



Assessment of federal governments' effort on looted assets recovery in Nigeria as a means of fighting corruption and terrorism

Adeniran, Adetayo O

The aim of this study is to assess the effort of Federal Government towards looted assets recovery in Nigeria which is a means of fighting corruption and terrorism and enhancing national development. The specific objectives are to examine the relationship between corruption and terrorism in Nigeria, and to assess the efforts of the Federal Government of Nigeria on the recovery of stolen assets with emphasis on General Sani Abacha. The null hypothesis was hinged on the first objective which states that there is no relationship between corruption and terrorism in Nigeria. Regression analysis was adopted to examine the relationship between corruption and terrorism. Correlation coefficient of 0.673 indicates a strong and positive relationship between the rank of Global Peace Index and the rank of Corruption Perception Index in Nigeria. Also, the regression value of 0.453 indicates that 45.3% of the Corruption is explaining Terrorism in Nigeria, and the significance level of the computed test statistics is 0.033 which affirmed that there is a significant relationship between Terrorism and Corruption in Nigeria. Corruption and terrorism directly or indirectly hinders national development, therefore the importance of recovering looted asset cannot be overemphasized. Asset recovery has become one of the major themes in discourses on national development funding, which is part of the enormous amount of resources that are lost annually by developing countries. Although there is a lack of international legal consensus on the definition of corruption, it is generally understood as the abuse of public office for private gain. Public office is abused for private gain when an official accepts, solicits, or extorts a bribe. It was recommended that there is the need for international collaboration, complete autonomy or total independence of the concerned institution to enhance efficiency of recovering assets and strict monitoring towards utilization of recovered assets to prevent re-looting. In order to reduce the high level of terrorism in the country, corruption must be tackled.

INTRODUCTION

There is a lack of international legal consensus on the definition of corruption, but it is generally understood as the abuse of public office for private gain. According to the World Bank, public office is abused for private gain when an official accepts, solicits, or extorts a bribe. It is also abused when private agents actively offer bribes to circumvent public policies and processes for competitive advantage and profit. Public office can also be abused for private benefit even if no bribery occurs, through patronage and nepotism, the theft of state assets, or the diversion of state revenues.

The notion of recovering stolen assets is no new phenomenon, even though discrepancies in the monies that continue to be made by criminals through corruption, fraud and other offenses and the monies recovered by law enforcement agencies remain dramatic. The legal and procedural processes that enable investigators and prosecutors in the world over to pursue such proceeds have been honed over the last 20 years or more through efforts in the United States (U.S) (to defeat drugs traffickers) and Italy (to combat organized crime) (Daniel, 2012). Also

the development of asset recovery systems has now advanced far beyond the original criminal conviction based confiscation processes and now incorporate structures that are often outside of what is normally considered to be the criminal process, such as non-conviction based and even taxation based systems which are proving to be useful weapons in the armory of law enforcement.

It is important to note that when corruption is deep-seated in a country; there will be high level of terrorism as evident in Nigeria such that there is deliberate creation and exploitation of fear targeted at bringing about political change. This is referred to as terrorism, and its occurrence can be historical, cultural, political, social, psychological, economic, or religious or any combination of these factors (Ahmed M Yusha'u et al. 2018). According to Hoffman (2008), terrorism acts include murder, kidnapping, bombing, arson, and others, and are committed by non-governmental group or individual who are neither parts of nor officially serving in the military forces, law enforcement agencies, intelligence services, or other governmental agencies of an established nation. Also, because of the high level of terrorism in Nigeria, huge allocation was earmarked in the national budget to combating terrorism. In the 2011, 2012, 2013, 2014, and 2015, the total expenditures earmarked for security in approved budgets were about

Department of Transport Management Technology, Federal University of Technology, Akure (FUTA), Ondo State, Nigeria. Mobile Contact: +2347036196773; Email: aadeniranao@futa.edu.ng; 4tynil@gmail.com

₦920, ₦924, ₦923, ₦923, and ₦934 billion respectively (Joshua, 2015; Adeniran and Owoeye, 2018).

Despite the huge amounts, there is high level of terrorism in the country and low peace index as revealed by Global Peace Index (GPI, 2012), also the Corrupt Perception Index (CPI, 2016) rated Nigeria as 136th corrupt country in the world. The signs of high terrorism and high corruption are positively related such that one leads to the other. It can therefore be said that efforts of Government have not yielded enough positive results. Terrorism is a threat to security and is a singular factor that is responsible for the astronomical increase in the nation's expenditure as the Federal Government has continued to appropriate huge funds for security which has denied capital projects in the education, health, agriculture, transportation and other significant sectors the needed more attention.

The elimination of the proceeds of crime remains a global issue as criminals continue to move monies through financial systems with ease and to acquire legitimate assets across the world. It has been globally perceived that corruption which this paper is based upon is a major hindrance of national development. The motivation of this study was borne out of the facts revealed by Daniel (2012) "the World Bank announced that in one year alone over \$1 trillion were paid in bribes". This statistic does not even represent the cost of large scale fraud or embezzlement of public funds. He also revealed that at country level, the Nigerian Economic and Financial Crimes Commission puts Nigeria's own corruption and theft at approximately USD 420 billion since independence in 1960 more than the total amount of development aid provided to all of Africa by Western governments between 1960 and 1997, and that the knock on effect of crime is now estimated at 25% of the world's costs on government procurement, which are the result of corruption on a large and systematic scale.

