

Show Me the Money

Leveraging Anti-Money Laundering Tools to Fight Corruption in Nigeria



An Insider Story



Center
for Global
Development

Nuhu Ribadu

**Show Me the
Money**

“For decades Nigeria was bled dry by political crooks. In this electrifying account, Ribadu shows how courage and skill can defeat them.”

—Paul Collier, director of the Centre for the Study of African Economies at the University of Oxford and author of *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*.

“Only in the realms of mythology should one seek approximate representations of the monstrous heights and depths of corruption that defined the society into which Nuhu Ribadu was thrust in his protagonist role. The Augean stables come readily to mind, or D.O. Fagunwa’s embodiments of human depravity in archetypal dimensions. Nuhu’s mission was truly promethean, his encounters eerily out of this world!”

—Wole Soyinka, Nobel Prize laureate

“This account is a powerful contribution on corruption and how to successfully fight it from Nigeria’s anticorruption icon, Nuhu Ribadu.”

—Ngozi Okonjo-Iweala, managing director of the World Bank

“When Nuhu Ribadu writes that to make poverty history in his native Nigeria, it is necessary ‘to make corruption history as well,’ he is writing not as an armchair observer but as a front-line warrior in the battle against corruption. . . . This book is a compelling account of some of the challenges and successes of that remarkable effort. It also provides a valuable analysis of how developing countries can battle this scourge that keeps so many of them poor, and how the rest of the world can help.”

—Paul Wolfowitz, former president of the World Bank

“What Nuhu Ribadu demonstrates is that the EFCC brought hidden malfeasance into the open, undermined the architects of the more normal secrecy, educated the public, confronted public and private institutions with serious challenges, put the deficits of judicial institutions under the spotlight, won some big cases, and showed what could be done with a few significant assets.”

—Akwe Amosu, director of Africa Advocacy for the Open Society Institute and the Open Society Policy Center

“Corruption is one of the great sicknesses from which Africa and Nigeria, in particular, has suffered. This book is a welcome addition to the literature on the subject and reflects the efforts of a brave individual whose example should influence citizens and policymakers to continue to take action.”

—James Wolfensohn, former president of the World Bank

Show Me the Money

*Leveraging Anti-Money Laundering
Tools to Fight Corruption in Nigeria*



An Insider Story

Nuhu Ribadu

Nuhu Ribadu was head of Nigeria's Economic and Financial Crimes Commission (EFCC) from 2003 to 2007. He served on several economic and anticorruption commissions and was a key member of Nigeria's economic management team that drove wide-ranging public sector reforms. He was awarded with the World Bank's Jit Gill Memorial Award for Outstanding Public Service in recognition of his efforts.

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Yes We Can	

Preface

The Center for Global Development is dedicated to independent and rigorous analysis of the policies of the rich world that affect the developing world. In particular, we focus on the actions and initiatives of major international organizations and member countries of the Organisation for Economic Co-operation and Development and that may help or hinder leaders in developing countries in their quest for better governance and greater prosperity. Nuhu Ribadu's compelling and insightful account of Nigeria's fight against corruption contributes perfectly, if perhaps unexpectedly, to this mandate.

Ribadu, by blending his personal experiences with policy analysis, shows how he and his colleagues used new international anti-money laundering standards to combat graft in his own country. The Financial Action Task Force (FATF), established by the G-7 in 1989, was designed to control the flows of money enabling illicit trafficking. After 2001, the FATF expanded its mandate to include the prevention of terrorism finance and established new global standards and tools to track and control money laundering. Ribadu used the FATF system and the pressure for reform that it created to build the Economic and Financial Crimes Commission—and to unearth and prosecute illegal activities by some of Nigeria's highest officials.

This book illustrates how the international community can, sometimes even unintentionally, support and empower those seeking to improve their own countries. The lessons he provides are relevant for not only the corruption hunters in other countries but also to those in Washington, London, Paris, Tokyo, and other capitals that can still do much more to support the global fight against fraud and theft that undermines democracy and stalls development in low-income countries.

We have been honored to host Nuhu Ribadu for the past eighteen months as a visiting fellow. We have benefitted greatly from his unique experiences, his sharp intelligence, his pragmatic idealism, and his good humor. I expect that this book will help to spread his wise counsel and add to our understanding of practical steps the world can take to bolster those fighting the good fight for a better future.

Washington, D.C.
October 1, 2010

Nancy Birdsall, President
Center for Global Development

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I was blessed with the kindness and generosity of many people along this journey. This book would not have been possible without them. I am particularly grateful to the Center for Global Development for giving me a home away from home, and especially to Nancy Birdsall, Todd Moss, Lawrence McDonald, Caroline Decker, and John Osterman; to Paul Collier for helping open the doors of St. Antony's College when I needed a refuge; to Rick Messick, Ngozi Okonjo-Iweala, and Oby Ezekwesili for helping me cross the Atlantic to Washington, D.C.; to the Norwegian authorities, particularly NORAD, for their support and generosity; to Frank Vogel, Akwe Amosu, Abdullahi Shehu, and once again, Rick Messick and Paul Collier for helping make this book better through their generous comments and suggestions, although any mistake among these pages remains entirely my own; to Wole Soyinka, for his kind words; to my former colleagues at the EFCC, the unsung heroes of this story, for their bravery and unwavering support, especially Ibrahim Lamorde, Chido Onumah, and Dapo Olorunyomi for refreshing my memory; to the Metropolitan Police and the FBI; and finally to Caroline Lambert for listening to my stories, writing them down, and giving me a publishable voice.

Introduction

I am a lucky man. Between 2003 and 2007, I was lucky to be given a chance to help change my country. As the executive chairman of Nigeria's financial crimes law enforcement agency, I fought the scourge of corruption that had taken hold of the country. I did it to the best of my ability. I did it without personal rancor or scores to settle, seeking to serve Nigeria's best interest. I did it knowing I was making many powerful enemies in the process.

I am also lucky to be alive. Twice my enemies tried to kill me, and twice I narrowly escaped, until I chose exile to fight another day. And I am lucky that in spite of all that happened, in spite of my demotions and unwanted exit from the Economic and Financial Crimes Commission (EFCC), my integrity remains intact and my credibility largely unscathed. Finally, I am lucky to have had the privilege of working with the EFCC's extraordinary staff. The commission's successes would not have been possible without the selfless dedication of its investigators and prosecutors. Names are too many to mention here. But these exceptional individuals know who they are.

Much work remains to be done, however. To many both within and outside the country, Nigeria is synonymous with sophisticated fraud and endemic corruption. From scams enticing unsuspecting victims to share their bank details, to the conspicu-

ous lifestyle of some of the country's leaders, financial crimes have been devouring the very fabric of Africa's most populous country and its second largest oil producer. The UN Office on Drugs and Crime (UNODC) believes that close to \$400 billion was wasted by Nigeria's leaders between 1960 and 1999—an average of almost \$5,000 per Nigerian. To put these staggering sums in perspective, imagine putting 400 billion dollar bills in a row: it would cover the distance from here to the moon 75 times.

Corruption weighs on the poor more than anyone else. They are the least able to absorb its cost and depend the most on the very public services that corruption destroys. Economic development is stolen from them, and they suffer from decaying infrastructure and greedy government agencies, which, instead of serving them, seek to further empty their pockets.

Nigeria could be West Africa's shining light. Instead, it is tottering on the brink of implosion. Yet, between 2003 and 2007, the country made great strides against corruption and fraud. Over 250 financial criminals were convicted, including high-profile leaders. More than \$5 billion worth of assets were recovered, both in Nigeria and abroad.

By 2001, Nigeria had the dubious privilege of being ranked second to last in Transparency International's Corruption Perception index, with an abysmal score of 1 out of a clean score of 10. In 2009, its score had improved to 2.5; although it still ranked low, it was no longer trailing at the very bottom of the table. In 2004, 82 percent of Nigerians considered grand corruption in their country a very big problem, almost on par with unemployment, inflation, and poverty. Six out of ten expected corruption to get worse over the next three years. By 2007, 62 percent of respondents expected corruption to decline over the following three years, and almost two-thirds of those surveyed rated their government's anticorruption efforts as effective.

How did it happen? In 2001, the Financial Action Task Force (FATF)—an international outfit set up to fight money laundering

and terrorism financing—blacklisted Nigeria as a non-cooperative country. The decision spurred Nigeria’s new democratic government into action.

Following several years of reforms and cooperation with the FATF, Nigeria was taken off the shame list of non-cooperative countries and territories (NCCTs) in June 2006. In June 2007, Nigeria was the first in West Africa to be admitted to the Egmont Group, a global network of Financial Intelligence Units created to facilitate international cooperation in the fight against money laundering and terrorism financing.

Another 22 countries were also blacklisted by the FATF, but the consequences of the FATF’s decision were further reaching in Nigeria than anywhere else: efforts to fix the country’s anti-money laundering capacity opened the door to an unprecedented crusade against all financial crimes, including corruption.

As the head of the Economic and Financial Crimes Commission (EFCC) until 2007, I had the privilege to lead the charge. This book chronicles my experience in the fight against money laundering and corruption. It provides an account of how my colleagues and I used fighting money laundering to battle graft in Nigeria and the reasons why we achieved some unprecedented victories. Each chapter examines one of the key factors that combined in an unprecedented constellation and led to the EFCC’s success, at least for a while.

I believe this success, even if only partial and temporary, has opened a door in the Nigerian psyche that won’t easily be closed again. Much ground was lost from 2008 onward. But the anticorruption embers can be reignited once again. Nigerians deserve it.

Chapter 1

Name and Shame: The Financial Action Task Force, a Necessary Catalyst

In 2001, Oby Ezekwesili traveled from Nigeria to Paris to attend a meeting of Transparency International (TI), the international anticorruption watchdog. Ms. Ezekwesili—a TI founding member—was then advising Olusegun Obasanjo, Nigeria’s newly elected president, on issues of budget monitoring and governance. During the TI meeting, she was asked why Nigeria had found itself on the FATF list of noncooperative countries on money laundering and terrorism financing. She was taken aback: this was all news to her.

This was news to the Nigerian president’s office as well. No high official was aware that the FATF had contacted the Nigerian administration, let alone blacklisted the country. Obasanjo was incensed. An investigation into the matter revealed that the FATF sent a letter addressed to the minister of finance. The correspondence trickled down the bureaucratic echelons until it landed on the desk of junior civil servant, who eventually sent a half-hearted response to the first request. Further missives from the FATF seeking to organize a fact-finding trip were ignored. That Kafkaesque tale is how Nigeria landed on the wrong side of the FATF and faced serious repercussions—without the country’s leadership even being aware of it.

