

THE ROLE OF EFCC IN SANITISING THE NIGERIAN  
ECONOMIC ENVIRONMENT IN A DEMOCRATIC SETTING

BY

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**PROTOCOL**

**1. INTRODUCTION**

I thank you for the honour and privilege addressing you. I thank you for your sacrifices, vigilance, patriotism and dedication to the fatherland for, you, the academia, are the true bastion of democracy. The choice of this topic for discussion is a demonstration of your commitment to the well being of our country. In the recent past, these matters were not even discussed. Thanks to democracy that they are today.

**2. STATE OF THE ECONOMY**

Nigeria is presumably the second largest economy in Africa with a population of over 120 million and perhaps the most entrepreneurial economy. Oil revenue accounts for 90% of the foreign exchange earnings. Apart from large untapped potentials of solid minerals and agriculture, the tourism sector is being positioned as a great foreign exchange earner for the nation. The Capital Market is one of the most profitable in the

world with about 105% Rate of Return (ROI) and market capitalization of about \$4 billion. The banking sector has about 89 banks with over 3,000 branches nationwide. The telecommunications sector is no doubt the fastest growing in the world's emerging markets and the manufacturing sector has also recorded marginal increase of sustainable growth within the past 2 years. From the foregoing, it is indisputable that the nation's economy looks promising than any country in Africa in terms of resources and opportunities required for growth and sustainable development. Unfortunately, economic mismanagement, corruption and lack of accountability and transparency by previous administrations have been the main reasons for the poor economic performance and rising poverty. Despite the country's relative oil wealth, Nigeria's basic social indicators place it among the 20 poorest countries in the world.

Nigeria today, in spite of her oil and gas resources, is a *poor* country with 80-90 million Nigerians (of the estimated 130 million people) living in poverty. Only India and China have more poor people. Her GDP stands at about \$45 billion and a *per capita* income of \$300. She has earned over \$300 billion from oil exports since the mid 70s but her current *per capita* income is about 20% less than the 1975 level. She suffers under an excruciating external debt burden of about \$33 billion, equivalent of 60% of the GDP.

It is however important to acknowledge the bold step taken by the present administration to change tide. *For* the first time in the history of our

country, Government has stood up firmly to confront corruption from the top. Mr. President has in many public fora made it clear that he will fight corruption to a standstill. The establishment of the Independent Corrupt Practices (And other Related Offences) Commission (ICPC) and the EFCC is in furtherance of that resolve.

### **3. WHAT CONSTITUTE ECONOMIC AND FINANCIAL CRIMES**

Economic and financial crimes are kindred offences with an extremely thin line separating them. All economic crimes are financial crimes but not all financial crimes are economic crimes.

Economic crimes are those crimes that have a damaging effect on the economic and political system of the country. Their damage to the international image of the country is more important than the direct financial loss. These include corruption, embezzlement of public funds, fake currency running, smuggling, drug trafficking, etc.

Section 46 of the Economic and Financial Crimes (Establishment) Act, 2004 defines Economic Crimes which include the non-violent criminal and illicit activity committed with objective of earning wealth illegally, any form of fraud, money laundering, illegal oil bunkering, tax evasion, dumping of toxic wastes, etc.

Financial Crimes on the hand are those committed not only with the intention of getting financial benefit but they are targeted directly on funds and financial instruments. These include advance fee fraud, currency trafficking and counterfeiting, etc.

From the above, it can be seen that while all economic crimes are financial crimes, not all financial crimes need be economic crimes. Whatever form they take, the objective is to earn wealth illicitly.

### **4. GOVERNMENT EFFORTS IN CURBING ECONOMIC AND FINANCIAL CRIMES IN NIGERIA**

A viable democracy will not grow let alone flourish in an environment where Economic and Financial Crimes are endemic.

Previous efforts by past administrations to curb economic and financial crimes in Nigeria are either strangled due to inadequate enabling laws and regulations or neglected for apparent lack of commitment on the part of stakeholders to fight the

menace. However the following past government's effort to curb these crimes need to be noted and appreciated. The promulgation of the under-listed laws was aimed at providing a legal framework to combat these crimes.

- a. The National Drug Law Enforcement Agency (NDLEA) Act, 1989.
- b. The Money Laundering Act of 1995 (now repealed by MLPA, 2004).
- c. Advance Fee Fraud (otherwise known as 419) and Related Offences Act of 1995.
- d. Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act of 1996.
- e. Banks and other Financial Institutions Act of 1991.
- f. Miscellaneous Offences Act, 1985.
- g. Foreign Exchange (Miscellaneous) Offences Act of 1995.

