

CORRUPTION AND BRIBERY IN THE NIGERIAN ECONOMY

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ABSTRACT

Nigeria is going through a difficult political and economic transition after forty years of independence. Yet, Nigeria remains a society rich in cultural, linguistic, religious, ethnic and political diversity. Today, the average Nigerian struggles hard to make ends meet; sees himself or herself as being poorer than he or she was a decade ago; and finds it hard to be hopeful that things will get better soon. It is against this background that this project sets out to increase the knowledge about state capacity in Nigeria by taking stock of economic and governance issues. Using a simple growth model, we illustrate the interrelationships between natural resources, corruption and economic growth in Nigeria; as well as proposing anti-corruption policies for Nigeria.

KEY WORDS: ECONOMIC GROWTH, NEOCLASSICAL ECONOMIC GROWTH, NATURAL RESOURCES, CORRUPTION, BRIBERY, GOVERNANCE, NIGERIAN ECONOMY

JEL: Q4, Q32, D73, H3, K00, O1

1.0 PROBLEM STATEMENT

“Father in Heaven, you always provide for all your creatures so that all may live as you have willed. You have blessed our country Nigeria with rich human and natural resources to be used to your honor and glory and for the well being of every Nigerian. We are deeply sorry for the wrong use of these your gifts and blessing through acts of injustice, bribery and corruption, as a result of which many of our people are hungry, sick, ignorant and defenseless. Father, you alone can heal us and our nation of this sickness. We beg you; touch our lives and the lives of our leaders and people so that we may all realize the evil effect of bribery and corruption and work hard to eliminate it. Raise up for us God-fearing people and leaders who care for us and who will lead us in the path of peace, prosperity and progress” [CBCN, 1998]

Unlike a fiscal system with a single level of government only, we must now allow for the fact that fiscal operations are typically carried out by many units of government or jurisdictions. Here, this multiple unit system includes the federal government, States government and local governments. This multiunit fiscal structure (three-tier arrangement) reflects the historical forces of nation making, wars and geography. Compared with that of most other countries, the fiscal structure of Nigeria has developed along relatively decentralized lines. At the same time, it has shown flexibility toward changing needs and attitudes, as evidenced by the expanding role of inter governmental transfers and the reassignment of fiscal responsibilities over the last decade. Specifically, the Nigeria

Constitution (1999) has it that the federation shall maintain a special account to be called “ the Federation Account” into which shall be paid all revenues collected by the government of the federation, except the proceeds from the personal income tax of the personnel of the Armed forces of the federation, the Nigeria police force, the ministry or department of government charged with the responsibility for external affairs and the residents of the federal capital territory Abuja

However, these legal requirements may be impracticable without good governance. Hence, the World Bank (1994) identified three distinct aspects of governance: the form of political regime; the process by which authority exercised in the management of a country’s economic and social resources for development; and the capacity of governments to design, formulate and implement policies and discharge functions. But regional progress is usually reported under the four major components of governance: public sector management; accountability; legal framework for development; and transparency and information. Yet, public sector management (in relation to fiscal federalism) is the most visible of these four dimensions of governance. It has to do with the capacity of governments to make and implement public policy, the effectiveness of public programs and the strength of public institutions. The subject matter of public sector management is the means to achieve those parts (the civil service, the government budget, the public investment program, accounting, auditing and other financial management systems, strategic

planning and program evaluation, aid coordination, economic management agencies, the cabinet system and other parts of the machinery of government that are essential to a well-functioning public sector. In addition, it is equally concerned with the relationship between central government agencies and public enterprises on the other hand, and between central and subordinate tiers of government on the other (World bank, 1994). And yet, widespread corruption remains a symptom of a poorly functioning state as witnessed in most developing countries such as Nigeria

Indeed, those who pay and receive bribes can expropriate a nation's wealth, leaving little for its poorest citizens. Where corruption is systematic, Nigeria with extensive natural resources may fail to develop in a way that benefits ordinary citizens. Highly corrupt county face particular challenges even when controlled by reform-minded rulers. Reforming public institutions and government policies is essential but poverty limits available options.

Policymakers, however, can arrive at plausible conclusions only after understanding corruption's effect on the efficiency and equity of an economic system corruption can therefore be defined as the use of public office for private gain and this include bribery and extortion which necessarily involve at least two parties and other types of malfeasance that a public official can carry out alone (including fraud and embezzlement). In most cases, corruption is entrenched, embedded in a social setting that

both shows its consequences and helps sustain it. Entrenched corruption can be political, bureaucratic or both grows out of and helps perpetuate the development problems as well as diverting development resources and saps the political and social vitality societies need to use aid effectively. It is in such a case that corruption does the most to keep poor nations poor (Johnston, 1997)

Entrenched corruption is well organized and embedded in a political and helps sustain it. In fact, it is best thought of as equilibrium, an understanding of which can help explain its origins and tenacity. But it is not the only possible equilibrium: by altering the political and economic environment it is possible to shift toward low-corruption, higher growth equilibrium that benefit from and help sustain accountable politics and administration.

Although political and bureaucratic corruption differs, both could be considered entrenched if they are pressure organized and monopolistic. Here perverse means that corruption is so common that there are few practical alternatives to dealing with corrupt officials (Rose – Ackerman, 1996, Olderburg 1997). Organized corruption involves internal coordination, shared knowledge, and a vertical exchange of benefits. It facilitates an internal economy linking principals and agents. Principals provide protection, make major decisions, control agents' discretion and powers, and confer or withhold shares of the take. Political or bureaucratic agents pay their agents through loyal support. When political corruption is

entrenched, political activity is dominated by a monopolistic organization or factor that maintains its power in part through corruption and reaps large rewards from it. For entrenched bureaucratic corruption, the situation is different. Several agencies might deal with one sector of the economy but in specialized ways: one might regulate working conditions, another inspect products, and yet another collect taxes. These agencies usually cannot abolish one another or drive each other out of the corruption business. But they can collide creating lasting and bucreative corruption networks that feed on and help sustain economic and political dependence.

Where bureaucratic corruption is not pervasive, some officials may take bribes as opportunity allows. Most do not, however, nor do they systematically seek them out, However, nor do they systematically seek them out. However, vertically organized bureaucratic corruption is a significant step toward entrenchment. Here, a portion of the agents take is shared with principals and emphasis shifts from corruption without theft “corruption with theft”. In the first case agents keep aside payment but pass the full nominal price of a good to the public treasury; while in the second case, agents keep some or all of the fee and the treasury receives little or nothing. Low – level agents who do not enjoy protection will find corruption without theft easier to conceal or will at least keep theft within limits to avoid notice. But with vertical organization corruption with theft grows rapidly both because of the increasing number of claimants to take

and because of the official protection that corruption enjoys political corruption and bureaucratic corruption can therefore flourish in each other's absence. But in most cases, the two types of corruption coexist and may be introduced. Political corruption can intrude into the bureaucracy as well as the bureaucratic corruption can become a factor in politics. Different connections between political and bureaucratic corruption produce different patterns of extended clientelism in society but the more serious either types of corruption becomes, the less likely it is to exist independently. An interlocked system of entrenched bureaucratic and political corruption is a powerful force: rents can be coordinated and shared across both realms while monopoly power allows politicians preempt opposition Economic policies can minimize corruption while curtailing competition. There will be few opportunities for direct competition. There will be few opportunities for direct countervailing actions, and illicit responses will require the indulgence of corrupt officials.

The debate on the effects of corruption is very fervent. Some authors have suggested that corruption might raise economic growth through two types of mechanisms. Corrupt practices such as "speed money" would be enable individual to avoid bureaucratic delay while government employees who are allowed to levy bribes would work harder especially where bribes act as a piece rate [Leff, 1964, Huntington, 1968] many recent studies [North, 1990, Schleifer and Vishny, 1993] have argued that malfunctioning government institutions severely harm economic performance through the

reduction in both incentive and opportunities to invest and innovate, Thus, corruption has received particular attention by both policy makers and researchers as the recent availability of corruption measures has helped to quantify its extent and allowed international comparisons.

Econometrician have recently weighed into the debates as Mauro (1995) pioneering study and the Transparency International (TI) has now brought to the attention of researchers the availability of corruption indices and prompted a number of empirical investigations into the effects of corruption on various aspects of economic performance. Tanzi (1998) List the significant econometric findings to date of the effects of corruption on the level of investment, the productivity of public investment and the level of maintenance expenditures, the level of foreign direct investment, the level of education and health expenditures and the level of tax revenue. Our present study therefore constitutes a first step towards an investigation of the effect of natural resources on corruption and growth. This is in addition to the modeling the government's anti-corruption practices as the response of an optimizing agent, which would allow, inter alia, a formal derivation of the need for, and the extent of, infrastructure and administrative adjustments in response to resources discoveries.

2.0 OBJECTIVES OF STUDY

The board objective of this paper is to theoretically and empirically investigate the channel through which the natural resources might affect a country's economic growth, that is through an increase in rent – seeking activities. Our specific research questions include:

[1] What factors determine the incidence of corruption and what role does the abundance of natural resources play in Nigeria?

[2] What factors determine the extent of corruption and how one can explain the stylized fact that resources rich economy tend to grow slower.

[3] What policies and strategies to eradicate bribery and corruption in Nigeria.

3.0 NIGERIA POLITICAL ECONOMY

Like other parts of West Africa, the areas that eventually became part of Nigeria has a long – established traditional society Nigeria has an area of 923,768sq and bounded by Niger on the north, by Chad and Cameroon on the east by the Gulf of guinea on the south, and by Benin on the west. During the 19th century, there were many local rulers, who assigned card for cultivation, controlled trade, and collected taxes. Agriculture, using shifting cultivation and simple implements, was mainly for subsistence, though there was some exchange of surpluses in local markets. There was a network of village markets in which farmers could exchange produce for handicrafts. After about 1830, exports of palm oil and kernels, primarily to Britain gradually replaced the dying share trade. Although the initial base was small, the growth rate of export and imports was high.

British penetration first occurred through ship owners and chartered merchant companies with political authority developing later. The initial contacts were confined to coastal areas because of transport difficulties, endemic malaria and tribal warfare in the interior. Lagos was ceded to Britain in 1861 and in 1886,an oil river protectorate (Southern Nigeria) was established over Niger Delta. In 1900, the northern territories were taken over (Britain) which became the protectorate of Northern Nigeria. In 1914, Northern and Southern protectorates were merged and thus, modern Nigeria like most other African state is a colonial creation.

The primary reason for amalgamation was economic rather than political. The northern protectorate, which became the Northern province, had annual budget deficits, while the Southern protectorate that became the Southern province had surpluses. To eliminate the subventions from the British treasury, the budgets of the two components were integrated. Some central institutions were also established to anchor the evolving clarified structure. The first Governor general (Frederic Lugard) organized a central secretariat at Lagos and established the Nigeria Council to provide a forum for representative. Drawn from the provinces.

The process of unification was undermined by the persistence of different regional perspective on governance between the Northern and Southern provinces. While Southern colonial administrators welcomed amalgamation, their counterparts in the Northern province believed that it was injurious to them.

