation and the risk rating

process.

Risk rating of clients. Based on the analysis of the interview data, participants

identified that the most effective strategy in the fight to reduce and contain ML/TF risks,

is the risk rating of prospective clients based on information and supporting

documentation, such as name, nationality, date of birth, potential account activity,

purpose of the account, source of wealth, and source of funds. If the prospective client is

a corporate body the institutions would also request submission of beneficial ownership information, corporate structure, corporate certificate, directors, senior managers, etc. The risk rating assists institutions to establish review cycles, transaction parameters and alert review levels, etc. The risk rating component of the compliance strategy was noted as the most critical element to financial institutions as it assisted in their efforts to reduce and contain ML/TF risks. It is a process used in onboarding clients which facilitates customization of monitoring and transactional parameters to customer profiles and needs. P4 noted that the risk rating process allowed her to get a "feel" for the client before onboarding. P7 mentioned that risk rating "allowed the client accounts to be monitored on a risk basis, PEPs or high-risk accounts being reviewed every six months while low risk accounts every 12 to 18 months." P1 noted that "low to medium risk clients are reviewed by the branch manager or the assistant manager of Operations" but that clients tagged as high risk or PEPs, are referred to the Compliance Department for "review before the relationships are onboarded." P3 stated that "we review our customers that are flagged as high risk."

P7 stated that "all potential PEPs and high-risk clients are referred to the Audit and Client Acceptance Committee (ACCA) for review, approval, conditional approval, or rejection." The ACCA of this partner institution comprises non-executive directors not employed in the institution. This ensures that the ACCA operates independently of the management team. This is important as there is the potential risk of new business personnel erring on the side of profits instead of risk protection for the operations.

P4 advised that "we basically created tables in the background of our account on-boarding system for every piece of information that we obtain, so say for example source of funds, there are certain industries of course that carry heightened risk, they would receive a higher scoring in the system." P1 stated that "we use risk scoring tables to produce the initial risk rating of clients." P1 further stated, that the Compliance Department also reviews the risk score for accuracy." Zhao et al. (2014) noted that vital components of risk management systems included a risk strategy, and risk assessment. Rating of clients by banks and trust companies in The Bahamas is a vital component of their overall strategy to reduce ML/TF risks.

P1 noted that "the risk rating process is based on the customers nationality, nature of business, their occupation, the dollar value of potential business, whether prospective client is a PEP, or subject to UN sanctions." Further, P4 reported that "risk rating client relationships assisted us in establishing individualized parameters for customized monitoring purposes," which enables ML/TF risk mitigation. The analysis of the interview data was confirmed by submitted internal operational policy and procedural documents which identified that the risk rating processes facilitated the establishment of appropriate parameters for clients to ensure adequate monitoring of account activity and to identify suspicious transactions.

Risk rating of clients assisted compliance and risk professionals to establish client account review cycles. P2 stated that "high risk client files are reviewed every year, medium risk client files must be reviewed within a three-year period and for low risk clients, the files are reviewed every five years." Negative information or data can

influence review of any group of clients outside the established time-frame to determine if the existing risk rating should be changed based on the significance of the rigger event. P3 noted that new client accounts are "reviewed within a year of onboarding, PEP accounts are reviewed every six months and low risk accounts are reviewed every two years."

P3 advised that they would only reconsider ratings "on the basis of additional intelligence." P4 emphasized that "an annual PEP or high-risk client review was conducted with the CEO and COO to ascertain whether any of the accounts should be terminated." P6 stated that "the operations have successfully automated the client risk assessment process which continuously update when there is an event and client circumstances changed – account activity, nationality, political exposure, etc." Risk rating is vital in determining customized measures to apply to customer relationships and transactions to minimize ML/TF exposure.

Technological platforms. The banking and trust business have changed dramatically over the last decades due to the significant advances in technological innovations. To survive the marketplace and the volatile regulatory and business environment, business leaders have had to espouse changing mental and risk attitudes while adjusting their visions and using technology to develop quality databases of pertinent and useful information (Self et al., 2015). The use of technological devices and databases tended to lower the incidences of human error. P7 noted that technological systems were of vital importance to "avoiding or minimizing human error" in the

monitoring of transaction records and enabling the identification of variances in customer behavior.

The analysis of participant responses and internal policy documents indicated that bank and trust company managers relied heavily on technological platforms to store customer due diligence documentation, to risk rate clients, to track and monitor clients, and to facilitate servicing of customers. Accordingly, all participants identified technology as an important element in the struggle to contain and reduce ML/TF risks. Yeoh (2014) found that ineffective AML/CFT compliance programs increased ML/TF risks, and exposed banking operations to heightened threats of failure. Participants confirmed that the investment in effective and agile technology platforms were critical components of compliance programs. During the interviews five of the seven participants noted that their institutions were in the process of upgrading their technological platforms to be more agile and to further support their compliance programs.

P2 stated "technology plays a key role for the monitoring of client accounts." P2 also noted that her institution was "looking at technology to automate the onboarding and risk rating processes." P3 advised that technology has made his institution more efficient as he now "can sort through the database, pull documents up, see a copy of a passport, see a utility bill or see information on the client or his business" by the push of a button. This access to information, data and records allow for more timely and focused monitoring of client transactions and account activity. Thus, ML/TF risks can be easily identified, contained and mitigated. P2 noted that technology assists her in monitoring as "it allows for customized alerts based on a customer's risk profile." P4 advised that a

"good technology platform gives an advantage in on-boarding of clients, servicing clients, monitoring client accounts, and producing control reports."

P5 noted that "technology was a critical component as it helped her to maintain control and consistency over the operational environment in the increasing and ever-changing landscape of AML/CFT regulation." P5 also noted that technology was used "to monitor controls and assess results regarding transactions, monitoring politically exposed clients, the number of high-risk client transactions in value or according to country." P2 stated that technology gives her "the ability to data mine, to summarize, to understand trends, monitor client activity in a very effective way." Examining the views of the participants, I identified that technology is an important tool to the compliance and risk functions of bank and trust companies in The Bahamas. It would be very difficult to carry out compliance functions and tasks without technological tools and devices in this fast-paced business environment.

Training and education. Financial Institutions would be outpaced by schemes to breach AML/CFT controls and protect their operations from ML/TF risks without a trained staff complement to implement, maintain, and enforce AML/CFT compliance strategies. Table 4 gives an overview of participants comments on training.

Table 4

Training Comments

Participants	Comments
P1	Training has been a major part of compliance.
	Training of frontline staff who on-board clients is important because we think that is a critical area in building new relationships.
	Training of employees has been really significant.
	The IT system and the training are probably the key components in the compliance strategies to prevent ML.
	There is ongoing quarterly training.
P2	We do a lot of training around customer identification, documentation and escalation of alerts.
	The executive and senior people have gotten more training on client facing for high risk areas and those in high risk activities.
P3	Training is important as you have to make sure the staff understand what they're looking for in monitoring and onboarding clients.
P4	We went through a training process of training the Relationship Managers on things to look for, things that Compliance would expect on the account opening.
	One of the things that we are moving forward with is, every time we write a policy we have a training session for all of the key players so that they understand their roles.
	We conduct annual training. FIU comes in and train as well as Compliance personnel. The compliance officers that work in the industry have worked extremely hard in ensuring that staff have the necessary training.
P5	Education, as a compliance officer I have made it a point after AML/CFT training with staff members to continue dialog with them on what was taught and disseminated in those training sessions; basically, it is to help them apply what they have learned

	to real work situations.
	Emphasis on educating and training staff members to recognize and understand the trends and patterns regarding financing terrorism are fundamental to compliance strategy in the reduction of risks of terrorism financing.
P6	Training/Education is valued. Training is carried out by the FIU.
	Compliance circulate information on Sanctions, topical AML/CFT issues.
	Staff are encouraged to attend seminars, briefings by the Bahamas Association of Compliance Officers.
P7	Well of course we do the annual training. We do training as legislation changes and anything comes up that we think staff should be aware of.
	Staff receive training on policy changes.
	Staff are sent to seminars by Bahamas Institute of Chartered Accounts, Society of Trust Estate Practitioners.
	We have a training policy that covers staff and management.

The review of participants' data revealed that training is an important cog in the bank and trust companies AML/CFT compliance strategies. The best developed strategies would fail, without appropriate training, to protect and defend operations from ML/TF schemes perpetuated by organized crime groups or individuals seeking to misuse their products, services, or distribution channels. Without proper ongoing training, managers and staff will become complacent and enforcement of the 'good strategies' would be lax, exposing operations to ML/TF risks.

Review of participants' interview data reflected that the same strategies were used to contain and reduce ML/TF risks as both risk categories presented exceptional business reputation exposure. The participants identified the effective ML/TF risk reduction compliance strategies as those covering customer due diligence and monitoring, technological systems, risk rating and adequate staff training were paramount. P7 advised that "our initial due diligence plays a huge part in the success of our strategy" while P5 noted that the most effective strategies included "our monitoring of transactions (our funds transfer system) and client screening process." P1 and P2 identified that their client monitoring systems coupled with the staff client acceptance and on-boarding training were the most important compliance strategies for their institution. P4 noted that the most effective compliance strategies were rooted in "education as it is key, trying to make sure that each staff member understood their role" in the AML/CFT compliance process along with risk rating which were critical to the success of such strategies. P3 selected "risk rating as it helps you determine whether there is more in-depth investigation actually required" when carrying out the due diligence process. P6 identified a trio of strategies – those that included risk rating, and the filtering process during the customer due diligence process and IT systems.

Correlating the theme to conceptual framework. According to the pioneer Rene Stulz, in his 2015 work on risk management, implementation of risk management systems not only result in reducing risks confronting financial institutions but also supporting better risk-taking decisions. The conceptual framework for this study is risk management theory. This theory which focuses on risk management strategies supports

the participants AML/CFT strategies used to reduce ML/TF risks. Systems used in the onboarding of clients are critical tools to managing ML/TF risks confronting bank and trust companies.

Amongst the most useful of the risk management systems was that of risk rating processes. The risk rating component of the compliance strategy was noted as the most crucial element in the efforts to reduce and contain ML/TF risks as it assisted managers in the customization of monitoring and transactional parameters for client relationships. All participants noted that information technology was another vital tool in their compliance strategies. According to Stulz (2015) an integrated risk oversight to ensure avoidance of unintended outcomes. Information technology assists managers to create effective, integrated monitoring and client review systems which are critical in AML/CFT governance in a bank and trust company enabling operations to confront changing regulatory environments.

Correlating the theme to existing literature. The results of the analysis of interview data obtained from the seven study participants regarding AML/CFT compliance strategies as discussed above was confirmed by a review of the information contained, viewed and analyzed from the bank and trust company internal policy documents, FATF recommendations and guidance publications, BCBS' AML/CFT guidance, and the Central Bank of The Bahamas' AML/CFT Guidelines. All the noted documents stressed risk rating, customer acceptance policies and procedures, and client monitoring as key elements of effective AML/CFT risk reduction strategies. Maleta and

Stipanovic (2018) supported the importance of monitoring client transactions in the implementation of effective compliance programs.

BCBS (2017) noted that all banks should be required to have adequate policies and processes, including strict CDD rules to promote high ethical and professional standards in the banking sector and prevent the bank from being used, intentionally or unintentionally, for criminal activities. Central Bank of the Bahamas' AML/CFT Guidelines - *Guidelines on the Prevention of Money Laundering and Countering of Financing of Terrorism* (2017), reinforces the need for bank and trust companies to implement appropriate risk-based policies (customer acceptance and risk-rating framework and procedures), internal controls, and the establishment of annual staff training programs to protect their operations and the financial center at large. Roy (2018) noted the importance of risk assessments and environmental scanning to companies defending against business and operational risks inclusive of ML/TF, which could detrimentally impact their ongoing viability and survival.

The BCBS' principles confirmed the critical role of customer acceptance policies plays in ML/TF risk reduction strategies. Client risk rating is vital to the success of compliance strategies (BCBS, 2017) placed the responsibility on the business units, as a first line of defense, to assess the risk of prospective clients (para. 19, page 4). Client monitoring was identified by BCBS' *Sound Management of Risks related to money laundering and financing of terrorism* (2017), as the second line of defense for banks and the responsibility of compliance departments. This element of monitoring was also selected as a key strategy identified by four out of the seven participants. The third line of

defense as noted by the BCBS' guidance was that of internal audit, which is a part of my third theme.

Main Theme 2. Overcoming Operational Challenges

The focus of risk management is challenges. Companies must continuously conduct environmental scanning to avoid surprises that can be detrimental to ongoing viability and survival (Roy, 2018). Challenges in implementing and maintaining any business strategy are likely problems management of companies face on an ongoing basis. The proactive management team, when faced with challenges, will devise plans to tackle the challenges and to achieve the results required to ensure strategies produce the required deliverables.