According to Ugolor, Nwafor, and Nardine (2006), the World Bank revealed that in public procurement alone, it is estimated that corruption diverts 10 to 20 percent (sometimes as much as 50 percent) of contract values, while bribes received by public officials in developing countries and countries in transition amount to between USD 20 billion and USD 40 billion per year, which is also equivalent to between 20 percent and 40 percent of official development assistance (ODA). These losses are enormous when perceived from the development point of view. The true value of the loss is symbolized by the lost opportunity to invest in development work or alleviation of poverty and human suffering in low income countries, a fact well articulated in the shadow report by the Nigerian Network on Stolen Assets (NNSA), an umbrella organization of groups working on anti-corruption, social and economic rights, public policy, health, and the environment: 'We find that assets do not merely represent static, monetary amounts, inert numbers. Assets contain rather a potential for work potential that does not become realized until unleashed by wise investment. Thus, assets represent the potential to create prosperity' (Ugolor, Nwafor, and Nardine, 2006).

In 2007, Transparency International suggested that of the \$4 trillion spent on government procurement annually; approximately \$400 billion will be siphoned off in corruption, usually in the form of bribes. These are monies lost to public projects such as roads, schooling and the construction of hospitals. Even where the projects are commenced they often lead to the building of unnecessary infrastructure or infrastructure that is of dangerously poor quality (Daniel, 2012). Whether at formal or informal level, elimination of corrupt practices remains the key and should be developed; hence the need for international and regional cooperation with the nation Nigeria cannot be overemphasized in recovering looted assets.

The objectives of this paper are to

1. Examine the relationship between corruption and terrorism in Nigeria, and
2. Assess the efforts of the Federal Government of Nigeria on the recovery of stolen assets with emphasis on General Sani Abacha.

The null hypothesis is hinged on the first objective which states that there is no relationship between corruption and terrorism in Nigeria.

LITERATURE REVIEW

Corruption

Corruption has been defined by various authors in different literatures. These definitions have changed over time and have branched apart from each other. The definition starts with the initial confusion and contentions between what is corrupt and what is not. Joseph Nye defines corruption as the behavior, which deviates from the formal duties of a public role because of private considerations (personal, family, and clique) or violates rules against the exercise of certain types of private-regarding the influence (Joseph, 1967). Transparency International (2016) defines corruption as the abuse of entrusted power for private gain. Corruption occurs in many forms such as: bribery (someone improperly provides goods or services against some form of improper compensation); kickback (form of bribery where someone involved in a purchasing process is getting a reward from the supplier for placing an order of goods or services); embezzlement (theft of resources for personal use); evidence destruction (irregular destruction, removal or abuse of records); extortion (act of obtaining something by force, threats or undue demands); favoritism (unfair favoring of one person or a group at the expense of others including nepotism which is favoritism shown to relatives); knowingly omitting to report corrupt acts (deliberately omitting or refusing to report or act upon reports of any such irregular or dishonest conduct); maladministration or financial misconduct in handling or reporting of money, financial transactions or other assets.

Corruption has a moral, legal, and social standpoint. The moral and ethical dilemmas form the basis of frustrations and consternations amongst all people across societies. Gardner (2006) identifies moral and legal scenarios where a legal or moral argument for corruption can be unhinged using an example of a Nazi German passport inspector who accepts a bribe from a Jewish traveler trying to escape the country. From a moral perspective this action would be justified, however, at the time, the law forbade Jewish emigration. In this case, an illegal action was moral in most regards. The bribe created the breach for the moral act to occur, which likely would not have been the case. Arguably, to reach this end without the bribe would be even more moral. The bribe acted as the tipping mechanism for global moral action that was illegal in the country. This situation focuses on the act of gathering assets illegally, which is the most common activity that is associated with public holders in Nigeria.

Corrupt acts are associated with the gain by the individual at the cost to the public. The corruption has to do with financial benefits gained through bribery, but corruption is not limited to monetary gains. Additional gains could be political or social power received from other acts associated with corruption. Corruption undermines a government's ability to develop and therefore support itself. One can broadly categorize corruption into cost-reducing, cost-enhancing, benefit enhancing, and benefit-reducing activities. After considering these cases, a strictly moral perspective is not an appropriate lens to look at corruption as well. Moral views and laws governing actions vary largely from culture to culture. The desired endpoint for operations in Nigeria is

one of providing stability. Stability is achieved through national development and government legitimacy (Alam, 1989).

Impacts of corruption on terrorism

Globally, corruption is widely recognized to be one of the most important obstacles to development in many countries. The United Nations Convention against corruption states that corruption undermines democratic institutions, retards economic development and contributes to government instability. Corruption attacks the foundation of democratic institutions by distorting electoral processes, perverting the rule of law, and creating bureaucratic quagmires whose only reason for existence is the soliciting of bribes.

Studies have identified that corruption is a global phenomenon. Although statistics on corruption are often questionable, the data suggests that corruption accounts for a significant proportion of economic activity (Ashok, 2012). Examples are in Kenya, public expenditures noted by the controller and auditor general in 1997 amounted to 7.6 percent of GDP; in Latvia a recent World Bank survey found that more than 40 percent of households and enterprises agreed that corruption is a natural part of our lives and helps solve many problems; in Tanzania, service delivery survey data suggest that bribes paid to officials in the police, courts, tax services, and land offices amounted to 62 percent of official public expenditures (Ashok, 2012).

According to Tapales (2001) in the Philippines, the Commission on Audit estimates that \$4 billion is diverted annually because of public sector corruption. A 2004 World Bank study of the ramifications of corruption for service delivery concludes that an improvement of one standard deviation in the corruption index leads to a 29 percent decrease in infant mortality rates, a 52 percent increase in satisfaction among recipients of public health care, and a 30–60 percent increase in public satisfaction stemming from improved road conditions. Studies also show that corruption slows growth, impairs capital accumulation, and reduces the effectiveness of development aid, and increases income inequality and poverty (Tapales, 2001; Ashok, 2012).