Indeed, these differential attitudes signaled that a Federal system might be a suitable framework for keeping Nigeria as a single political entity. Subsequently political developments confirmed the Federal solution as the best political arrangement that could provide the compromises and assurances necessary for advancement to political unity. In an effort to establish a viable Federation, the British modified the constitution four times (1922, 1945, 1951 and 1954). The final result was a Federation of three regions following the splitting of Southern province in 1946 to create the Eastern and Western regions, which was a continuation of the Northern

province. The establishment of this region was a response to fundamental ethnographic and cultural configuration of Nigerian society. During the run-up to independence, the British, responding to Nigerian demands, transferred responsibilities to Nigerian Leaders by establishing a parliamentary form of government based on the British model at both the regional Federal Level, and holding elections for each of those bodies. Internal self-government was thus granted to the eastern and western regions in 1957, and to the Northern Region in 1959.

At independence, (1960) Nigeria was a multi-party democracy with a federal constitution. Its parliamentary system gave promise of evolution towards a stable pluralist political system. However, this system was soon undermined by the nature of political forces of the time. During this period, three political parties emerged to dominate Nigerian politics: The National Council for Nigeria and Cameroon's (NCNC), Northern People's Congress (NPC) and Action Group (AG). However, the disagreement over the 1962/63 population census figures ruptured the Federal coalition of NCNC and the NPC. The conflict over the census exacerbated political tensions that had previously led to outbreaks of violence in the Western Region and some parts of Northern Region. These situations led to the first military intervention in January 1966. After the second coup that was a reprisal for the wanton killing of Easterners in Northern Nigeria, the Eastern Region attempted in 1967 to secede and to create an independent 1960 homeland (Biafra) which resulted in a 30-month civil war. In response, the Federal

Military government began to create more state to outflank and break-up the eastern region by providing homelands for ethnic minorities of the region, but also to break –up the dominant bases of power in the west and the north. The military believed that by creating a large number of relatively weak states under a strong central government it could overcome the instability of the past. In other words, the military sought to unilaterally redefine the shape of Nigerian Federation into one consistent with its own hierarchical structure and vision. The result was the creation of multiple state structures. Though seemingly inconsistent with the logic of military rule. The military believed that elected local government would provide a more viable and legitimate form of government at the local level and further weaken the States. Few local government areas were established initially. But over the years the number grew astronomically.

During the 1970s, Nigeria evolved from a poor agricultural economy into a relatively rich, oil-dominated one. The economic policy orientation during the 1970s left the country ill prepared for the eventual collapse of oil prices. Public investment was concentrated in costly, and often inappropriate, infrastructure projects with questionable rates of returns and sizable recurrent cost implications, while the agricultural sector was largely neglected. Nigeria’s industrial policy was inward looking, with a heavy emphasis on protection and government controls, which bred an uncompetitive manufacturing sector. While attending an O.A.U summit in Kampala, Uganda on Tuesday 29 July 1975, General Gowon’s government

was sacked after mounting opposition to his government's in decision to return the country to civil rule. Gen Murtala R. Mohammed who in October 1975 presented the nation with a well – detailed timetable to return the country to democratic rule replaced him. He was assassinated in a failed coup d'etat on Friday 13 February 1976. This automatically brought Gen Olusegun Obasanjo (second in command) into power.

Fulfilling his promise to complete his predecessor's transition to civil rule program. Obasanjo handed over to a civilian government headed by Alhaji Shehu Shagari of the National Party of Nigeria (NPN). This second republic witnessed a replay of political intolerance and official misconduct. It was this confusion that Shagari's government was re-elected for a second term. However, the regime massively looted the treasury, mismanaged the economy and undermined the legitimacy of civil democratic rule by blatantly rigging the 1983 Federal elections. On Saturday 31st December 1983, his government was deposed and major General Mohammadu Buhari became the Head of State. His regime was criticized of high-handedness and despite its corrective posture; its radical policies were still Alien to Nigeria. Thus, the regime was toppled on Tuesday 27 August 1985 and Gen Ibrahim B. Babangida became Nigeria's first military President.

From early 1986 through late 1989, Babangida regime laid the political foundation for the transition to elected government through the establishment of National Electoral Commission (1987), the election of a

continent Assembly (1988), the approval of a new constitution (1989) and the establishment of two party system (1989), comprising the Social Democratic Party (SDP) and the National Republic Convention (NRC).

Following an attempted coup in 1990, the government moved more aggressively to implement the more of the political reform agenda.

Legislative elections at the state level were held in December 1991 and at the federal level in July 1992. In the latter, the SDP won the majority in both the Senate and House of Representatives. The presidential elections, however, proved problematic of a series of presidential crises. The results of a series of presidential primaries were annulled in September 1992 because of alleged irregularities and the candidates were declared ineligible to participate in the presidential elections.

Subsequently, President Babangida postponed the transition to an elected government and in January 1993 the formation of an interim government, which consisted of all-civilian Transitional Council headed by Chief Shonekan to handle the day-to-day affairs of government under the National Defense and Security Council, chaired by President Babangida. President elections were set for June 12, 1993 and a new government was scheduled to assume office on August 27, 1993. In the event the elections were annulled after chief Abiola, a Leader of SDP had emerged as the apparent winner. This annulment led to domestic unrest and international protest. Against this background, President Babangida, the military leadership and the leadership of SDP and the NRC agreed to another

transitional government. On August 26, 1993, armed widespread Labor unrest and civil strikes, president Babangida resigned as Head of State and commander –in – chief of the Armed forces, and chief Shonekan was sworn in as Head of the Interim national Government for the period through March 31. 1994, when an elected government was scheduled to assume office. On November 17, 1993, the Interim National Government was ousted by military under General Sani Abacha. All democratic institutions were dissolved and all elected officials were removed from office. Also a new transition agenda was set.

A constitutional conference was inaugurated in Abuja in 1994 and another transition program opened as the constitutional conference closed. Between 1995 and 1997, there were reported coup attempts allegedly aimed at Abacha's regime. Later, General Abacha died on Monday 8 June 1998 at a time when the request for his self-succession as civilian president peaked. General Abdusalam Abubakar then chief of defense staff, became Head of state and sacked all democratic structures and ordered the formation of political associations. With the establishment of independent National Electoral Commission (INEC), a new political timetable was released to end rule on 29 May 1999. While Alliance for Democracy (AD) and the All People's Party (APP) fielded Chief OLU Falae, the People Democratic Party (PDP) fielded Chief Olusegun Obasanjo as its candidates for the presidential seat.

However, General Olusegun Obasanjo won the keenly contested election and General Abdusalam Abubakar successfully handed over to retired General Olusegun Aremu Obasanjo on Saturday 29 May 1999, Indeed, Nigerians has been going through a difficult political and economic transition after thirty years of military rule. Thus, the new federal government faces an array of complicated issues that must be overcome for Nigeria to be successful in its transition to a democratic political system and a vibrant market economy. Again, Obasanjo was re-elected in May 2003, as the new President of the Federal Republic of Nigeria (though the validity of the position is still being disputed in the Nigerian Court).

4A CORRUPTION IN NIGERIA

Indeed, corruption is one of the greatest challenges of the contemporary world.

It undermines good government, fundamentally distorts public policy, leads to the misallocation of resources, harms the private sector and particularly hurts the poor. Many aspect of bribery and corruption include accepting gratification, giving or accepting gratification through agent, Fraudulent acquisition of property; fraudulent receipt of property. Offences committed through postal system, deliberate frustration of investigation, making false statement or returns gratification by and through agents, bribery of public officer; using office or position for gratification; bribery transactions; false or misleading statements to the commission and attempt (conspiracy) punishable as offences.

Corruption respects no national boundaries and it deeper poverty around the globe by distorting political, economic and social life. Transparency inter national (TI) was born from the experience of people who witnessed first hand the real threat to human liver posed by corruption. Today, corruption at the highest levels captures headlines everywhere, and people are becoming aware of its disastrous consequences.

Indeed, Nigeria is one of the poorest countries in the world (world Bank, 2003; united nations, 1999). Several factors contribute to the persistence of national poverty, and corruption is definitely one of the them. Oil and Gas have brought wealth to Nigeria but these industries have historically provided opportunities for corruption on a massive scale. The corruption perceptions index (CPI) is a poll of polls, reflecting the perceptions of business people and country analysts, both resident and non-resident. The table below shows the relative performance of Nigerias CPU (1980 –2002). Here, the comparisons to the results from previous years should be based on the country’s score, not its rank. A country’s rank can change suggesting that now countries enter the index and others dropout. A higher score suggests that respondents provided better ratings, while a lower score suggest that respondents revised their perception downwards. However, year-to-year in a country’s score can result not only from a changing way of a changing way of a country’s performance but also from a changing sample and methodology. With differing respondents and slightly differing methods change in a country’s score may also relate to the fact that different viewpoints have been collected and different questions being administered. Table 4.1 presents the CPI for 1980 – 1992.

TABLE 4.1 CPI: 1980 – 1992 (RELATIVE REPORTS)

COUNTRY	1980 –1985 score	1988 – 1992 score
NEW ZEALAND	43; 9	41; 8

FINLAND	14; 8	88; 8
NIGERIA (corrupt)	99; 0	63; 0

In the 1996 CPI report, the rank relates to the results drawn from a number of surveys and reflects only the perception of business people that participated in these surveys. Score '96 relates to perceptions of the degree of corruption as seen by business people and a perfect 10.00 would be a totally corrupt-free country. Score '95 has to be interpreted similarly but fewer countries were include in the index and fewer surveys were drawn upon and thus the 1995 column is at best a rough comparison. Conclusions with regard to historical trends should be based on the historical data as shown below. The variance indicates different results from different surveys: the greater the variance, the greater were the differences of perceptions of a country among the surveys used. For the number of surveys used, 10 surveys were used and at least four surveys were required for a country to be included in the list. Table 4.2A presents the 1996 CPI while Table 4.2B presents the historical data.

TABLE 4.2A CPI: 1996 [54 COUNTRY SAMPLE]

RANK	COUNTRY	SCORE '96 (MAX. 10)	SCORE '98 (MAX. 10)	VARIANCE IN '96	NUMBER OF SURVEYS USED
1st (clean)	NEW	9, 43	9, 55	0, 39	6

	ZEALAND				
54th (corrupt)	NIGERIA	0, 69	----	6, 37	4

TABLE 4.2B CPI: 1996 [HISTORICAL DATA]

RANK '96	COUNTRY	SCORE 1993-1996 (MAX. 10)	NUMBER OF SURVEYS USED	SCORE 1988-1992 (MAX. 10)	NUMBER OF SURVEYS USED	SCORE 1980-1985 (MAX. 10)	NUMBER OF SURVEYS USED
1st (clean)	NEW ZEALAND	9, 43	6	9, 30	3	8, 41	2
54th (corrupt)	NIGERIA	0, 69	4	0, 63	2	0, 99	2

Here, a lower score indicates a worse performance whereas a higher indicates a perception of improvements. The tables also present two figures for each period. The first is the average score and the trend is the more reliable the higher the difference between the respective periods, the more surveys are available and the lower the variance

The 1997 CPI was an improved index when compared to the previous years. Its ranking system was designed so that countries that are perceived to be the least corrupt are given the highest scores out of ten. No country scored ten, but Denmark, Finland and Sweden emerged in top place with

New Zealand slipping from its 1996 top scores. For another year running, Nigeria emerged in the lowest position and was thus perceived to be the most corrupt country of those analyzed for the 1997 index Table 4.3 presents the CPI table.

