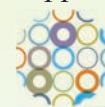




**PROCEEDINGS OF
CAPACITY BUILDING FOR
INVESTIGATORS ON
INVESTIGATING ILLICIT
FINANCIAL FLOWS (IFFs)**

Supported by



**FORD
FOUNDATION**

27th & 28th APRIL, 2021



**INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES COMMISSION
(ICPC)**

PROCEEDINGS
OF
**CAPACITY BUILDING FOR
INVESTIGATORS ON INVESTIGATING
ILLICIT FINANCIAL FLOWS (IFFs)**

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Correspondence

The Chairman

Independent Corrupt Practices and Other Related Offences Commission
Plot 802, Constitution Avenue
Zone A9, Central Area, Abuja
Www.icpc.gov.ng

The Independent Corrupt Practices and Other Related Offences Commission (ICPC) was established in 2000 by Act No.5 of year 2000. Its mandates include enforcement, prevention, public education and enlightenment.

Editors:

Professor Bolaji Owasanoye, SAN
Dr. Adeyemi Dipeolu

Co-Editors:

Dr. Esa Onoja
Mrs. Adenike Adesina

FOREWORD

The findings of the High Level Panel on Illicit Financial Flows from Africa chaired by H.E. Mr. Thabo Mbeki, former President of South Africa, and estimates that illicit financial flows from Africa as at 2000 amounted to not less than \$50 billion annually, makes IFFs one of the most debilitating challenges to domestic resource mobilization and achievement of the sustainable development goals. Curbing IFFs is therefore a critical global as well as national priority.

In furtherance of its enforcement and preventive mandates, the Independent Corrupt Practices and Other Related Offences Commission (ICPC) under her Project IFFs continues to re-tool its strategies for tracking, stopping and getting IFFs. Critical to the objective of the IFF project is enhancement of the capacity of investigators and prosecutors to understand the phenomenon of IFFs, typologies, and modes of perpetration of IFFs-related offences. The Independent Corrupt Practices and Other Related Offences Commission (ICPC), with the support of the Ford Foundation organized a two-day capacity building programme for the Commission's investigators, prosecutors and other stakeholders/members of the Inter-Agency Committee on Stopping IFFs from Nigeria.

This document is the compilation of the expert presentations, discussion and experiences shared at the two-day capacity building engagement deliberated by international and national experts on the IFFs.

Professor 'Bolaji Owasanoye, SAN

*Chairman, ICPC
September, 2022*

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LIST OF ACRONYMS

ATM	Automated Teller Machine
CAC	Corporate Affairs Commission
CBN	Central Bank of Nigeria
CISLAC	Civil Society Advocacy Legal Centre
DIA	Defence Intelligence Agency
EFCC	Economic and Financial Crimes Commission
FACTI	Financing Sustainable Development by Stemming IFFs (“FACTI Panel”)
FBI	Federal Agency for Investigation
FIRS	Federal Inland Revenue Service
ICPC	Independent Corrupt Practices and Other Related Offences Commission
ISAs	Investor-State Arbitration
NFIU	Nigerian Financial Intelligence Unit
NDLEA	National Drug Law Enforcement Agency
OECD	Organisation for Economic Co-operation and Development
OPL 245	Oil Prospecting Licence (OPL) 245
P & ID	Process, and Industrial Development (British Virgin Island registered Company)
SNEPCo	Shell Nigeria Exploration and Production Company
SNUD	Shell Nigeria Ultra Deep
STR	Short Tandem Repeats
NEITI	Nigeria Extractive Industries Transparency Initiative
NGO	Non-Governmental Organisation
NIA	National Intelligence Agency
MDAs	Ministries, Departments and Agencies
MoU	Memorandum of Understanding
UAE	United Arab Emirates
UK	United Kingdom
UNCITRAL	Convention on Transparency in Treaty-based Investor-State Arbitration
USA	United States of America

ACKNOWLEDGEMENTS

The Independent Corrupt Practices and Other Related Offences Commission (ICPC) expresses its profound appreciation to the following resource persons and stakeholders who contributed to the success of the 2-day event: The Ford Foundation, Dr. Adeyemi Dipeolu, (Special Adviser to the President on Economic Matters, Chairman, Inter-Agency Committee on Stopping Illicit Financial Flows from Nigeria) Professor Melbin D. Ayogu, Mr. Matthew Page, Matthew. O. Gbonjubola, Baclaf Prusa, Biola Shotunde, Idris Abdullahi, Joseph M. Gana and Joseph Nbona Sunday. The Commission specially acknowledges the Ford Foundation for the generous grant for the ICPC IFFs and projects. Special appreciation is equally extended to public and private sector stakeholders whose participation at the workshop made it a resounding success. Members of the ICPC Board, the Secretary to the Commission, Management and staff of the Commission are also appreciated for their presence and support.