The Financial Action Task Force was created during the 1989 G-7 summit in Paris in response to growing concerns over money laundering. It is an intergovernmental body that develops policies and measures to prevent criminals from using the financial system. It studies money laundering and terrorism financing trends and techniques, develops and promotes adequate measures to fight these financial crimes, and monitors its 34 member countries' progress implementing these measures.

In 1990, the task force published a plan of action to fight money laundering embodied in a set of 40 recommendations. These recommendations were revised in 1996, and again in 2003, to reflect the evolution of money laundering techniques.

Following the attacks of September 11, 2001, the FATF mandate was expanded to support the global fight against terrorism. In October 2001, the Task Force published another set of eight recommendations, dealing specifically with terrorism financing. Another recommendation was added in October 2004, completing what is now known as the FATF's 40+9 Recommendations. These recommendations cover the criminal justice system and law enforcement, the financial system and its regulations, and international cooperation. They are meant to prevent financial institutions from becoming safe havens for criminal activities.

In the late 1990s, the FATF cast its net beyond its members with an initiative seeking to identify major weaknesses in anti-money laundering systems worldwide. The idea was to encourage countries identified as weak links to implement international standards. In 2000 and 2001, the task force reviewed laws and regulations in 47 countries, selected on the basis of FATF members' experience. The review pitted rules and practices in these countries against 25 criteria. Of the 47 countries, 23 were found to be severely lacking and were declared non-cooperative.

Nigeria was one of these 23 black sheep. In June 2001, following the lack of response to its letters, the FATF concluded that Ni-

geria was unwilling or unable to cooperate in the review of its system, and therefore should be blacklisted. The task force noted a lack of obligation from financial institutions to identify their clients or report suspicious transactions, inadequate criminalization of money laundering, incompetence or corruption within government, judicial or supervisory authorities, and an obvious unwillingness to respond constructively to requests. In 2002, the U.S. Treasury followed suit and issued an advisory warning to its financial institutions to use extra caution and scrutiny when dealing with transactions involving Nigeria.

This was bad news for Nigeria. Being branded as non-cooperative meant that Western financial markets held up their noses. Financial institutions around the world, and particularly those in major financial centers, further scrutinized transactions involving Nigeria, resulting in crippling delays. Nigerian banks had trouble dealing with foreign counterparts. Nigerians wanting to do business abroad faced extra hurdles and were viewed with suspicion. Foreign banks were hesitant to grant letters of credit or loans to Nigerians. The country was becoming a financial pariah. Unlike the high echelons of government, which were blissfully unaware of the FATF decision for a while, local banks and businesses were directly affected and knew all about it.

At the same time, Nigerian authorities were keen to obtain relief from the \$30 billion in foreign debt owed to the Paris Club of creditors. In a country blessed with such mineral wealth, this crippling debt was another symptom of the mismanagement and corruption that had plagued Nigeria for decades. With the FATF frowning at Nigeria's financial practices and safeguards—or lack thereof—donors were unlikely to be in a debt-forgiving mood.

Failure to correct course could result in escalating measures from the FATF. The original blacklisting meant that foreign financial institutions were advised to use extra caution when dealing with Nigeria. But continued failure to cooperate could result in

FATF member countries adopting further countermeasures, which could ultimately result in the suspension of all financial transactions with Nigeria.

Chapter 2

Stocking Up the Arsenal: Laws and Institutions

The FATF blacklisting spurred the new administration into action. A high-level inter-agency committee was set up to engage with the task force and work toward delisting Nigeria from its NCCTs list. To demonstrate Nigeria's political commitment to tackle the issue, the principal secretary to the president, Steve Oronsaye, chaired the committee, which included government officials from the justice and finance ministries and the Securities Exchange Commission, as well as representatives from law enforcement agencies and the Central Bank. After studying best practice legislation around the world, the committee drafted new laws dealing with money laundering aimed at bringing Nigeria back in the FATF's good books. Besides money laundering, the committee was also keen to tackle fraud, which gave Nigeria a bad name abroad. Dealing with graft, however, was not officially on the menu. But creating laws and structures with teeth was ultimately a key factor contributing to Nigeria's success in its anti-corruption fight. Nigeria's response to the FATF blacklisting set in motion a process that ultimately reached far beyond money laundering alone.

When several bills drafted by the committee were introduced to address the FATF's concerns, few people in Nigeria realized how far-reaching they would become. I suspect most MPs, un-

der pressure to act, did not read the bills, which were introduced as low-profile, technical reforms and were passed in a hurry. Yet the modifications to the anti-money laundering legislation introduced in 2002 and 2004, as well as the structure and powers given to the EFCC, changed the face of financial crime busting in Nigeria. The bills were the beginning of a fruitful partnership. Over the years, the National Assembly unflinchingly supported the EFCC's work—through legislation and cooperation—even when some of its own members were investigated (as described in a later section).

I realized early on that the FATF decision and the subsequent anti-laundering arsenal that Nigeria put in place to reverse that decision offered a unique opportunity to address the much broader problem of corruption. The conditions were ripe for Nigeria to put its house in order. Whereas no major conviction for fraud, money laundering, or corruption had ever occurred in civilian courts in Nigeria before 2003, the EFCC secured over 250 convictions for financial crimes between 2003 and 2007. That the EFCC obtained convictions in over 90 percent of the cases it sent to court was a measure of its effectiveness. About eight in ten of those cases involved charges of money laundering.

The new laws introduced fundamental changes:

Broader definition. Before the amendments, the anti-money laundering legislation was far too narrow, and therefore ineffective. Under the new rules, however, the definition of money laundering was no longer restricted to the proceeds of drug-related offenses—which account for only a small portion of financial crimes in Nigeria. The scope was broadened to include the conversion or transfer of proceeds of any criminal activity with the aim of hiding its illicit origin. In practice, this meant that the EFCC could go after politicians or anyone taking bribes, stealing government funds, or committing any other financial crime, for when they deposited their ill-gotten gains in a bank account or spent them on mansions

and cars, they were guilty of money laundering. This opened the door to a new era in the fight against financial crimes by offering a brand new tool to criminalize activities related to fraud and corruption.

Financial criminals could now be convicted for money laundering, which—when proper financial reporting is in place—is easier to investigate and prosecute successfully than corruption. In addition, documented money flows are difficult to dispute, and failure to establish a legitimate origin and ownership of these funds is enough to make a case of laundering. In any case, the EFCC was tasked to enforce the new money laundering law, which was a better tool than the arcane provisions on corruption contained in the Nigerian states' criminal and penal codes.

The law prescribed sentences of two to three years for crimes of money laundering. These sentences are less harsh than punishment for corruption. But they put financial criminals out of circulation for a few years, which may be enough to disrupt their activities and networks, at least for a while. It also provided a strong deterrent by signaling that financial crimes would no longer be tolerated.

Financial reporting. Strict limits on informal cash payments—up to 2 million naira (about \$13,300) for businesses and half a million naira (about \$3,300) for individuals—were introduced to channel financial transactions into the banking system. In addition, any foreign transfer involving more than \$10,000 now had to be reported to the Central Bank of Nigeria. The new rules also significantly expanded the reporting net by forcing financial institutions including *bureaus de change*, but also businesses such as casinos, jewelry and car dealers, accountants, and lawyers or tax advisors to identify their customers, keep proper records, and report large or suspicious transactions. Getting a grip on the financial system made illegal monies more difficult to hide and helped authorities follow the financial trail of corruption and fraud.

A Nigerian Financial Intelligence Unit (NFIU) was tasked with managing this financial reporting system. Nigeria's Central Bank wanted to have the unit under its wings; so did people anxious to limit the EFCC's powers. The Central Bank, however, was struggling to meet its regulatory obligations at the time, which didn't bide well for the NFIU's future. In addition, I firmly believed that in Nigeria, as in most developing countries, this type of unit needed a firm law enforcement backing to be effective. Ultimately, the EFCC obtained to have the NFIU placed under its authority.

The unit became fully operational in January 2005 following months of work and visits to foreign financial intelligence units to come up with an appropriate setup. By collecting and analyzing records of suspicious transactions, as well as sharing intelligence with law enforcement agencies, the NFIU greatly supported the commission's work. Multiple EFCC investigations were initiated—and convictions secured—on the basis of suspicious transactions reported to the NFIU.

The power of one. The law establishing the EFCC—adopted in 2002 and later amended in 2004—equipped the commission with sharp teeth and a broad reach. The law made the EFCC the overall coordinating agency for anti-money laundering activities in Nigeria, with powers of prevention, enforcement and recovery of assets. The EFCC is responsible for the investigation of all financial crimes, including money laundering, but also, among other things, bribery, fraud, drug and human trafficking, illegal arms dealing, smuggling, oil bunkering, illegal mining, tax evasion, counterfeiting, and piracy.

The commission is also authorized to seize assets and require banks to freeze bank accounts and share all required information. It may initiate investigations into the financial affairs of anyone suspected to enjoy a lifestyle or own assets that seem out of line with their legitimate income. The commission, after authorization from the High Court, may place bank ac-

counts under surveillance, tap phone lines, and obtain access to computer systems to carry out its investigations. All EFCC investigators have the powers, authorities, and privileges—including the authority to carry weapons—granted to the police. The law explicitly requires the EFCC chairman to have law enforcement experience.

Most crucial of all is to have both investigative and prosecuting powers under one roof. A key factor to the EFCC's success was to have the commission be responsible for prosecuting cases it investigates. Experience across the developing world has shown that separating these two functions is a recipe for failure when it comes to financial crimes. Close cooperation between investigators and prosecutors ensures that these complex cases are well prepared and prosecuted, with no information lost and limited opportunities for undue political influence, resulting in high conviction rates. Having both functions within one single organization also avoids having separate agencies indulge in petty bickering and point fingers at each other while neither takes responsibility for failure.

Having spent my career as a prosecutor and policeman, I was well equipped to lead both arms of the new institution. Before being appointed as executive chairman of the EFCC, I headed the legal and prosecution unit at the headquarters of the Nigerian police force. The unit was responsible for achieving the highest number of prosecutions in police history in Nigeria. I had also been involved in enquiries into banking scandals in the 1990s. In 1999, I had initiated the prosecution of the ministry of defense's permanent secretary for corruption and of the former speaker of the House for forgery. I had also gone after some relatives of former military dictator Sani Abacha. Earlier in my career, I also learned a great deal about management while I was special assistant to the inspector general of police in the late 1990s. Various assignments liaising with Interpol also prepared me for future work at

the commission. I believe my track record was a central reason for my being considered for the EFCC job.