Participants identified several challenges to implementing and maintaining their AML/CFT compliance strategies. However, participants were able to address those challenges by ensuring that they had (a) developed adequate compliance frameworks that comprised of requisite staff complement, customer acceptance policies and procedures, client transactional monitoring processes, client risk rating processes and procedures, review cycles for client relationships; (b) effective IT systems (client information and transactional database, filtering tools (OFAC List, World-Check, UN Sanctions List); and (c) an ongoing staff training program.

P1 noted that "restructuring of the department was a challenge because we could not get it right." She further explained that the senior managers had decided to decentralize and add more staff to the compliance function due to issues in effectively implementing the compliance strategies. P1 also mentioned that challenges were also

present in ensuring that "adequate training for staff and management was being carried

out due to compliance staff departures and transfers leading to inadequate levels of

staffing in the department." P2 noted the challenge of "completing an ERM" to inform

the AML/CFT compliance strategies. Staff and IT challenges were also cited. Further, P2

noted that "internal audit legacy-wise for the bank has always been staffed by internal

staff… and that's not appropriate. It means that your mind set probably isn't risk based,

more transactional focused."

 P3 identified the challenge of "installing and maintaining the private banking and

client database systems" which were critical to the customer acceptance and risk rating

processes. P4 stated that the IT "systems were fairly new, and the problem was I don't

think many people were as familiar as they should have been with the systems." P6 noted

that his challenges were rooted in maintaining effective IT systems. P5 mentioned that

"the challenges encountered involved maintaining the confidence of our clients, our staff

members and staying ahead of the industry in the face of constant changes brought about

by new regulations and international standards such as FATCA, CRS, and others." P7

indicated that "one of the challenges we face now is the fact that, not being ourselves able

to see on a daily basis movement over our accounts because we are not the financial

institution." Note is made that this reference was made in respect to the fact that P7's

institution was not a bank.

 The analysis of the data revealed that some of the participants used their

challenges as opportunities to improve their AML/CFT compliance strategies. P5 stated

that "in short, we embraced those challenges." P5 further advised that "our systems were

enhanced in the face of de-risking, we took full advantage of our in-house IT department where they created a system that integrated the client screening process with the Transfer Instruction Management system (TIM) to screen clients and their transactions in real time." P4 simply noted that the major challenge of unfamiliarity with the systems was broached by "conversation", discussion and training.

Stressing the importance of compliance strategies in accepting clients, monitoring clients, and cultivating a compliance culture are critical to protecting financial institutions from ML/TF exposure. P6 faced his challenges by employing more junior and senior level personnel, "working hard," ensuring that the IT platform is adequate and keeps pace with growth and garnering "support from senior management." P3 addressed his challenges by engaging contracted IT specialist personnel to "train staff and set up the parameters for the IT system, advise management on how, based on our business and our operations, best the system could operate for us. We went through that process with them, it took us six months from scratch before the system went live."

In addressing the challenge of completing the ERM, P2 noted that management had decided "to expeditiously complete the ERM", with emphasis on AML/CFT measures for containing ML/TF exposure, and to also complete the restructuring of the compliance department to alleviate the staffing issues. Further, that specialist skills of risk and legal are being considered for the department. P2 also noted regarding internal audit that the bank will be tackling issues on three fronts - "a) people, process, and the risk methodology." Noteworthy was the fact that P2 noted that external sources assisted the bank "to look at all of its processes as part of our strategy to map the risks and

identification of risks will form a part of the risk measurement and assessment." P1 mentioned that staffing levels helped alleviate the issues however, that "automation is still required for risk rating."

P7 indicated that the institution was in the process of obtaining "electronic access to all of our accounts that we open" and that "we are trying to work out a situation where we can get direct feeds from the banks and upload it into our system." All participants have indicated plans to address the challenges they face and none of the partner institutions, at the time of the interviews, were facing sanctions for AML/CFT breeches. We can deduct from this fact that all the institutions selected as research partners for this study were in satisfactory compliance with the supervisor's AML/CFT guidelines and The Bahamas' legal AML/CFT requirements.

Correlating the theme to the conceptual framework. AML/CFT compliance programs and strategies are fraught with challenges. There are staffing issues, information technology issues, culture issues, oversight issues, and training issues. The risk management theory addresses all of these issues as managers can use this theory as a basis for developing intergrated approaches, systems, procedures and plans to contain opertional risks which include ML/TF risks (Stulz, 2015). To be effective in managing ML/TF risks managers of bank and trust companies must ensure proper and appropriate information systems are installed, maintained, and able to confront data management for client and transactional monitoring and review. It was noted that all particpants were in various stages of enhancing or installing new information management or technological

systems and processes to further strengthen their capabilities in ensuring appropriate risk governace for their operations.

Participants statements on technology and its importance to their operations are supported by Stulz (2015) as he stated the need for intergrated governance systems. It was important to note that it was imperative that managers ensure that capabitilities were built into systems to assist in the risk governance of operations and the management of challenges. Stulz (2015) advice to managers - an intergated system of oversight governance greatly assist in reducing unintended outcomes from operational results which allows for the use of information technology in supporting appropriate policies, record retention, auditing and reiew processes, onboarding clients and transactional montioring. Supporting Stulz (2015) stance on risk management was that of Viscelli et al. (2016) who found that most entities' risk management systems assisted in boosting business leaders' ability to identify and understand the risks challenging their business operations.

Correlating the theme to existing literature. A review of the post-global financial crisis of 2008 reflected that ERM became the focus of businesses due the ability to review and examine operational risks across the entire operations. Financial sector regulators promoted the use of ERM systems for their constituents as such systems incorporated a range of processes established to manage risk, in an integrated fashion, across an entire organization, accounting for interrelationships across risk situations (Gatzert & Martin, 2015). In 2017, the Inspector of Banks and Trust Companies mandated a review of all AML/CFT compliance programs for the licensees in the

Bahamas to ensure that appropriate strategies were in place or developed to manage and oversee ML/TF threats and risks. The Central Bank released and implemented a strategy in late 2017 to maintain continuous AML/CFT supervision, signifying a more vigorous effort in combating ML/TF risks (Central Bank of The Bahamas, 2017g).

The archival information released by the FATF and the Central Bank of The Bahamas supports the interview data as participants agreed that risk-based processes were best suited and more effective for instituting and maintaining a robust AML/CFT compliance program. As such, the importance of risk assessments (shelf assessments and enterprise-wide risk assessments) cannot be overstated as critical elements in a compliance program and for combatting operational challenges. A risk culture emanating from the highest level is required in the maintenance of an effective, robust AML/CFT strategy. As such, as noted by Kotter (2014), equally as important as risk management systems, is the support of the board of directors and senior managers' commitment to the compliance and risk management strategies. Lastly, to engender such culture amongst staff, managers should ensure that compliance and risk management strategies are visible to internal and external stakeholders, signifying their importance in the risk governance of the operations.

FATF guidance on *National AML/CFT Risk Assessments (2017)* identified the critical need for countries to assess and understand ML/TF risks. FATF noted in the guidance that risk assessments were essential to addressing challenges with ML/TF risks and implementation and development of appropriate national AML/CFT regime. Further that the results of such risk assessment provide crucial and useful data to financial

institutions (inclusive of banks and trust companies) and designated non-financial businesses and professions which served to inform and support the conduct of their own risk assessments. The Central Bank through the release of its *Enhanced AML/CFT Supervisory Strategy* (2017) signaled to all its licensees the importance of continuous review of clients, procedures/policies, risk rating frameworks and internal controls, to protect their operations from potential ML/TF abuse.

BCBS' *Sound Management of Risks relating to Money Laundering and the Financing of Terrorism (2017)* clearly supports the findings in the study. BCBS, in the guidance document, strongly urged financial institutions to conduct risk assessments to obtain a thorough understanding of all operational risks associated with customers groups, either individually or as a category, and should ensure that findings are documented and regularly (p. 4). The BCBS' guidance further stated that financial institutions first line of defense against ML/TF risks is that of "identifying, assessing and controlling the risks of their business" (BCBS, 2017, p. 4).

Main Theme 3. Strategy Success and Measurement

Kolbina (2015) advised business leaders that successful navigation of changing marketplaces was primarily premised strategies which included elements of planning, review and adjustment. Ford et al. (2013) noted that successful companies were those entities that constantly sought information that can impact their operations while identifying changes in the external environment. Effective companies operating in changing business environments such as that being experienced by the financial sector which have become a magnet for increasing regulation, are results of effective leadership.

Badaracco (2013) noted that the importance of leadership in volatile business environments as managers struggle to make decisions and commitments without certainty of positive gains for their stakeholders.

In the study, review and audit elements were noted as important pillars in participants' strategies to combat and confront AML/CFT risks. P1 mentioned that apart from having an internal audit conducted of the compliance department's functions, "one of the things we discussed is having a risk assessment" and that "a manpower review carried out to ensure that there are sufficient resources (staff, IT, and financial) to effectively perform assigned functions." P1 also noted that "a self-assessment against the department's yearly plan was being contemplated." P2 advised that the success of the company's AML/CFT strategies was "difficult to measure due to the bank not having proper assessment of risk." P2 followed up these comments by noting that "the ERM is being organized and will have as a component a review of AML/CFT strategies which will allow the bank to adjust and update policies and procedures as required." It was noted that the bank had recently had an external audit firm review and assess its internal audit systems with recommendations for strengthening the current systems.

P3 advised that the trust company has an "audit risk committee that meets every quarter just before the board meeting" to review effectiveness of the compliance function. Moreover, P3 noted that "when the board meets, a report is given on the compliance operations including (a) client account reviews, (b) number of high-risk clients, (c) whether any business proposals were refused, and (d) whether there were any compliance issues." P3 also mentioned that the internal audit department reviews the compliance

operations and files a report with the board of directors. P4 stated that "compliance reports are prepared and submitted on a quarterly basis with weekly meetings being held with the CEO to keep him abreast of concerns or deficiencies."

P5 noted that "assessing the success of AML/CFT risk reduction strategies involves analyzing those risks which involves monitoring; this is done via reviews, annual reviews, growth in business, analyzing errors etc." Further, P5 noted that "internal audit plays a fundamental part in assessment in the compliance function; it is mandated by our regulator to test internal policies, controls and procedures with respect to AML/CFT." Examination of interview data reflected that the internal audit assessment and review included (a) Know Your Customer procedures and policies; (b) Customer Identification Program and Enhanced Due Diligence; (c) Risk Rating Framework; (d) review of the transactions monitoring systems; (e) regulatory sanctions lists (i.e. internal audit reviews the enhancement process as well which involves the monthly screening of the client database against other lists to capture PEPs, criminal and civil enforcements and negative articles or media); (f) suspicious transactions reporting; (g) retention of records; and (h) training and education material.

P6 advised that "the internal auditor comes in every year and reviews our AML/CFT strategies, policies, procedures and test compliance by pursuing client files and compiles a report for the corporate governance committee." Further, P6 noted that "change reports are sent to the board of directors every day through the corporate governance committee." P6 emphasized that client reviews and in-depth knowledge of clients were key factors in the bank and trust company's quest to ensure that AML/CFT

strategies for reducing the ML/TF risks were effective. P7 advised that the trust company was currently in a phase of reviewing the AML/CFT measurement tools, but that client knowledge and review were important planks of the success of AML/CFT strategies. P7 emphasized that "we don't rely on others to provide due diligence for us, we do our own due diligence as a result of that we know everything, particularly since, given that we only offer trust services. We need to know from the beginning of a relationship …what we're getting into."

Correlating the theme to conceptual framework. According to Stulz (2015) risk management is a series of processes utilized by managers to control, monitor, and mitigate risks such as ML/TF activities, which ultimately results in safeguarding business operations. Internal audit (automated or manual) assists in this safeguarding goal as it highlights any noncompliance with operational policies and mandated procedures. Acharyya and Mutenga (2013) noted that entities, such as bank and trust companies, are confronted with an increasingly complex marketplace and operational environment due primarily to globalization, deregulation, downscaling, and technology advancement. Assessment and review programs assist managers in ensuring that operational risks are being contained or mitigated and can highlight the need for enhancements of adjustments in operational strategies. Supporting the conceptual theory, Krause and Tse (2016) admonished business leaders to consider risk management systems as essential tools including: (a) minimizing losses from operational risks, (b) ensuring compliance with regulatory requirements, (c) assisting in safeguarding the financial soundness of business operations, and (d) by extension, the entire financial system.

Correlating the theme to existing literature. Bank and trust companies face reputational and regulatory issues due to the changing operational environment of the business. Bank and trust company managers frequently depend on vital risk management systems that assist in minimizing reputational risks that can easily destroy or negatively impact their operations. Gatzert and Martin (2015) noted that reputation is important to a company's survival, but little focus is placed on reputation research, and the associated and management risks. Bank and trust companies in The Bahamas face high levels of reputation risk in the form of ML/TF risks due to their business model of catering to international high net-worth clientele (individuals and legal persons) which can ultimately lead to negative outcomes barring implementation of effective risk management systems.