Not surprisingly, there has been a growing global movement to condemn corrupt practices which is a movement that has resulted in the removal of some national leaders. In addition, many governments and development agencies have devoted substantial resources and energy to fighting corruption in recent years (Vrushal T Ghoble, 2014). Despite these efforts, however, it is not clear that the incidence of corruption has declined perceptibly, especially in highly corrupt countries. Corruption slows GDP growth and adversely affects capital accumulation, public infrastructure, and health services. It lowers the quality of education and reduces the effectiveness of development aid and increases income inequality and poverty (Gupta, Hamid and Erwin, 2000). Bribery is often the most visible manifestation of public sector corruption; it harms the reputation of and erodes trust in many countries.

Out of 176 countries surveyed in the world by Transparency International (2016), the ten least corrupt countries in the world are Denmark (1), New Zealand (1), Finland (3), Sweden (4), Switzerland (5), Norway (6), Singapore (7), Netherlands (8), Canada (9), Germany (10), Luxembourg (10), and United Kingdom (10). Also, the ten most corrupt countries are Burundi (159), Central African Republic (159), Chad (159), Haiti (159), Republic of Congo (159), Angola (164), Eritrea (164), Iraq (166), Venezuela (166), Guinea-Bissau (168), Afghanistan (169), Libya (170), Sudan (170), Yemen (170), Syria (173), Korea (North) (174), South Sudan (175), and Somalia (176), Nigeria is ranked 136th. It is important to note that terrorism is prevalent in most corrupt countries in the world, hence there seems to be a relationship between

the level of terrorism in a country and the level of corruption. Those countries with least corrupt practices are more peaceful, while those countries that are most corrupt are full of terror acts. Hence, it can be said that corruption is a catalyst for terrorism.

In order to buttress this fact, corruption reduces the economic buoyancy of individuals in the country, low GDP, poor public health care, worse condition of infrastructure, slow growth, increases poverty, increases income inequality (wide margin between the rich and the poor), and lowers the quality of education which is a worse situation. Therefore the deliberate creation of revolution in the political change cannot be overemphasized, and this is said to be a form of terrorism because it will definitely involve the use of terrorism indices.

Overview of General Sani Abacha

General Sani Abacha was the Nigerian head of state between 1993 and 1998, coming to power through a coup. He had been close to the central power base of successive military governments in Nigeria, having been Minister of Defense and the Chief of Army staff. Upon his sudden death in 1998, he became the head of state and put in place a transition government, scheduled presidential elections and transitioned Nigeria into democracy and civilian rule (Alam, 1989).

Assessing federal government of Nigeria's efforts towards asset recovery

It is regrettable to note that corruption has been recognized as the major enemy of man, it is however, lack of political will to begin to tackle this problem, except for the Buhari / Idiagbon regime (1983-1985) and Obasanjo regime (1999-2007). Past futile intervention against corruption include the corrupt practices Decree of 1975, the public officer (investigation of Assets) Decree No 5 of 1976, supplemented by the code of conduct Bureau and code of conduct tribunal as provided for in the 1979 constitution. Shehu Shagari ethical revolution (1979-1983), with a minister of cabinet rank in charge of "national guidance", the "war against indiscipline" campaign under the Buhari and Idiagbon junta, which was to some extent the only serious intervention and the National committee on corruption and other Economics crimes under Ibrahim Babangida (1985-1993). The Ibrahim Babangida (IBB) regime also came up with the corrupt practice and Economic crime Decree of 1990. Even the Sani Abacha regime (1994-98) came up with its own anti- corruption Decree, the "Indiscipline, corrupt practices and Economic crime (prohibition) Decree 1994" which was a replica of IBB Decree of 1990 (Joseph, 1967; Ugolor *et al.*, 2006).

The transition government sets up a Special Investigation Panel (SIP) that had the task of investigating the looting and the corruption during the Abacha government. A preliminary report produced by the SIP pointed out two main modus operandi used by the abacus to plunder Nigeria's coffers:

1. through false funding requests for security operations and equipment, and
2. through monies directly transferred from the Central Bank of Nigeria by wire transfers to accounts abroad held by offshore companies linked to the Abachas and their cronies (Monfrini, 2008).

When tracing looted Nigerian assets in Switzerland, the preliminary report of Transparency International (2007) unveiled that the abacus had siphoned approximately USD 1.5 million and GBP 416 million from the Nigerian state. The Nigerian government followed up the report and issued Decree No. 53, which ordered the return to Nigeria of real property and movable assets, as well as cash that had been illegally

acquired by the Abachas and their entourage, in exchange of immunity from prosecution. Nigeria was able to recover more than USD 800 million through this method (Monfrini, 2008). Most of these returned assets were held in Swiss bank accounts, and the return was made through the account held by the Central Bank of Nigeria at the Bank for International Settlements in Switzerland (Daniel and Maton, 2008). He furthermore stressed that Nigerian authorities announced in September 1999 that a request for mutual legal assistance would be submitted to Switzerland. As a result, the Swiss authorities issued a freeze order and stated that Nigeria had three months to present a formal request for mutual legal assistance. Shortly after the issuance of Decree No. 53, and based on information gathered by the SIP, the Nigerian government stepped up its asset recovery efforts and issued a request for mutual legal assistance in Switzerland, in December 1999.