I had never met Obasanjo. While I was visiting the United States on police business in 2003, my wife called to inform me the attorney general, who was to suggest candidates to the president, had asked for my CV. I was as surprised as I was thrilled. This was a unique chance to serve my country, the very reason I had joined the police force in the first place so many years earlier, fresh out of national youth service. I was ready to take up the challenge.

My nomination was controversial, however: I was still young and, as assistant commissioner of police, considered relatively junior. But the Senate confirmed my appointment after a thorough screening. When the attorney general's office called to inform me I had the job, I got to work immediately. I was introduced to Obasanjo only several months later.

Specialized Courts. The new law also authorized the chief judge of the federal or a state High Court to designate a court or judge to hear all cases of financial crimes. As a result, cases were prosecuted by judges selected for their competence and integrity. These courts received foreign technical assistance to develop their capacity.

A four-line amendment to the EFCC law later revolutionized the prosecution of financial crime cases. In 2004, we pushed for a provision preventing stays of proceedings to be entertained by the High Court in such cases until a judgment was delivered. Previously, defendants often filed strings of appeals, often on trivial matters, which led to endless suspensions of proceedings. This meant that trials could sometimes go on for 10 years, weighted by technical delays. Thanks to the new amendment, procedural battles could be fought only after cases were concluded and suspects convicted and behind bars. The number of minor procedural quibbles, which could no longer be used as delaying tactics, dropped significantly. This meant that verdicts were usually reached within a year.

The EFCC's efforts to keep suspects in detention between their arrests and their court appearance were also instrumental in speeding up the process. These bail battles had to be fought in court; doing so highlighted flight risks, possible witness tampering, and the strength of the case. Without bail, suspects were far less inclined to try to delay their trial by any possible means.

Plea bargaining with courts during trials also shortened the process. Nigerian law requires charges to be filed for every single offense, often leading to dozens of counts. Once trials started, some suspects chose to plead guilty to some charges in exchange for having the remainder dropped. As sentences run concurrently, this didn't affect the duration of prison terms—determined by the court—or the amount of assets forfeited. But it helped speed up trials. No plea bargaining was ever reached to avoid trial or jail sentence, however.

Chapter 3

Drafting an Army of Crusaders

The best laws and structures are useless without the lifeblood that moves and operates them, however. The EFCC could only succeed if staffed with highly skilled investigators and prosecutors imbued with a mission to salvage their country from the plague of financial crime. In other words, the EFCC needed selfless crusaders.

Recruitment. When I was appointed chairman of the EFCC in 2003, the commission only existed on paper. There was no staff, no office, and no budget. I went to the head of the Bureau of Public Enterprises (BPE)—Nigeria’s privatization unit—Nasir El-Rufai, and convinced him that the commission’s work would benefit the country, but also the BPE’s own efforts. He lent me two small offices in the BPE’s building, and assigned three administrative staff. After receiving proper government authorization, the BPE also lent the EFCC 100 million naira (about \$666,000) to get started; the money was repaid once the commission’s budget was approved.

I immediately enlisted 14 collaborators with whom I had worked in the police force and whom I respected for their competence and integrity. By the time I left, the EFCC employed over 1,200 staff in six offices around the country. Besides the police, expert staff were drafted from various parts of the administration, including the Central Bank, the Nigerian Deposit Insurance

Corporation (NDIC), the National Drug Law Enforcement Agency (NDLEA), the Securities and Exchange Commission (SEC) and the customs department. Referral remained a lynchpin of recruitment, but candidates had to go through a thorough vetting process of interviews, exams, and extensive personal and family background checks. During my years at the EFCC, the background checks revealed that a handful of employees had embellished or lied about their qualifications. They were dismissed immediately, and some prosecuted for fraud.

As the EFCC's reputation grew, so did the number of candidates. It came to be considered to be an elite body in law enforcement, and scores of dedicated people were keen to join what was increasingly seen as Nigeria's Untouchables. Although by no means luxurious, remuneration and benefits were more generous than those offered by the police force as a way to attract the best and the brightest of law enforcement and minimize temptations to accept bribes.

Training. To ensure that they would remain on the cutting edge of financial intelligence and crime busting, EFCC investigators and prosecutors were required to spend a quarter of their time training and retraining. The commission set up its own training and research center that offered courses including forensic accounting, intelligence gathering, IT forensic, and specialized law enforcement and prosecution targeted at financial crimes. The research agenda was geared toward crime prevention and control. Foreign law enforcement agencies such as the United States' Federal Bureau of Investigation (FBI), Secret Service, and Postal Service, the UK's Serious Organised Crime Agency (SOCA) and Metropolitan Police, and South Africa's security and anticorruption agencies provided steady assistance by sending experts to the EFCC and by organizing training abroad. The World Bank also financed study trips to foreign jurisdictions, including Hong Kong and South Africa.

In addition, the EFCC embraced an informal approach to training. Investigators and prosecutors were encouraged to regularly share their experience with colleagues and update them on cases, ensuring the dissemination of best practice.

Motivation. To bring troops to battle, one has to lead by example. As chairman of the EFCC, I tried to set the tone for the rest of the organization by never bending the rules and following wherever the evidence led us, with no fear or favor. I was also directly involved in the work of many EFCC investigators and prosecutors, keeping abreast of major cases.

I never missed an occasion to remind the EFCC staff of the importance of their work for the country. Successful prosecutions also helped galvanized the troops, who could see firsthand that change was possible. The dedication of most employees in difficult circumstances was commendable. Many had to dig into their own pockets at times—using their own cars and cell phones—to do their work, often at high cost for their own families.

Safeguards. Recruiting the best, going over their past with a fine-tooth comb, and training and motivating them wasn't enough to ensure that they would keep walking on a straight path. The nature of the job meant that threats and bribe offers were routine. Those under investigation never shied away from attempting to find a way out. I've lost count of the number of times—some of which I will relate later in this book—I was offered bribes to drop charges; my relatives and friends were regularly approached with offers of handsome rewards if they could bend my ear. The same was true at all levels of the EFCC. That criminals always seem to believe that anyone can be bought for the right price—even when evidence indicates otherwise—is a sad testament of how pervasive the cancer of corruption is in Nigeria. Even victims seeking legitimate redress felt they had to offer bribes to receive justice.

To minimize risks of rot from within, an internal disciplinary unit was set up to investigate anyone suspected of wrongdoing.

ing. The identity of this unit's members was kept secret to most staff, who didn't know which of their colleagues was keeping an eye on them. In addition, most decisions were collective to avoid placing too much discretion in the hands of any single individual. Employees' assets were monitored regularly. I also did my best to maintain an open and transparent style of leadership. This system helped keep the EFCC clean: although some employees were found to have lied about their credentials as mentioned above, cases of corruption remained isolated. During my time at the EFCC, fewer than 20 people were dismissed or prosecuted.

Chapter 4

The Shield of Political Cover

The FATF's decision coincided with a time of change in Nigeria. In 1999, the country had turned a political page by electing Obasanjo in the first democratic elections in 16 years. A retired general and former military head of state himself, Obasanjo was elected as a civilian president following years of military rule. The new president was eager to reestablish the institutional integrity and the image of Nigeria, whose reputation had been stained by military dictatorship. He was also keen to ease Nigeria's foreign debt burden, which choked public finances. This meant convincing foreign donors that Nigeria was changing not only its political but also economic ways.

Obasanjo was no stranger to anticorruption crusades. In the 1990s, he had chaired Transparency International's Advisory Council, and his anticorruption work across the continent had earned him some prison time under Abacha. Once elected, Obasanjo explicitly made fighting corruption a central objective of his administration. "Corruption, the greatest single bane of our society today, will be tackled head-on at all levels," he announced in his inaugural speech. "There will be no sacred cows. Nobody, no matter who and where, will be allowed to get away with the breach of the law or the perpetration of corruption and evil."

The very first law enacted after his election created an anticorruption watchdog, the Independent Corrupt Practices and Other Related Offenses Commission (ICPC). Headed by a respected retired judge, the ICPC, however, soon proved ineffective, in large part because of fundamental flaws in its design. It had no proper investigative capacity and lacked focus. It also had no mandate to investigate wrongdoing that took place before its creation. From its inception, the ICPC was emasculated by cumbersome structures and procedures. As a result, the ICPC's efforts have yielded disappointing results.

Unlike his predecessors, Obasanjo was willing to push for reform, or at least let it happen. Even though we didn't even always see eye to eye and even clashed on several cases, he never stood in the EFCC's way or tried to unduly influence its work. The reason for our disagreements were over style—he sometimes objected to my punchy methods—more than substance.

As a result, the EFCC was given a wide berth and top-level political cover. This didn't mean that the commission's work, and its staff, was safe, however. Going after fraudsters and corrupt politicians meant living dangerously. Several EFCC investigators were murdered or killed in suspicious circumstances, victims of their exemplary dedication. While traveling along the Benin-Ore road in October 2003, Yahya Salami was run over by a vehicle that then sped off. Nurudeen Tsamiya was shot in his car in 2006, and Ismaila Mohammed Kangiwa was also gunned down while driving the following year.

Others were hunted down and killed even though they no longer worked for the commission: Mohammed Danjuma, a top investigator who was pushed out of the EFCC after I left, was gunned down in his house in front of his family in February 2010. He had become an investigator with the Federal Inland Revenue Service.

I had to take precautions: bodyguards became my shadow; I started driving an armored car; I followed no regular routine, and

no one knew where I was going to be at any point in time; and I spent little time in public places, living a quiet life between work and home.

The will and leadership for change at the top went far beyond the EFCC. Obasanjo's re-election in 2003 heralded a period of fundamental reforms that pushed toward more financial transparency and accountability. The president appointed a team of technocrats with much drive and integrity in key positions.

Public finance and procurement were overhauled, tightening controls and transparency. Federal budget allocations were made public every month. In November 2003, Nigeria committed to the Extractive Industries Transparency Initiative (EITI), whose objective is to make revenues from oil, gas and minerals more transparent; the Nigeria EITI was then launched in February 2004. The tax system was overhauled. A reform of civil service included computerized payroll to eliminate ghost workers, monetized benefits, and the introduction of a pension scheme to provide civil servants with a more secure future and therefore—it was hoped—remove an incentive for corruption. The ailing banking sector was cleaned up: bad loans were purged from balance sheets, banking supervision strengthened, and capital requirements beefed up, resulting in the number of banks plummeting from about 90 to 24.