Internal audit and review functions are mandatory for all bank and trust company licensees in The Bahamas. In addition, external auditors review licensees' risk management systems to ensure that the appropriate governance structures have been implemented. Participants, without exception, noted that an internal audit function was one of the primary assessments and measurement tools used to review the success AML/CFT compliance strategies and adherence to related policies and procedures. Self-assessments and external audit reviews were also identified as important tools. These tools assist in identifying issues with policies, procedures, information management and technological systems and sufficiency of staffing to man the compliance function. These tools also produce reports with recommendations for enhancements or adjustments depending on the risks confronting the institutions.

Supporting the importance of review and measurement of compliance programs the BCBS' *Compliance Function Publication* (2005) principle 8 noted that the compliance function of financial institutions should be subject to periodic reviews by the internal audit function. The BCBS' updated this guidance in the publication entitled, *Sound Management of Risk Relating to Money Laundering and Financing of Terrorism* in 2017, which states "internal audit, the third line of defense, plays an important role in independently evaluating the risk management and controls, and discharges its responsibility to the audit committee of the board of directors or a similar oversight body through periodic evaluations of the effectiveness of compliance with AML/CFT policies and procedures (p. 5)." Internal documentation received from two participants stated the exact wording noted by the BCBS' guidance reflecting the influence of advice given by the BCBS regarding compliance programs. The final word on review and measurement of compliance programs must be that financial institutions, inclusive of banks and trust companies, should include in the Board of Directors' sanctioned risk assessment methodology, adequate coverage by internal audit of the adequacy and effectiveness of the compliance function with emphasis on appropriate testing of controls related to the perceived level of ML/TF risks challenging the operations.

Applications to Professional Practice

Emergent themes were relevant to understanding the compliance strategies managers of bank and trust companies used to reduce the risk of ML/TF activities. The specific business problem was that some Bahamian bank and trust company managers lack compliance strategies to reduce the risks of ML/TF activities. Banks and trust

companies, due to the evolving regulatory environment, are being motivated to upgrade and enhance their compliance strategies to address ML/TF risks. The results of this study apply to professional practice. By following the recommendations of this study, managers of bank and trust companies could improve and strengthen AML/CFT compliance strategies to reduce and minimize ML/TF risks.

The research findings supported the risk management theory that provides an appropriate framework for the research question. Through the application of risk management theory, bank and trust companies control and mitigate operational and other risks. Ai et al. (2015) noted that risk management involved assessment and identification of company risks, and subsequent development, and implementation of operational strategies to control and minimize these risks. Risk management systems are critical tools that supports managers' efforts to minimize reputational issues that can destroy or negatively impact companies' operations (Acharyya & Mutenga, 2013). Accordingly, risk management theory provides a framework for understanding how a manager may reduce ML/TF risks. Risk management theory applies to all bank and trust companies regardless of size, market focus, or location of business. Risk governance and culture can positively impact companies and ensure that business objectives are not thwarted (Zhao et al., 2014). The proposition of the theory is that managers must implement risk management strategies that fit the nature and complexity of their operations.

The results of the study could spur retooling of AML/CFT compliance programs. Strengthening such programs can minimize and reduce bank and trust companies' ML/TF exposure and fortify operational defenses that deter penetration by money launderers and

terrorists. The results of the study may further help identify operational improvements

that can boost efficiency and reduce compliance costs while leveraging business

operations to take advantage of emerging opportunities. May et al. (2013) noted that

organizations better utilize resources when operational effectiveness is improved. James

(2013) supported the findings of May et al. (2013) in that the study noted that the

sustainability practices by managers lead to the safeguarding of resources (financial and

human resources) for present and future operational needs.

The results of the study are relevant to professional practice because the study can

assist in identifying AML/CFT strategies that can be helpful to bank and trust company

managers in improving their operational business practices. Additionally, the results of

this study may contribute to reducing gaps in the AML/CFT literature. The findings can

serve as a useful guide to bank and trust company managers in identifying enhancements

to strengthen and improve their business operational practices and to reduce, mitigate,

and minimize risks of ML/TF activities.

Implications for Social Change

The results from this study can benefit society by reducing the failure rate of

Bahamian bank and trust companies from reputation damage attributed to ML/TF risks

and the resultant positive impact on the community, including job creation, and

sustainable stability. The findings in this study can substantially contribute to positive

social change through the creation of recommendations that can assist bank and trust

companies to strengthen operational strategies that result in AML/CFT regulatory

compliance. Compliance with regulatory AML/CFT requirements will minimize ML/TF

risks and assist in shielding The Bahamas' international financial centre from reputation damage.

Strong AML/CFT compliance programs can positively impact bank and trust companies' viability, institutional reputation, profits and shareholder value leading to increased contribution to the country's GDP and employment opportunities within the financial sector. Since the recession of 2008, The Bahamas has been plagued by high and persistent unemployment, which Coetzee (2016) identified as a threat to democracy. Bahamian bank and trust companies with strong and effective AML/CFT compliance programs can (a) avoid supervisory sanctions which negatively impact their profits, (b) confront ML/TF risks with enhanced tools, (c) provide employment opportunities, and (d) contribute to The Bahamas' GDP. The discussions and conclusions in this study can be of value to bank and trust companies by providing strategies to reduce ML/TF activities. These compliance strategies, upon review and adaptation to institutions' unique environment (taking in to account market focus, risk appetite, risk culture and governance), can improve bank and trust company operations leading to the creation of more jobs and favorable competitive postures in the global financial system and marketplace.

Recommendations for Action

The objective of this qualitative multiple case study was to explore compliance strategies that Bahamian bank and trust company managers use to reduce the risks of ML/TF activities. Intervention strategies have been used by companies for centuries, first being identified in the late 19th and early 20th century as a tool to confront national risks,

challenges, threats, and financial systemic risks (Lawson & Tardelli, 2013). Serhan et al. (2016) noted in their study that some scholars believed that international forces are promoting AML and CFT frameworks and standards based purely on self-preservation and protection of national self-interests and not on the integrity and stability of the global financial systems. However, Jayasree and Siva Balan (2016) found that ML and other economic crimes have had a significant negative effect on developing countries. These scholars also noted that ML/TF retarded economic growth and promoted political instability.

Mugarura (2014) advised countries to include customer due diligence requirements in AML/CFT frameworks and implementation strategies. The findings of the study revealed that CDD requirements had to be consistently applied across all financial services customer groupings. Irwin et al. (2013) emphasized that implementation of a multilayered KYC identify checking system was best for protecting a financial institution's operations from ML/TF. The scholars noted that such systems should also comprise processes that institute an obligation on staff to verify customer information with government databases such as driver's license, social security, and criminal records (Irwin et al., 2013).

Considering the literature and archival documentation reviewed on the subject matter of AML/CFT coupled with the findings of the study, I identified four recommendations that could benefit bank and trust company managers. Managers of bank and trust company operations should focus on ensuring that an enterprise-wide risk assessment to identify operational risks which may influence the AML/CFT compliance

strategies and ensure that AML/CFT strategies cover all related risks (i.e. customers, geographical, delivery channels, and IT). Managers should comprehensively address compliance issues including (a) onboarding clients - customer due diligence and risk rating, (b) client relationship and transaction monitoring, (c) ongoing management and staff training, and (d) risk assurance and measurement systems; (e) adequate information technology systems are available to effectively support the risk and compliance functions; and (f) adequate resources (inclusive of trained staff) to manage and oversee the AML/CFT strategies.

The first recommendation for action covering enterprise-wide risk assessment is crucial as such an exercise will examine the various facets of all business lines, back, middle and back office operations, the operating environment and marketplace and the risks from geographical location, customer focus, delivery channels, business products, etc. Such an exercise can inform the development of the AML/CFT strategies or review of such strategies – ensuring that no gaps are evident in the bank and trust company's AML/CFT defenses.

The second recommendation covers the development of an AML/CFT strategy and the essential components required to be included for the strategy to be effective. Noteworthy is the critical component of risk rating clients imbedded in the onboarding process. All participants agreed that this was one of the most important exercises in the onboarding process and it assisted in establishing the ongoing monitoring parameters for the client relationship. Risk assurance and measurement allows for the bank and trust company managers to review and assess the success or lack thereof, of the AML/CFT

compliance strategies and provides for any adjustment to enhance effectives of the

strategies.

The third recommended action involving information technology, notes the need

or adequate systems to support the work of the compliance unit. To be effective,

compliance officials must have timey access to customer data, risk analysis, assessments,

etc., to react to their operating environment. Adequate information technology platforms

and systems are essential in combatting the ML/TF challenges and ongoing monitoring of

customer relationships and transactions which are the hallmarks of a strong AML/CFT

strategy. It was interesting to note that during the interview process all research partners,

based on interview data, were in the throes of updating, enhancing, or reviewing

technological platforms or systems in efforts to make their operations more efficient in

defending their operations against operational risk including ML/TF risks.

The final recommended action drawn from this study for the managers of bank

and trust companies is the issue of ensuring that adeqaute resources man the compliance

unit. All participants of the study emphazied the importance of securing adequate staffing

and training for the staff that were responsbile for the implementation of the AML/CFT

compliance programs. The best compliance programs without adequate trained and

motivated staff, will be useless to guard against, reduce or minimize ML/TF risks.

Trained staffing is critical to AML/CFT strategies as their responsibilities of monitoring

and vigilance of client relationships and transactions are key to reducing ML/TF

exposure. Staff knowledge of customer behavior, transactional history and trends, and

markets, enable managers of bank and trust companies to implement measures to defend

and protect their operations from operational risk such as ML/TF. The findings in this study may also be useful to managers of bank and trust companies who struggle to develop successful AML/CFT strategies to reduce ML/TF activities that confront their operations.

Recommendations for Further Research

The findings of this study include the compliance strategies managers of Bahamian licensed bank and trust companies used to reduce the risk of ML/TF activities. Conducting additional qualitative studies could help identify other components of a strong compliance strategy necessary to assist managers of bank and trust companies to reduce and minimize the ML/TF risks. As this study included only participants located in The Bahamas, researchers should conduct further studies beyond the delimited geographical region of this study. I recommend further exploring the strategies managers of bank and trust companies use to reduce ML/TF activities in a different geographic location to compare strategies. I used a qualitative research method with a multiple case study design to conduct this study. Future researchers can use other methodologies and designs for further research on how best to reduce bank and trust companies' operational exposure to ML/TF activities.

I will use several methods to disseminate results of this study. I will share a summary of the findings with the participants, thereby confirming the similarities in compliance strategies and advising of enhancements they may wish to consider for implementation in their operations. I will also publish this study through the ProQuest/UMI dissertation database for future researchers to use. Finally, I plan to

present this study at academic and professional conferences and publish this and new

research on similar issues in peer-reviewed journals.

Reflections

I had the privilege and opportunity to interview seven senior experienced

compliance and risk professionals located in the Bahamas who have successfully

implemented AML/CFT programs to reduce operational exposure to ML/TF activities. It

has been an interesting journey from start to finish. During this research process, I

acquired knowledge and increased understanding of the various components of strong

AML/CFT compliance programs. It was refreshing that the interview process was one of

open exchange of sharing information, ideas and experiences related to AML/CFT. This

research process, while challenging was enjoyable and will serve to influence future

pursuits. The research skills gained from conducting this study will assist in developing

and shaping post-graduation career goals. The plans for consideration include bolstering

consulting opprotunities and taking advantage of teaching possibilities at the University

of The Bahamas. I will incorporate the knowledge gained from conducting this study in

future endeavors and activities. The experiences during the research process will infuence

future inquiry in the AML/CFT and regulatory field.

Conclusion

Armed with the findings from this multiple case study coupled with the data

contained in the archival documentation and submitted internal policy documents, I was

able to confirm that one of the most important units of bank and trust company operations

is the compliance unit. The compliance unit activities are a critical component of the

control function of bank and trust companies' operations. To be effective in reducing the ML/TF exposure, managers of bank and trust companies must develop strong compliance strategies. Bank and trust companies use compliance strategies to reduce the risk of ML/TF activities to avoid regulatory sanctions, preserve the reputation of their operations and that of The Bahamian financial centre. Moreover, I identified that strong compliance strategies included processes and policies covering all related risks (customers, geographical, delivery channels, IT, etc.,) that are implemented, periodically assessed, and comprehensively cover (a) account opening and onboarding clients - customer due diligence and risk rating, (b) client relationship and transaction monitoring, (c) ongoing management and staff training, and (d) risk assurance and measurement systems.

Mugaruara (2014) noted that banking and trust businesses are exposed to ML/TF risks. Bahamian financial sector regulators mandate that banking and trust companies develop and maintain adequate AML/CFT regulatory controls and systems coupled with vigorous and robust AML/CFT compliance programs, which include record keeping; ongoing client monitoring, risk assessment systems to control client risks, and annual training requirements (Central Bank of The Bahamas, 2017a). Managers of bank and trust companies tend to find AML/CFT compliance burdensome with requirements applicable to all business units of licensees and registrants (Central Bank of The Bahamas, 2017e). However, compliance with AML/CFT requirements and associated costs are now fixtures in the banking and trust company business in The Bahamas and world-wide. The FATF continues to revise and update global AML/CFT standards (Dion, 2015). Accordingly, continuous review, adjustment and update of compliance programs by leaders of bank

and trust companies are required to keep abreast of current and emerging MLTF risks. Managers use compliance strategies to reduce, minimize, and prevent penetration of their operations by money launderers, terrorists and other such criminals.