RANK	COUNTRY	SCORE 1997 (MAX.10.00)	SCORE 1996 (MAX. 10.00)	NUMBER OF SURVEYS USED IN 1997	VARIANCE IN 1997 BETWEEN SURVEYS
1st (clean)	DENMAR K	9, 94	9, 33	6	0, 54
52nd (corrupt)	NIGERIA	1, 76	0, 69	4	0, 16

The rank relates solely to the results drawn from a number so surveys and reflects only the perceptions of business people that participated in these surveys score 1997 and score 1996 relate to perceptions of the degree of which corruption is seen be business people-a perfect 10.00 would be a totally corruption-free country. Variance indicates differences in the values to the sources for the 1997 index: the greater the variance, the greater the differences of perceptions of a country among the sources here. The number of surveys used had to be at least four for a country to be included in the CPI.

For the 1998 CPI, the rank relates solely to the results drawn from a number of surveys and reflects the perceptions of business people that participated in these surveys. The score column relates to perceptions of the degree of which business people see corruption. Perfect 10.00 would be totally corruption-free country. Standard deviation indicates differences in values of the sources from the 1998 index: the greater the variance, the greater the differences of perceptions of the country among the sources. Again, the number of survey used had to be at least four for a country to be included in CPI. Table 4.4 presents CPU table.

TABLE 4.4 CPI: 1998 [85 COUNTRY SAMPLE]

RANK	COUNTRY	SCORE	STANDARD DEVIATION	SURVEYS USED
1st (clean)	DENMARK	10.0	0.7	9
81st (corrupt)	NIGERIA	1.9	0.5	5

The 1999 CPI score relates to perceptions of the degree of corruption as seen be business people, risk analysts and the general public and ranges between 10 (highly clean) and 0 (highly corrupt). The surveys used refers to the number of surveys that assessed a country's performance seventeen surveys were used and at least three surveys were required for a country to be included into the 1999 CPI. The standard deviation indicates difference in the values of the sources: the greater the standard deviation, the greater

the differences of perceptions of a country among the sources. Table 4.5 presents the CPI table.

TABLE 4.5 CPI : 1999 [99 COUNTRY SAMPLE]

Rank	Country	SCORE	STANDARD DEVIATION	SURVEY USED
1 st [CLEAN]	DENMARK	10.0	0.8	9
98 th [Corrupt]	Nigeria	1.6	0.8	5

The 2000 CPI score relates to the perception of the degree of corruption as seen by people, risk analysts and the general public and ranges between 10 (high clean) and 0 (highly clean) and 0 (highly corrupt). The surveys used refer to the number of surveys that assessed a country's performance. Sixteen surveys were used and at least three surveys were required for a country to be included in the CPI. Table 4.6 presents the CPI table.

TABLE 4.6 CPI : 2000 [90 COUNTRY SAMPLE]

RANK	COUNTRY	SCORE	SURVEY USED	STANDARD DEVIATION	HIGH – LOW RANGE
1ST [CLEAN]	FINLAND	10.0	8	0.6	9.0 – 10.4
90th [Corrupt]	Nigeria	1.2	4	0.6	0.6 – 2.1

The 2001 CPI score relates to perceptions of the degree of corruption as seen by business people, academics and risk analysts, and ranges between 10 (high clean 0 (highly corrupt) – The survey used reflects to the number of surveys that assessed a country’s performance. Here, a total of fourteen surveys were required for a country to be included in the CPI. The standard deviation indicates differences in the values of the sources: the differences of perceptions of a country among the highest and lowest values of the sources. Since each individual’s sources have its own scoring system, scores are standardized around a common mean. Table 4.7 presents the 2001 CPI table.

TABLE 4.7 C.P.I : 2001 [91 COUNTRY SAMPLE]

RANK	COUNTRY	SCORE	SURVEYS USED	STANDARD DEVIATION	HIGH – LOW
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					RANGE
1ST [Clean]	FINLAND	9.9	7	0.6	9.2 – 10.6
90th [Corrupt]	NIGERIA	1.0	4	0.9	-0.1 – 2.0

The 2002 CPI score relates to perceptions of the degree of corruption as seen by business people, academics and risk analysts, and ranges between 10 (highly clean) and 0 (highly corrupts). The surveys used refer to the number of surveys that assessed a country's performance. Here, a total of fifteen surveys were used from nine independent institutions, and at least three surveys were required for a country to be included in CPI. The standard deviation indicates differences in the values of the sources: the greater the standard deviation, the greater the differences of perceptions of a country among the sources. The high –low range provides the highest and lowest values of the different sources. Table 4.8 presents the 2002 CPI table.

TABLE 4.8: 2002 [102 COUNTRY SAMPLE]

RANK	COUNTRY	SCORE	SURVEY USED	STANDARD DEVIATION	HIGH –LOW RANGE
1ST [Clean]	FINLAND	9.7	8	0.4	8.9
101ST CORRUPT	NIGERIA	1.6	6	0.6	10.0 – 2.5

The 2003 CPI score relates to perception of the degree of corruption as seen by business people, academics and risks analyst, and ranges between 10 (highly clean) and 0 (highly corrupt). A surveys used refers to the number of surveys that assessed a country's performance. A total of seventeen surveys were used from thirteen independent institutions, and at least three surveys were required for a country to be included in the CPI. The standard deviation indicates differences in the values of the sources: the greater the standard deviation, the greater the differences of perceptions of a country among the sources. The High low range provides the highest and the lowest values of the different sources. Table 4.9 presents the 2003 CPI table.

Table 4.9 CPI: 2003 [133 COUNTRY SAMPLE]

RANK	COUNTRY	SCORE	SURVEY USED	STANDARD DEVIATION	HIGH – LOW RANGE
1ST [Clean]	FINLAND	9.7	8	0.3	9.2 – 10.0
132nd [Corrupt]	Nigeria	1.4	9	0.4	0.9 – 2.0

Indeed, the above corruption picture in Nigeria is highly alarming and consequently, we wish to trace the origin and scope of this problem. Corruption in public life manifested in 1950's when the first panel of inquiry was set up to look into African Continental Bank (ACB) – Nnamdi Azikiwe Affairs. The charges were that Dr. Azikiwe abused his office by allowing public funds to be invested in which he (Zik) had an interest. The allegation proved to be a big scandal, a tour de force that led to the institution of Justice STRAFFORD FORSTER – SUTTON Commission of enquiry on July 24, 1956 to investigate the above allegation. The subsequent indictment of DR. Azikiwe in the commission's report (as at January 6, 1957) led him to transfer all his rights and interest in the bank to the Eastern Nigeria Government (Nwankwo 1999)

In 1962 Chief Obafemi Awolowo was dragged to the court of accountability. This led to a call or an investigation of the relationship between the erstwhile Awolowo government and the National investment and property Company, a private enterprise said to be indebted to the western regional government to the tune of £7,200.00. On June 20 1962, the Federal government appointed a commission headed by Justice G.B Coker to investigate the allegations and later the commission indicted Awolowo in its report. Consequently, the western regional government acquired all the property owned by the National Investment and property company.

In 1967, another commission of enquiry was instituted to investigate assets of fifteen public officers in the defunct mid –western region. At the conclusion of the panel’s report, all the public officers were indicated for corruptly enriching themselves. The panel recommended that they should forfeit such ill-gotten gains to the government. On the basis of growing tide of corruption, it was not surprising that when Major Kaura Nzeogwu and colleagues struck, he harped on the theme of corruption. Although the text of the Nzeogwu – led coup, promised socio – political changes, it was not forthcoming because of a counter – coup that made it a nullity. High voltage intrigues characterized by nights of long knives, stoking of ethnic hatreds, primordial fears of domination and hegemony pervaded the land. The nation would go to war, survive the war and enter another critical stage of its chequered history. The genocidal war against the Republic of Biafra commenced. It was an era of excessive spending especially on armaments with which to prosecute the war.

Despite this incipient tide of corruption, it is to the discovery of oil that we owe the magnification of the penchant of successive Nigeria leadership to Loot and plunder. Foreign oil companies first discovered oil in the 1950’s. Before they could start pumping it, the civil war started and put it on hold. However, at the end of the civil war in 1970, the price of oil soared. A nation emerging from a painful civil war suddenly found itself awash with petrol – dollars. General Yakubu Gowon’s’ tragic

pronouncement that Nigeria had so much money which it did not know how to spend triggered a new wave of foreign invasion and corrupt practices.

By March 1974; the nation was rocked by a cement scandal. The federal government placed an order for two million metric tones of cement with various firms in the United States, Romania and USSR. The supply was to be made through the National supply company. However, in a sudden change, the ministry of Defense which 2.9 million metric tones for its construction projects placed an additional order for 16.23 million metric tones.

Despite the fact that the price for a tone of cement at that time stood at \$25 and freight \$15 Nigeria paid \$115 per tone. Somebody therefore stood to gain \$75 per tone for 16.23 million tones. Consequently, the state instituted Justice M.B. Belgore Panel to investigate the alleged irregularities. The probe seriously indicted the permanent secretary of the Ministry of Defense and he was dismissed along with other officers. Surprisingly, criminal proceedings were never brought against the dismissed men.

In an atmosphere of moral and social decay, the plot to overthrow Gowon thickened. Eventually, the coup took place on July 19, 1975. After consolidating his hold on power, Brigadier Murtala Mohammed set up a federal Assets investigation panel on September 16, 1975 to probe the assets of all former governors, the administrator of East Central State and some Federal Commissioners who served in the Gowon's regime.

On February 3, 1976, the panel released its report and all the governor (with the exception of Mobolaji Johnson and Oluwole Rotimi who were acquitted} were found guilty of gross abuse of office. The confiscated assets stood at about ₦10 million.

Towards, the dying days of 1975, a disturbing three page circular said to emanate from supreme Headquarters, Lagos and headed: Facts about Murtala's government since Gowon's outing on July 29, 1975, an opening warning to the nation broke into the domain of public discourse. This circular alleged that looting and plunders of national wealth through to be the hallmark of the Gowon era had started in earnest. They also deposed that the Mohammed regime was as corrupt as the sacked Gowon government. This accusation cast a pull on Mohammed's regime and was to dog it until Col. Bukar Dimka unleashed his coup d'eat on the nation.

Indeed, the failure of Dimka's coup proved the way for the emergence of Brigadier Olusegun Obasanjo as Head of state. One of the first action he performed on coming into power was the promulgation of decree No11 of 1976 (Public officers Protection Against False Accusation). Hence forth, corrupt government officials armed with the carte blanche handed over to them by Obansanjo, thought they were above the law. This retroactive decree to all interest and purposes was a clever plan to provide cover and immunity for corrupt public servants and thus deter members of

the public from exposing such public figures in his regime. Critics therefore point out that before his death, Murtala Mohammed strongly disagreed with Obasanjo over his role in a N45,216,000 contract (No 13 / 1731 for designing, construction equipping and furnishing of the international trade fair complex in Lagos}. Three weeks after Murtala's death, and regardless of his stand on the contract, it was reviewed upwards by the Obasanjo regime to N95,820,000. This was further revised again to N116, 257,893. However, the Obasanjo regime was enmeshed in the scandal surrounding N 2.8 billion naira missing from the coffers of the Nigerian National Petroleum Corporation (NNPC).