This wind of reform facilitated the EFCC's work, and vice versa. The commission was intimately involved in most of these reform efforts, helping with both their design as well as their implementation by investigating wrongdoing. Obasanjo deserves most of the credit for the reforms. He appointed the right people, gave them the right mandate, and—most important of all—let them do their jobs. These efforts resulted in an unprecedented deal in 2005 with the Paris Club of creditors, which wrote off \$18 billion out of Nigeria's \$30 billion debt.

I had the privilege of working with the best and the brightest, including Ngozi Okonjo-Iweala, the minister of finance, Oby Eze-

kwesili, first a special assistant to the president and later minister of education, and Nasir El-Rufai, the minister of the federal capital territory.

This political support and leadership was an essential ingredient of the EFCC's success. Its value became painfully apparent once it was gone. In May 2007, after serving the constitutional limit of two terms, Obasanjo bowed out, following a controversial election that brought Umaru Yar'Adua to power. The EFCC was then investigating and prosecuting a number of cases involving several high-profile state governors (see later section for a detailed account).

The change of guard had disastrous consequences for the EFCC's work, and turned out to be the biggest disappointment of my time at the commission. The new president showed no interest in fighting grand corruption. He appointed a team who shared the same view, from the attorney general to the inspector general of police.

Under the new president, attempts to weaken the commission multiplied. In August 2007, in the midst of the EFCC's offensive against corrupt state governors, Yar'Adua's new attorney general, Michael Aondoakaa, argued in a memo that the EFCC's and the ICPC's prosecuting powers were unconstitutional and should be centralized in his office. Splitting prosecuting and investigating powers would have crippled the commission. This was what Aondoakaa was after: he bluntly told me during our first meeting that he had been mandated by Yar'Adua to stop the investigations and prosecution of governors. But the law and previous court decisions were on our side. The new president's office had no choice but to instruct Aondoakaa to back off, and the EFCC retained its prosecuting power.

The victory was short lived. In December 2007, the EFCC's arrest of James Ibori, the former governor of Delta State, tipped the balance. With powerful people bent on weakening the EFCC, and no one left at the top willing to protect it, it was open season. A

few days after Ibori's arrest, I was ordered to attend a mandatory, one-year training at the National Institute of Policy and Strategic Studies in Kuru, Jos, in central Nigeria, where I had myself been a visiting lecturer for several years. In the months that followed, most of the team I had assembled was reassigned, suspended, or fired.

I started the course in February 2008. My time at the institute was the worst in my life. During that year, I was demoted twice from my rank in the police before eventually being officially fired as the EFCC's executive chairman. I immediately challenged those decisions in court, and the cases are still pending. Two successive directors general at the institute were removed for refusing to expel me from the program. On graduation day in November, Aondoakaa, the attorney general, showed up in person and had me escorted out of the hall before the ceremony was concluded and my diploma handed to me.

There was worse to come, however. One evening in September 2008, I started the three-hour drive from Jos back to Abuja. Outside of town, I noticed a small Japanese car behind me on the potholed road leading up to the highway. It overtook me and drove off, and I stopped to refuel. As I drove from the gas station, the same car came back, driving toward me. When we leveled, a man sitting in the backseat fired several bullets, hitting my windshield, rearview mirror, and the back of the car. Luckily, my small Honda was bulletproof. I sped off and waited for darkness before resuming my journey on a different itinerary, avoiding the major highway.

In December 2008, while I was driving in Abuja one evening, a car behind me tried to overtake and block me off near the Millennium Park. One of the passengers opened fire. I sped off and took a sharp turn to avoid the bullets, narrowly escaping my assailants.

I wasn't going to give my enemies another chance to succeed. The next day, I escaped on a motorbike to neighboring Benin and

boarded a plane to Europe from Cotonou, having to leave my country and family behind for my own safety. I lived in self-imposed, solitary exile between England and the United States for a few years, until political change allowed me to return home.

Chapter 5

Making Friends at Home

The war against corruption cannot be won in isolation; it has to be owned and embraced by the people. An essential element of the EFCC's success was the credibility it built in Nigeria. Ordinary Nigerians, jaded by endemic corruption, were jolted out of their cynicism when the commission made high profile arrests and secured convictions. For the first time, there was a small light at the end of the tunnel. The public increasingly turned to the EFCC to complain about fraudsters and corrupt officials, providing information that helped or initiated investigations.

The EFCC cultivated close relationships with the local media and civil society, eventually formalizing the cooperation in its "Fix Nigeria" initiative, launched in late 2006. During the EFCC's very first week of operation, we invited senior journalists and editors and explained what we wanted to do. Over the following years, our door and phone line remained open to them. The EFCC kept the media informed of investigations, nurturing a channel of communication with ordinary Nigerians. Articles exposing financial crimes also provided ammunition to the commission, leading to new investigations or strengthening existing ones.

The close relationship with the media, however, was about more than giving the EFCC a voice to speak to the public or advancing investigations. It was also a safeguard to keep the com-

mission in check. I was convinced that placing the institution and its work under a glaring spotlight would help keep it on its toes.

Relating to the media wasn't always easy sailing, however. At the height of its activities, the EFCC was investigating officials who controlled 60 percent of Nigeria's media. High-ranking politicians such as Vice President Atiku Abubakar and state governors James Ibori and Orji Kalu owned several newspapers and launched a vicious media campaign against the EFCC while being investigated.

The EFCC also cultivated a close relationship with civil society, a long-suffering advocate in the fight against corruption. Religious, students', and women's groups were involved, providing education on corruption and disseminating information. Respected civil-rights activists such as the late Chief Gani Fawehinmi, Femi Falana, the late Dr. Yusuf Bala Usman, and Wole Soyinka, as well as religious leaders, publicly supported the work of the EFCC. Lawyers provided pro bono services to represent the commission in constitutional cases.

The EFCC became one of the most trusted public institutions in Nigeria, and I became a very public face and name. Besides securing essential cooperation from the public to root out corruption, maintaining a very public profile and allies throughout Nigerian society was a form of insurance. This public support helped us survive our many enemies. At least for a while.

Chapter 6

Making Friends Abroad

If ordinary Nigerians needed to be involved in fighting graft for the war to be won, so did foreign law enforcement agencies. In a time of global financial flows, dirty money moves around easily, and international cooperation is essential to track down financial criminals. For corruption to be fought effectively in Nigeria, foreign financial centers also have to use their own laws and investigators to prosecute those who try to hide their ill-gotten gains outside the country. I was keen to push foreign law enforcement agencies to be more proactive by investigating and prosecuting suspicious Nigerians under their own laws, rather than wait for official requests coming from Nigeria.

Before the creation of the EFCC, Nigeria's cooperation with foreign law enforcement agencies was weak and yielded few tangible results. I was determined to cut through the red tape and bureaucratic protocols to establish a system of mutual legal assistance relying on direct contacts with operational counterparts who were only a phone call away. That I was a lawyer coming from the police force greatly facilitated the dialogue with foreign law enforcement agencies and prosecutors.

The EFCC had to prove it was serious about financial crime busting and cooperation. Its positive response to foreign requests for help boosted confidence. So did its early successes with fraud

cases—described in the following section—and the compensation of foreign victims. In 2003, with a few successes under the EFCC's belt, I visited diplomatic envoys from the EU, the UK, and the United States in Abuja to get their support.

The EFCC worked closely with the British Metropolitan Police and the FBI. Early co-operation with U.S. authorities included working with the U.S. Postal Service to intercept counterfeit banknotes, checks, and credit cards being mailed between Nigeria and the United States. Thanks to the EFCC's assistance, hundreds of millions of dollars' worth of illegal goods were intercepted by the U.S. Postal Service. The EFCC worked with U.S. law enforcement authorities on 419 cases worth millions of dollars, following which American victims were compensated for some of their losses. Cooperation on software piracy—which led to a raid on illegal CD- and DVD-manufacturing facilities—resulted in Microsoft expanding its presence in Nigeria.

The EFCC worked hand in hand with the FBI in the case of Atiku Abubakar, then Nigeria's Vice President. The American authorities requested the EFCC's help in the investigation of William Jefferson, a congressman from Louisiana suspected of pocketing and paying kickbacks to facilitate juicy business deals in Africa. Jefferson—who had stashed \$90,000 of suspected bribe money in a freezer at his Washington, D.C., home—was suspected, among other things, to be involved in shady dealings with Abubakar to facilitate a telecom venture in Nigeria. In 2009 Jefferson was convicted of corruption in the United States.

The FBI request prompted the EFCC to look into the Vice President's affairs. The commission had received local complaints about alleged wrongdoing at the Petroleum Technology Development Fund (PTDF), a parastatal tasked with training personnel and promoting technology for the oil industry. An investigation had already resulted in the arrest of the PTDF's executive secretary—who eventually escaped abroad—and the recovery of about

200 million naira (\$1.3 million) in cash. Following the U.S. authorities' request for assistance, the EFCC linked some of the money diverted from the PTDF to Abubakar. Although I left the EFCC before the commission could arrest or charge him, a case against the former vice president is still open in the United States. According to a report from the U.S. Senate Permanent Subcommittee on Investigations, Abubakar and his wife laundered over \$40 million into the United States between 2000 and 2008.

Cooperation with the UK was key in several high-profile cases involving Nigerian state governors. The Metropolitan Police started investigating Joshua Dariye—the governor of Plateau state—when a suitcase full of cash was discovered during the raid of a facility that produced fraudulent credit cards in the UK. The cash was traced back to Dariye, and the British authorities subsequently uncovered several bank accounts in the UK in his name—openly flouting a Nigerian constitutional ban on officials to hold foreign bank accounts.

In 2004, the British authorities requested the EFCC's help to trace the source of the money, which triggered an investigation against Dariye in Nigeria. The enquiry revealed that he had pocketed GBP7 million (\$10.8 million) meant to pay for an ecological rehabilitation program and transferred the money to the UK. In September 2004, he was arrested at a hotel in London together with an associate; GBP90,000 (\$139,000) in cash was found in their rooms. About GBP2 million (\$3.1 million) of his assets in the UK were eventually confiscated, and the money returned to Nigeria. While on bail and before his assets in the UK were frozen, Dariye went on a shopping spree and spent a staggering GBP250,000 (\$385,000) in six weeks. He then skipped bail in the UK and escaped to Nigeria, where he had to answer to the EFCC (see later section for more details on the Dariye case). The Dariye case cemented a close cooperation between the EFCC and the Metropolitan Police.

From 2005 onward, the commission also liaised closely with the British law enforcement authorities on cases involving James Ibori, then governor of Delta State, and Diepreye Alamieyeseigha, then governor of Bayelsa State. The UK authorities discovered several bank accounts and four London properties—assets valued at a hefty GBP10 million (\$15.4 million)—belonging to Alamieyeseigha’s companies. By September 2005, the UK had collected enough evidence to arrest him at Heathrow Airport, as he was flying in from Germany after undergoing a tummy tuck. His assets in the UK were frozen, but he escaped back to Nigeria while on bail (see later section for more details on Alamieyeseigha’s case in Nigeria). He’s still wanted in the UK.