During the study, I was able to verify that mangers of bank and trust companies needed to develop and implement effective compliance strategies to reduce, minimize and combat ML/TF activities. Participants revealed that managers, aside from developing and implementing effective compliance strategies, had to ensure that meaningful management and staff training on compliance policies, procedures, responsibilities and systems were carried out on a continuous basis. Moreover, managers mentioned that appropriate information technology and systems are critical and required to be installed and maintained to support the compliance unit's functions. The recommendations for further studies and action can contribute to positive social change if used by managers of bank and trust companies to reduce ML/TF activities.

References

Abdalkrim, G. (2013). The impact of strategic planning activities on private sector organizations performance in Sudan: An empirical research. *International Journal of Business & Management, 8,* 134-143. doi:10.5539/ijbm.v8n10p134

Abreu Pederezini, G. (2017). The senior management sensemaking paradox. *Journal of Strategy and Management, 10*, 360-371. doi:10.1108/JSMA-01-2016-0007

Acharyya, M., & Mutenga, S. (2013). *The benefits of implementing enterprise risk management: Evidence from the non-life insurance industry*. Retrieved from http://www.ermsymposium.org/2013/pdf/erm-2013-paper-acharyya.pdf

Agbim, K. C., Oriarewo, G. O., & Zever, T. A. (2014). Moderating effects of individual entrepreneur and enterprise characteristics of the relationship between business environmental scanning behaviour and entrepreneurial performance. *Journal of Business Studies Quarterly, 6*, 249-268. Retrieved from http://www.jbsq.org/

Ahmed, S. P., & Ahmed, M. T. Z. (2014). Qualitative research: A decisive element to epistemological & ontological discourse. *Journal of Studies in Social Sciences, 8,* 298-313. Retrieved from http://www.infinitypress.info/index.php/jsss/index

Ahlawat, S., & Telson, H. (2015). Foreign Account Tax Compliance Act's unintended consequences. *Banking & Finance Review, 7*, 137-154. Retrieved from http://www.bankingandfinancereview.com/bfr/index.php/bfr

Ai, J., Brockett, P., & Wang, T. (2015). Optimal enterprise risk management and decision making with shared and dependent risks. *Journal of Risk and Insurance, 84*, 1127-1169. doi:10.1111/jori.12140

Alby, F., & Fatigante, M. (2014). Preserving the respondent's standpoint in a research

    interview: Different strategies of 'doing' the interviewer. *Human Studies, 37,* 239-

    256. doi:1007/s10746-013-9292-y

Alghamdi, A. H., & Li, L. (2013). Adapting design-based research as a research

    methodology in educational settings. *International Journal of Education and*

    Research, 1, 1-12. Retrieved from http://www.ijern.com/

Allen, C., Schetzsle, S., Mallin, M. L., & Pullins, E. B. (2014). Intergenerational

    recruiting: the impact of sales job candidate perception of interviewer age.

    American Journal of Business, 29(2), 146-163. doi:10.1108/AJB-03-2013-0018

Amankwaa, L. (2016). Creating protocols for trustworthiness in qualitative

    research. *Journal of Cultural Diversity*, *23*, 121-127. Retrieved from

    http://tuckerpub.com/jcd.htm

Amer, M., Daim, T. U., & Jetter, A. (2013). A review of scenario planning. *Futures*, *46*,

    23-40. doi:10.1016/j.futures.2012.10.003

Andraski, M. P., Chandler, C., Powell, B., Humes, D., & Wakefield, S. (2014). Bridging

    the divide: HIV prevention research and black men who have sex with men.

    American Journal of Public Health, 104, 708-714. Retrieved from

    http://ajph.aphapublications.org/

Anton, S. (2018). The impact of enterprise risk management on firm value: Empirical

    evidence from romanian non-financial firms. *Engineering Economics, 29*, 151-

    157. doi:10.5755/j01.ee.29.2.16426

Antwi, S. K., & Hamza, K. (2015). Qualitative and quantitative research paradigms in business research: A philosophical reflection. *European Journal of Business and Management, 7*, 217-225. Retrieved from www.iiste.org/

Ashatu, H. (2015). The use of triangulation in social sciences research: Can qualitative and quantitative methods be combined? *Journal of Comparative Social Work, 4*(1), 1-12. Retrieved from http://journal.uia.no/index.php/JCSW

Azzi, A., Battini, D., Faccio, M., Persona, A., & Sgaarbossa, F. (2014). Inventory holding costs measurement: A multi-case study. *International Journal of Logistics Management, 25*, 109-132. doi:10.1108/IJLM-01-2012-0004

Badaracco, J. L. (2013). *The good struggle: Responsible leadership in an unforgiving world*, Boston, MA: Harvard Business Review Press.

Bagnoli, C., & Giachetti, C. (2014). Aligning knowledge strategy and competitive strategy in small firms. *Journal of Business Economics and Management*, *16*(3), 571-598. doi:10.3846/16111699.2012.707623

Baker, R. W. (2013). The scale of the global financial structure facilitating money laundering. In B. Unger & D. van der Linde (Eds.). *Research handbook on money laundering* (pp. 190-193). doi:10.4337/9780857934000.00025

Bakla, A. (2018). Learner-generated materials in a flipped pronunciation class: A sequential explanatory mixed-methods study. *Computers & Education, 125*, 14-38. doi:10.1016/j.compedu.2018.05.017

Balas, A. N., Gokus, O., & Colakoglu, S. N. (2014). Exploring the role of external environment on determining strategic focus, market orientation and firm

performance of service firms. *Academy of Marketing Studies Journal, 18*(1). 1-18. www.alliedacademies.org/Public/Journals

Bank for International Settlements (2005). *Compliance function.* Retrieved from http://www.bis.org/publ/bcbs113.htm

Barazzetti, G., Hurst, S. A., & Mauron, A. (2016). Adapting preclinical benchmarks for first-in-human trials of human embryonic stem cell-based therapies. *Stem Cells Translational Medicine, 5*, 1058-1066. doi:10.5966/sctm.2015-0222

Barnao, M., Ward, T., & Casey, S. (2015). Looking beyond the illness: Forensic service users' perceptions of rehabilitation. *Journal of interpersonal violence*, *30*, 1025-1045. doi:10.1177/0886260514539764

Basel Committee on Banking Supervision (2017). *Core Principles for Effective Banking Supervision.* Retrieved from http://bis.org/

Basel Committee on Banking Supervision (2017). *Sound management of risks related to money laundering and financing of terrorism*. Retrieved from http://bis.org/

Baškarada, S. (2014). Qualitative case studies guidelines. *The Qualitative Report, 19,* 1-25. Retrieved from http://tqr.nova.edu/

Batrancea, L., Chirila, I., & Nichita, R. A. (2014). Fathoming tax havens climate through a consequentialist versus a deontological moral lens. *Annals-Economy Series*, *2*, 61-70. Retrieved from http://econpapers.repec.org/article/cbujrnlec/

Battisti, C., Dodaro, G., & Franco, D. (2014). The data reliability in ecological research: a proposal for a quick self-assessment tool. *Natural History Sciences*, *1*(2), 75-79. doi:10.4081/nhs.2014.61

Beasley, M., Branson, B. C., & Hancock, B. V. (2015). *Report of the current state of enterprise risk oversight: Update on trends and opportunities* (6th ed.). Raleigh, NC: American Institute of Certified Public Accountants. Retrieved from http//www.erm.ncsu.edu

Beasley, M., Branson, B. C., & Pagach, D. (2015). An analysis of the maturity and strategic impact of investments in ERM. *Journal of Accounting and Public Policy, 34, 219-243.* doi:10.1016/j.jaccpubpol.2015.01.001

Begley, C., McCarron, M., Huntley-Moore, S., Condell, S., & Higgins, A. (2014). Successful research capacity building in academic nursing and midwifery in Ireland: An exemplar. *Nurse Education Today, 34,* 754-760. doi:10.1016/j.nedt.2013.09.016

Behrens, T. (2015). Lift-off for Mexico? Crime and finance in money laundering governance structures. *Journal of Money Laundering Control, 18*(1), 17-33. doi:10.1108/jmlc-10-2013-0039

Bell, J. (2014). *Doing Your Research Project: A guide for first-time researchers (6th.ed.).* Berkshire, UK: McGraw-Hill.

Bergold, J., & Thomas, S. (2012). Participatory research methods: A methodological approach in motion. *Historical Social Research/Historische Sozialforschung, 13*(1), 191-222. Retrieved from http://www.hsozkult.de/

Berger, R. (2015). Now I see it, now I don't: Researcher's position and reflexivity in qualitative research. *Qualitative Research, 15,* 219-234. doi:10.1177/148794112468475

Berkowitz, D., & Wren, B. M. (2013). Creating strategic commitment in franchise systems: Establishing the link between leadership, organizational structure, and performance. *Journal of Small Business & Entrepreneurship*, *26*, 481-492. doi:10.1080/08276331.2013.876763

Beskow, L. M., Check, D. K., & Ammarell, N. (2014). Research participants' understanding of and reactions to certificates of confidentiality. *AJOB Primary Research, 5*(1), 12-22. doi:10.1080/21507716.2013.813596

Bharadwaj, A., & El Sawy, O. A. (2013). Visions and voices on emerging challenges in digital business strategy. *MIS Quarterly, 37*, 635-662. Retrieved from http://www.misq.org/

Blank, J. D., & Mason, R. (2014). Exporting FATCA. *New York University Law and Economics Working Papers.* Paper 370. http://lsr.nellco.org/nyu_lewp/370

Boehm, D. N., & Hogan, T. (2014). 'A jack of all trades': The role of PIs in the establishment and management of collaborative networks in scientific knowledge commercialization. *The Journal of Technology Transfer, 39,* 134-149. doi:10.1007/210961-012-9273-8

Bond, G. R., Drake, R. E., McHugo, G. J., Peterson, A. E., Jones, A. M., & Williams, J. (2014). Long-term sustainability of evidence-based practices in community mental health agencies. *Administration and Policy in Mental Health and Mental Health Services Research, 41*, 228-236. doi:10.1007/s10488-012-0461-5

Borrego, M., Foster, M. J., & Froyd, J. E. (2014). Systematic literature reviews in engineering education and other developing interdisciplinary fields. *Journal of Engineering Education, 103,* 45-76. doi:10.1002/jee.20038

Bowden, C., & Galindo-Gonzalez, S. (2015). Interviewing when you're not face-to-face: The use of email interviews in a phenomenological study. *International Journal of Doctoral Studies*, *10*, 79-92. Retrieved from http://www.informingscience.org/

Braun, V., Clarke, V., & Terry, G. (2014). Thematic analysis. *Qualitative Research Clinical Health Psychology, 2*, 95-114. doi:10.1037/13620-004

Brennan, P. F., & Bakken, S. (2015). Nursing needs big data, and big data needs nursing. *Journal of Nursing Scholarship, 47*, 477-484. doi:10.1111/jnu.12159

Brett, J., Staniszewska, S., Mockford, C., Herron-Marx, S., Hughes, J., Tysall, C., & Suleman, R. (2014). A systematic review of the impact of patient and public involvement on service users, researchers and communities. *The Patient-Patient-Centered Outcomes Research, 7*, 387-395. doi:10.1007/s40271-014-0065-0

Bristowe, K., Selman, L., & Murtagh, F. E. (2015). Qualitative research methods in renal medicine: An introduction. *Nephrology Dialysis Transplantation, 30*, 1424-1431. doi:10.1093/ndt/gfu410

Brooks, G., Heffner, A., & Henderson, D. (2014). A SWOT analysis of competitive knowledge from social media for a small start-up business. *The Review of Business Information Systems, 18*(1), 23-30. Retrieved from https://cluteinstitute.com/

Bryan, A. (2015). *Social research methods* (5th ed.). Oxford, UK: Oxford University Press.

