

HOW CORRUPTION UNDERMINES THE ABILITY OF SUCCESSFUL INVESTIGATION AND PROSECUTION OF TAX AND ENVIRONMENTAL VIOLATIONS

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Introduction

- ▣ The connection between corruption and operations of the corporate world is an intimate one. The extractive industry, like other industries, is riddled with the virus of corruption.
- ▣ But unlike other industries, corruption in the extractive industry has direct implication on our lives: Environmental degradation.
- ▣ Tax and environmental abuse in the Nigerian oil industry

Introduction contd.

- ▣ NNPC as the industry umpire
 - The Nigeria National Petroleum Corporation (NNPC) which is statutorily mandated with running the oil industry has unhealthy control over the sector. Under this arrangement, the entire regulatory powers, production and marketing in the industry is in the hand of a few individuals who, capitalizing on the endemic corruption by those who ought to maintain vigilance, have made the place so opaque and impervious.
 - This create enabling environment of shadowy deals and turn the industry into a cesspool of corruption.

Getting Away with Offences

- ❑ Over the years, corruption has weakened operational capacities of the institutions. Obsolete equipment and poor record keeping.
- ❑ The multinationals and other companies have undermined chains of checks and balances within the system through inducements.
- ❑ Transparency is completely absent, making any investigation a tedious if not impossible exercise.
- ❑ They have the money and ready to get the best of everything including legal services.

Contd.

- ▣ They undermine capacity of investigators to do their work by conniving with state actors to frustrate every step of investigation.
- ▣ The corporations are mostly out of the reach of the investigator, with headquarters mainly outside the country. Locating vital documents is made impossible under such arrangements.
- ▣ Some contracts signed with the Government give cover for fraud by making it legal to destroy vital documents after a year.
- ▣ In addition to NNPC, there a number of agencies purportedly working in the industry; Military, Customs, Police, Environmental agencies, State governments, etc but it only widens the net for corruption.
- ▣ The Judiciary is also seriously undermined by corruption.

Walking the Tight Rope

- ▣ At the time I was the head of EFCC, we managed to take on the industry. It was part of our determination to take on the high and mighty. Tenacity. Resolve and passion.
- ▣ We probed and got many companies convicted of tax related offences, including Halliburton and tax agents.
- ▣ We secured over 50 convictions on charges relating to oil theft and environmental degradation.
- ▣ We also effectively stopped illegal bunkering with its attendant consequences on tax flows and the environment by getting countries patronising the stolen crude to stop.

The Tools of Success

- ▣ To achieve the modest success we recorded, the first step was personal resolve. Internal cleansing and ensuring we prevented internal corruption.
- ▣ The EFCC also succeeded in bringing investigators and prosecutors under one roof. This is very important for synergy and optimum result.
- ▣ We also paid a lot of attention on professionalism through training and re-training of staff.
- ▣ We also had some courts designated to be entertaining EFCC cases, which in away have us by-passing corruption in the system

Linkages and Cooperation

- ▣ We enlisted the support of other agencies from within and outside the country.
- ▣ We coordinated inter-agency anti-corruption efforts which made it possible to bring several offenders to justice, including military officers involved in oil theft.
- ▣ We collaborated a lot with international bodies such as the Interpol, Metropolitan Police, the Department of Justice (US), etc through information sharing, tools and training of personnel. However, to get such supports, one had to lead the way and prove one's readiness to do the work.
- ▣ But the principal pillar in bringing to justice such monumental crimes is the political will of the leadership at the highest level, which we were lucky to get at the time I was there.

That is why it makes sense to have honest, courageous and passionate people like the prosecutors as political leaders in Africa.

Thank You for Listening!

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