Some of Ibori’s assets in the UK, hidden through a maze of offshore companies and mortgage scams, were more difficult to trace. Yet the British authorities linked 10 residential properties in the UK—including a GBP5 million (\$7.7 million) mansion in the West Hamsptead area of London—to him. Ibori’s assets in the UK were traced back to funds siphoned out of Delta State accounts. In April 2006, three of Ibori’s suspected accomplices, including his mistress and his sister, were arrested in London and charged with money laundering and mortgage fraud. Following multiple procedural delays, their trial opened on February 17, 2010, in London; in June, two of the three women were convicted of money laundering and fraud and sentenced to five years in prison. Frozen assets worth millions of pounds are in the process of being confiscated, and proceeds will be returned to Nigeria. A second trial involving his wife and his lawyer is scheduled to open before the end of the year. A third court case involving Ibori himself is expected to follow.

Arrests in the UK would not have been possible without the close cooperation between the EFCC, the Metropolitan Police and the Crown Prosecution. These high-profile cases were a strong deterrent for other governors shuttling between the UK and Ni-

geria: after September 2005, the first-class cabin on the British Airways flight between Abuja and London lost a sizable number of frequent flyers.

International cooperation facilitated the recovery of stolen funds. Although most of the \$5 billion of assets the EFCC recovered during my time as a chairman was in Nigeria, there were some successes abroad, such as the recovery and repatriation of some \$600 million siphoned off by the Abacha family to Switzerland. The UK returned over GBP4.5 million (\$6.9 million) to Nigeria from the investigations into several state governors alone, and more suspicious assets remain frozen while cases are still pending. Recovering stolen funds is often a long and sometimes frustrating process. Procedural delays, however, are often brought about by those in the accused box, rather than foreign authorities. Although negotiations with Switzerland were tortuous, the UK and the United States were models of cooperation during my time at the EFCC.

Successful cooperation with foreign law enforcement agencies also resulted in the voluntary repatriation to Nigeria of billions of dollars stashed abroad. Those with dirty assets found it much more difficult to hide their loot outside of Nigeria and were no longer willing to risk having them frozen and forfeited. New measures such as the use of machines detecting banknotes and checks at airports, currency declarations, and cooperation with foreign exchange bureaus also contributed to reversing the financial hemorrhage. As a result, the EFCC estimated that, between 2006 and 2007, about \$15 billion was voluntarily repatriated to Nigeria and invested locally on the stock market, in the banking sector, or in property, contributing to a real estate and stock exchange boom.

There were some disappointments, though. In spite of its best efforts, the EFCC never managed to establish any meaningful cooperation with French authorities. Requests for assistance in an investigation the commission conducted in the award of a contract

for ID cards fell on deaf ears; our official letters—including those we sent in French—remained unanswered. In 2003, the French authorities started investigating a \$2 billion bid by a consortium involving Halliburton for the construction of a natural gas plant in Nigeria in the mid 1990s. I travelled to Paris several times to meet with the magistrate in charge and explore ways we could cooperate. To my dismay, I was brushed off and nothing ever came out of it. This was infuriating: given its close links to Africa, France could make a significant impact to uproot corruption on the continent. Yet it is a second home to many crooked African leaders and their stolen money.

The EFCC launched its own investigation into the LNG plant. Since kickbacks were paid offshore, however, there was no trail to be followed in Nigeria. Luckily, the U.S. authorities, which were investigating Halliburton, were once again very amenable to working with us. In 2009, following an agreement with the U.S. Justice Department, Halliburton and a former subsidiary agreed to pay \$579 million to settle charges that they had bribed Nigerian officials to the tune of \$180 million in relation to the LNG plant. This was the largest fine the United States had imposed on one of its national companies under its anti-bribery law. The case, however, is still pending in Nigeria.

Foreign assistance was not limited to investigations. From its early days, the EFCC needed help with training and technical assistance. The European Union, the UK, the United States, the United Nations, and the World Bank were receptive. They provided funds, trainers, and consultants to help the commission graduate from its embryonic stage, welcomed EFCC investigators and prosecutors sent abroad to hone their skills, and procured technical assistance to help us improve the anti-money laundering regime and recover assets stashed abroad. British investigators provided on-the-job-training on technical matters such as properly documenting and safeguarding evidence, while FBI trainers taught

formal courses ranging from how to develop informant networks, to organized crime structures, bank fraud and evidence collecting and processing. The EFCC received close to \$40 million from foreign donors through the end of 2007; the UN Office on Drugs and Crime (UNDOC) managed these funds to ensure transparency and set up a system that could benefit other countries. Most of it was spent on training and equipment. This also provided a lifeline when the commission investigated high-profile politicians (see later section for more details).

Foreign friends also included other anti-corruption activists around the world. A Norwegian initiative brought us together into the Corruption Hunter Network in 2004. Members included graft busters from the developing world—including Kenya, Zambia, Southern Sudan, Indonesia, and Peru—but also from a few European countries. Our semi-annual meetings, which allowed us to network and share experiences, were a great source of comfort and inspiration. The network provided much-needed support during my darkest hours.

Chapter 7

The Art of War: A Gradual Strategy

Without a good sense of timing, the EFCC's work would have been defeated early on.

In 2003, with few resources, few people, no financial intelligence unit yet in place, and everything to prove, the EFCC looked like a David against the Goliath of financial crime. This meant the commission had to be strategic in its approach, building its reputation and experience by going after softer targets first, while it developed muscles to later go after much bigger fish. A lecture I attended at Harvard on law enforcement strategy had made a lasting impression on me. Given its limited size and resources in face of the scale of financial crimes in Nigeria, the EFCC adopted as a formal strategy the pursuit of key targets that would ensure maximum impact because of their function or rank, or the scale of their illegal operations.

419 and fraud. As soon as the EFCC became operational in late April 2003, we focused our attention on the major advance-fee fraudsters. Advance-fee fraud—also known as 419 scams, after a section in the criminal code—started in the 1980s and became big business in Nigeria. Although the development of the Internet breathed new life into the scheme, the principle remained the same: the promise of handsome returns after an initial financial advance. Almost anyone in the world using email has at some

point received a message from a fictitious widow pleading for help to unblock her late husband's fortune or similar phony stories. More ambitious schemes rely on elaborate tales and setups to con unsuspecting victims to support fictitious investments. At some point, conmen even impersonated EFCC officials—including myself—to persuade victims to pay them off to drop fictitious cases against them. Victims are duped all over the world; in 2002, the U.S. Treasury estimated that these schemes cost American citizens and businesses hundreds of millions of dollars annually. Nigeria came to be seen as a country of fraudsters and scammers.

Nigeria's most successful advance-fee fraudsters were not shy to flaunt their success, making evidence easy to obtain. They had become local celebrities and role models, getting front seats at public events, and in some cases, using their fortune to finance politicians. Yet, these common gangsters couldn't count on much political support and were easy targets.

The EFCC started its first week of operation with a big bang: it rounded up over 30 of the largest suspected advance-fee fraudsters, including notorious characters such as Fred Ajudua, Ade Bendel, and Maurice Ibekwe. Most were eventually convicted. Several made their case worse by trying to bribe their way out of trouble, which only added to the evidence presented in court. Foreign victims were invited to provide evidence and flown in at EFCC costs, and about \$750 million was recovered and returned to them.

The largest fraud case, which played out a few months later, was Emmanuel Nwude's. In the 1990s, Nwude had swindled over \$240 million out of Brazilian bank Banco Noroeste in one of the largest bank scams in history. Nwude posed as the governor of the Central Bank of Nigeria and convinced one of the bank's executives to invest in a fictitious airport project. Amazingly, the fraud was only uncovered three years later when a Spanish bank sought to acquire Banco Noroeste in 1997, prompting the Brazilian

bank's owners to cover the loss and hunt down the missing money around the world. Their lawyers had been hitting a brick wall in Nigeria, where the police had buried the case after a superficial investigation by sending it to a court with no proper jurisdiction. In 2003, however, the EFCC took an interest in the case. In close cooperation with local lawyers from the legal firm of Sofunde, Osakwe, Ogundipe & Belgore, the commission tracked down and seized some of Nwude's vast collection of assets, including cash, company shares, luxury cars, mansions, office buildings, malls—and even \$4 million worth of Italian marble. Some of Nwude's hidden assets are still being chased to this day.

Nwude didn't go down without a fight. The widow of his murdered accomplice, who was also part of his gang, first tried to bribe the EFCC. The kickback was offered to me directly during a meeting at a private house, and the conversation was recorded without her knowledge. I accepted the payment, which was then promptly sent to the Central Bank to be booked as evidence and for safekeeping. This convinced Nwude that he could buy his way out of trouble as well. He showed up at the EFCC office in Abuja and offered half of the entire loot from Banco Noroeste. This was the first bribe of that magnitude ever offered to me. I wasn't even surprised, so prevalent was corruption in Nigeria. But there was no hesitation in my mind: corruption can't be fought with corruption, whether it involves \$10 or \$120 million. Since Nwude was already in our hands, there was no need to pretend, and I refused flat out. Once in our offices, he never came out and was detained until his trial.

When corruption didn't work, intimidation was next. During Nwude's trial, for example, a key witness—a bank employee testifying on banking transactions—was abducted on his way to court and driven to jail in a police van. No doubt corrupt policemen and prison officials had been bought by Nwude's cash. The EFCC, alerted by a phone call from the terrorized bank employee, had to rescue him.

In the end, Nwude was convicted of money laundering in November 2005 and spent two and a half years in jail. The special treatment he managed to organize for himself in prison—including having his hair and nails done, and conjugal visits—didn't win him any friends amongst other prisoners. Nwude has now served his prison term and is back in business. Although the bribery case against him is still open, it has been languishing in court.

These unprecedented high-profile arrests and convictions—as well as the compensation of victims with some of the recovered monies—sent a powerful signal at home and abroad that the EFCC meant business. In its first three months, the EFCC shut down over 2,000 illegal email operators. The commission spearheaded the adoption of the advance fee fraud act in 2006, so far the only criminal law in Nigeria that allows the introduction of digital and electronic evidence. A special unit focusing on 419 scams was created, and staff received specialized training including in card fraud and cyber crime. Service to over 2,000 cellular phones and fax machines used in 419 fraud was terminated, and fraudulent websites were shut down. The monitoring of IT communications and cybercafés, as well as the stricter reporting of financial transactions, severely weakened advance-fee fraud in Nigeria for a few years. From 2005 onwards, fraudsters started moving their operations outside Nigeria. Forgery and fake Nigerian documents plummeted worldwide. By June 2008, the EFCC obtained 191 convictions for advance-fee fraud, up from zero before 2003.