Bully, C. A., Baku, K. F., & Allan, M. M. (2014). Competitive Intelligence Information: A key business success factor. *Journal of Management and Sustainability*, *4*(2), 82-92. doi:10.5539/jms.v4n2p82

Burau, V., & Andersen, L. B. (2014). Professions and professionals: Capturing the changing role of expertise through theoretical triangulation. *American Journal of Economics & Sociology, 73*, 264-293. doi:10.1111/ajes.12062

Cairney, P., & St Denny, E. (2015). What is qualitative research (Bloomsbury)? *International Journal of Social Research Methodology, 18*, 117-125. doi:10.1080/13645579.2014.957434

Caretta, M. A. (2016). Member checking: A feminist participatory analysis of the use of preliminary results pamphlets in cross-cultural, cross-language research. *Qualitative Research, 16*, 305-318. doi:10.1177/1468794115606495

Carter, N., Bryant-Lukosius, D., DiCenso, A., Blythe, J., & Neville, A. J. (2014). The use of triangulation in qualitative research. *Oncology Nursing Forum, 41*, 545-547. doi:10.1188/14.ONF.545-547

Central Bank of The Bahamas (2017a). *Guidelines on the Prevention of Money Laundering and Countering of Financing of Terrorism (Revised).* Retrieved from http://centralbankbahamas.com/

Central Bank of The Bahamas (2017b). *Proceeds of Crime Act.* Retrieved from http://centralbankbahamas.com

Central Bank of The Bahamas (2017c). *Financial Transaction Reporting Act*. Retrieved

from http://centralbankbahamas.com/

Central Bank of The Bahamas (2017d). *Financial Intelligence Unit Act*. Retrieved from

htttp://centralbankbahamas.com/

Central Bank of The Bahamas (2017e). *List of Banks and Trust Companies.* Retrieved

from http://centralbankbahamas.com/

Central Bank of The Bahamas (2017f). *Regulatory Framework.* Retrieved from

http://centralbankbahamas.com/

Central Bank of The Bahamas (2017g). Creating An Effective AML/CFT Supervision

Regime in The Bahamas 2017/2018. Retrieved from

http://centralbankbahamas.com/

Central Bank of The Bahamas (2017h). *Enhanced AML/CFT supervisory strategy*.

Retrieved from http://central bankbahamas.com/

Chan, N. N., & Walker, C. (2015). An exploration of students' lived experiences of using

smartphones in diverse learning contexts using a hermeneutic phenomenological

approach. *Computers & Education, 82,* 96-106.

doi:10.1016/j.compedu.2014.11.001

Charach, A., Yeung, E., Volpe, T., Goodale, T., & dos Reis, S. (2014). Exploring

stimulant treatment in ADHD: Narratives of young adolescents and their parents.

BioMed Central Psychiatry, 14(1)*,* 1-15. doi:10.1186/1471-244X-14-110

Cheng, W. H., Kadir, K. A., & Bohari, A. M. (2014). The strategic planning of SMEs in

    Malaysia: A view of external environmental scanning. *International Journal of*

    Business and Society, *15*, 437-446. Retrieved from http://www.ijbs.unimas.my/

Chinomona, R. (2013). Business owner's expertise, employee skills training, and business

    performance: A small business perspective. *Journal of Applied Business*

    Research, 29, 1883-1896. Retrieved from http://www.cluteinstitute.com

Chungyalpa, W., & Bora, B. (2015). Towards conceptualizing business strategies.

    International Journal of Multidisciplinary Approach and Studies, 1, 73-83.

    http://www.oaji.net/journal-detail.html?number=847

Cleary, M., Horsfall, J., & Hayter, M. (2014). Data collection and sampling in qualitative

    research: Does size matter? *Journal of Advanced Nursing, 70*, 473-475.

    doi:10.1111/jan.12163

Cobbold, A. (2015). Exploring the perceptions of sterile services staff: A qualitative

    constructivist study. *Journal of perioperative practice*, *25*, 160-168. Retrieved

    from https://www.afpp.org.uk/books-journals/Journal-of-Perioperative-Practice

Coetzee, P. (2016). Contribution of internal auditing to risk management:

    Perceptions of public sector senior management. *International Journal of*

    Public Sector Management, 29, 348-364, doi:10.1108/IJPSM-12-2015-0215

Collins, C. S., & Cooper, J. E. (2014). Emotional intelligence and the qualitative

    researcher. *International Journal of Qualitative Methods, 13*(1), 88-103.

    Retrieved from http://ejournals.library.ualberta.ca/index.php/IJQM/index

Conzelmann, K., & Keye, D. (2014). Which Aspects of a semistructured interview, besides cognitive ability tests, contribute incrementally to predicting the training success of air traffic controller trainees? *International Journal of Selection and Assessment*, *22*, 240-252. doi:10.1111/ijsa.12073

Constantinescu, M., Caescu, S., & Ploesteanu, M. (2012). Strategic marketing planning in sports – A perspective of quality of life improvement. *Annals of the University of Oradea, Economic Science Series, 21,* 807-812. Retrieved from http://anale.steconomiceuoradea.ro/en/

Cope, D. G., (2014). Methods and meanings: Credibility and trustworthiness of qualitative research. *Oncology Nursing Forum, 41*(1), 89-91. doi:10.1188/14.ONF.89-91

Cridland, E. K., Jones, S. C., Caputi, P., & Magee, C. A. (2015). Qualitative research with families living with autism spectrum disorder: Recommendations for conducting semistructured interviews. *Journal of Intellectual and Developmental Disability, 40*(1), 78-91. Retrieved from http://aaiddjournals.org/

Cronin, C. (2014). Using case study research as a rigorous form of inquiry. *Nurse Researcher, 21*, 19-27. doi:10.7748/nr.21.5.19.e1240

Da Costa, N. P., Polaro, S. H. I., Vahl, E. A. C., & Gonçalves, L. H. T. (2016). Storytelling: A care technology in continuing education for active ageing. *Revista Brasileira De Enfermagem, 69,* 1068-1075. doi:10.1590/0034-7167-2016-0390

Darawsheh, W., & Stanley, M. (2014). Reflexivity in research: Promoting rigour, reliability, and validity in qualitative research. *International Journal of Therapy & Rehabilitation, 21*, 560-568. doi:10.12968/ijtr.2014.21.12.560

Das, S. K. (2013). Social and innovative banking strategies for sustainable banking in India. *International Journal of Economics, Finance, and Management*, *2*, 209-223. Retrieved from http://www.sciencepublishinggroup.com/journal

De Chesnay, M. (2014). *Nursing research using ethnography: Qualitative designs and methods in nursing.* New York, NY: Springer.

de Waal, A., Goedegebuure, R., & Tan Akaraborworn, C. (2014). Adapting the high performance organization framework to the Thai context. *Measuring Business Excellence*, *18*, 28-38. doi:10.1108/MBE-08-2013-0043

Delyser, D., & Sui, D. (2014). Crossing the qualitative chasm III: Enduring methods, open geography, participatory research, and the fourth paradigm. *Progress in Human Geography, 38,* 294-307. doi:10.1177/0309133513479291

Demir, R., Wennberg, K., & McKelvie, A. (2017). The strategic management of high-growth firms: A review and theoretical conceptualization. *Long Range Planning, 50*, 431-456. doi:10.1016/j.lrp.2016.09.004

Derobertmasure, A., & Robertson, J. E. (2014). Data analysis in the context of teacher training: code sequence analysis using QDA Miner. *Quality & Quantity, 48,* 2255–2276. doi:10.1007/s11135-013-9890-9.

Diete-Spiff, J. A. (2014). Determining sustainable strategies for directors of microfinance banks in Nigeria. *Academic Journal of Interdisciplinary Studies*, *3*, 125-136. doi:10:5901/ajis.2014.v3n6p125

Dion, M. (2015). Is money laundering an ethical issue? *Journal of Money Laundering Control, 18*, 425-437. doi:10.1108/JMLC-06-2014-0018

Dolar, B., & Shughart, W. F. (2012). The USA Patriot Act's differential impact on large and small banks: Evidence from California's high-risk money laundering and related financial crime areas. *Journal of Banking Regulation, 13*, 127-146. doi:10.1057/jbr.2011.22

Dowden, A. R., Gunby, J. D., Warren, J. M., & Boston, Q. (2014). A phenomenological analysis of invisibility among African-American males: Implications for clinical practice and client retention. *The Professional Counsellor, 4*(1), 58-70. doi:10.15241/ard.4.1.58

Drabble, L., Trocki, K. F., Salcedo, B., Walker, P. C., & Korcha, R. A. (2015). Conducting qualitative interviews by telephone; Lessons learned from a study of alcohol use among sexual minority and heterosexual women. *Qualitative Social work, 15,* 118-133. doi:10.1177/1473325015585613

Drnevich, P. L., & Croson, D. C. (2013). Information technology and business-level strategy: Toward an integrated theoretical perspective. *MIS Quarterly, 37*, 483-509. Retrieved from http://www.misq.org

Edward, J. (2018). Bracketing and bridling: Using narrative reflexivity to confront

researcher bias and the impact of social identity in a historical study. *Philanthropy*

& Education, 2, 82-93. doi:10.2979/phileduc.1.2.04

Elo, S., Kääriäinen, M., Kanste, O., Pölkki, T., Utriainen, K., & Kyngäs, H. (2014).

Qualitative content analysis: A focus on trustworthiness. *SAGE Open, 4*(1), 1-10.

doi:10.1177/2158244014522633

Fabbe-Costes, N., Roussat, C., Taylor, M., & Taylor, A. (2014). Sustainable supply

chains: A framework for environmental scanning practices. *International Journal*

of Operations & Production Management, *34*(5), 664-694. doi:10.1108/IJOPM-

10-2012-0446

Farrell, M., & Gallagher, R. (2015). The valuation implications of enterprise risk

management maturity. *The Journal of Risk and Insurance, 82,* 625-657.

doi:10.1111/jori.12035

Financial Action Task Force (2016). *Consolidated FATF strategy on combatting terrorist*

financing. Retrieved from http://www.fatf-gafi.org/

Financial Action Task Force (2017a). *What is money laundering?* Retrieved from

http://www.fatf-gafi.org/faq/moneylaundering/#d.en.11223

Financial Action Task Force (2017b). *National ML/TF Risk Assessment*. Retrieved from

http://www.fatf-gafi.org/

Financial Action Task Force (2017c). *Non-cooperative countries and territories NCCT*

initiative. Retrieved from http://www.fatf-gafi.org/

Financial Action Task Force (2017d). *The FATF 40 Recommendations*. http://www.fatf-
gafi.org/

Financial Action Task Force (2017e). *Mutual Evaluation Reports*. http://www.fatf-
gafi.org/

Fletcher, D., De Massis, A., & Nordqvist, M. (2016). Qualitative research practices and
family business scholarship: A review and future research agenda. *Journal of
Family Business Strategy, 7*(1), 8-25. doi:10.1016/j.jfbs.2015.08.001

Filipovic, I., Bartulovic, M., & Susak, T. (2018). Accounting information as indicator of
money laundering. *Economic and Social Development (Book of Proceedings),
31st International Scientific Conference on Economic and Social Development –
"Legal Challenges of Modern World"*. Split, Croatia: Varazdin.

Florin, B., & Carmen, B. (2013). Management control systems: A review of their
components and their underlying independence. *Annals of the University of
Oradea, Economic Science Series, 22,* 1424-1433. Retrieved from
http://anale.steconomiceuoradea.ro/en/

Foley, D., & O'Connor, A. J. (2013). Social capital and networking practices of
indigenous entrepreneurs. *Journal of Small Business Management*, *51*, 276-296.
doi:10.1111/jsbm.12017

Ford, E. W., Huerta, T. R., Menachemi, N., & Babik, D. (2013). Aligning strategic
orientation with information resources. *Journal of Management and Strategy*, *4*,
32. doi:10.5430/jms.v4n4p32

Fortier, C. B., Amick, M. M., Grande, L., McGlynn, S., Kenna, A., Morra, L., &

McGlinchey, R. E. (2014). The boston assessment of traumatic brain injury–lifetime (BAT-L) semistructured interview. *Journal of Head Trauma Rehabilitation, 29*(1), 89–98. doi:10.1097/htr.0b013e3182865859

Franjic, S. (2018). Money laundering phenomenonology. *Economic and Social Development (Book of Proceedings), 31st International Scientific Conference on Economic and Social Development – "Legal Challenges of Modern World"*. Split, Croatia: Varazdin

Frederick, J. A. (2015). *Exploring strategies for implementing barcode medication administration systems* (Doctoral Dissertation). Available from ProQuest Dissertations & Theses Full Text database. (UMI No. 3687752)

Fusch, P. I., & Ness, L. R. (2015). Are we there yet? Data saturation in qualitative research. *Qualitative Report, 20*, 1408-1416. Retrieved from http://tqr.nova.edu/

Galvan, J. L. (2015). *Writing literature reviews: A guide for students of the social and behavioral sciences* (6th ed.). Glendale, CA: Routledge.

Ganta, V. C., & Manukonda, J. K. (2014). Leadership during change and uncertainty in organizations. *International Journal of Organizational Behaviour & Management Perspectives 3*, 1183-1190. http://www.ib-ts.org/ijmp.htm

Gatzert, N., & Martin, M. (2015). Determinants and value of enterprise risk management: Empirical evidence from the literature. *Risk Management and Insurance Review, 18*(1), 29-53. Retrieved from http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1540-6296

Gatzert, N., & Schmit, J. (2016). Supporting strategic success through enterprise-wide reputation risk management. *The Journal of Risk Finance, 17*(1), 26-45. doi:10.1108/JRF-09-2015-0083.