Okonjo-Iweala, and Osafo-Kwaako (2008) opined that Nigerian authorities additionally requested the anticipated return of the assets. Through this request, the Swiss government was able to seize an additional USD 80 million dollars in Switzerland. However, the Nigerian government was in need of further identifying other assets being held by the abacus and their associates. Information and documents provided by Switzerland through the request for mutual legal assistance gave the Nigerian government further information on the trail of the monies and the money laundering schemes.

Notwithstanding, Swiss legislation requires its authorities:

1. not to transmit investigatory files or requested documents while there is a challenge to the request for mutual legal assistance, and
2. to inform the investigated persons of the request for mutual legal assistance prior to the submission of the documents to the requested country, so as to allow for due process (Daniel, 2012).

It was explained that due to the existence of appeals and the obligation of secrecy of the Swiss authorities handling the request for mutual legal assistance, no proper interaction between the Nigerian and Swiss investigators could take place. Due to this legal impediment, the Nigerian government supplemented its mutual legal assistance efforts by retaining legal counsel in Switzerland so as to assist them in their asset recovery efforts. In such a way, the Nigerian government could:

1. file a criminal complaint in Switzerland against the abacus and their cronies, and
2. make an application to the Swiss courts to become a *partecivile* to the Swiss criminal investigation based on the criminal complaint filed, if accepted (Monfrini, 2008).

In the same vein, it was also explained that the legal strategy used by the lawyers in Switzerland on the criminal complaint was twofold, and relied heavily upon qualifying the Abachas and their cronies as a criminal organization. By doing so, it would:

1. give Swiss authorities the jurisdiction to investigate and prosecute all members of the Abacha criminal organization, regardless of the fact that they had never been in Switzerland, as the activities of the criminal organization had taken place, at least in part, in Switzerland;
2. and, more importantly, once the Abachas and their cronies were qualified as a criminal organization, there would be a reversal of the burden of proof, and the members of the organization would bear the burden of proving otherwise.

Once the criminal complaint was filed and accepted by the investigating magistrate, the Nigerian government would apply to become a *partecivile* to that investigation. It should be noted that

Switzerland, like most civil law jurisdictions, allows the victim to make an application as *partecivile* to the court, whereby it becomes a party to the criminal proceeding and assists the prosecution in the case. The civil party also has full access to the investigatory files and related information pertaining to the investigation, among others. Thus, by applying to become a *partecivile* in the Swiss courts, the Nigerian government legally circumvented the legal obstacles of obtaining information through the request for mutual legal assistance and gained access to information that led to the discovery of other assets held by the Abacus in Switzerland and other jurisdictions. As a direct result, seizure orders were issued and resulted in the seizure of an additional USD 670 million in various Swiss accounts. The information obtained through the Swiss investigation also allowed the Swiss courts to request mutual legal assistance to Luxembourg and Lichtenstein, where an additional USD 830 million was seized (Daniel and Maton, 2008).

When tracing looted Nigerian assets in the United Kingdom, in July 1999, the Nigerian Government had initiated civil proceedings before the High Court regarding the Ajaokuta steel plant debt buyback fraud. The fraud consisted essentially in the buyback by the Abacha government of bills of exchange relating to the building of the Ajaokuta steel plant owed to a Russian company for DEM 986 million, resulting in the fraudulent profit of over DEM 490 million for the Abacha criminal organization (Monfrini, 2008).

It concerned the rightful ownership of the proceeds of the sale of debt owed by Nigeria to Russia. The Ajaokuta steel plant had been a Soviet project in Nigeria from the 1970s. In an effort to cut their losses in the project, the Russians started selling off the debt due on the plant. It was explained that on the surface, it was a good deal for Nigeria as it has acquired the debt for just 53% of its face value. However, the abacus created a shell corporation that indirectly acquired the debt from the Russians and then sold it to the Nigerian government for twice the sum it had paid, and retained these profits in London (Daniel and Maton, 2008).

Ultimately, Nigeria won the Ajaokuta proceedings in London, and was awarded the payment of DEM 300 million plus costs (Monfrini, 2008). On June 2000, the Nigerian authorities sent a request for mutual legal assistance to the United Kingdom seeking evidence of both the Ajaokuta proceedings and theft of monies from the Central Bank of Nigeria. The Abachas challenged the decision to render assistance and, later on, to transmit the documentation to Nigeria. These legal challenges slowed the execution of the request for mutual legal assistance and its efficiency. It was only in 2004, four years after the request had been initially sent to the United Kingdom, that the documentation was sent to Nigeria (Daniel and Maton, 2008).

Moreover, the slow progress of the request for mutual legal assistance in the UK prompted the Nigerian government to supplement those efforts with civil proceedings seeking to obtain bank documents related to the Abachas and their cronies, as well as corporate vehicles in which they were the beneficial owners. The strategy proved successful since the Nigerian government gained access to bank documents *ex parte*, and only after six weeks where they served in the civil proceedings, along with a worldwide freezing order freezing their assets. The civil proceedings in the United Kingdom pressured the Abachas to disclose their assets worldwide. However, the evidence produced through the civil proceedings was not as effective as it had been hoped, as only USD 50 million had remained in the United Kingdom when the civil proceedings were initiated, for a total of USD 1.3 billion that had been channeled through English banks.

After the Swiss Supreme Court determined that the Nigerian request for mutual legal assistance could be granted in 2003, and the Nigerian government reiterated its request that the assets be repatriated prior to final judgment and forfeiture based on the Swiss Federal Law on International Mutual Assistance in Criminal Matters (IMAC). As an exception to the rule, the IMAC allows for the anticipated return of assets to the victim country at any stage during the criminal proceedings. This reminds that the anticipated return of assets, foreseen in article 74a of the IMAC, and which can be done at any stage of the criminal proceedings in the victim country, is an exceptional empowering provision which gives the authority wide powers of discretion for the purpose of deciding, on the basis of a thorough examination of all the circumstances, whether and under what conditions an anticipated remittance could take place (Monfrini, 2008).