While we engaged this crime at an operational level, we also sensitized the law enforcement community across the West African sub region on the need to take action at what had become a transnational crime and was going to be a challenge in their individual jurisdictions.

Fighting fraud didn't always involve high-profile cases against flamboyant advance-fee criminals. Another low-hanging fruit for the EFCC was to clean up exam malpractice and corruption in uni-

versities, which included buying grades. The commission even set a special unit that dealt exclusively with the problem, which investigated some 5,000 students and teachers. This sent a message that even small-time financial criminals were not immune from the long arm of the law.

Smuggling. With its reputation on the rise, the EFCC then turned its attention to smugglers. Nigeria was losing millions of dollars to smuggling. Some of the country's crooked politicians had started amassing their immense wealth while working at customs, while others obtained foreign exchange at the cheap official exchange rate to finance fictitious imports. Targeting contraband and the evasion of customs duties promised to yield significant economic benefits.

One surprise raid in the port of Onne near Port Harcourt in 2004—the largest port in Nigeria—revealed that 80 percent of merchandise was smuggled in with the complicity of corrupt customs and other law enforcement officials. Following the raid, the EFCC, with the support of customs services, took over the operation of the port for three months to ensure proper procedures were followed. As a result, some 30 billion naira (\$200 million) of duties was collected and valuable contraband seized and handed over to customs. Similar operations were conducted in other ports around Nigeria.

Once smuggling became more difficult through Nigerian ports, contraband was diverted to neighboring Benin and Niger, and smuggled into Nigeria by road. EFCC officials met with officials from Niger and Benin to secure their cooperation in tackling the problem.

The EFCC also looked into large import-export businesses. Several were brought to justice on charges of smuggling, and some prominent traders and businessmen were deported. Local markets were raided for contraband, which was handed over to customs. One of the objectives was to protect the local industry, in

particular textile, which was undermined by illegal Chinese imports.

The commission also cooperated with the government to re-vamp customs. A presidential committee was set up to overhaul the department and its processes, and some 200 officials were forced to retire.

These operations across the country led to the dismantling of many smuggling gangs. Together with the overhaul of the customs department, they also had a significant impact on the national purse: in 2004–05, customs revenues increased by over 200 percent.

By far the most lucrative illegal trade, however, was oil. Oil theft—known as oil bunkering—is big business in Nigeria: until the EFCC got involved in 2004, an estimated 100,000 barrels of crude oil were stolen every day, costing the country billions of dollars in lost revenues every year. Pipes were punctured, oil illegally pumped from flow stations with the acquiescence of corrupt officials, and tankers loaded with more cargo than they were supposed to. Tackling this silent plague would have a significant economic impact, and the EFCC set up a special unit dealing with the problem.

Oil theft was dealt with from several angles. The government of Nigeria contacted foreign buyers, most of which were state-owned refineries in Côte d'Ivoire, Cameroon, or Brazil, to clamp down on demand for illegal oil. The EFCC investigated over 20 major oil-buying companies in Nigeria, charging those who had a case to answer. Several businesses were shut down and assets seized; some suspects fled the country. The commission also worked with the Navy to intercept tankers carrying stolen oil. During my time at the EFCC, the commission secured over 40 convictions for oil bunkering and theft, ranging from petty thieves to major buyers. The commission also took on some kidnapping cases in the Niger Delta. Some organized gangs were dismantled,

corrupt officials removed, and crooked Navy members court-martialed.

Within six months of operations, oil theft declined from 100,000 barrels a day to less than 10,000, according to the Nigerian National Petroleum Corporation.

Cleaning up the banks. Another strategic target was the banking sector, given its central role in the economy. Cleaning up the sector and setting up proper supervision and reporting were also essential to meet the FATF recommendations. Nigeria's financial system was collapsing under the weight of bad loans, fraud, and a general lack of proper regulation and supervision. Many of the country's banks were in the hands of crooks who treated depositors' money as their own piggy bank. The broad ambit of the anti-money laundering regulation gave the EFCC proper tools to get involved.

The first target was the Bank of the North, one of the worst offenders that was on the brink of collapse, largely due to non-performing loans. The chief executive, Alhaji Mohammed Bulama, had used depositors' money to fill his own pockets, grant loans to friends without following due process, and finance political campaigns. He was arrested and convicted of fraud in 2004, and some 16 billion naira (\$107 million) in fraudulent loans was recovered from clients of the bank. Seeing a high-profile banker taken to court in handcuffs sent much-needed shockwaves throughout the sector and further boosted the EFCC's credibility.

Another 50 or so banks were investigated and several other chief executives arrested. Smaller financial houses and community banks were not spared. In 2004 and 2005, the commission recovered over 200 billion naira (\$1.3 billion) of depositors' money that had been misused by financial institutions' crooked bosses. This cleaned the slate for a fundamental reform of the banking system in 2005 that raised capital requirements, imposed stricter supervision and risk management, and led to much-needed con-

solidation of the sector. The money recovered by the EFCC was used to recapitalize banks during the restructuring of the sector. When applicable, the EFCC used a provision allowing the commission to impose heavy fines on companies instead prosecution.

The EFCC also worked to improve the image of Nigerian banks abroad and help foreign banks that had problems in Nigeria. In 2004, I met with the UK's Financial Services Authority and several banks either doing business in Nigeria or interested in branching out into the country. The objective was to understand the difficulties encountered by foreign financial institutions when working in Nigeria; it was also to create contacts with the EFCC and explain the changes under way.

The findings were surprising. One of the main British banks ranked Nigeria as the fifth worst out of its eight operations in African countries when it came to fraud, better than the country's abysmal reputation would have suggested; the bank's Nigerian operations were in fact its most profitable business on the continent. Similar meetings were organized with U.S. regulators and banks, confirming that Nigeria's reputation abroad was worse than the reality experienced by foreign financial institutions. The EFCC investigated the few fraud cases reported by those institutions.

Going for the big fish. By 2005, the EFCC was ready to target high corruption: reforms promoting transparency were under way in the civil service and public finance, shepherded by a team of competent technocrats enjoying Obasanjo's support and protection; the Nigerian Financial Intelligence Unit was fully operational, providing crucial financial intelligence; the banking sector was being restructured and kept on a tighter leash; the EFCC had built credibility and support both at home and abroad and was working closely with international law enforcement agencies, the local media, and civil society.

Corruption and fraud run very deep and powerful roots in Nigerian politics. I understood how Hercules must have felt stand-

ing in the Augean stables that hadn't been cleaned in decades. Thankfully, the EFCC had more than a day to accomplish its task.

The EFCC sent names of politically exposed Nigerians to foreign law enforcement agencies to ensure extra scrutiny abroad, as part of the FATF requirements. The list sent included all heads of the federal and state governments, and all cabinet ministers. It included Obasanjo himself. A number of red flags were also raised through the country's new financial reporting system, revealing bank account balances and transactions hard to reconcile with civil servant salaries. As the reputation of the EFCC grew among the general public, so did the number of complaints, petitions, and tips from ordinary citizens suggesting wrongdoing by the very people supposed to represent them.

Those found to own assets in Nigeria or abroad beyond their legitimate income were investigated. When bank accounts linked to the Inspector General of Police, Tafa Balogun, were found to harbor over 1 billion naira (\$6.7 million), an investigation was launched. Other accounts were discovered, as well as multiple properties. The funds were traced back to the police budget, which had been diverted to fund Balogun's lifestyle, and bribes received in cash. His assets—including cash, bank accounts, mansions in Nigeria, and shares in bank—were estimated at \$150 million. Once the case was built, I informed Obasanjo. The president summoned Balogun, who was forced to resign. A few weeks later, he was asked to report to the EFCC office, but refused. In March 2005, the commission had to dispatch officers to surround his house in Lagos and arrest him.

As the police chief, Balogun was my former boss. Although we never directly worked together, I knew him well. But no exception was to be made. Having the former police chief being brought to court in handcuffs didn't go down well with the public though. Obasanjo was furious, and the media accused the EFCC of overkill. To signal that nobody was above the law, the commission

had used the same procedure in all its cases and didn't want to make an exception. Following the controversy, however, the use of handcuffs was dropped for all accused.

Balogun faced multiple counts of money laundering, corruption, and embezzlement. In November 2005, he was sentenced to six months in prison after pleading guilty on eight charges. The court also slapped him with a fine of 4 million naira (about \$27,000). More importantly, the \$150 million in cash and properties he had accumulated from crime were confiscated.

With Balogun's case, the EFCC secured its first conviction of a senior official. By hitting at the top, the commission was hoping to signal to the rest of the police force—where corruption is rampant at all levels—that wrongdoing would not be tolerated, and that no one was safe from prosecution. As a career policeman, I had witnessed corruption within the force every day and, by refusing to take part, created difficulties for myself. Yet the police also employed many good elements, and targeting their crooked boss was meant to encourage them. Without tackling the rot in law enforcement, Nigeria had no chance to turn itself around. Cleaning up the police was a priority whose benefits would reverberate across Nigerian society. This point was dramatically brought to the fore by Human Rights Watch in its August 2010 report, *Everyone's in on the Game*, in which it indicted the Nigerian police on account of serious human rights and corruption abuses. According to Transparency International's 2004 Corruption Barometer, Nigerians identified the police as the sector most affected by corruption, followed closely by political parties and the legislature. Something had to be done.

Subsequent high-profile cases included investigations of members of the National Assembly. Following a report that 50 million naira (about \$333,000) had been withdrawn in cash from the Ministry of Education's account, an investigation revealed that the money had been used to grease several MPs' palms to secure

more generous budget allocations for the ministry. The EFCC arrested the Minister of Education and several MPs, including the Senate president and the chair of the House committee on education. The case was then transferred to the ICPC, as the ICPC law was thought more appropriate to prosecute these offences. This was also meant to boost the fledging anti-corruption watchdog. Unfortunately, no conviction has so far been obtained on this case.

Next were state governors. These *de facto* presidents of Nigeria's 36 states wield enormous power and money and therefore greatly weigh on the lives of ordinary Nigerians. About half of the national revenue is controlled by the states, which enjoy broad constitutional autonomy under Nigeria's federal system and are in charge of education, health, local security, and infrastructure. This gives enormous power to governors.