Gergen, J., Josselson, R., & Freeman, M. (2015). The promises of qualitative inquiry. *American Psychologist, 70*(1), 1-9. doi:10.1037/a0038597

Gibbins, J., Bhatia, R., Forbes, K., & Reid, C. M. (2014). What do patients with advanced incurable cancer want from the management of their pain? A qualitative study. *Palliative Medicine, 28*(1), 71-78. doi:10.1177/0269216313486310

Gilbart, V. L., Simms, I., Jenkins, C., Furegato, M., Gobin, M., Oliver, I., & Hughes, G. (2015). Sex, drugs and smart phone applications: Findings from semistructured interviews with men who have sex with men diagnosed with Shigella Flexneri 3a in England and Wales. *Sexually Transmitted Infections*, *91*, 598-602. doi:10.1136/sextrans-2015-052014

Gileadi, I., O'Sullivan, S., & Hamilton, C. (2013). Industrialization in financial services: A new wave of opportunities. *Journal of Financial Transformation, 37*, 29-38. Retrieved from http://EconPapers.repec.org/

Gill, M. J. (2014). The possibilities of phenomenology for organizational research. *Organizational Research Methods, 17*, 118-137. doi:10.1177/1094428113518348

Gilmour, N. (2014). Understanding money laundering. A crime script approach. *The European Review of Organised Crime*, *1*, 35-56. Retrieved from http://www.sgocnet.org/site/

Gimour, N. (2015). Understanding the practices behind money laundering: A rational

choice interpretation. *International Journal of Law, Crime and Justice, 44,* 1-13. doi:10.1016/j.ijlcj.2015.03.002

Gilmour, N., & Ridley, N. (2015). Everyday vulnerabilities: Money laundering through cash intensive businesses, *Journal of Money Laundering Control, 18*, 293-303. doi:10.1108/JMLC-06-2014-0019

Gonzalez, V., Rowson, J., & Yoxall, A. (2015). Development of the variable dexterity test: Construction, reliability and validity. *International journal of therapy and rehabilitation*, *22*, 174-180. doi:10.12968/ijtr.2015.22.4.174

Goldman, E. F., Scott, A. R., & Follman, J. M. (2015). Organizational practices to develop strategic thinking. *Journal of Strategy and Management, 8*, 155-175. doi:10.1108/JSMA-01-2015-0003

Gordon, E. J., Rodde, J., Skaro, A., & Baker, T. (2015). Research Article: Informed consent for live liver donors: A qualitative, prospective study. *Journal of Hepatology, 63*, 838-847. doi:10.1016/j.jhep.2015.05.003

Grieb, S. D., Eder, M., Smith, K. C., Calhoun, K., & Tandon, D. (2015). Qualitative research and community-based participatory research: Considerations for effective dissemination in the peer-reviewed literature. *Progress in Community Health Partnerships, 9*, 275-282. doi:10.1353/cpr.2015.0041

Gülmez, M., Sağtaş, S., & Kahyaoğlu, D. Y. (2016). The effects of technoparks on absorptive capacity and the role of gatekeepers in this process. *Cag University Journal of Social Sciences*, *13*, 92-102. Retrieved form http://www.cag.edu.tr/en/arama

Hammersley, M. (2015). On ethical principles for social research. *International Journal of Social Research Methodology, 18*, 433-449. doi:10.1080/13645579.2014.924169

Harvey, L. (2015). Beyond member checking: A dialogic approach to the research interview. *International Journal of Research & Method in Education, 38*, 23-38. doi:10.1080/1743727X.2014.914487

Helmy, T. H., Zaki, M., Salah, T., & Badran, K. (2016). Design of a monitor for detecting money laundering and terrorist financing. *Journal of Theoretical and Applied Information Technology, 85*, 425. Retrieved from http://www.jatit.org/

Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2017). *Strategic management: competitiveness & globalization concepts & cases*. Boston, MA: Cengage Learning.

Holzinger, D., & Parker, C. C. (2018). How formal ERM implementation can help federal agencies. *Journal of Accountancy, 225*, 20-24. Retrieved from https://www.journalofaccountancy.com/

Hussein, A. (2015). The use of triangulation in social sciences research: Can qualitative and quantitative methods be combined? *Journal of Comparative Social Work, 4*(1), 1-12. Retrieved from http://journal.uia.no/index.php/JCSW

Hyett, N., Kenny, A., & Dickson-Swift, V. (2014). Methodology or method? A critical review of qualitative case study reports. *International journal of qualitative studies on health and well-being, 9*(1), 1-12. doi:10.3402/qhw.v9.23606

Idris, W. M. S., & AL-Rubaie, M. T. K. (2013). Examining the impact of strategic

    learning on strategic agility. *Journal of Management and Strategy.*

    doi:10.5430/jms.v4n2p70. www.sciedu.ca/jms

International Monetary Fund, (2017). *The Bahamas FSAP Report.* http://www.IMF.org/

Internal Revenue Service (2017). *Foreign account tax compliance act.* Retrieved from

    https://www.irs.gov/

Intezari, A., & Pauleen, D.J. (2014). Management wisdom in perspective: Are you

    virtuous enough to succeed in volatile times? *Journal of Business Ethics*

    120(3), 393-404. doi:10.1007/s10551-013-1666-6

Ioannidis, J. P., Greenland, S., Hlatky, M. A., Khoury, M. J., Macleod, M. R., Moher, D.,

    & Tibshirani, R. (2014). Increasing value and reducing waste in research design,

    conduct, and analysis. *The Lancet, 383,* 166-175. doi:10.1016/S0140-

    6736(13)62227-8

Irwin, A. S. M., Slay J., & Choo, K. K. R. (2013). Are the financial transactions

    conducted inside virtual environments truly anonymous? An experimental

    research from an Australian perspective. *Journal of Money Laundering Control,*

    16(1), 6-40. doi:10.1108/13685201311286832

Irwin, A. S. M., Slay, J., Choo, K. K. R., & Lui, L. (2014). Money laundering and

    terrorism financing in virtual environments: A feasibility study. *Journal of Money*

    Laundering Control, 17, 50-75. doi:10.1108/jmlc-06-2013-0019

Jagadish, H. V., Gehrke, J., Labrinidis, A., Papakonstantinou, Y., Patel, J. M.,

    Ramakrishnan, R., & Shahabi, C. (2014). Big data and its technical challenges.

Communications of the ACM, 57, 86-94. doi:10.1145/2611567

Jarkas, A. M., & Horner, R. W. (2015). Creating a baseline for labour productivity of reinforced concrete building construction in Kuwait. *Construction Management & Economics*, *33*, 625-639. doi:10.1080/01446193.2015.1085651

James, M. L. (2013). Sustainability and integrated reporting: Opportunities and strategies for small and midsize companies. *The Entrepreneurial Executive, 18*, 17-28. Retrieved from http://www.alliedacademies.org

Jayasree, V., & Siva Balan, R. (2016). Anti-money laundering in financial institutions using affiliation mapping calculation and sequential mining. *Journal of Engineering and Applied Sciences, 11*(1), 51-56. doi:10.3923/jeasci.2016.51.56

Jerolmack, C., & Khan, S. (2014). Talk is cheap ethnography and the attitudinal fallacy. *Sociological Methods & Research, 43*, 178-209. doi:10.1177/0049124114523396

Johnson, J. S. (2015). Broadening the application of mixed methods in sales research. *Journal of Personal Selling & Sales Management, 35*, 334-345. doi:10.1080/08853134.2015.1016953

Johnston, C. M., Wallis, M., Oprescu, F. I., & Gray, M. (2017). Methodological considerations related to nurse researchers using their own experience of a phenomenon within phenomenology. *Journal of Advanced Nursing, 73*, 574-584. doi:10.1111/jan.13198

Kar, D., & LeBlanc, B. (2013). *Illicit financial flows from developing countries: 2002-2011, global financial integrity*. Retrieved from http://iff.gfintegrity.org/

Kaye, T. A. (2014). Innovations in the war on tax evasion. *Brigham Young University Law Review*, 363-477. Retrieved from http://www.lawreview.byu.edu

Khankeh, H., Ranjbar, M., Khorasani-Zavareh, D., Zargham-Boroujeni, A., & Johansson, E. (2015). Challenges in conducting qualitative research in health: A conceptual paper. *Iranian Journal of Nursing & Midwifery Research*, *20*, 635-641. doi:10.4103/1735-9066.170010

Kharub, M., & Sharma, R. (2017). Comparative analyses of competitive advantage using Porter diamond model (the case of MSMEs in Himachal Pradesh). *Competitiveness Review: An International Business Journal, 27*, 132-160. doi:10.1108/CR-02-2016-0007

Khrawish, H. A. (2014). The impact of anti-money laundering on investment funding: Evidence from Jordanian financial institutions. *International Journal of Economics and Finance, 6*, 227-238. doi:10.5539/ijef.v6n3p227

King, D. (2013). Have anti-money laundering measures kept pace with the rapid growth of GPR prepaid cards? Retrieved from https://www.frbatlanta.org/

Kolbina, O. (2015). SWOT analysis as a strategic planning tool for companies in the food industry. *Problems of Economic Transition*, *57*, 74-83. Retrieved from http://www.tandfonline.com/loi/mpet20

Kommunuri, J., Jandug, L., & Vesty, G. (2014). *Risk management, board effectiveness and firm value: Evidence from S&P/ASX200companies*. HO Chi Minh City, Vietnam: RMT University.

Korhonen, J. J. (2014). Big data: Big deal for organization design? *Journal of*

Organization Design, 3(1), 31-36. doi:10.146/jod.3.1.13261

Kotter, J. (2014). *Accelerate (XLR8): Building strategic agility for a faster moving world.*
Boston, MA: Harvard Business Review Press.

Kral, M. J. (2014). The relational motif in participatory qualitative research. *Qualitative Inquiry, 20,* 144-150. doi:10.1177/1077800413510871

Krause, T. A., & Tse, Y. (2016). Risk management and firm value: Recent theory and evidence. *International Journal of Accounting and Information Management, 24*(1), 56-81. doi:10.1108/IJAIM-05-2015-0027

Lambert, V. A., & Lambert, E. L. (2013). Conducting a scholarly literature review. *Journal of Nursing Research, 14,* 101-111. Retrieved from http://iosrjournals.org

Latiffi, A. A., Brahim, J., & Fathi, M. S. (2016). Transformation of Malaysian construction industry with building information modelling (BIM). *MATEC Web of Conferences, 66,* 1-8. doi:10.1051/matecconf/20166600022

Lawson, G., & Tardelli, L. (2013). The past, present, and future of intervention. *Review of International Studies 39,* 1233-1253. doi:10.1017/S0260210513000247

Leavy, B. (2014). Strategy, organization and leadership in a new "transient-advantage" world. *Strategy & Leadership 42,* 3-13. doi:10.1108/SL-05-2014-0038

Levashina, J., Hartwell, C. J., Morgeson, F. P., & Campion, M. A. (2014). The structured employment interview: Narrative and quantitative review of the research literature. *Personnel Psychology, 67,* 241-293. doi:10.1111/peps.12052

Levin, S. C., Gutierrez, F. H., Carroll, K., & Alper, E. (2016). Ant-money laundering sanctions compliance challenges for custody services. *Journal of Securities*

Operations & Custody, 8, 341-355. Retrieved from

https://www.henrystewartpublications.com

Lewin, P. (2015). Report on the 33rd Electrical Insulation Conference. *IEEE Electrical*

Insulation Magazine, 31, 46-49. Retrieved from http://ieeexplore.ieee.org/

Lohle, M. F., & Terrell, S. R. (2014). Real projects, virtual worlds: Coworkers, their

avatars, and the trust conundrum. *Qualitative Report, 19*, 1-35. Retrieved from

http://tqr.nova.edu/

Lundqvist, S. A. (2014). An exploratory study of enterprise risk management. *Journal of*

Accounting, Auditing & Finance 29, 393-429. doi:10.1177/0148558X14535780

Lynch, D., Smith, R., Provost, S., & Madden, J. (2016). Improving teaching capacity to

increase student achievement: The key role of data interpretation by school

leaders. *Journal of Educational Administration*, *54*, 575-592. doi:10.1108/JEA-

10-2015-0092

Lynn, P. (2014). Longer interviews may not affect subsequent survey participation

propensity. *Public Opinion Quarterly, 78*, 500-509. doi:10.1093/poq/nfu015

Maas, J.-B., van Fenema, P. C., & Soeters, J. (2014). ERP system usage: The role of

control and empowerment. *New Technology, Work and Employment, 29*(1), 88-

103. doi:10.1111/ntwe.12021

Machi, L. A., & McEvoy, B. T. (2016). *The literature review: Six Steps to success* (3rd

ed.). Thousand Oaks, CA: Corwin.

Madsen, A. K. (2013). Virtual acts of balance: Virtual technologies of knowledge

management as co-produced by social intentions and technical limitations.