The Swiss authorities ultimately agreed to waive the need for a final judgment in Switzerland, in part due to the findings of the criminal investigation that had occurred in that country, in part due to the agreement of the Nigerian authorities to have the assets monitored. As such, USD 458 million, namely assets derived from specific crimes in respect of which criminal proceedings were pending were repatriated to Nigeria in 2004. An additional USD 50 million attached to the Swiss prosecution that the Abachas were a criminal organization was subsequently also repatriated in 2005. In those decisions, the Swiss Supreme Court also conditioned the return of the assets to procedural guarantees to the abacus in their criminal prosecution in Nigeria (Monfrini, 2008).

Initially, the Swiss government was reluctant, but they heeded to the concerns of the Swiss Parliament, of which assurances needed to be given by the Nigerian government. The Nigerian government issued assurances to the Swiss government in that regard, stating that the repatriated assets would fund development projects in the healthcare and education sector, as well as in infrastructure projects. The discussion surrounding the monitoring of the returned assets of the Abacha case had been ongoing since December 2000. At the time, a coalition of the Swiss non-governmental organizations later called that the Swiss Abacha Coalition had called a press conference aiming at discussing the use of the Abachas stolen wealth, and had proposed that it be earmarked and have a specific destination on:

1. ecological disasters, and
2. compensation for oil field workers who had fallen victim to human rights violations (Stefan, 2008).

The Swiss Abacha Coalition eventually met with Swiss officials in charge of the Abacha case and also visited Nigeria. During the visit, a two-day conference took place, where forty Nigerian non-governmental organizations discussed the recovery of the Abacha assets. The Nigerian Civil Society Network on Stolen Assets (forty NGOs from the six geopolitical zones of Nigeria) was founded and later coordinated by the African Network for Economic and Environmental Justice (ANEJ). The network's role was to assure the equitable utilization of the stolen assets. The World Bank was ultimately identified as a neutral party to review the utilization of the repatriated assets, and was further expected to be part of an ongoing program to improve public finance management in Nigeria (Stefan, 2008).

It was explained that through the World Bank, the Swiss government provided a grant of about USD 280,000 to co-finance the Public Expenditure Management and Financial Accountability Review (PEMFAR). PEMFAR was initiated as a means of executing reforms in budget spending, with regard to Nigeria's National Economic Empowerment Development Strategy (NEEDS) priorities in education,

health, and basic infrastructure (power, transportation networks, and water). Out of a total sum of USD 505 million repatriated from Switzerland, and according to the agreement reached on priority poorer sectors, the allocations were in power (USD 168.5 million), works (USD 144.5 million), health (USD 84.1 million), education (USD 60.1 million), and water resources (USD 48.2 million) (Jimu, 2009).

Illicit assets are obtained through bribery, patronage or theft from state budgets. The proceeds of these forms of corruption are generally transferred from one jurisdiction to another in order to disguise their source. Eventually, it becomes difficult to distinguish licit from illicit assets and the proceeds of corruption from other forms of criminal conduct. Estimates suggest that cross-border flows of proceeds of corruption, criminal activities, and tax evasions amount to between USD 1 trillion and USD 1.6 trillion per year. In Africa an estimated amount in excess of USD 148 billion or about 25 percent of gross domestic product (GDP) is lost in this way (World Bank).

The recovery of stolen assets can go a long way in mitigating the harm that corruption cases, especially if it overcomes impunity and therefore initiates a virtuous circle in a given country. Towards curbing corruption and recovering of assets, the Federal Government of Nigeria sets up anti-corruption strategies. These strategies or mechanism has been employed or adopted to curb corrupt practices in Nigeria. These strategies are classified into

1. Institutional model;
2. Legislative model; and
3. Dual system approach (Nwobashi and Anthony, 2017; Gashinbaki, 2017).

Institutional model started in 1977 with the object of a gage declaration by the then Head of State, Gen. Olusegun Obasanjo; then followed ethical revolution of President Shagari in 1981; War Against Indiscipline by Gen. Buhari in 1984; National Orientation Movement by Gen. Babangida in 1986; Mass Mobilization for Social Justice by Gen. Babangida in 1987; War Against Indiscipline and Corruption by Abacha; the Independent Corrupt Practices and other Related Offenses Commission (ICPC) in 2000; the Economic and Financial Crime Commission in 2002 by President Obasanjo (Nwobashi and Anthony, 2017).

For legislative model, Anti-corruption legislations have been codified in several relevant sections of the Criminal Code and the Penal Code Ordinance. Also, available is the Miscellaneous Offenses Act of 1985. One surprising thing is that anti-corruption legislations have not fundamentally and substantially changed except the old laws are always like old wine in a new container which attracts slight modifications and new agencies assigned to handle it (Gashinbaki, 2017).

The following legislations are in place and geared towards the fight against corruption and asset recovery in Nigeria.

- a. Relevant sections of the criminal code and penal code,
- b. Miscellaneous Offenses Act, 1985,
- c. The National Drug Law Enforcement Agency Act (NDLEA) of 1988,
- d. Code of Conduct Bureau and Tribunal Act, 1990,
- e. Banks and other financial Institutions Act, 1991 (amended in 2002),
- f. Money Laundering Act of 1995 (amended in 2002 & 2004),
- g. Foreign Exchange Act of 1995,
- h. Failed Bank (Recover Debts) and Financial Malpractices in Banks Act of 1994 (amended in 1999),
- i. Advance Free Fraud (known as 419) and other Related Offenses Act of 1995 (Nwobashi and Anthony, 2017).