Consequently, first class firm of chartered accountant, coopers & Lybrand was commissioned in May 1978 to keep the accounts of the corporation. A team of accountants and auditors worked from may 1978 to January 1980 to reconstruct the account and audit the 1977 and 1978 accounts. However, one of the Nigeria's dailies (punch) blew the whistle over the disappearance of 2.841 billion being proceeds from the sale of crude oil. The uproar it generated survived the termination of the Olusegun Obasanjo regime and split into the second republic government headed by shehu Shagari Responsive to the controversy that refused to abate the Shagari administration instituted a probe panel headed by Justice Ayo Irekefe to get to the root of the scandal.

Although, the full extent of the (BCCI) involve next and contribute to the economic adversity of Nigeria cannot be fully accounted for; the said missing money was lodged with the London branch of the bank (between 1977 and 1980). For almost three years, the men of power and influence appropriated the accumulated interest on the principal. When the roar could not be swept under the carpet, the money was returned to the coffers of government without interest. It was with this interest running for three years that BCC I and its chief backers in Nigeria used to commence operations in Nigeria. Deposed sultan of sokoto, Alhaji Dasuki and late Shehu Musa Yaradua were particularly close to BCCI banking conglomerate. Alhaji Dasuki was therefore made the chairman of BCC I Nigeria when the bubble finally trust for the bank, the Nigeria arm transformed over nights into African International Bank (AIB).

Alhaji Shehu Shagari was sworn in as the President of Nigeria on October 1 1979, Party Politics which climaxed in the retreat of the military to the barracks was married by intrigues, smear campaigns, thuggery, violence, and widespread rigging, Repositories of power, the teeming citizens were cajoled, intimated and brazenly bribed as the politicians took their campaign messages to the people. Indeed, the Shagari's scorecard was a parchment of corruption and iniquities a shocking and said commentary on how unpatriotic leaders would sink a nation into an irredeemable abyss of perdition. Between 1979 and 1983, Nigeria earned about ₦40.5 billion and squandered it. The external reserve of ₦2.3 billion,

she inherited in 1979 was wiped out and replaced with a staggering external debt of N 10.21 billion as the curtain fell on this criminally corrupt government.

The life of the shagari civilian administration was terminated on 31st December 1983, paving way for Buhari/Idiagbon military administration, Politicians were held under the state security (Detention of persons), Decree 2 of 1984 and many were tried by the Recovery of Public Property Special Military Tribunals established by Decree 3. Some were convicted for various offences and duly sentenced. Specifically, justice Mohammed Bello Tribunal convicted 51 politicians and placed refund orders on them for their ill-gotten wealth. Indeed, Gowon's profligacy in an era of oil boom left Nigeria with a \$1.6 billion debt burden under the Olusegun Obasanjo regime, the figure jumped to &3.3 billion. Under the shehu shagari's regime, the debt burden stood at \$6.8 billion. However, the Buhari government rejected loan from the international monetary fund because of its stiff conditionality but spent \$2.7 billion servicing the nation's debt.

On August 27, 1985, Ibrahim Badamasi Babangida came to power with a reputation for kindness and humility. As he unfolded his policies on the political and economic fronts, discerning observers of the nation socio-political condition observed that Nigeria was in for a period of deceit.

In 1986, Babangida administration rejected the IMF band loan but adopted most of the reforms contained in the package (called the structural

Adjustment program). However, the transition to civil democracy kicked off in 1986 with the establishment of a political bureau led by Samuel cookey.

The majority report of the commission set 1990, as the hand over date and this date was later changed to 1992 and later, later 1993. The June 12, 1993 presidential elections and chief Moshood Abiola's comprehensive electoral landslide win, its annulment by babangida plunged the nation into chaos, anarchy and cold war. The embattled president, members of the Armed forces sat through hours of marathon meetings where two options: conduction a fresh election or setting up as interim national government were deliberated on However, the horse trading that went on and the failure of the political class to defend democracy gave birth to the interim National Government. At the core of Abiola's unsuccessful ambition to realize the mandate are the domination of the military by the North and the preponderance of military by the north and the preponderance of militicians within their ranks.

Indeed, the interim National Government was a grand strategy to pave the way for a safe exists for Ibrahim Babangida. The choice of Chief Ernest Shoneken to carry this burden is a sign of the arrogance of the ruling northern class. Under the dual regime, Nigeria's oil was constantly lifted and diverted to neighboring countries without being paid for. Some of these shady deals had the imprimatur of foreign governments suggesting conspiracy at the highest level of authority. With the collapse of the babangida regime and knowing its disregard for the rule of law and respect

of fundamental freedoms, and the employment of violence and assassinations, Babangida recoiled into its shell to bid for time and wait for an opportune time to spring back to power.

Unable to grasp the fast changing scanners and realignments of the power equation, Shoneken moved into the presidential villa. On the international front, the British were very supportive of his government paving the way for his visit to Britain, the Commonwealth and the United Nations. Even as the Head of state and commander in chief of the Armed forces, Shoneken had no control of the over-Northern ethnic army, which he inherited from Babangida. Only General Sani Abacha, the then secretary of defense and the most powerful and ambitious military officer could decide the fate of the embattled Shoneken government. With the practiced steps of a general who had participated in coup d' etats three times in the nation's history, he made his move. The waiting game was over. In November 1993, Shoneken met with General Sani Abacha and other Army staff at the presidential villa, Aso Rock, Abuja. Abacha delivered the blow. After extensive consultations with members of the Armed forces, the soldiers have come to the painful conclusion that Shoneken must go with immediate effect. Thus ended Shoneken's important regime after 82 days of drift and riots on the major streets of the nation.

In an address to the nation, he dissolved the interim National Assembly and the state Executive councils. Alternatively, he established a

provisional ruling council. At the onset of the regime, Abacha set in motion a flurry of probes to keep the nation busy, while he perfected his president-for-life project. In January 1994, this administration instituted a panel under the chairmanship of respected economist, DR. Pius Okigbo. The panel was expected to come up with practical solutions that would lead to the reform and reorganization of the Central Bank of Nigeria, grossly abused under Babangida's regime. The panel's report exposed the outrageous frittering away of \$12.4 billion income from oil using the conduit of special accounts. Babangida ran a government, which was accountable to no one else but himself. Under the sub-heading Dedication and other Special Accounts, the panel started: "your Excellency instructed us to examine the use of the Dedication and other special accounts. These were established in 1988 to house the proceeds of the sale of crude oil dedicated to special projects and to receive the windfall of oil revenues from the Gulf war. Between September 1988 and 30th June 1994, US \$12.4 billion was been recorded in these accounts. That US \$12.2 billion was liquidated in less than six years, that they were spent on what could neither be adjudged genuine high priority nor truly regenerative investment, that neither the president nor the governor accounted to anyone for these massive extra budgetary expenditures; that these disbursements were clandestinely undertaken while the country was openly reeling with a crushing external debt overhang. These represent, no matter the initial justification for creating the accounts, a gross abuse of public trust. Had these resources of US \$12.4

billion, or even only a significant portion, been paid into the external reserves, the impact on the naira/dollar exchange rate today, on the attitude of our external creditors, on the credibility of Nigeria and the environment for foreign investment would have been incalculable. We have recommended the immediate closure of these accounts with the outstanding balance of some \$206 million as at 30th June, 1994, paid into the external reserves”.

The Bank of credit and commerce international (BCCI)-a rogue bank for drug barons and money launderer’s worldwide was used as a conduit to siphon money out of the country. Throughout the Babangida years, the bank enjoyed a lucrative presence in Nigeria. BCCI: The inside story of the world’s most corrupt financial Empire authored by two award winning American Journalists, peter Truell and larry Gurwin exposed some of Babangida’s dirty deals with BCCI. One of the hefty deals was the \$1.5 billion oil transaction with ATTACK OIL, a subsidiary of BCCI. The book clamed that the general’s front men pocketed \$50 million for this deal (Nwankwo, 1999). Again, under General Babangida, Julius Berger’s Construction Company List Gold. In 1985, the construction giant’s turnover was a modest ₦ 2.234 billion. Of note is the “State House” project, a cover for the general’s 50 room luxurious personal country home built at a conservative estimate of ₦ 1.5 billion. The full details of Babangida’s worldwide investments will never be known. While he is perhaps the

richest Nigerian alive today with assets in excess of \$30 billion, proxy holds much of his holdings. After eight years of plunder and pillage, the effect was clear. More than 3,000 officials now have Swiss Accounts totaling about \$90 billion and in Britain £75 billion (nwankwo, 1999)

The revelations of the Abacha years are a story of modern day wealth in which the Nigerian people were used as cannon fodder. Abacha's extensive business empire is an intimidating behemoth, whose stretch is in the four corners of the world. Abacha was able to perpetuate one of the most comprehensive plunder and looting of the resources of the state in contemporary history through intimidation, brigandage, and a plethora of conduits. At the center of his scam schemes is the CHAGOURI AND CHAGOURI, an international consortium owned by five Lebanese brothers. Their substantial interest cut across oil, aluminum, smelting, flour milling, commodity trading, fertilizer importation, and real estate. The company's total assets stood at \$18 billion. It was this powerful conglomerate that Abacha planned and executed his fraud agenda. With the extensive international network of the Chagouris, the Abuja fortune was securely deposited in the vaults of several banks in different parts of the world. The Abuja corruption empire is awesome. While he and his cronies systematically pillaged the resources of the nation, millions of its citizens wallowed in scandalous poverty. General Abacha's incorrupt fortune may never have been known given the secrecy and mystery surrounding such hot money. It will be protected by the confidentiality of banks in Europe, South and North America.

Middle East it is only through the quest by a patriotic Nigerian government and the humanitarian consideration of these bankers that Nigeria may recover this loot. If not, the over \$20 billion will lie in the vaults of these banks assessible only to the family of Abacha.

The sudden death of general Sani Abacha, on June 8, 1998, pulled the nation from the brink of assured civil war and paved the way for the emergence of General Abdulsalami Abubakar as Head of state. A man said to be an honest man with a large heart; he pledged to return the nation to democratic rule in ten months. However, only a few weeks in power, chairman of the National Economic intelligence committee (NEC) Prof Aluko made a shaking disclosure to the effect that \$50 million was missing from the nations coffers. General Abubakar stated that the missing amount was used to offer assistance to some neighboring Africa countries. The central Banks of Nigeria (CBN) was another beneficiary of another regimes financial profligacy. Construction of its corporate headquarters was awarded at the same sum of \$158 million (N15 billion). As the spending spree gathered momentum, ten presenters and contract inflators in and out of uniform celebrated the mindless milking of the nation. Notably, Gen. Abubakar supervised the disbursement of the dizzying sum of N19 billion during the world youth services championship alone. Accountable to no one in particular, he imposed all the contractors on the local organizing committee. He also supervised the hurried attempt to privatize major government companies and parastatals as the head of National council on privatization (NCP). The

dazzling speed with which the privatization process was pursued was indicative of the dubious intentions of the chief promoters. Having assessed questionable wealth, the nation was being readied for sale to the 'Chosen' and not necessary highest bidder. This process is akin to internal slavery since money stolen from national treasury would now be used to buy up Nigeria. Again, the service chiefs

and influence peddlers in the corridors of power hastily awarded themselves oil exploration blocks and oil lifting contracts. These last minute deals were consummated in utter negation to transparency and accountability.