This power has been routinely abused, and many governors were treating the states they were supposed to serve as their personal fiefdoms. They operated above the law with much impunity, treating state budgets as their personal bank accounts, buying mansions and personal jets, and accumulating vast business interests while their states' schools and hospitals were crumbling, and most of their constituents lived in abject poverty. In the few days following the monthly transfers of federal revenue allocations to states, Nigeria's foreign exchange transactions were systematically on the rise, indicating that much of the states' revenues were being siphoned off abroad. Many governors were jet setting to Europe at the drop of a hat, sometimes spending less than half the year in Nigeria. Most of the complaints and petitions the EFCC received while I was in charge had to do with state leaders.

The funds at the governors' fingertips were also used to unduly influence state legislatures and judiciaries, as well as local administrations and local chapters of NGOs and professional associations. They exercised much political influence not only in their own states but at the federal level as well. Few senators and

representatives in the National Assembly had a chance of being elected in their home states without the approval of, or even open selection by, governors. Governors also greatly influenced the selection of the ruling party's presidential candidates, who need endorsement from a majority of state delegates to win the nomination.

States resisted the reforms toward transparency and accountability that were being pushed at the federal level (described in an earlier section): for example, it took several years for the new fiscal responsibility bill to be passed in a few states—in a much watered down version; similarly, the new procurement rules were ultimately adopted by only 12 states. This significantly curtailed the impact of the federal government's economic reforms. Some states also challenged the ICPC and the EFCC laws in court, attempting to restrict their application to the federal level, but the Supreme Court ruled against them. This gave the EFCC unprecedented reach to scrutinize state and local government wrongdoing.

Thanks to their power, money, and the impunity they had enjoyed for so long, governors were not only prime targets but also formidable opponents for the EFCC. The commission geared up for its most difficult—and most crucial—battle. Corrupt governors derive a lot of their influence from the money they steal; turning off that tap would help roll back their power within constitutional limits, while benefitting ordinary Nigerians, on whom state budgets are supposed to be spent. No significant change can happen in Nigeria unless state governors abide by the rules and answer to the law. No country can develop when strangled by an entrenched criminal conspiracy of such magnitude.

The EFCC started scrutinizing all 36 state governors in 2005. Cases were prioritized on the basis of the number of complaints received, evidence provided by intelligence sources, the NFIU and foreign law agencies, and the scale of the offense. The commission, which didn't have the resources to pursue all cases at

the same time, decided to target the worst offenders first, leaving lesser cases for a second and third wave. All cases would have to be tried in federal high courts, which were often beyond the influence of governors.

In 2006, the EFCC started working with the Code of Conduct Bureau (CCB). All public officers in Nigeria are supposed to declare their assets to the CCB periodically and, in particular, when they get in office and when they leave. The Code of Conduct Tribunal was supposed to punish failure to declare or false declarations by seizing all assets acquired illegally and banning officials from public office. The bureau, however, didn't have the capacity to monitor and verify those declarations, and no high-profile case was ever sent to the tribunal until the CCB joined forces with the EFCC.

For the commission, these declarations provided a valuable source of information: any undeclared asset whose acquisition couldn't be justified provided grounds for money laundering charges in Nigeria and in foreign jurisdictions if assets were held abroad. In cooperation with foreign law enforcement agencies, the CCB and the EFCC started checking asset declarations and tallying them against official salaries. Some governors, expecting to accumulate juicy loot while in office, routinely declared fictitious assets before getting into office. By the time they left, they often underreported. Others openly held foreign bank accounts in their own names, in spite of a constitutional ban.

Investigating and prosecuting crooked state governors presented unique challenges, however. Besides the power and money they wielded, they enjoyed constitutional immunity while in office. Chief Gani Fawehinmi, a prominent civil rights lawyer and one of my role models, had challenged that constitutional immunity before I was appointed at the EFCC in a case involving the governor of Lagos state. But the Supreme Court had ruled that while governors could be investigated, they were not to be inter-

rogated or prosecuted while in office. Crooked governors were vulnerable abroad, however, where they often stashed some of their substantial assets.

One of them was Joshua Dariye, the governor of Plateau State. Following religious violence in his state, the National Assembly—on Obasanjo’s request—declared a state of emergency in Plateau in May 2004. As a result, the state legislature and executive were automatically suspended for six months. Dariye—who went to the UK to enjoy his free time—was then arrested in London on charges of money laundering (as described in an earlier section). He returned to Nigeria after escaping the UK, and resumed his duties when his suspension came to an end.

His troubles were not over, however. The UK investigation and requests for assistance triggered an investigation in Nigeria; the number of complaints coming from his state was also staggering. Some state MPs, including the speaker of the state assembly, were charged. When Dariye defected from the ruling People’s Democratic Party (PDP) and took several members of the state legislature with him, the remaining legislators impeached the governor in 2006, stripping him of his immunity. The EFCC was invited to testify before the legislature during the proceedings; this was the only involvement the commission had with the impeachment attempt. Although EFCC critics claimed the commission tried to intimidate legislators by stationing police in the legislature, this decision was in fact taken by Dariye’s deputy, who was then in charge; the EFCC had no part in it whatsoever.

Besides Dariye, another four sitting governors were impeached in 2005 and 2006. The EFCC was involved in the impeachment process in three states—Plateau, Bayelsa, and Ekiti—but only to the extent that it accepted invitations from the state legislatures to testify about its ongoing investigations against governors. British law enforcement officials were also flown to Plateau State to testify on the governor’s criminal charges in the UK and his escape while

on bail. Dariye went into hiding following his impeachment. The governor of Ekiti State—Ayo Fayose, a close Obasanjo ally—fled the country.

Three of the five governors appealed to the Supreme Court, however, and their impeachments were declared unconstitutional and overturned. Dariye once again resumed his functions at the end of 2006, as did the governors of Anambra and Oyo States. Fayose wasn't so lucky: his impeachment stood, and he remained in hiding for a while, until he turned himself in to the EFCC in 2007. He was then arrested and charged.

Of the impeached governors, only the governor of Bayelsa, Diepreye Alamieyeseigha, was convicted and sentenced to over two years in prison. His illegal assets were confiscated. After skipping bail in the UK as described earlier, he returned to his home state, only to face popular demonstrations calling for his resignation or impeachment. The state legislature obliged, and the impeachment stood in court. The EFCC testified before the state assembly during the impeachment proceedings. In December 2005, Alamieyeseigha was arrested by the police force, which handed him over to the commission. He was eventually sentenced in July 2007.

Time was on the EFCC's side, however. About two thirds of the 36 governors were due to leave office—and lose their immunity—in May 2007. The commission, which had been building cases while they were still in office, could finally strike. A number of former governors fled. To lure those back to Nigeria, the commission treated the former governors under investigation who were still in the country with kids' gloves. They were interrogated but not arrested, and the commission did its best to make them believe it had lost its teeth. We even peddled the false rumor that I was on my way out as chairman. Convinced by their former colleagues that they were out of danger, those hiding abroad came back to Nigeria. The EFCC then struck: nine were arrested between June

and December 2007, and eight charged—including Dariye and Fayose.

The EFCC had targeted the worst offenders first; others had not been forgotten, however, and the EFCC's was planning on going after more of the corrupt former governors once the first batch had been dealt with.

The biggest fish of all was James Ibori, the governor of the oil-rich Delta State. He was suspected of stealing over two-thirds of the public money allocated to his state during his tenure, which financed his lavish lifestyle. A colorful, affable man, Ibori—a heavyweight in the ruling party and a close political ally of Yar'Adua—was being investigated both in Nigeria and in the UK on the basis of the assets he owned, the number of complaints from his constituents, and records of suspicious transactions. His lifestyle seemed vastly at odds with his annual salary of less than \$25,000. The investigation started in 2006.

In May 2007, his term as governor and his immunity came to an end. Ahead of the deadline, he called me, saying he wanted to settle his case and put an end to the investigation. We knew each other socially and maintained a cordial relationship in spite of the EFCC investigation into his affairs. He also talked to several of my friends, trying to convince them to influence me.

Before the end of his term, we met at one of his friends' houses in Abuja. I had brought several of my colleagues from the EFCC. They witnessed Ibori handing over to me a bag containing \$15 million in cash as a payoff, which I pretended to treat as restitution for the monies he stole from his state; the cash was promptly taken to the Central Bank for safekeeping as evidence. Until later that year, Ibori failed to present himself to the EFCC office and kept traveling abroad to avoid arrest. In the meantime, we continued building our case against him.

In December, we were ready to move against Ibori. I notified Yar'Adua, who had been elected president earlier that year. The

former governor was lured back in Abuja, where we tailed him and monitored his phone 24 hours a day. Ibori paid a visit to the President before retreating to his mansion. He then attempted to shake off surveillance and took refuge in a hotel for the night. When he realized the hotel was being surrounded, he fled, which prompted a car chase through the streets of Abuja. He escaped to the house of the governor of Kwara State, Bukola Saraki, a personal friend of his, where the EFCC held a siege that was broadcast live on television across Nigeria. After several hours of siege, Ibori surrendered himself. One of the most powerful figures of Nigerian politics was arrested and sent behind bars, awaiting trial.

A few days later, I was ordered to go on training for a year. I was never to return to the EFCC.

Ibori was released on bail in February 2008, after two and half months in jail. In December 2009, the multiple charges of corruption and money laundering against him were dropped. His case had conveniently been transferred to a local court, curiously built specially for him in his home state of Delta, where a pliant judge ruled there was no clear evidence against him. A few months later, charges were once again filed against him, but he escaped arrest and left the country.

Ibori also faces charges in the UK, however, and his fortunes may be turning. In May 2010, he was arrested in Dubai following Interpol's intervention. The UK—where Ibori's sister and another accomplice were convicted of fraud and money laundering in June—has requested his extradition. In the meantime, Ibori's initial bail has been revoked and he is kept behind bars in the United Arab Emirates.

The EFCC's involvement eventually went beyond state governors. Toward the end of his second term, Obasanjo himself was embroiled in a scandal. A local bank was found to have bought shares in Transnational Corporation of Nigeria, a homegrown conglomerate, on behalf of the president. Transcorp had been es-

tablished in 2004 by local businesspeople with Obasanjo's support to become a national champion, and had collected juicy participations in several sectors, including privatized companies. When the glaring conflict of interest was uncovered, the shares were still being held by the bank, and the EFCC ordered their immediate sale.

The battle against high-level corruption raised accusations that the EFCC was being used by Obasanjo to settle political scores. In 2005, Obasanjo was pushing to lift the constitutional two-term limit, which brought him head to head with ordinary Nigerians, much of the media and some of the legislators. The governors' impeachment battles described above was interpreted in that context. Obasanjo was accused of manipulating state legislatures to punish his political enemies. At the same time, the EFCC was also investigating Abubakar, following the FBI request. The vice president used the political context to claim he and his supposed allies were being victimized for political reasons.