Electronic Journal of E-Government, 11, 183-197. Retrieved from

http://www.ejeg.com/main.html

Maleta, N., & Stipanovic, I. (2018). Difficulties in procedure of obtaining evidence on

money laundering through cryptocurrencies as a possible threat to the market

stability. *Economic and Social Development (Book of Proceedings), 31st*

International Scientific Conference on Economic and Social Development –

"Legal Challenges of Modern World". Split, Croatia: Varazdin

Malone, H., Nicholl, H., & Tracey, C. (2014). Awareness and minimization of systematic

bias in research. *British Journal of Nursing, 23*, 279-282. Retrieved from

http://www.magonlinelibrary.com/

Marshall, B., Cardon, P., Poddar, A., & Fontenot, R. (2013). Does sample size matter in

qualitative research? A review of qualitative interviews in IS research. *Journal of*

Computer Information Systems, 54(1), 11-22.

doi:10.1080/08874417.2013.11645667

Marshall, C., & Rossman, G. B. (2015). *Designing qualitative research* (6th ed.).

Thousand Oaks, CA: Sage Publications.

Marx, T. G. (2015). The impact of business strategy on leadership. *Journal of Strategy*

and Management, 8, 110-126. doi:10.1108/JSMA-06-2014-0042.

Masciandro, D. (2017). Global financial crime: terrorism, money laundering and offshore

centers. New York, NY: Routledge

Maxwell, S. P., & Carboni, J. L. (2017). Civic Engagement through Social Media:

Strategic Stakeholder Management by High-Asset Foundations. *International*

Journal of Public Administration in the Digital Age, 4(1), 35-48.

doi:10.4018/IJPADA.2017010103

May, J., Dhillon, G., & Caldeira, M. (2013). Defining value-based objectives for ERP

systems planning. *Decision Support Systems*, *55*(1), 98-109.

doi:10.1016/j.dss.2012.12.036

Mazur, R. (2012). Institutional will: The organized crime remedy. *Journal of Money*

Laundering Control, 15(2), 162-174. doi:10.1108/13685201211218171

McCarthy, K. J., van Santen, P., & Fiedler, I. (2014). Modeling the money launderer:

Micro theoretical arguments on anti-money laundering policy. *International*

Review of Law and Economics. doi:10.1016/j.irle.2014.04.006

McCusker, K., & Gunaydin, S. (2015). Research using qualitative, quantitative or mixed

methods and choice based on the research. *Perfusion*, *30*, 537-542.

doi:10.1177/0267659114559116

Meissner, P., & Wulf, T. (2015). The development of strategy scenarios based on

prospective hindsight: An approach to strategic decision making. *Journal of*

Strategy and Management, 8, 176-190. doi:10.1108/JSMA-01-2015-0004

Mejia, C., & Phelan, K. V. (2014). Hospitality instructors' preference for blended

teaching: A bridge to full online course delivery? *Journal of Teaching in Travel &*

Tourism, 14, 343-364. doi:10.1080/15313220.2014.955304

Menon, S., & Siew, T. (2014). Key challenges in tackling economic and cybercrimes:

Creating a multilateral platform for international co-operation. *Journal of Money*

Laundering Control 15, 243-256. doi:10.1108/13685201211238016

Merriam, S. B. (2014). *Qualitative research: A guide to design and implementation* (2nd ed.)*.* Indianapolis, IN: Jossey-Bass.

Modell, S. (2015). Theoretical triangulation and pluralism in accounting research: A critical realist critique. *Accounting, Auditing & Accountability Journal, 28*, 1138–1150. doi:10.1108/AAAJ-10-2014-1841

Moon, B. (2013). Antecedents and outcomes of strategic thinking. *Journal of Business Research, 66,* 198-1708. doi:10.1016/j.jbusres.2012.11.2006

Morse, J. M. (2015). "Data were saturated..." *Qualitative Health Research, 25*, 587-588. doi:10.1177/1049732315576699

Morse, J. M., & Coulehan, J. (2015). Maintaining confidentiality in qualitative publication. *Qualitative Health Research, 25*, 151-152

Mugarura, N. (2014). Customer due diligence (CDD) mandate and the propensity of its application as a global AML paradigm. *Journal of Money Laundering Control, 17*(1), 76-95. doi:10.1108/JMLC-07-2013-0024

Mugge, D. (2014). Europe and the Governance of Global Finance. Oxford, UK: Oxford Press

Mukhopadhyay, S., & Gupta, R. K. (2014). Survey of qualitative research methodology in strategy research and implication for Indian researchers. *Vision , 18*, 109-123. doi:10.1177/0972262914528437

Munn, Z., Porritt, K., Lockwood, C., Aromataris, E., & Pearson, A. (2014). Establishing confidence in the output of qualitative research synthesis: The ConQual approach. *BMC Medical Research Methodology, 14.* 1-7. doi:10.1186/1471-2288-14-108

Nicholls, D., Fogarty, S., Hay, P., & Ramjan, L. M. (2016). Participatory action research for women with anorexia nervosa. *Nurse Researcher, 23*, 26-30. doi:10.7748/nr.23.5.26.s6

Nieboer, M. E., van Hoof, J., van Hout, A. M., Aarts, S., & Wouters, E. J. (2014). Professional values, technology and future health care: The view of health care professionals in the Netherlands. *Technology in Society, 39*, 10-17. doi:10.1016/j.techsoc.2014.05.003

Noble, H., & Smith, J. (2015). Issues of validity and reliability in qualitative research. *Evidence-Based Nursing, 18*, 34-35. doi:10.1136/eb-2015-102054

Noohi, E., Peyrovi, H., Goghary, Z. I., & Kazemi, M. (2016). Perception of social support among family caregivers of vegetative patients: A qualitative study. *Consciousness and Cognition, 41*, 150-158. doi:10.1016/j.concog.2016.02.015

Northouse, P. G. (2016). *Leadership: Theory and practice* (7th ed.). Thousand Oaks, CA: Sage.

Nuntamanop, P., Kauranen, I., & Igel, B. (2013). A new model of strategic thinking competency. *Journal of Strategy and Management, 6,* 242-264. doi:10.1108/JSMA-10-2012-0052

O'Connell, T. S., Dyment, J. E., & Smith, H. A. (2015). Students' appropriation, rejection and perceptions of creativity in reflective journals. *International Journal of Teaching and Learning in Higher Education*, *27*(1), 1-13. Retrieved from http://www.isetl.org/ijtlhe/

Oke, T. (2016). Money laundering regulation and the African PEP: case for tougher civil remedy options. *Journal of Money Laundering Control, 19*(1), 32-57. doi:10.1108/JMLC-01-2015-0001

Omar, N., Johari, Z. A., & Arshad, R. (2014). Money laundering - FATF special recommendation VIII: a review of evaluation reports. *Journal of Social and Behavioral Sciences, 145*, 211-225. doi:10.1016/j.sbspro.2014.06.029

Organization of Economic Development & Cooperation (2015). *Towards global tax cooperation.* Retrieved from http://www.oecd.org/

Onwuegbuzie, A. J., & Byers, V. T. (2014). An exemplar for combining the collection, analysis, and interpretation of verbal and nonverbal data in qualitative research. *International Journal of Education, 6,* 183-246. doi:10.5296/ije.v6i1.4399

Owen, G. T. (2014). Qualitative methods in higher education policy analysis: Using interviews and document analysis. *Qualitative Report, 19*, 1-19. Retrieved from http://tqr.nova.edu/

Palinkas, L. A., Horwitz, S. M., Green, C. A., Wisdom, J. P., Duan, N., & Hoagwood, K. (2015). Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Administration and Policy in Mental Health and Mental Health Services Research, 42*, 533-544. doi:10.1007/s10488-013-0528-y

Parry, K., Mumford, M. D., Bower, I., & Watts, L. L. (2014). Qualitative and historiometric methods in leadership research: A review of the first 25 years of the leadership quarterly. *The Leadership Quarterly, 25*(1), 132-151. doi:10.1016/j.leaqua.2013.11.006

Patichol, P., Wongsurawat, W., & Johri, L. M. (2014). Upgrade strategies in the Thai silk industry: Balancing value promotion and cultural heritage. *Journal of Fashion Marketing and Management, 18,* 20-35. doi:10.1108/JFMM-09-2011-0059

Phillips, J., & P. Phillips, P. (2014). Developing a human capital strategy in today's changing environment: Eight forces shaping HC strategy. *Strategic HR Review*, *13*(3), 130-134. doi:10.1108/SHR-01-2014-0002

Pietkiewicz, I., & Smith, J. A. (2014). A practical guide to using interpretative phenomenological analysis in qualitative research psychology. *Psychological Journal*, *20*(1), 7-14. Retrieved from http://www.academia.edu

Powell, K., Wilson, V. J., Redmond, N. M., Gaunt, D. M., & Ridd, M. J. (2016). Exceeding the recruitment target in a primary care paediatric trial: An evaluation of the Choice of Moisturiser for Eczema Treatment (COMET) feasibility randomised controlled trial. *Trials*, *17*, 1-10. doi:10.1186/s13063-016-1659-8

Primorac, D., Miletic, N., & Pilic, M. (2018). Safety and legal framework on preventing of use of the financial system for money laundering according to solutions of directive (EU) 2015/849. *Economic and Social Development (Book of Proceedings), 31st International Scientific Conference on Economic and Social Development – "Legal Challenges of Modern World"*. Split, Croatia: Varazdin

Protess, B., & Silver-Greenberg, J. (2012). HSBC to pay $1.92 Billion to settle charges of money laundering. *New York Times, 10*. Retrieved from http://dealbook.nytimes.com/2012/12/10/hsbc-said-to-near-1-9-billion-settlementover-money-laundering/?_r=0

Quinn, J. B., & Strategy, E. S. (2013). Strategic outsourcing: Leveraging knowledge

    capabilities. *Sloan Management Review, 35,* 43-55. Retrieved from

    http://sloanreview.mit.edu

Radaelli, G., Guerci, M., Cirella, S., & Shani, A. (2014). Intervention research as

    management research in practice: Learning from a case in the fashion design

    industry. *British Journal of Management, 25*, 335-351. doi:10.1111/j.1467-

    8551.2012.00844.x

Raithel, S., & Schwaiger, M. (2015). The effects of corporate reputation perceptions of

    the general public on shareholder value. *Strategic Management Journal, 36*, 945-

    956. doi:10.1002/smj.2248

Ravitch, S. M., & Carl, N. M. (2015). *Qualitative research: Bridging the conceptual,*

    theoretical, and methodological. Thousand Oaks, CA: Sage.

Ritthaisong, Y., Johri, L. M., & Speece, M. (2014). Sources of sustainable competitive

    advantage: The case of rice-milling firms in Thailand. *British Food Journal, 116,*

    272-291. doi:10.1108/BFJ-01-2012-0003

Robinson, O. C. (2014). Sampling in interview-based qualitative research: A theoretical

    and practical guide. *Qualitative Research in Psychology, 11*(1), 25-41.

    doi:10.1080/14780887.2013.801543

Rossetto, K. R. (2014). Qualitative research interviews: Assessing the therapeutic value

    and challenges. *Journal of Social and Personal Relationships, 31*, 482-489.

    doi:10.1177/0265407514522892

Roy, R. (2018). Role of relevant lead users of mainstream product in the emergence of disruptive innovation. *Technological Forecasting and Social Change, 129*, 314-322. doi:10.1016/j.techfore.2017.09.036

Sabourin, V. (2015). Strategy execution: Five drivers of performance. *Journal of Strategy and Management, 8*, 127-138. doi:10.1108/JSMA-06-2014-0048

Schlenther, B. (2013). The taxing business of money laundering: South Africa. *Journal of Money Laundering Control, 16*, 126-141. doi:10.1108/13685201311318485

Schlenther, B. (2014). Is the South African effort toward reducing money laundering optimal? *Journal of Money Laundering Control*, *17*, 17-33. doi:10.1108/JMLC07-2013-0025

Schlenther, B. O. (2016). Addressing illicit financial flows in Africa: How broad is the whole of government approach supposed to be? *Journal of Financial Crime, 23*, 1074-1091. doi:10.1108/JFC-01-2016-0002

Schoemaker, P. J. H., & Krupp, S. (2015). Overcoming barriers to integrating strategy and leadership. *Strategy & Leadership 43*, 23-32. doi:10.1108/SL-01-2015-0001

Schwenger, D., Straub, T., & Borzillo, S., (2014). Non-governmental organizations: Strategic management for a competitive world. *Journal of Business Strategy, 35*, 11-19. doi:10.1108/JBS-11-2013-0105

Schwarz, A., Chin, W. W., Hirschheim, R., & Schwarz, C. (2014). Toward a process-based view of information technology acceptance. *Journal of Information Technology, 29*, 73-96. doi:10.1057/jit.2013.31

Self, D. R., Self, T., Matuszek, T., & Schraeder, M. (2015). Improving organizational alignment by enhancing strategic thinking. *Development and Learning in Organizations: An International Journal*, *29*, 11-14. doi:10.1108/DLO-08-2013-0053

Serhan, C., Mikhael, S., & El Warrak, S. (2016). Anti-money laundering rules and the future of banking secrecy laws: Evidence from Lebanon. *International Finance and Banking, 3*(2), 148. doi:10.5296/ifb.v3i2.10165

Sewdass, N., & Du Toit, A. (2014). Current state of competitive intelligence in South Africa. *International Journal of Information Management*, *34*, 185-190. doi:10.1016/j.ijinfomgt.2013.10.006

Shekhar, S. A. (2014). Conducting case study research in non-profit organizations. *Qualitative Market Research: An International Journal, 17*(1), 77–84. doi:10.1108/qmr-04-2013-0024

Shirazian, S., Park, J., Mattana, J., Crnosija, N., Hammock, A. C., Weinger, K., & Gonzalez, J. S. (2016). The self-management experience of patients with type 2 diabetes and chronic kidney disease: A qualitative study. *Chronic Illness, 12*(1), 18-28. doi:10.1177/1742395315614381

Shoup, V. A. (2015). *One hospital's patient satisfaction plans in response to a changing healthcare environment* (Doctoral dissertation). Available from ProQuest Dissertations & Theses Full Text database. (UMI No. 3685479)

Singh, J. (2013). Practicing knowledge management. *International Journal of Information, Business and Management*, *5*, 209-210. http://www.ijibm.elitehall.com

Sinha, G. (2014). To suspect or not to suspect: Analyzing the pressure on banks to be 'Policemen'. *Journal of Banking Regulation 15,* 75-86. doi:10.1057/jbr.2012.20

Simser, J. (2013). Money laundering: Emerging threats and trends. *Journal of Money Laundering Control 16(*1), 41-54. doi:10.1108/13685201311286841

Sim-Tang, S. Y. (2013). *U.S. patent No. 8,364,648*. Washington, DC: U.S. Patent and Trademark Office.