Even in the face of a mass of evidence pointing to an extraordinary looting spree under the regime of Gen. Abubakar, he struggles to salvage an anti-corruption crusade gone awry and the staggering evidence and circumstances made his unpopular. Three days before he left office, Abubakar signed a decree causing Abacha and some influential men under his administration to forfeit varying sums of money and property running into billion of Naira. At the end of this military rule, one sad conclusion is that the nation has once again been taken for a ride. The relay race from Babangida to Abubakar transforms into one long nightmare of plunder and pillage, wanton stealing and gross abuse of office. Foreign banks as revealed by World Bank and Published, in financial times of London (23 July 1999) as shown in Table 4.10. However, the presented list is by no means exhaustive.

TABLE 4.10 CLASSIFIED LOOTING OF NIGERIA FUNDS

NAMES (A)	Amount in London (B)	Amount in Swiss©	Deposit in USA(D)	Deposit in Germany(E)	Total Naira(F) EQUIVALENT(1999 EXCHANGE RATE)
1. Gen Babangida	£6.256b	\$7.416	\$2.00b	Dm9, 00b	₦2.4635Trillion
2. Gen Abubakar	£1.131b	\$2.33b	\$800b	Dm16	₦ 0.4938 Trillion
3. Mike Akhigbe	£1.24b	\$2.426b	\$671b	Dm9,00	₦ 0.8059 Trillion
4. Jerry Useni	£3.04b	\$2.01b	\$1.03b	Dm900m	₦ 0.8059 Trillion
5. Ismaila Gowon	£1.03b	\$2.00b	\$1.03b	Dm700m	₦ 0.50176 Trillion
6.Umaru Dikko	£4.4bb	\$1.46b	\$700m	Dm345m	₦ 0. 89465 Trillion
7. Paul Ogwuma	£300m	\$1.42b	\$200m	Dm500m	₦ 35 Billion
8. Sani Abacha	£5.01b	\$4.09b	\$800m	Dm3.01m	₦ 1.2107 Trillion
9. Mohammed Abacha	£300m	\$1.2b	\$150m	Dm535	₦ 0.2107 Trillion
10. Abdu Abacha	£700m	\$1.21b	\$900m	Dm417m	₦ 0.3384 Trillion
11. Wada Nas	£300m	\$1.32b	-	Dm300m	₦ 0.2374 Trillion
12. Tom Ikimi	£400b	\$1.39b	\$153m	Dm371m	₦ 0.252553 Trillion
13. Dan Etete	£1.12b	\$1.03b	\$400m	Dm1.72b	₦ 0.32743 Trillion
14. Don Etiebet	£2.5b	\$1.06	\$700m	Dm361m	₦ 0.56747 Trillion

A	B	C	D	E	F
15. MAJIAL MUSTAPHA	£600M	\$1.001b	-	DM210	₦0.199793 Trillion
16. BASHIRU DALHATU	£2.9B	\$1.09b	\$360m	DM1.66b	₦ 0.68895 Trillion
17. WUSHISHI	£2.3B	\$1.001b	\$161m	Dm1.43b	₦ 0.55549 Trillion
18. HASSAN ADAMU	£300M	\$200m	\$700m	-	₦ 0.1305 Trillion
19. T.V DANJUMA	£1.36B	\$1.02b	\$300m	Dm190m	₦ 0.3427 Trillion
20. ISHAYA BAMAIYI	£120M	\$800m	-	-	₦ 94.0 Billion

SOURCES: FINANCIAL TIMES OF LONDON [23 JULY 1999]

THE NIGERIAN COMMENTOR [VOL. 2 NO 4 1999

When General Olusegun Obasanjo was vying for the office of the president under the platform of People Democratic Party (PDP) he never promised much. However, when Obasanjo won the elections (as INEC declared but highly

contested by opponents) and upon assumption of office (May 29, 1999) he took some drastic steps that left Nigeria's surprised. For one thing nobody expected Obasanjo to muster the courage to cast the first stone at corruption. The well known looters of Nigeria's treasury are the Nigerian military past leaders mostly generals with part of their loot they sponsored Obasanjo to victory and thus probing past looters amount to disgracing these generally looks like biting the finger that fed one.

Barely a month into the life of the new administration, reports started making the rounds that some N32.5 billion that was withdrawn from the central Bank in July 1998 was not returned to the bank. Two Abuja based newspapers published a letter signed by Gen Abdullah Mohammed, who requested N200 million dollars, 75 million pounds and N500 million for sundry (expenses) purpose (The News, August 1999). Apparently surprised that Obasanjo retained Mohammed (as chief of staff), his supporters dismiss the allegations as black mail, orchestrated to compel him to resign his position to new in the villa is that the uproar over the matter is a storm in a tea cup and that Obasanjo's confidence in Mohammed remains unaffected. And yet for a country that reportedly topped the international corruption chart, Obasanjo's seeming seriousness about the issue of corruption in public life rekindled hope that Nigeria might be its way out of the notorious club of rogue nations. Firstly, he sent his anti-corruption Bill to the National Assembly for endorsement. This bill was entitled "A bill for a law to prohibit and punish Bribery and corruption of or by public officers and other persons (presented by the president, commander-in chief, federal Republic of Nigeria)—7th JULY, 1999. Next, president Obasanjo ignited what would have been the fire of his anticorruption campaign via the constitution of a panel to review various contract awards and appointments made during the administration of his predecessor, Gen. Abdulsalam Abubakar, the panel was headed by Chief Christopher Kolade. Of the over 500 national awards bestowed indiscriminately on some Nigerian citizens, the Kolade led report pruned the number to about 13. However, the fear among the public is that the findings and recommendation of the panel may have

gone the way of other such preview exercise in the country. Other than from the family of the late Head of State, General Sani Abacha, no effort appears directed so far towards the recovery of the obviously over inflated contracts during regimes. But what may yet shock many Nigerians and which apparently casts a serious doubt over the credibility of kolade led panel and on the moral platform on which the Obasanjo administration would prosecute any culprit that may emerge from the Kolade panels findings is the that fact that some of the panel members that worked with kolade have incriminating question marks dangling over their heads.

Again, an interim management committee of the petroleum trust fund (IMC-PTF) was setup by president Olusegun Obasanjo to wind down the activities of the organization. Newswatch gathered that the sum of N500m was put in a bank by the erstwhile management led by Muhammadu Buhari, but when the IMC-PTF took over the operations of the body, it discovered that the money had been withdraw by unidentified persons. Both the bank and Buhari were dragged before president Obasanjo who insisted that the money must be recovered. The committee was also asking questions about several contracts worth N207 billion awarded by PTF under Buhari. It was also raising serious doubts over different payment totaling N135.59 billion made by the fund for various projects, leaving a debt burden of more than N70 billion owed numerous contractors, consultants, manufactures, publishers and supplies who are waging a big war against the IMC-PTF. IMC is also alleging serious contractual anomaly in the N800 million PTF staff housing estate; importation of expired drugs

especially the N28 billion HIV/AIDS screening and confirmation kits as well as the mysterious disappearance of the N500 million (N

The missing money, in fact, exposed the laid of “Unholy” business relationship that existed between PTF of the Buhari era and APC (Afri- project consortium) led by late salihijo Ahmad (Adamawa State). The committee asserted that the APC consultants virtually managed PTF. In other words, the PTF in its operation was not functioning as a government agency in the real sense. APC was actually the real PTF and yet it way a private company. It was also gathered that PTF had about 620 consultancy firms reported to APC, which had the sole responsibility for the issuance of certificate for payment by PTF. As a confirmation that APC was really making payments on behalf of PTF, an investigation showed that in 1995, PTF lodged N1 billion in commercial Bank credit lynonais, marina branch, Lagos and it was APC official who made withdrawals from the account for various payments. By the end of 1997, only N200 million was remaining in the account. As a result of Buhari's alleged poor handling of PTF projects, and finances some PTF officials believe that the N135 billion that was disbursed out of the PTF's total income of N946 billion was squandered.

However, Adamu and his IMC were also accused of corruption. Each member of the committee received a furniture allowance of N5 million. Some officials were also accused of extorting money from contractors and consultants before they are paid their claims. In fact, only persons who are able to pay the buses are paid their claims.

Perhaps what confounds Nigerians most is the Federal Government's apparent unwillingness to probe Babangida's tenure as head of state. Clear indications that Obasanjo may not have the political will to probe IBB emanate from the president himself via Radio France international On February 14,2000. The president, who was on a visit to France, while affirming his government's determination to probe public officers believed to have stashed the nations wealth away in foreign Banks, threw a surprising challenge at Nigerians. He specifically asked those clamoring for IBB's trial to supply proof of the former military president's loot. "If anybody knows where Babangida money is Let them give me the particulars and see; people are just being malicious let then give us evidence that this is Babangida's money " (This week, April 17, 2000)

Indeed, President Olusegun Obasanjo's search for evidence of corruption against Gen. Ibrahim Babangida yields a staggering result from an unexpected quarter. Nigeria's London- based sports ambassador John Fashanu, blows the whistle on IBB \$6 billion debt buy- back scam. Fashanu recently put the on three- year investigation into a \$6 billion debt buy-back seem perpetrated between 1988 and 1993, a period during which IBB was in control of government. Fashanu stumbled on the fraud in 1997 and since then a lot of information began to come out; it got bigger and bigger until they were looking at a fraud of at least \$6 billion involving 200 separate bank accounts. By conducting sponsored investigation he found and Africa confidential, confirmed that Nigeria bought back its debt in a top-secret operation that was technically illegal. Some \$4.4 billion and there scheme cost only \$2.5 billion and there are no records other buy- back or

currency stabilization operations in that period (1988-1993). This operation was said to have been coordinated by the former Governor of central Bank, late Abdulkadir Ahmed. Further revelations were that two close associates of IBB, Jeffrey Schmidt and Robert Minton, both American, operated the offshore companies used in the scheme. The Americans reportedly used a London- based company, Growth Management Limited, GML, for the purchase of the debts, a transaction for which the Nigerian government deposited money into an Austrian Bank, Osterreichische Landesbank that, in turn, passed the credit to GML. Finding of the buy tacks was provided either by the central Bank or the Nigerian National petroleum corporation through three banks, namely the federal reserve bank of New York; Morgan Guaranty in New York or the bank of international settlements in Switzerland. Therefore, the funds were routed into various Swiss and Austrian bank accounts through Greenland Holdings incorporated in panama. Fashanu admitted having details of account numbers identities of those involved, dates and times these frauds were perpetrated; adding that the chain runs from Liechtenstein to Austria Switzerland and USA. Essentially the fashanu report painstakingly compiled cover a three year period has been turned over to the federal Government with the aim of recovering a sizeable amount of an estimated \$17 billion of Nigerian's hard earned money illegally stashed in European banks.

While the previous military governments systematically overtime milked the economy, dry the economy and killed moral in the public

services Gen Abubakar (specifically) spent the last five month of his tenure decapitating the country. The Christopher Kolade panel, in its 300 –page final report, reviewed 4072 contracts, 575 license, 807 appointments, 768 awards and 111 approvals. It observed a public service in which standards have collapsed and discipline was almost completely banished from the system. There was a widespread failure to follow laid down guidelines and procedure. Most of the expenditures on the project during the period were extra –budgetary and the bulk of projects in rolling plans were not always the ones eventually executed in annual budgets. Again the report pointed out that the basic principles of planning accountability and transparency were violated in most of the contracts awarded during the period.