Nothing could be further from the truth. The third term became a red herring used by corrupt politicians to claim they were unfairly targeted by the EFCC. The commission's involvement in the impeachment attempts described earlier was strictly limited to testimonies before those legislative assemblies that requested us to share details of cases we had against those governors. Instances involving the presence of law enforcement agencies in provincial legislatures and alleged intimidation—as in Plateau State—had nothing to do with the EFCC. Once governors under investigations were out of office and without immunity, the commission proved it made no favor by going in several waves after those who had a case to answer, regardless of their political allegiance.

The truth is both opponents and supporters of Obasanjo's attempt to secure a third term found themselves investigated and charged. On the other hand, some of the most vocal opponents

to a third term, such as the governor of Lagos state, were not arrested. Had the EFCC succumbed to political bias, he would have been amongst our first targets. At the same time, several of the governors that the EFCC did arrest as soon as it could—such as those from the states of Delta, Edo, Ekiti, Enugu, Jigawa, Rivers, and Taraba—had in fact supported and financed efforts to maintain Obasanjo beyond the constitutional term limit. The EFCC was planning on pursuing another round of former governors after Ibori's arrest; the plan fell through after I was removed from office. Instead, the cases of most governors who had already been arrested have been languishing in court.

The campaign for the third term—which was unpopular with most Nigerians—was defeated in May 2006 when the Senate decided by simple majority not to discuss any constitutional amendment after a debate broadcasted on television. Ultimately, it was the National Assembly—and not the governors or the vice president—that led the charge. During that period, I maintained excellent relationships with both the speaker of the House and the president of the Senate, whose predecessor the EFCC arrested over a budget scandal as previously described.

Once the third term issue had been buried, other accusations of political bias surfaced ahead of the 2007 election. Working hand in hand with Chief Fawehinmi—an avowed Obasanjo opponent—the EFCC decided to publish a list of the candidates from both the ruling and opposition parties who had been indicted. The list, however, became a political issue, and the EFCC was once again accused of being Obasanjo's poodle.

The idea behind the publication of the list had nothing to do with political retribution. It was to allow voters to make informed decisions at the ballot box, with all facts in hand. According to the Nigerian constitution, an indictment for embezzlement or fraud, a conviction for an offence involving dishonesty or fraud within the past ten years, or any sentence being served are grounds for

electoral disqualification. Yet, poor records in Nigeria had allowed convicted criminals to run for election without trouble. For example, few Nigerians were aware that Ibori had been twice convicted in the UK in the early 1990s, first for theft while working as a cashier in a DIY store and, second, for being in possession of a stolen credit card.

I had lengthy discussions with the main opposition parties, which supported the initiative. They removed indicted candidates from their own electoral lists, as did the ruling People's Democratic Party (PDP). Some of the booted candidates fought their eviction in court, however, and won. They contested the election, but at least voters were aware of their status. In some cases, it made no difference: in Abia State, the newly elected governor—who had been arrested for corruption before the poll and was on trial—went straight from jail to the governor's mansion. His court case was suspended after the election, as he then enjoyed immunity as governor.

The EFCC chose to focus on financial crimes being committed by those in office, rather than look back into politicians no longer in charge. One reason was to avoid being distracted from current offences, and there was more than enough going on in front of our eyes to keep us busy. But a second reason was to avoid being dragged into what can turn into score settling and political retribution. It is not uncommon for newly elected politicians to indulge in those practices and target their predecessors in office.

When fighting grand corruption, accusations of political bias are par for the course. On the one hand, anti-corruption can easily be manipulated for political ends; on the other, the classic defense for those in the hot seat is to claim they're being unfairly targeted. We went where the evidence led us.

In truth, I was walking on a tightrope, making sure the EFCC did its job without political fear or favor, while maintaining support from the top without which the commission's work was

doomed. One of the many lessons I learned the hard way while in office was that it is best for anti-corruption bodies to avoid going after politicians during elections or political transitions. It is otherwise extremely difficult to steer clear of political manipulation and accusations, and to do the job correctly and properly.

Besides accusations of political bias, EFCC's critics also accused the commission of abusing its power, including detaining people without charge or bending the law when it suited its purpose. These accusations are baseless. The commission always operated within the bounds of the law and never ignored any court order. Any wrongdoing would have jeopardized our court cases, and we didn't want to provide any reason that would have led to charges being dismissed. The very few cases ever brought against the EFCC were all thrown out for lack of substance, which confirmed that accusations against the commission were without grounds. These allegations were nothing more than another tactic to discredit the commission after it started pursuing powerful targets.

I was also accused of being a cowboy, using commando-style raids and seeking the limelight. Even Obasanjo objected angrily to some of my methods. But I maintain that Nigeria needed a big bang against deeply rooted graft and fraud, and that the psychological impact of high profile operations cannot be underestimated. Far from being a lone ranger, I regularly sought guidance and direction. I set up a committee of prominent Nigerians including respected religious and civil society figures to advise the EFCC and keep it grounded through the scrutiny of independent, non-political observers. In addition, I often turned to individuals, most of whom happened to be critical of Obasanjo, for advice; my most respected counsels included the late Sunday Awoniyi, a retired civil servant and founder of the ruling PDP; the late Chief Fawehinmi; and the Oba of Lagos, a traditional leader and retired assistant inspector general of police.

Groundless accusations were to be expected. As we say in Africa, if you wrestle a pig, you can't avoid the mud. Similarly, the EFCC could not pursue high corruption without dirt being thrown all over it. Yet the commission always followed the rules and successfully navigated a difficult political environment until I left. I am proud of its achievements.

Conclusion

Yes We Can

As described in the preceding chapters, a constellation of factors converged to facilitate the EFCC's temporary success. The FATF's blacklisting of Nigeria in 2001—at a time when the country was ready for change—was instrumental in forcing the country to adopt proper laws and create institutions to deal with financial crime. Fighting corruption would not have been possible without it. But it could have remained a contained and ultimately toothless effort, with laws in place but weak implementation. Nigeria deserves full credit for taking advantage of the FATF decision to tackle a much larger problem and put its house in order.

Al Capone was eventually brought down not on his main crimes but on tax evasion. Similarly, money-laundering charges are often the easiest and most effective way to convict the corrupt and the fraudsters. Strong anti-money laundering legislation and the right institution to enforce it are powerful weapons against almost all financial crimes. About 80 percent of the convictions the EFCC obtained included money-laundering charges.

The combination of internal and external factors that converged at the right time to create an unprecedented momentum to root out fraud and corruption in Nigeria could be difficult to replicate. Yet some lessons can be drawn for both the outside world, as well as Nigeria itself.

The FATF naming and shaming proved to be an exceptionally effective tool for the outside world to exert the right kind and the right amount of pressure. The specter of sanctions, at a time when Nigeria was hungry for international approval, forced the country's authorities to take action. This was a relatively quiet, inexpensive, and obscure stick. Yet it ultimately did more for Nigeria than any other external intervention. More countries around Africa could use a similar kind of catalyst.

No country can fight corruption on its own. Nigeria bled billions of dollars that were stashed in foreign banks or invested in opulent mansions in European capitals. The outside world can contribute by helping local anti-graft units improve. Without the support of the European Union, the UK, the United States, and the World Bank, the EFCC would not have succeeded to the extent it did. External support for individuals is also key. Much of the success of anti-corruption efforts ultimately depends on courageous and committed individuals, who deserve help when persecuted at home. I was lucky to find a way out and land on my feet while in exile; others deserve the same chance. This signals to those still on the frontline that there is still life after fighting corruption, even when tables turn against them. The outside world can also help by promoting close cooperation with their own law enforcement agencies, and proactively hunting down foreign corrupt politicians who park or spend their ill-gotten gains on their shores.

Targeting key countries is also an effective way to ensure far-reaching repercussions. When Nigeria learns to manage itself better, the whole of West Africa benefits. Just as the EFCC targeted strategic targets to ensure maximum impact, nudging Nigeria to walk on a straight path has the potential to reverberate well beyond its borders. A successful Nigeria would do more for the subregion than any amount of foreign aid ever could. The same is true of other parts of Africa.

External help, although needed, is hardly sufficient, however. It needs to be matched by the kind of internal momentum that blossomed in Nigeria between 2003 and 2007. Fighting corruption is a process that requires a strategic approach. Foundations have to be laid, supporters won, and public confidence earned before striking high. Relationships with the public, civil society, and foreign law enforcement agencies have to be developed and nurtured by demonstrating integrity, competence, and results.

Going against grand corruption requires a competent and strong institution that can both investigate and prosecute. This means recruiting and training capable individuals imbued with a sense of mission and unwavering integrity. That body needs to be given a wide reach and unwavering political backing from the top. Those leading the charge need a fine strategic sense, and a good sense of timing. They have to keep their radars finely tuned to avoid political interference and any wrongdoing: no success is possible if anti-corruption agencies allow themselves to be used as political tools or to sink into graft.

Lessons for Nigeria go further. The monumental corruption and fraud perpetrated by the country's leaders has infected all layers of society. It bleeds Nigerians dry and rips the country apart. It is the poisoned seed that breeds Nigeria's endemic poverty and religious violence. There is no magic: to make these problems history, we need to make corruption history as well.

Just as a house would crumble without a solid foundation, economic and democratic development need good governance to stand strong. Nigeria is blessed with enormous resources. But for the country's potential to country, it needs and deserves a new kind of leadership—one that uses public money to serve the people—and a national moral regeneration starting at the top. Only Nigerians acting collectively can bring about that change. It is time to wake up and stop tolerating corrupt leaders.

When one fights corruption, corruption fights back. Fighting financial crime is a long process, and setbacks are inevitable. Following a few years of valiant fight, corruption ultimately proved stronger: although a number of cases are still lingering in court, only one governor was convicted when I was at the EFCC. Less than a year after a new president was sworn in, I was forced out and ultimately had to leave the country. In December 2009, a warrant was even issued for my arrest, falsely claiming that I had failed to declare my assets. I have all required documentation proving this isn't the case. With Yar'Adua gone and political change once again under way in Nigeria, those spurious charges have now been dropped. I am finally able to go back to my own country again.

Yet, the seeds of change have been planted and can grow again, if Nigeria's political leadership allows it. Although the fight against the corrupt political elite appears to have taken many steps back over the past few years, Nigerians have had a taste of the possible, and the tide may turn again. And for that, I am grateful.