Sittlington, S., & Harvey, J. (2018). Prevention of money laundering and the role of asset recovery. *Journal of Crime, Law, and Social Change,* 1-21. doi:10.1007/s10611-018-9773-z

Smaglik, P. (2016). Activism: Frustrated postdocs rise up. *Nature, 530*, 505-506. doi:10.1038/nj7591-505a

Small Business Association (2015). *Small business statistics*. Retrieved from http://www.sba.gov

Soilkki, K. K., Cassim, N., & Anis, M. K. (2014). An evaluation of the factors influencing the performance of registered nurses at the national referral hospital in Namibia. *Australian Journal of Business and Management Research, 4*, 47-62. Retrieved from http://www.ajbmr.com

Sotiriadou, P., Brouwers, J., & Le, T. (2014). Choosing a qualitative data analysis tool: A comparison of NVivo and Leximancer. *Annals of Leisure Research, 17*, 218-234,

doi:10.1080/11745398.2014.902292

Soudijn, M. R. J. (2014). Using strangers for money a discussion on money-launderers in

organized crime. *Trends in organized crime, 17*, 199-217. doi:10.1007/s12117-

014-9217-9

Sowman, M., Sunde, J., Raemaekers, S., & Schultz, O. (2014). Fishing for equality:

Policy for poverty alleviation for South Africa's small-scale fisheries. *Marine*

Policy, 46, 31-42. doi:10.1016/j.marpol.2013.12.005

Speculand, R. (2014). Bridging the strategy implementation skills gap. *Strategic*

Direction, 30, 29-30. doi:10.1108/SD-12-2013-0093

Srivastava, A. K., & Sushil, (2013). Modeling strategic performance factors for effective

strategy execution. *International Journal of Productivity and Performance*

Management, 62, 554-582. doi:10.1108/IJPPM-11-2012-0121

Sterling, J., & Rader, D. (2012). Dynamic discourse drives effective strategy

implementation. *Strategy & Leadership, 40*, 5-10.

doi:10.1108/10878571211278822

Stros, D., Bukovinski, D., & Coner, M. (2014). Globalization and management.

Economski, Vjesnik. 2, 425-436. Retrieved from hrcak.srce.hr/ekonomskivjesnik

Stühlinger, V., & Hackl, M. (2014). Research ethics committees in the field of health-

related human research. A European perspective and the case of Austria.

European Journal of Health Law, 21, 387-400. doi:10.1163/1571809312341329

Stulz, R. M. (1984). Optimal hedging policies. *The Journal of Financial and Quantitative*

Analysis, 19, 127-140. doi:10.2307/2330894

Stulz, R. M. (2015). Risk-taking and risk management by banks. *Journal of Applied Corporate Finance, 27*(1), 8-18. doi:10.1111/jacf.12099

Sullivan, K. (2015). *Anti–money laundering in a nutshell, awareness and compliance for financial personnel and business managers*. Berkeley, CA: Apress

Suresh, C., & Reddy, K. T. (2018). A method to enhance money laundering detection using link analysis. *International Journal of Advanced Research in Computer Science and Software Engineering, 5,* 240-245. Retrieved from https://www.ijarcsse.com/index.php/ijarcsse

Suresh, C., Reddy, K. T., & Sweta, N. (2016). A hybrid approach for detecting suspicious accounts in money laundering using data mining techniques. *International Journal of Information Technology and Computer Science (IJITCS)*, *8*, 37-43. doi:10.5815/ijitcs.2016.05.04

Synnot, A., Hill, S., Summers, M., & Taylor, M. (2014). Comparing face-to-face and online qualitative research with people with multiple sclerosis. *Qualitative Health Research, 24*, 431-438. doi:10.1177/1049732314523840

Tang, J., & Ai, L. (2013). The system integration of anti-money laundering data reporting and customer relationship management in commercial banks. *Journal of Money Laundering Control, 16*, 231-237. doi:10.1108/jmlc-04-2013-0010

Teruel, M. A., Navarro, E., González, P., López-Jaquero, V., & Montero, F. (2016). Applying thematic analysis to define an awareness interpretation for collaborative computer games. *Information and Software Technology, 74*, 17-44. doi:10.1016/j.infsof.2016.01.009

Theron, P. M. (2015). Coding and data analysis during qualitative empirical research in practical Theology. *In Die Skriflig, 49*, 1-9. doi:10.4102/ids.v49i3.1880

Thomas, S. J. (2015). *Exploring strategies for retaining information technology professionals: A case study* (Doctoral dissertation). Available from ProQuest Dissertations & Theses Full Text database. (UMI No. 3681815)

Thompson, R. (2018). A qualitative phenomenological study of emotional and cultural intelligence of international students in the United States of America. *Journal of International Students, 8*, 1220-1255. doi:10.5281/zenodo.1250423

Turner, B. L., Hyunjung, K., & Andersen, D. F. (2014). Improving coding procedures for purposive text data: Researchable questions for qualitative system dynamics modeling. *Systems Dynamics Review, 29*, 253-263. doi:10.1002/sdr.1506

U.S. Department of Health and Human Services. (1979). *The Belmont Report*. Retrieved from http://www.hhs.gov/ohrp/humansubjects/guidance/belmont.html

United Nations Office on Drugs and Crime (2017). *Money-laundering and globalization*. Retrieved from https://www.unodc.org/unodc/en/money-laundering/globalization.html

Vinnari, E., & SkaerBack, P. (2014). The uncertainties of risk management: A field study on risk management internal audit practices in a Finnish municipality. *Accounting, Auditing & Accountability Journal, 27*, 489-526. doi:10.1108/AAAJ0920121106

Viscelli, T., Hermanson, D. R., & Beasley, M. (2016). *The strategic effectiveness of ERM: Implications for corporate governance. Sage Open*, *6*, 1-17. doi:10.1177/2158244016680230

Vohs, J. L., & Lysaker, P. H. (2014). Metacognitive mastery and intrinsic motivation in schizophrenia. *The Journal of Nervous and Mental Disease*, *202*(1), 74-77. doi:10.1097/nmd.0000000000000063

Walter, I. (2013). The value of reputational capital and risk in banking and finance. *International Journal of Banking, Accounting and Finance, 5,* 205-219. doi:10.1504/ijbaaf.2013.058090

Wang, C., & Borges, S. (2013). Does competitive intelligence matter? An anthropological way of thinking. *International Journal of Business Anthropology 4*, 76-84. Retrieved from http://www.na-businesspress.com/ijbaopen

Wang, D., Xiang, Z., & Fesenmaier, D. R. (2014). Adapting to the mobile world: A model of smartphone use. *Annals Tourism Research, 48*, 11-26. doi:10.1016/j.annals.2014.04.008

Wanto, H. S., & Suryasaputra, R. (2012). The effect of organizational culture and organizational learning towards the competitive strategy and company performance (case study of East Java SMEs in Indonesia: Food and beverage industry). *Information Management and Business Review 5*(1), 1-9. Retrieved from http://www.bmr.businessjournalz.org.

Westerman, D., Spence, P. R., & Van Der Heide, B. (2014). Social media as information

    source: Recency of updates and credibility of information. *Journal of Computer-*

    Mediated Communication, 19, 171-183. doi:10.1111/jcc4.12041

Whicher, D. M., Miller, J. E., Dunham, K. M., & Joffe, S. (2015). Gatekeepers for

    pragmatic clinical trials. *Clinical Trials, 12*, 442-448.

    doi:10.1177/1740774515597699

Whiffin, C. J., Bailey, C., Ellis-Hill, C., & Jarrett, N. (2014). Challenges and solutions

    during analysis in a longitudinal narrative case study. *Nurse Researcher, 21*, 20-

    26. doi:10.7748/nr2014.03.21.4.20.e1238

Wijbenga, M. H., Bovend'Eerdt, T. J., & Driessen, E. W. (2018). Physiotherapy students'

    experiences with clinical reasoning during clinical placements: A qualitative

    study. *Health Professions Education*, (in press). doi:10.1016/j.hpe.2018.05.003

Wilson, V. (2014). Research methods: Triangulation. *Evidence Based Library and*

    Information Practice, *9*(1), 74-75. Retrieved from

    http://ejournals.library.ualberta.ca/index.php/EBLIP

Winnard, J., Adcroft, A., Lee, J., & Skipp, D. (2014). Surviving or flourishing?

    Integrating business resilience and sustainability. *Journal of Strategy and*

    Management, *7*, 303-315. doi:10.1108/JSMA-11-2012-0059

White, C. (2015). *Strategic management.* London, UK: Palgrave Macmillan.

Xu, M. A., & Storr, G. B. (2012). Learning the concept of researcher as instrument in

    qualitative research. *Qualitative Report*, *17*, 1-18. Retrieved from

    http://tqr.nova.edu/

Yazan, B. (2015). Three approaches to case study methods in education: Yin, Merriam, and Stake. *Qualitative Report, 20*, 134-152. Retrieved from http://tqr.nova.edu/

Yeoh, P. (2014). Enhancing effectiveness of anti-money laundering laws through whistleblowing. *Journal of Money Laundering Control, 17*, 327-342. doi:10.1108/jmlc-06-2013-0020

Yin, R. K. (2017). *Case study research: Designs and methods* (6th ed.). Thousand Oaks, CA: Sage.

Young, M. A. (2013). Banking secrecy and offshore financial centers: money laundering and offshore banking. New York, NY: Routledge.

Young, M. A. (2013). The exploitation of global offshore financial centres: Banking confidentiality and money laundering. *Journal of Money Laundering Control, 16*, 198-208. doi:10.1108/JMLC-01-2013-0004

Zamawe, F. C. (2015). The implication of using NVivo software in qualitative data analysis: Evidence-based reflections. *Malawi Medical Journal, 27*(1), 13-15. doi:10.4314/mmj.v27il.4

Zhao, X., Hwang, B., & Low, S. P. (2014). Enterprise risk management implementation in construction firms: An organizational change perspective. *Management Decision, 52,* 814-833. doi:10.1108/MD-02-2014-0082.

Appendix A: Interview Protocol and Interview Questions

What you will do	What you will say—script
Introduce the interview and set the stage	First, I want to thank you for agreeing to do this interview. Before we begin, I would like to confirm that you have read the informed consent form, that you understand that your participation in this study is voluntary, that you may refuse to answer any questions, and that you may withdraw from the study at any time.
	As I previously mentioned this research will explore AML and CFT compliance strategies that assist in reducing the risks of ML and TF challenging Bahamian bank and trust companies.
• Watch for nonverbal queues • Paraphrase as needed • Ask follow-up probing questions to get more indepth	1. What AML/CFT compliance strategies did you develop and implement to reduce the risks of ML?
	2. What AML/CFT compliance strategies did you develop and implement to reduce the risk of TF?
	3. What AML/CFT compliance strategies were more effective in reducing the risks of ML and TF?
	4. What was the role of technology in the development and implementation of your AML/CFT risk reduction compliance strategies?
	5. How do you assess and measure the success of your risk reduction AML/CFT compliance strategies?
	6. What challenges did you encounter in developing and implementing the risk reduction AML/CFT compliance strategies?
	7. How did you manage such challenges?
	8. Is there any further information you would like to share regarding the risk reduction AML/CFT compliance strategies were developed and implemented?
Wrap up interview thanking participant	I would like to thank you for agreeing to do this interview today. Please know that your participation in this study is much appreciated and that it is voluntary, and that you may withdraw from the study at any time.
Schedule follow-up member checking interview	I will contact you following interview transcription and data analysis to schedule a member checking interview. During the member checking interview, you will be asked to review my analysis and interpretations to authenticate whether findings or identified themes are accurate, meaningful, reasonable, and credible.