The former minister of federal capital Territory (Jerry Useni) was also tried in Abuja by the code of conduct bureau for failure to declare his assets while in office. He was also linked to a new failed contracts scan totaling about N70 billion. The scam uncovered in 20 federal government projects by the Iguda Inuwa led 13 – man commission of enquiry into failed or non performing contracts in Abuja also involves two other former ministers in the regime of late Abacha. An interim report which the committee submitted to Obasanjo showed that the over N70 billion naira loss by Nigeria came through spurious contracts deals involving construction, supplies and services for the 20 federal government establishments in Abuja which the panel investigated. The commission indicted Useni over N58, 608, 627 million contract he awarded to New

Hamlets limited to furnish the Supreme Court complex in Abuja. The commission's findings showed that Useni directly awarded the contract without recourse to the normal tender process. Irregular contract deals were also discovered in the N235, 810, 63 million contract for the Constitution of the Abuja head office building of the National planning commission (NPC).

After examining the performance of each of the 20 projects it inspected in Abuja, the INUWA COMMISSION OF ENQUIRY has an explanation for why the projects either failed or failed to perform. One of the reasons was that most of the abandoned projects were embarked upon without sustainable funding sources to ensure timely completion and some project designs were over ambitious and beyond the needs of the beneficiaries. Again, thoughts were not given for maintenance of the structures in planning, specification and Execution of the projects and they cited poor accountability and supervision as the bone of most of the projects. Federal government's reaction to the issues raised by the inuwa commission of inquiry is being awaited. If Obasanjo accepts the recommendations go ahead to implement them, it would compound problems faced by former official of government who were recommended of reprimand (News watch July 17 2000).

In pursuant of the statutory functions of the office of the Accountant General of the federation, a team of inspectorate officers was mandated vide letter of introduction Ref No.insp 0089/s.701/1 701/1, dated 19 may

2000, to carry out an in depth inspection of the books of accounts of the National Assembly Abuja. The inspection was carried out between 23 and 25 May 2000 by the Deputy Director and senior accountant. The inspection covers the period of January 1999 to May and it was a routine inspection. The team in carrying out its assignment conducted a thorough review of the accounting records and books of the National Assembly that were made available to them from January 1999 to 23 May 2000. They also obtained some explanation from some of the schedule officer. The review were made using the extant rules and regulation as bench mark. In almost all the contracts reviewed, the national Assembly did not comply with the promotion for the operation guidelines on Tenders Board procedures and powers of spending. All the contracts were awarded based on anticipatory approval with 50 per cent – 70 percent mobilization fee/advance payment paid to the contractors without bank guarantee or performance board. In addition, of the contracts was opened for open tenders procedure. All were based on selective tendering and accountability. Also, in the course of their inspection, the team discovered its vote up to the time of N421, 866 819.45 as at 23 May 2000. Some of these liabilities were brought from 1999 and it total N421 million. In addition to these liabilities the National Assembly has also taken over-draft facilities of about N550, 000,000 as at 23 May 2000. However, it is pertinent to note that the committee did not have enough time to undertake the exercise, as two working days were not sufficient for a comprehensive inspection exercise of this nature.

The IDRIS KUTA PANEL

Terms of reference include: to determine the number of contracts awarded by the senate in the past on year from 11th June 1999 to 17th July, 2000 and to identify the officers of the senate and other senators that participated in the exercise of contract awards.

Available records showed that a total number of about 91 contracts were awarded by the senate during the period under reference. This finding also clearly revealed that most senators participated in the award of contracts between 4th June 1999 and 17th July 2000. The third reference way to identify to whom the contracts were awarded, for what and the amounts involved. It was very clear from the submissions of both senator Gbenga Aluko and the Director of budget, planning, research and statistics that the defunct senator services committee under the chairmanship of senator A.T. Ahmed agreed to share certain contracts amount the principal officers and members of the defunct committee. Form the discussions between the defunct senate services committee and the director of Budget, research, planning and statistics the contracts were shared accordingly.

However, before the sharing could be effected a new senate Lordship emerged.

The fourth terms of reference is to determine whether laid Dan Rules and procedure were complied with in the Award of contract. Individual there are laid down rules and procedure of the award of contracts, which have been in existence in the National Assembly since the second

Republic. The rules and procedure were reproduced and sent to all the principal officers senators and Honorable member by the clerk of the National Assembly under reference NASS/810/1/T.I/34. On the whole laid down rules and procedures were not complied with in the award of all the recognized contracts in the National Assembly. The CNA (clerk) of National Assembly in his evidence stated that he advised the senate president of the need to avoid Abuse of “anticipatory approval” which he said must be restricted to emergency situation only.

He award of contracts as these functions were taken over by the principal officers. Here contracts were awarded, executed and fully paid without the necessary contract documents. The National Assembly also becomes a place where people could make money without doing anything. The decision to give to the sum of N39, 900,000 as Christmas welfare package to the senate president and his Deputy was taken on 21st December1999.

The fifth term of reference was to determine the position of the contracts- whether satisfactory completed or still in the process of being completed some of the contracts awarded and which were fully paid for were not executed or were abandoned completely form the ministers of the Body of principal officers meeting of 21st June 2000, some principal officers observed that contractors did not execute their contracts after full payments were made. Yet nothing was done by the management of the National Assembly to get those contractors to compete their projects.

The Eight term of reference was to examine any other issue Relevant or incidental to the investigation form the, it was very clear that contracts were inflated and this was made possible by the technique of selective tendering, where contractor of choice were selected from contracts awards. Also the system of market survey where reasonable and appropriate price could b determined was neglected. Thus the use of anticipatory approvals in the award of contracts give rise to abuse and thereby encouraged fraud- the management of the National Assembly, particularly as it relates to the senate has not been as transparent, prudent and accountable as is to be expected. These shortcoming all emitted from the disregard of laid down procedure and rules by the leadership of the National Assembly, in particular, the senate and management consequently, the committee recommended that the police and other appropriate security agencies should be invited to investigate the issues highlighted on their report such as the loss of official vehicles and the manner in which unregistered companies got their cheque payments honored, since they could not legally operate bank accounts in the names of these companies.

Unbelievably, in the sixteen months of the Obasanjo presidency, he made about 45 foreign trips that have taken him to 25 countries cutting across the continent of Africa, Asia, America and Europe. In one major trip he embarked on, in September 2000, Obasanjo was out of the country for all of 14 days and yet he was not on vacation. Sometimes about thirty

Nigerians accompany Obasanjo on each of such trips. On his part the president is entitled to \$3,000 (N300, 000) per night, accompanying government get \$1,000 each per night while the ministers and other senior aides get about \$500 each night. Junior aides and members of the press get \$250 estacode per night. In February 2000 the presidency had written to the senate asking it for an additional N1,013,773,560 to meat the overseas travel needs of both the president and his deputy. There was also a request of N270 million as hospitality and entertainment allowance for both the first and second citizens in the year 2000. In making the request, president had pleaded that the N486,266, 440 and the N230 million provided for him and his deputy were grossly inadequate. But beyond the public angst over the frequency of these trips, Observers have raid queries over the benefits of such travels.

Indeed, the federal Audit report of the federal ministries and parastatals was made public for the first time ever by Vincent Azie, the ACTING AUDITOR- GENERAL OF THE FEDERATION. This audit report revealed that more than N23 billion was lost in 10 major ministries in one year (2001). The amount represents financial frauds ranging from embezzlement payments for jobs not done, over-involving double debiting, and inflation of contract figures to release of money without the consent of the appointment approving authority (Newswatch feb.24, 2003). Top on the list of corrupt ministries (2001) was that of competition and integration in

Africa with about N10.453 billion unaccounted for during the financial audit.

A breakdown of the level of misappropriation is shown in table 4.11 below.

TABLE 4.11 MISAPPROPRIATED FUNDS BY MINISTRIES (2001)

NO	MINISTRY	AMOUNT MISAPPROPRIATED
1	Co-operation and integration in Africa	N10, 453, 241. 81
2	Power and steel	N4, 394, 649, 602. 19
3.	Works and Housing	N2, 262, 797, 737. 01
4.	Defense	N1, 785, 877, 023.15
5.	Education	N1, 265, 272, 388.99
6.	Police Affair	N1, 209, 216, 325.05
7.	Information	N664, 124, 321.46
8.	Commerce	N640, 053, 177.72
9.	Health	N465, 103, 959.12
10.	Industry	<u>N356, 064, 369.12</u>
		<u>N23, 860, 732, 145.20</u>

Details of the audit report revealed all sorts of financial frauds imaginable. For instance, at the federal ministry of works and housing the report observed that cheques of the ministry totaling N1.088 million were debited twice by the central Bank of Nigeria for the ministry of finance, the report revealed that 12 payment vouchers with individual values exceeding N5 million and totaling N105.926 million were raised and paid between Nov.

16 and Dec. 28, 2001 as final payments without the representative of the auditor general co-signing the certificates of completion contrary to financial guidelines. Again the audit examination of revenue records at the Tin- Can Island port, Lagos Nigeria revealed that between July and September 2001, amounts totaling N134. 769 million collected by some designated banks were not remitted into the coffers of Central Bank of Nigeria.

Azie's report also frowned at the financial records of the National Assembly. For example, his report stated that N1,520 million was paid to a member of the house of Representatives on payment voucher number 2030 of February 7,2001 as refund of out- of – pocket expenses incurred on foreign medical treatment. The report fund out that only N4400, 000 was approved on the advice of the chief medical officer of the National Assembly, who observed that there was no referral from the National Assembly clinic or any government hospital before undergoing treatment abroad.

Indeed, Obasanjo's first reaction to the report was that of indignation. He immediately issue a directive to all the ministries found guilty found of financial fraud by the report to provide answers to the public Accounts committee of the National Assembly. The directive was issued after the federal executive council meeting. Basically, the audit report would have been a boost for president Obasanjo's campaign for transparency and accountability, but rather unfortunately, these ministers

did not see it that way. In fact, the ministers reduced the entire report to the machinations of Obasanjo's political opponents. Specifically, Prof Gana (Information minister said that the report was clearly targeted at embarrassing the federal government and went on to dismiss it, saying that the auditor general did not follow professional procedure in presenting the report therefore, he described the report as rash.

Barely 24 hours after she was sworn in by president Obasanjo's as Nigeria new ministers of finance, DR. Okonjo- Iweala has resigned her appointment (The Sunday Sun July 20, 2003). This resignation was as a result of her sharp disagreement with the leadership style of Obasanjo government. Apart from the removal of the Budgeting function to the presidency, the minister was (4.65) not comfortable with the level of transparency in the system. She was particularly uncomfortable with the clearing regime t Nigerian ports. For instance, the regime compelled textile dealers in both the North an Eastern parts of the country to abandon the Kano airport and Calabar and Port Harcourt ports for Lagos (where government decreed that all imported textiles must be cleared).

Indeed her resignation action threw to entire presidency into panic as top Government functionaries appointed pressure on her to resumed her decision.