Professor Bolaji Owasanoye, SAN
Chairman, ICPC
September, 2022

DAY 1

Opening Remarks

**Professor 'Bolaji Owasanoye, SAN,
Chairman, ICPC**

Prof Bolaji Owasanoye: Good morning, everyone. Dr. Yemi Dipeolu, Special Adviser to the President on Economic Matters. Our distinguished Panelists from outside Nigeria. Let me acknowledge, first Prof Melbin Ayogu from the US. Thank you for waking up very early to join us. I know this is not particularly convenient and it is an expression of your commitment. Let me also acknowledge Matthew Page in the UK, a very well-informed person about Nigeria who has done quite a number of projects and reports on Nigeria. Thank you also for joining us from the UK. The members of the Inter-agency Group on IFF all over the country; other facilitators, Mr. Sanya Gbonjubola from the FIRS. Thank you also for joining us.

This activity, this capacity building program is a very important component of our project on the IFFs. As you know, the ICPC is Secretariat to the Inter-agency Committee on Illicit Financial Flows. We have been trying to break down the subject into chunks. In the course of this project, we have heard seminal reports prepared focusing on the various sectors of the economy through which IFFs happens-the finance sector, tax, most notably oil and gas. We have also had a report that scoped the entire landscape that was prepared by Professor Melbin Ayogu who would be speaking today and later on Matthew Page...I was just doing a little background to the project. We had 2 reports, one on oil and gas, and one on tax. We brought the 3rd one which scopes the entire landscape done by Professor Melbin Ayogu. He will be speaking to us today on part of what we had in that report. We are also planning as follow-up to those reports and findings and recommendation, in our capacity building programme which we schedule for today and tomorrow. The first is a bigger one that will come up later on focusing on investment, oil and gas, tax and trade for more agencies than our members of Interagency Group. Today and tomorrow is focused on building capacity for ICPC investigators and members of the inter-agency on investigating illicit financial flows. I received an invitation to the National Assembly on a public hearing on key reforms and do not want that to affect this program because at some point, I will be stepping out and handing over to Dr. Dipeolu and if he is to leave early as I know he is very busy, the Director of Asset Recovery and Management, Mr.Kayode will take over with the coordination of the meeting. But wherever I am; I will log on with one eye to see what is going on.

Without much ado, today, as I said we will focus on looking at IFFs and tax havens and secrecy jurisdictions and how they facilitate IFFs. It is important for those who investigate to know what these means, how those places are sustained and how they work. Then of course, we will be looking at IFFs in some specific areas, and we have selected about four areas or five. First, we have real estate; then we have the education sector; then we have taxation; and we will give 2 case studies. One we will start tomorrow OPL. 245 and the other on the P&ID case. These are case studies, like cases that have been used to facilitate IFFs. Then of course we will talk about information sharing and how that can enhance the work of the investigators and interagency. We have this privilege to invite Dr. Yemi Dipeolu, the Chairman of the IFFs Inter-agency Group to address us.

Welcome Address

Dr. Adeyemi Dipeolu

Special Adviser to the President on Economic Matters, and Chairman; Inter-Agency Committee on IFFs

Dr. Dipeolu: Thank you very much Chairman of the ICPC. Distinguished guests and members of the Inter-agency Group; distinguished consultants; distinguished participants, ladies and gentlemen. Thank you, I greet you all.

[Not transcribed due to technical issues]

Prof 'Bolaji Owasanoye: Thank you very much Dr.Dipeolu. Let me just acknowledge before inviting our first speaker from the US, Melbin Ayogu that we are getting the support from the Ford Foundation for this project. I also want to use the opportunity to acknowledge and recognize posthumously the immediate past Country Director, and Regional Director for West Africa of Ford Foundation Innocent Chukwuma who passed on a few months ago, unfortunately. He was the one with whom we negotiated this grant and he retired in January was about to go for fellowship at Odford before he succumbed to the cold hand of Death. May his soul rest in peace and the Lord comfort his family.