Table 1 Number of assets recovered by various anti-corruption agencies

S/N	Items	ICPC	EFCC	ONSA
1	Farmlands	22	0	0
2	Plot of land	4	0	0
3	Uncompleted building	1	0	0
4	Completed building	33	145	4
5	Vehicles	22	3	0
6	Maritime vessels	0	5	0
Total		82	153	4

Source: (Adeyemi, 2016).

Table 2 Global Peace Index and Corruption Perception Index from year 2008 to 2017 in Nigeria

Duration (Year)	Rank of Global Peace Index in Nigeria	Rank of Corruption Perception Index in Nigeria
2008	125	121
2009	127	130
2010	131	134
2011	137	143
2012	146	139
2013	148	144
2014	151	136
2015	151	136
2016	149	136
2017	149	148

Sources: *countryeconomy.com*; *Transparency International*

The dual system approach of anti-corruption involves the interface of government institutions/agencies with civil societies/pressure groups and individuals. A coherent relationship between the systems is expected to contribute maximally towards curbing corruption practices in Nigeria. Even though there are no exact statistics on the number of civil society groups in Nigeria, they play a pivotal role in the fight against corruption and recovery of assets even though the synergy between the civil society and government agencies is lacking in Nigeria (Nwobashi and Anthony, 2017).

Recently, in a bid to bulk corruption trend as a result of the inefficiencies of civil society and government agencies, Nigeria's ministry of finance recently decided to try a new approach; allowing citizens who report corruption-related offenses earn a cut from the recovered loot. The hope was that Whistle Blowing Policy would provide established agencies like the EFCC with actionable tips to track and recover stolen government funds and illegal assets. So far, it appears to be working as there were various recovering as stated by Nigeria's Minister of Information, Lai Mohammed (Yemi, 2017).

Asset recovery is a vital means of fighting corruption and promoting national development in developing countries like Nigeria. It has been shown by increased allocations in the pro-poor sectors in Nigeria following the repatriation of USD 505 million Abacha loot from Switzerland, the fight against corruption and the fight against poverty are complementary. However, the overall national development can be achieved when recovered assets are used to fund anti-poverty projects (Ignasio, 2009). It is therefore pertinent to note that the Federal Government of Nigeria is needed to increase her efforts in recovering looted assets.

METHODOLOGY

Data for this study was obtained from secondary sources published by Transparency International and Country Economy. The statistical analysis adopted is regression analysis which is inferential in nature. In order to establish the effect of corruption on terrorism, two sets of secondary data were collected. Data of Corruption Perception Index

were collected from Transparency International; while data of Global Peace Index were collected from *countryeconomy.com*.

For regression analysis, the level or rank of peace index in Nigeria is depending on the level or rank of corruption in Nigeria. The scope of data used for analysis was for ten years between the periods of 2008 to 2017 as shown in table 2. The level of terrorism in Nigeria can be explained by the level peace. Global Peace Index is the dependent variable, while Corruption Perception Index is the independent variable.

From Table 2 and Figure 1, Nigeria is among the countries with ranking in peace which indicates that terrorism is very high in Nigeria for over a decade as shown in table 2. Also, in terms of corruption, Nigeria is among the highly corrupt countries in the world for over a decade as shown in table 2. From figure 1, it can be deduced that the two variables, that is rank of Global Peace Index and rank of Corruption Perception Index, almost have the same trend in all the years. This is an indication that they are related.

From the regression result in table 3 and table 4, correlation value of 0.673 means that there is a strong and positive relationship between the rank of Global Peace Index and the rank of Corruption Perception Index in Nigeria. The regression value of 0.453 indicates that 45.3% of the Corruption is explaining Terrorism in Nigeria. Also the significance level of the computed test statistics is 0.033. When compared with the set significance level of 0.05, it can be shown that the *P* Value (0.033) is less than the significance level (0.05), hence it can be affirmed that Corruption is explaining Terrorism in Nigeria.

ISSUES AND RECOMMENDATIONS

Issues regarding assets recovery effort of federal government of Nigeria

The activities, operations and efforts of international organizations and national anti-corruption agencies towards asset recovery in Nigeria seems obvious as a result of recovered assets, arrest, prosecution and punishment of some wrongdoers since the commencement of their activities. The following issues might hinder the efficiency of anti-corruption agencies when discharging their responsibilities:

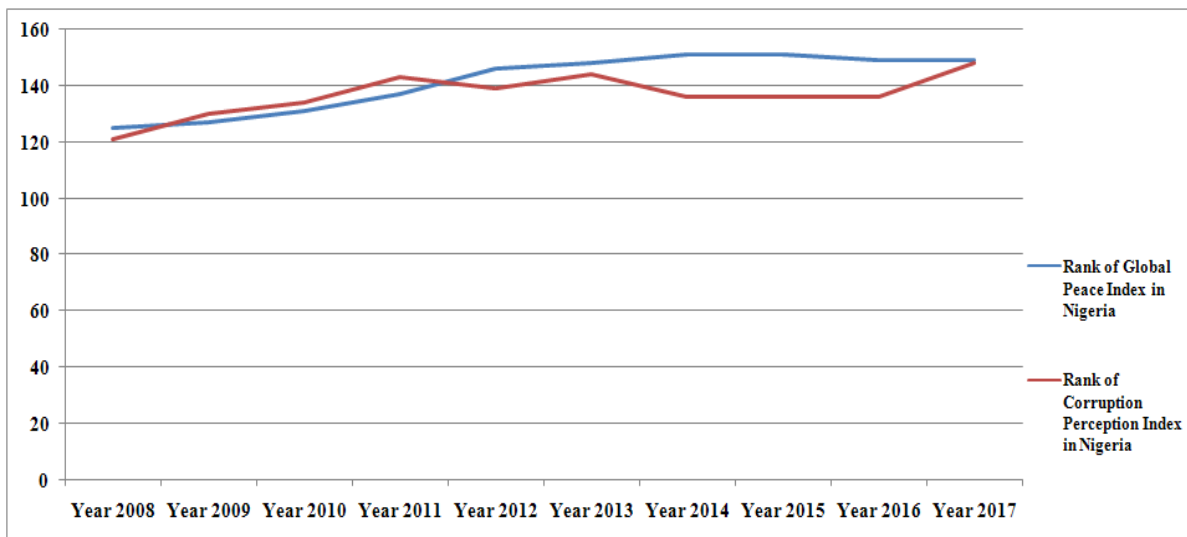


Figure 1 Line graph showing the pictorial relationship of Global Peace Index and Corruption Perception Index in Nigeria
 Source: Authors' Computation, 2018

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.673(a)	.453	.384	8.14014

Corruption Perception Index (Predictors); Global Peace Index (Dependent variable)
 Source: Authors' Computation, 2018

Table 4 Analysis of Variance

Model		Sum of Squares	Mean Square	F	Sig.
1	Regression	438.305	438.305	6.615	.033(a)
	Residual	530.095	66.262		
	Total	968.400			

Source: Authors' Computation, 2018

National Anti-corruption Policy, Capacity, Professionalism

According to Transparency International Corruption Perceptions Index (2016), corruption index was surveyed among 176 countries; the ten least corrupt countries are Denmark, New Zealand, Finland, Sweden, Switzerland, Norway, Singapore, Netherlands, Canada, and Germany respectively. It was revealed in the survey that most countries with least corrupt perception index has National Anti-corruption Policy which is the guiding principle for ensuring zero tolerance of corruption in their respective countries; but Nigeria is yet to have an implementable National Anti-corruption Policy. There is also a lack of efficiency in the capacity and professionalism of anti-corruption agencies. International treaties and conventions are not yet ratified and may pose as potential problems.

Funding

The agencies are not properly funded which might result in efficiency. They might be effective but not efficient.

Efficiency with the use of Emerging Technologies

In the present day, there are continuous advancements of emerging technologies regarding the applications of Information Communication Technology (ICT) in various sectors. The importance of emerging technologies for anti-corruption is well recognized internationally and governments aim to identify and support their development. According to Anastassios (2012), emerging technologies are defined as those

technologies that are still emerging from the science base, and are at an early, pre-commercial stage and that has the potentials to enable innovations that will disrupt the marketplace. It is apparent that emergence is a matter of stage of development and that emerging technologies are a subset of enabling technologies. In detail, emerging technologies are defined as those that:

1. Enable something to be done that was previously not possible or was possible only in theory;
2. Lead to new products and services;
3. May be adopted by existing industries or may result in new industries; and
4. May arise from:
 - a. A major scientific breakthrough like radar or the transistor
 - b. The integration of several technologies like the 5.25 inch disk drive or
 - c. A single advance that enables a much bigger innovation, such as switching circuits for mobile phones (TSB, 2010)

Emerging technologies are relatively new technologies within a high concentration of experts around US and Europe. This is because most hardware and software are usually produced in those nations and not in Nigeria, where very few people can use various software packages. This means that there is the need for adequate training of security experts on various technologies that will enhance efficiency of discharging anti-corruption activities. Also, training in the use of emerging technology software is not quite novel; this might be due to insufficient number of

professional couples with poor computer literacy and lack of commitment on the parts of anti-corruption agencies.

Public support and political wills

Public support for anti-corruption is increasing, but there is dwindling political will and acceptability to fight corruption by the leadership which resulted in conviction of dwindling cases. Also, political interference, lack quick judgment of Nigerian Judges has resulted in delay and continuous congestion of corruption cases in courts which is discouraging citizens from reporting corruption cases.

Collaboration

In year 2017, the Senate President stated that the anti-graft agencies in the country are making it difficult for the federal government to convince other nation to return looted Assets, because many of the recovered assets were re-looted by the anti-corruption agencies in Nigeria. There was dissatisfaction with the suspension of Nigeria from the Egmont Group of financial intelligence units, at the time Nigeria has made anti-corruption, a cardinal policy of government. This greatly impedes the fight against corruption in Nigeria. The suspension led to the immediate shutdown of the EGMONT secure web (E,S,W) against Nigeria, with the implication that Nigeria can no longer exchange sensitive information with about 172 other member countries in order to carry out investigative and regulative responsibilities as they affect local and international bothering on money laundering, terrorism, financing, criminal intelligence, proliferation of arms, corruption, financial crimes, economic crimes and other international investigations, prosecution and asset recovery (Uche, 2017).

Immunity

The immunity placed on certain public officers handicapped the commissions from prosecuting the offenders. These personalities are the president, Vice-president, Governors and Deputy Governors. For instance, 1999 constitution of the federal republic of Nigeria section 308 (1) options (a) (b) (c) opines; "No civil or criminal proceedings shall be instituted or continued against a person to whom this section applies during his period of office".