Similarly in August 2003, the Revenue mobilization, Allocation and fiscal commission (RMAFC) called on the nation to ask the presidency about what happened to N35 billion meant for local governments monthly.

It also repeated its allegations that several billion naira of oil revenue were missing from the federation Account. In fact, the chairman of RMAFC (engineer Tukur) who had in 2002 alleged that N350 billion oil revenue was missing told the senate president and other principal officers that the N35 billion meant for local government was regularly collected, but the money was not getting to the intended beneficiaries. Tukur also restated his allegations over oil revenue, which the Nigerian national petroleum corporation (NNPC) is illegally holding unto. Only NNPC can tell the nation how much we are earning. What they are doing is unconstitutional. NNPC is a parastatal of the federal government and the oil money belongs to the federation. That the federal government is controlling that federation Account is wrong and unconstitutional. The commission also accused Obasanjo of breaching the constitution by his refusal to submit the Revenue Accounting bill to the National Assembly. In fact, the constitution empowers the commission to prepare revenue allocation bill while the president is to submit it to the Legislature without amendment unfortunately the president was withholding such bill and refused to submit it to the legislature. Also in November 2003, there was a change of guards at the Nigerian National petroleum corporation, the epicenter of the economy, and that raised fresh crisis of confidence and the direction of president Olusegun Obasanjo's anti-corruption campaign.

Right now, Nigeria is broke. Years of accumulated bad habits reckless governments and outright looting of the country's treasury

continue to sink the nation further into the abyss of poverty and huge debts. With external debts totaling \$31 million and domestic debts of about N1.16 trillion excluding contractor debts and supplier credits, the nation currently rank 152nd among 175 countries in human progress and development. Unfortunately, *Nigeria is the only oil- producing nation classified among the world's poorest nation.*

Regionally, the common fate that ties the Ibos (South east of Nigeria) in a bond with their Niger Delta (South South of Nigeria) neighbors is power oppression. Where as the Ibos were massacred before and during the Civil war for daring to say no oppression, the Niger Deltan were and are still being massacred for asking for a fair share for the proceeds of oil from their own land. It is therefore not surprising that Ibos in Diaspora have issued a “calm down” message to Ibos within the Nigeria territory in the struggle to actualize the state of Biafra. Under the leadership of the Biafra foundation based in the United States, this statement was made at the International conference on Ibos held on 18th October 2003 at Ivy lane, Green belt Mary land, United States of America. Here, one of the key resolutions of the conference was that Biafrans within should do everything to pursue the re-actualization process in a non-violent manner. That is, they concluded that Nigeria has expired.

4B ELECTORAL AND JUDICIAL FRAUD

In one of his articles, Wole Soyinka revisited what we can call the last days of Sani Abacha. June 8, 1998 was the culmination of a progression in death of the tyrant, which started June 1993, where he ordered his troops to shoot to death hundreds of innocent Nigerians who protested the criminal annulment of the June 12, 1993 presidential election. Thus Abacha's end began from the moment when Nigerians finally came to a realization, not only that his morbid ambition to perpetuate himself as the country's head of state could be stopped but that he must be stopped (Odey 2003).

Unfortunately, one of the greatest problems of Nigeria is that the leaders fail repeatedly to learn any lesson from history as a result of greed for material wealth and lust for power. Therefore, one cannot understand why the incumbent president (Obasanjo) could descend so low as to mastermind the April 12 and 19, 2003 travesty that turned the nascent journeying into a hollow ritual. Apart from the ravages of the Nigerian Civil war, Nigeria never has it so bad in her history. In fact Obasanjo and his disciples aggravated the Nation's problem by throwing out those that were voted for and imposing those that they want to rule by hook and by crook.

The appointed time indeed was April 12 and 19, 2003. Those were the days when president Obasanjo and his disciples lied to the world and to Nigerians by telling us that there would be a democratic election instead of telling

us that there would be the peoples Democratic Party convention, which is what actually took place. These were no election on those two days.

Rather, it was a day PDP members and their thugs rounded up all those who do not belong to their party and sent all of them packing to the valley of grumbling. Until this political perfidy is resolved, Nigeria may not become in the democratic and good peoples may continues to during suffer for many years to come. However, on April 22, 2003 the independent National Electoral commission (INEC) declared president Obasanjo the winner of the April 19 presidential election. Clear Observations should that the elections were not transparent. They were neither nor fair, Here people were not allowed to make their choice and where they insisted on making their choice their wishes were not respected as the INEC officials announced other persons for whom the people did not vote as winners.

As independent observes, we are grateful to the European Union Election observation mission for their Nigeria. They were in Nigeria during the elections and they filed their report on what they observed in the few paces they were allowed to go during elections. According to this group, they observed that our election were a complete show and organized fraud. It was neither transparent, free, fair nor peaceful.

The observed case studies include Anambra, Benue, Edo, Kastina, Kogi, Nasarawa, Cross River, Delta, Imo, Kaduna, and River State. Witnesses include stuffing of ballot boxes, forgery of results, falsification of result sheets and snatching of ballot boxes. The international observed by Dr. Oskar Lebner, Dr.

Max Van Den Berg and Dr. Heins Jocker, made it very clear that their report was far from being exhaustive of the shocking election malpractice that took place in Nigeria where Obasanjo is presiding. What they said about the so-called elections casts a very dark shadow on our country. Thus for this country to live in peace, majority of Nigerian's believe that the so-called April 2003 elections must be cancelled from the beginning till the end and a fresh date be fixed for the elections (Odey 2003).

According to the 1999 constitution of the federal Republic of Nigeria, the judicial powers of the federation shall be vested in the courts being established for the federation. These courts refers to the supreme court of Nigeria; the court of appeal the federal High court; the high court of the federal capital territory; a sharia court of appeal of a state; the customary court of appeal of the federal capital territory, Abuja; the customary court of Appeal of state; and such other courts as may be authorized by law to exercise jurisdiction on matters with respect to which the National Assembly may make laws and such other courts as may be authorized by law to exercise jurisdiction at first instance or an appeal on matters with respect to which a house of Assembly may make laws.

The judicial powers vested in accordance with the foregoing shall extend notwithstanding anything to the contrary in constitution, to all

inherent powers and sanctions of a court of law, shall extend to all matters between persons, or between government or authority and to any person in Nigeria, and to all actions and proceedings relating there to, for the determination of any question as to the civil rights and obligations of that person, shall not, except as otherwise

provided by this constitution, extend to any issue or question as to whether any actor a mission by any authority or person or as to whether any law or any judicial decision is in conformity with the fundamental objective and Directive principles of state policy and shall not as from the date when this constitution comes into force, extend to any action or proceedings relating to any existing law made on or after 15th January 1966 for determining any issue or question as to the competence of any such law.

Victor Attah the governor of Akwa Ibom State must have thought the worst was over when the election petition tribunal headed by Matilda Adamu, a high court Judge, upheld his election for a second term in office. However, there was allegation and counter-allegation that the judge and tribunal members were bribed to give the verdict (News watch August 25 2003). Apart from this case, the National Judicial commission (NJC) also investigated the circumstances surrounding the withdrawal of three judges from the trial of those allegedly involved in the killing of Bola Ige, former Justice Minister and the controversial ruling of Justice Wilson Egbo –Egbo, ordering governor Chris Ngige of Anambra State to vacate Office. All these case and other have gingered the public interest had been sifting through the murky statements and allegation of miscarriage of justice purportedly induced by bribery to determine those cases.

Ime Sampson Umanah, billionaire businessman' stirred the hornet's nest when he charged that Attah's Victory was purchased. He attached the purported confessional statement of Adamu's orderly with his petition to back up his claim. In a statement dated July 11, Peter Kasai, a police sergeant and former orderly

to Adamu from the police headquarters in Jos, admitted that he paid a total of N6.4 million to two accounts at the standard Trust Bank, on behalf of his former boss.

He said he had no doubt that the money represented part of what Adamu was allegedly paid, like other members of the tribunal, by idong. He said in the statement that he was driven to Uyo by Edet, a driver attached to the tribunal, on June 3, 2003 where he first paid N4 million into account No 0174811801125, belonging to Hadiza Adamu, daughter of the tribunal chairman, at STB in two denominations. A sum of N3 million was in N500 notes denomination and N1million was in N200 notes. Kasai said he was asked to deposit another N2.4 million, all in N500 notes into the account of Ogaba Odioga Michael, son of Adamu, at STB, Calabar, on the instruction of the tribunal Chairman, June 26, 2003. Kasai insisted that the money was proceeds from bribe given to the judges.

The Presidency and the PDP hierarchy were also being fingered in the case of abduction of Chris Ngige, governor of Anambra state. In what looked like a most insensitive landmark court decision, Wilson Egbo- Egbo, federal High court judge, asked Ngige, to vacate his seat and hand over to okey udeh, his controversial deputy, Tuesday, July 15, 2003. The Judge had granted Chris Uba, Mentor of the governor and Eucharika Azodo, former speaker of Anambra state, an ex parte order asking Ngige to vacate office because he had purportedly resigned from office. Would Egbo – Egbo be cleared and given a clean state? That was a matter of conjecture. But many Nigerians are not comfortable with the trend of things in the judiciary. They

fear that if the situations are not arrested in time it could truncate the fledgling democracy.

The notice was relatively brief but direct. In it, Soji Oye, head, public relations and protocol matters of the National Judicial council (NJC) announced the suspension of Justice Samuel Wilson Egbo –Egbo. The action, he said was the outcome of the 19th meeting of the NJC which ended on Tuesday, October 7, 2003 and in the exercise of the powers of the council as enshrined in the 1999 constitution. The suspension Oye remarked, was with immediate effect and would remain in force until further notice (The source, October 27,2003). It is equally important to note that the National judicial council has sacked not less than 50 magistrates and judges dismissed or retired compulsorily in the last four years.

However, some peoples believe that some powerful peoples in government could influence the trial of omisore and other accused persons (suspected murderers of BOLA IGE). When president Olusegun Obasanjo met with some judges of the appeal court in August 4, 2003. Members of the opposition, All Nigeria people's party (ANPP) and All progressive Grand Alliance (APGA) describe the meeting as deplorable. They said that such a meeting, coming after Abass withdrawal from the omisore trial by claiming pressures and threats from many quarters was too suggestive. But Umaru Abdullahi, Justice and president, Court of Appeal, said that the meeting of the Appeal Court Justices with Obasanjo was informed by the need to secure a piece of land for building a befitting Appeal Court Complex.

Be that as it may reports of manipulation of the Judiciary is a sensory concern to many Nigerians, who still believe that is it the last hope of the common man. But is it still? That is no doubt a billion naira question? To the best of my knowledge, it is not at present. There is need for intensive (extensive) Judicial reforms (and overhaul) in Nigeria.

4C STATES AND LOCAL GOVERNMENT CORRUPTION

Between 1960 and today, a clear pattern emerged of the systematic plunder and pillage of resources of the states and local government in Nigeria. On 7th July 1982, as interim report of the Director of Audit or the Accounts of Anambra state Health management Board was laid on the Table of the House and was thereafter referred to the public Account committee.

The committee viewed with all seriousness the inability of the staff of the Board to keep appropriate records of account and to produce final account statements as required by the law. An amount of N6,500.00 appeared to have been fraudulently paid out to a company for materials not supplied and services not rendered to the Board. This amount should be recovered without delay and appropriate disciplinary measures taken against the members of the staff who appeared to have been involved in the fraudulent deal.