In spite of these enabling laws and the relevant institutions to administer them,

fraudulent activities still thrive in the economy unabated. President Olusegun Obasanjo responded positively to the yearnings of Nigerians and the International community by taking the following proactive and responsive approach. They are:

- . Establishment of the Anti Corruption Commission.
- . Creation of the Due Process Office in the Presidency.
- . Corrupt Practices and Related Offences Act of 2000.
- . Establishment of the EFCC in 2002.

(i) Establishment of the Anti Corruption Commission:

The establishment of the ICPC is one of the radical steps by this Government to combat corruption headlong. For the first time in this country, public officials were held accountable for their stewardship. Many are being prosecuted today in various courts.

(ii) Creation of the Due Process Office in the Presidency:

The creation of this office is one of the greatest efforts displayed by the president to enthrone accountability and transparency in the public service. Since its creation, over ₦85 billion has been recovered by the office. Indeed, this is a clear mark of success by government to curb abuse of due process procedures for the award and discharge of government contracts.

(c) Economic and Financial Crimes Commission (EFCC):

The EFCC Act was a major departure from the past enabling laws for fighting economic and financial crimes in Nigeria, in terms of powers, functions and responsibilities. Besides, the EFCC enjoys collaborative assistance from international law enforcement agencies in the U.S and across Europe such as; INTERPOL, FBI, UNODC and FATF. The Economic and Financial Crimes Commission is charged with the following responsibilities among others;

- . Enforcement and administration of the Act in the overall context of preventing, detecting, investigating and Prosecuting all cases of economic and financial crimes in Nigeria.

- . Charged with the responsibility of enforcing other laws and regulations relating to economic and financial crimes including;

- . Money Laundering Act of 1995 (now 2004).

- . Advance Fee Fraud (otherwise known as 419) and other Related Offences Act of 1995.

- . Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act of 1996.

- . Banks and other Financial Institutions Act of 1991.

- . Miscellaneous Offences Act, 1985.

- . In addition, the Commission is the key agency of government responsible for fighting terrorist financing.

## **5. WHAT IS NEW AND DIFFERENT ABOUT EFCC IN THE PAST YEAR AND HALF**

- . Strong will and determination to bring all culprits to justice.*

- . The Commission between May 2003 and June 2004 recovered money and assets derived from crimeworth over \$700 million. It also recovered another £ 3 million from the British Government.*

- . It arrested virtually all the notorious Advance fee fraud kingpins. It has over 500 suspects in custody and most of them are standing trial in the various courts in the country.*

- . It is presently prosecuting over 100 cases in court and investigating over 500 cases*

*at various stages.*

- . It is presently prosecuting one of the biggest world fraud cases involving about \$242 million arising from a bank fraud in Brazil.*
- . It has increased the revenue profile of the nation by about 20% due to its activities in the Federal Inland Revenue Service and the Seaports.*
- . Recovered revenue of over N20 billion naira for government.*
- . Played a key in the government reform programmes, e.g restructuring of the Nigeria Customs Service.*
- . Recovered billions to government in respect of failed government contracts.*
- . It has curbed oil bunkering in the Niger Delta Region. The initial daily illegal bunkerngo of about 300,000 - 500,000 barrels has now substantially reduced to anything less than 50 thousand barrels. It is presently prosecuting over 20 persons involved in vandalization of oil pipelines.*

## **6. CONCLUSION**

It must be emphasized that a nation does not change its ideals to suit those who refuse to conform. On the contrary, it is those who refuse to conform who must change their ways in order to meet the ideals of the nation.

Overall, the present administration of President Olusegun Obasanjo has demonstrated strong political will to fight corruption and other economic and financial crimes in Nigeria with a view to creating an enabling environment and foster a viable, virile and vibrant democracy. But remember, an enabling environment flows naturally from good government. Good governance in turn is a product of honesty, integrity, objectivity, observance of the Rule of Law, transparency and accountability.

It is gratifying however that the present administration has taken concrete steps to address this problem. Perhaps, for the first time, we have begun to do things right and this is already manifesting in different aspects of our national economy and body politic.

You are critical stakeholders in this fight. I thank you for all for listening.

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