Monitoring

The monitoring of the recovered assets was presented with several challenges. One of such challenges was the use of the recovered assets by executive government in power. Two subsequent reports on the monitoring of the assets suggest that USD 200 million had been misappropriated and not used for development projects, as agreed. It was explained that one of the challenges in the monitoring process was following up on the allocation of the repatriated assets was tracking the funds in the national budget (Stefan, 2008). Their reports indicate that there were instances in which spending agencies used the repatriated assets to cover outstanding arrears or to make partial payments for ongoing multi-year projects.

Institutional autonomy

The organizations or institutions established such as EFCC, ICPC and others are not institutionalized because they follow the order of the President before carrying out their mandate which signifies that a President in a particular regime can use the organizations in his favor or the favor of the winning political party which might impede innovation, competence and commitment of those involved in the very process.

Recommendations

Based on the highlighted and issues earlier discussed, the following recommendations were drawn below:

1. Implementable sound National Policy on anti-corruption should be formulated and implemented in Nigeria as evidenced in the two least corrupt countries in the world (Denmark and Norway). This policy will back up the responsibilities of anti-corruption agencies.
2. The duties of anti-corruption agencies should be clearly and well situated to prevent misalignment of responsibilities with other institutions. They should be given free access to collaborate with international organizations.
3. The agencies should be properly funded such that the staff will not be monetized.
4. The use of ICT will improve the working conditions of the agencies; hence the agencies should properly train the staffs periodically. There should be advanced technology tracking devices to track all persons involved in all corrupt practices.
5. In order to get adequate anti-corruption personnel trained, there is need to set aside or to establish a training department, which will be solely responsible for training of personnel in-line with the emerging technologies. The training department may also partner with universities and private organizations.
6. There is a need for reform agenda in public and private sectors so as to create a good platform for public support. Corruption cases should be efficiently treated in courts, also all corrupt practices found in the police, judiciary, legislature, army, custom, immigration, civil and public services and private businesses should be completely nipped in the bud and allotted with deadly punishments such as the death sentence and life imprisonment without delay.
7. In order to carry out Asset recovery, the following policies should be formulated and implemented, they include; National Policy on Justice Sector Reform, National Policy on Bureau of Public Service Reform and the National Anti-corruption Strategy. All must be collaborated with the United Nations Convention Against Corruption (UNCAC). The fight against corruption is very crucial not only to any democratic process, but also crucial to development issues of any country. Also the dividend of democracy and the benefit of the government cannot get to the people without fighting corruption, more especially in public-affairs.
8. A United States government official Kellen Meclure, (Anti-corruption Advisor, office of anti-crime programs Bureau) said has said asset recovery processes takes time to unravel even when there is strong political will from the affected country; despite the time consuming nature of inter-government asset recovery procedures, certain lesson are learned over the process. It is really incumbent upon the countries to build trust in the partnership between them so that this dialogue can take place. And it is always helpful to involve others in the process where possible and where appropriate, including civil society. And what we actually were able to do was to take some of these lessons learned and to develop notional principles and transparency in the transfer and disposition of these assets.
9. The immunity placed on certain public officers that handicapped the commissions from prosecuting the offenders should be totally removed.
10. The recovered assets should be properly accounted and monitored to prevent diversion, misappropriation and mismanagement such that

the recovered looted assets will not be re-looted. It should be properly monitored when used for development projects.

11. The concerned institutions should be autonomous in delivering their mandate. This will guarantee the highest level of quality and to attain better performance, though foisting of orders and command that would have necessarily been a factor impeding the innovation, competence and commitment of those involved in the very process. Etymologically, autonomy means 'self norm'. It is the condition or quality of being autonomous; independence. It is also a form of self-government or the right of self-government; self-determination with respect to local or internal affairs. An autonomous institution is one able to regulate its own affairs.

The word "autonomy" is basically the provision of freedom for all people who are responsible for the execution of a particular task. Autonomy of concerned anti-corruption agencies will provide a better framework. The delegation of authority with accountability for the looted assets and monetary recovering as well as the associate management function is therefore, essential for the success of autonomy. Autonomy, when exercised with the sense of responsibility and accountability will inevitably lead to excellence in delegates, governance and overall management of the institution's mandate. If it does not lead to this, it can be safely concluded that autonomy has been misused. It is the freedom to manage the affairs in such a way that it stimulates and encourages initiative and development of individuals working in the institutions and thereby of the institution itself.

CONCLUSION

Regression analysis reveals there is a significant relationship between corruption and terrorism in Nigeria. Although the regression value of 0.453 indicates that 45.3% of Terrorism in Nigeria is caused by Corruption at significance level of 0.033, while 54.7% of Terrorism in Nigeria is caused by other factors. Hence, corruption and terrorism directly or indirectly hinders national development, therefore the importance of recovering looted asset cannot be overemphasized.

Furthermore, assets recovery efforts of FGN was seen as a vital means of fighting corruption and promoting national development in developing country like Nigeria. Combating corruption by recovering of looted assets requires a broad range of integrated, long term, national and international sustainable efforts and reforms. The essential standard for achieving this includes decency, transparency, accountability and qualitative general service delivery. The Sani Abacha case demonstrates that traditional state-to-state co-operation through mutual legal assistance is at times insufficient to overcome the differences in legal requirements between jurisdictions, which may end up delaying the assistance sought and hampering the expected result.

This case clearly illustrates that pro-active co-operation of prosecutors and investigators in the victim country and recipient countries, and these amongst themselves, is paramount to ascertain greater efficiency in the asset recovery processes. The Sani Abacha case clearly illustrates that the official channels do not always provide the best course of action in the asset recovery process. It was through the joint co-operation and co-ordination of not only several jurisdictions, but also between private and public initiatives, that a swift seizure of the Abachas' assets was possible. It is also uncertain that the return of the assets will be put to use appropriated by the new government.

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