Again Civilian governor complained bitterly on assumption of office (in 1999) that their military predecessors and their henchmen left behind empty treasuries in the states.

The probe panels set up by various state governors across the country also confirmed that indeed many states in the federation were literally looted by their former military administrators commissioners and contractors.

One case that seems to agitate the Imo state government very much is the stealing of N36 million given to the state to fight ecological problems by the federal government. By a letter dated July 15, 1998 Zubairu (military Administrator) authorized Orji to award contracts without tender formalities for the construction of 36 bore holes in the state at a cost of N1 million per bore hole. Orji and Zubairu claimed that 36 boreholes were constructed in different parts of the state. But the Ahamba committee discovered that no single borehole out of the 36 was sunk. Yet, Orji collected the N36million allocated for the project.

In Kogi state, a judicial commission of inquiry was set up by the governor Abubaka Audu with Henry Olusiyi as the Chairman. Accordingly, the Aniebo administration was characterized by financial impropriety and gross disregard for rules and procedure in contract awards. For instance the contract for the construction of the Ganaja road Housing estate, which was awarded for N197 million, did not pass through the state tender's board nor was it deliberated upon by the state executive council.

The committee also found that aniebo's administration inflated a water supply contract by about N83 million through G.M. water Board.

In Plateau State, its panel of enquiry instituted by Joshua Chibi Dariye, to investigate the activities of the two former military Administrators (Habibu Idris and Musa Shehu) also submitted its report. The committee stated that Shaibu

awarded contracts amounting to over N1.3 billion within the two years he spent in the state; and yet most of the contracts were not executed. The committee found that in one instance, N285.6 million was earmarked for the supply of various items. N241.3 million was paid out from the amount, and yet most of the items were not supplied. The committee also found that another N121.7 million was set aside for the renovation of government existing facilities. The contractors were paid N72.6 million yet most of the jobs had not taken off when the civilian regime took over in May 1999 (Newswatch 7, 2000).

Government Boni Haruna of Adamawa State is equally scandalized by the looting of his state by the past administration. Haruna noted that his administration inherited only N44.5 million as against a debt profile of N1.08 billion.

Of this amount N405 million was for workers salaries while N357 million was debt owed local contractor. The governor who inherited a work force of 24,000 with an average salary bill of N211 million monthly described the workforce as excessive arguing that government needed only 10,000 workers.

In Ondo State, Four past military administrations of the state namely Mike Torey, Ahmed usman, Anthony Onyeambulem and Moses Fasanya may have been asked to refund some money over the N24 million contract given to him supply Rosco patcher equipment to the ministry of works. The equipment was said to be non functional when it was supplied to the ministry.

And still in Anambra State, the first report of the contract review committee revealed that the state was robbed of N4 billion through unexecuted contracts.

The committee indicted many contractors including Swift Engineering services owned by S.M.O. Nnoruka. Swift Engineering got the contract for the construction of the parade ground and cenotaph (phase I) in Awka at a cost of N6,915, 012.50. The company collected a mobilization fee of N2,074, 503.70 and an interim payment of N3,571 215.00 for which no work was done for the paid site.

Indeed, the question of what the 36 states governors have done, in the last four years with the billions of naira they collected, as the revenue of their state Government is one that refused to be swept under the political carpet of the country. The national criminal misappropriation of government of government funds with impunity, accompanied by the nation wide trampling on public accountability with impunity, has over the last four years, led to the rapidly expanding appropriation of polities by criminals, with impunity, and the creeping **criminalisation of Government with equal impunity.**

Due to the consistently high prices of crude oil in the international market, State Governments' revenue has been increasing geometrically from June 1999. This has, therefore placed the State governors in a very good position to effectively discharge their constitutional responsibilities to the electorate. But how many of these Governors have used this massive revenue responsibly enough goes to carry out their function satisfactory, by improving the living condition of the people who put them in position of responsibility?

In fact, by the end of their tenure on May 29, 2003. The 26 State Governors had in four years collected a total sum of N1.15 trillion from just two sources in the Federation Account (statutory and VAT). The state Government also collected on behalf of the local governments when they illegally imposed their henchmen as caretakers, thus their total revenue profile stood at N2 trillion. Again the pertinent question by people is, have the Governor used this revenue in the interest of the peoples?

According to the national development report: 2000–2001 by the UNDP, the impoverishment of Nigeria has vastly increased at the same times as the revenues collected by these governors also vastly increase. This devastating trend in the immiseration and worsening insecurity for almost 100 million Nigerians has continued in spite of the vast increase in revenue from the federation account.

On the certificate and qualification scandal of some governors; there was a lot of evidence from Cross-River state to show that the incumbent governor, Donald Duke was not qualified to contest the May 19, 2003 governorship election. His opponents were privileged to look at his NYSC exemption certificate and found out that somebody who graduated in 1983 from the University with a law degree and did his law school as well as call to the Bar in 1984 had not done his NYSC which supposes to be mandatory for him at that time. Instead of NYSC, he chooses to do his masters and manage to get exemptions certificate seven years after. This is smart fraud (The week, August 25, 2003).

In 2001, the newswatch investigation showed that the council chairmen, no fewer than 31 from different parts of Nigeria were either under investigation, impeached or on suspension. Frank Bala, Baba, chairman, Sanga local government area of Kaduna state was sent on suspension by the state house of assembly. By his own account he spent N100, 145,025.03 to transform his local government. A break down of the expenses showed that he purchased two six-wheeled vehicles for N3 million fenced his own official residence with N1.5million and furniture his own official residence with N2.3 million. The same extra-budgeting spending for the release of stabilization fund was one of the undoings of the chairman of chikun local government. His colleagues in Igbabi council spent N410,000. 00 on efforts to get stabilization fund released and N1.2million on communication gadgets and constructed of 1.4 kilometre road for N8million. Kaduna South chairman was indicted because he claimed to have bought a Peugeot 406 saloon car for N3million for himself, spent N410,000,00 on stabilization fund and bought communication equipment worth N1.3 million. The sabon gari Chairman offence was that he ignored the amounting law and went ahead to give each of his councilor N150,000.00 for their loyalty; spent N1 million as turning allowance for the month of August above and spent N1.5 million on radio communication equipment. In kwara state, Ismail Agboola, was accused of spending N3 million on sallah rams. He was said to have 12 personal cars, including a Mercedes Benz 230 salon car a Toyota celica car, spots car, a 4 Runner Toyota, a Honda Accord and Six fairly used buses.

J.O.Ojobu lawyer and chairman of Ika local government in Delta state, was also in trouble for alleged financial impropriety. He was said to have awarded several contract amounting to several millions of naira illegally and fraudulently. Ojobu allegedly awarded a contract for the building of modern secretariat for N25million but later adjusted the contract sum to N28 million unilaterally. And in Cross- River state, the chairman of Akpabuyo local government area, Eyo Okon Eyo was also in trouble. An audit report indicted him for spending N1.5 million to celebrate his election as chairman of the council and he was asked to refund N 500,000 of the amount. Iduma Igariewe, Chairman, Afikpo local government, Ebonyi State, spent about seven days in detention in Abuja over allegations of forgery of hotel receipts to steal money from his council. The hotel bills were put at more than N700, 000 and that of his wife cost the council N360, 000. By all indications many local government chairman seem to have been doing pretty well for themselves at the expenses of the people who elected them (Newswatch, June 25, 2001).

A new secretariat being built at Ibi Taraba state, meant to provide accommodation for the smooth running of Ibi local government area, was a source of bitter wrangling between the chairman of the council and deputy Governor of Taraba State. The Chairman said that he inherited the secretariat complex in May 1999 and after a revaluation of the project, it was released that N97 million will be required to complete it. Thus he promptly released N80 million to the contractor to complete the project. However, Danboyi initiated the project in 1992 when he was Chairman of Ibi council and it was then valued at

N1.2million. But before the project could be completed the transition programme was trauncated and Danboyi left office.

Given this scenario, president Olusegun Obasanjo in his nationwide broadcast June 18, 2003 identified that one area of immediate attention is the structure of government at the third tier of government, which requires urgent review to incorporate an efficient and participatory framework that should maximize the utilization of scarce resources available to Governments. The need for review of the present structure of government at local government level was in formed by three disturbing trends: the non-performance or gross under-performance of the local Government, the high cost of governments and near prohibitive costs of electioneering campaign to individual political contestants in Nigeria and atomization and continual atomization of local Government council including impractical division of town and cities into unworkable mini-local Governments.

4D BUSINESS BRIBERY

In Nigeria, they are commonly referred to as 419ers. But these fraudsters are known internationally by different derogatory names like white-collar animals, con artists, e-mail hucksters, spammers, tele-marketers and scam artists. This is obviously due to their cross border animal activities that seen to be breaking new ground almost by the minute. However, Nigeria remains a focal point because the global fraud now appears to be

synonymous with the country. The Internet fraud Complaints Center (IFCC) 2002 Internet fraud report captures the growing anxiety among concerned Nigerians and the International community. One complaint that IFCC continues to receive in high volume is the well-known Nigeria letter fraud. This letter is defined as a correspondence (outlining an opportunity to receive non-existent government funds from alleged dignitaries and is designed to collect advance fees from the victims. This is sometime represented as pay off money required to bribe government officials. While other countries may be mentioned, the correspondence typically indicates "The Government of Nigeria" as the nation of origin. But the Americans are taking the crime issue seriously. In fact, they are already culling it terrorism. At the government circles, there also appears to be a new vigor in the struggle to save Nigeria from 419ers given the establishment of the Economic and financial crimes commission(EFCC). But how efficient and effective is the commission?

Tracing the vaswani brother's business history in Nigeria and its attending rise the News magazine (25August 2003) revealed that the Vaswani brothers are the second generation of the vas in Nigeria. Their father sunderdas vaswani come into Nigeria in 1954 and established successful business out fit dealing in textile, manufacturing and fish trawling. The eldest of the brothers, Sunil took over the fathers business in 1983 and concentrated at first on fish trawling before expanding the business into commodities, car franchise, construction, real estates,

manufacturing in virtually every sector of the economy. The two other brothers, Haresh and Mahesh later joined Sunil to complement and enrich his efforts.

For seven years, the vaswanis continued to ride the crest of their high connections in government until about two years ago (2001) when customs' boss. Ahmed Mustapha ordered the various area commands not to compute the duties on the vaswani brothers imports based on their own value any more. This was based on the several petitions and allegations by other competitors of the brothers.

Consequently the customs impounded shiploads of rice imported by the Vaswani brothers for under invoicing. In all this case, the nation lost N50 billion that should have been paid as customs duty.

ASHVIM SAMTHANI (Indian born billionaire) was another bad news to the Nigerian Economy. Those who documented the economic crimes of Samthani said that he brings in rotten seafoods into the country. Usually these are discarded consignments that are brought in as seafood fit for consumption with under value custom duty. And even when the consignment is genuine Samthani understanding of the revenue collection system ensures that he pays too paltry an amount. Those who suffer from the latter pitch being the competitors whose imports find far cheaper items of the same quality in the market.

5.0 REST OF THE PAPER

The remaining sections of this paper (Methodology, Analysis, policies and conclusion) will be made public as soon as they are completed.

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