Having said that, I would like to now invite to take the floor, Professor Melbin Ayogu You can share your screen. Melbin Ayogu, please.

TECHNICAL SESSION

Tax Havens and Secrecy Jurisdictions: IFF Temptation Islands Presentation by Professor Melvin Ayogu

Professor Melvin Ayogu: Thank you very much... Alright. Great... I am going to first speak in generality then I will be more specific...I add my voice to the unfortunate passing of Innocent Chukwuma at Ford Foundation. May his soul rest in peace.

I presume that if the audience, our people, whose job is to chase dirty money, they understand what makes money dirty and what makes it clean so that they can't touch it. So, I am going to operate from that background. I am going to assume certain knowledge as I go ahead, and I am going to focus on the connection between tax havens as we used to know it and tax havens as it is now, and how that creates serious challenges for the investigators and actually changes the game. The core of my talk, is actually captured in this video here, in this particular slide. Three noteworthy features of illicit financial flows that will make us now pay attention to the anti-money laundering agencies in Nigeria and to the inter-agency committee that you tried to strengthen. The future Nigeria, as far as anti-money laundering is concerned, is really dependent on the capabilities of the investigators, the inter-agencies as well as the agent. And that's the point I want to emphasize in this particular slide, and I will spend the rest of the time trying to demonstrate how the old and the new tax havens and secrecy jurisdictions makes this imperative.

The first is that stopping the crime would be the first priority if possible; but we know that we live in a world in which that is almost impossible, it's an imperfect world. So, if we can't stop the crime, the second prize is to keep it on shore, to make sure the money stays at home; that's the key message because if it leaves the boundaries of Nigeria, which is what I call onshore, whether it goes to Ghana, or Portugal or anywhere else, it becomes a nightmare; and it becomes a nightmare because protocol, both in terms of the cost, and the time, and the conditions involved in trying to recover the money; and it actually becomes more or less impossible with the introduction of Bitcoin, crypto currencies in general. And that's the point I would like to make because of what is now happening in the off-shore jurisdiction, in particular the tax havens and secrecy jurisdiction; we really have no choice than to contain the problem domestically if we have any hope of recovering money at any point in time. That's going to be the focus of my presentation this morning. And of course, this is the idea of going to look for the money off-shore is predicated or based on the fact that they are traceable assets that you

can go and find. Point to it and then I could probe that it belongs to you. And that is really an exception rather than the rule, being able to say “here is my money”, I could probe that this is my money, can we get it back. As difficult as this was in the beginning, it is even tougher now because of modern technology. So, I am going to try to craft and show you why it is actually the case that our hope is on the investigators in Nigeria and inter-agency to contain back because that is the only way we can contain.

The first thing we are going to understand is the many ways in which we can structure a deal or remove the money to make it legitimate. It's not always the case that you can find money in suitcases being flown out of the country; that's a general deviation. Sometimes this money that you are looking for leaves the country legitimately through the banking system, especially if they are sizeable amounts of money. Sometimes they are purported to be bona fide payments for services rendered; and therefore for you to be able to identify or characterize money as being illegitimate, you have to understand the underlying structure of the transaction, which of course brings up the issue of intelligence, and the issue of intelligence of course brings up inter-agency cooperation, because it is almost impossible, given the nature of the value chain and the chain of custody involved, that one agency would have a comprehensive overview or oversight of the entire activity chain. It becomes prohibitively expensive. So, inter-agency cooperation is very important. So that temptation arises along the way, so incentive structures are also very important.

Often, we talk about trying to prevent illicit financial flow or recover those that have left the jurisdiction without thinking about the welfare of the people that actually do the job. It's a package; you can't think about one without thinking about the other; so, of course it becomes a lucid proposition. And my sense is that we do not pay sufficient attention to the incentive structure involved in making these things happen. Often, we have organisations working in a trillion Naira or billion-dollar industries that are ill equipped to handle the oversight and regulation of those industries. So, they become overworked and vulnerable, and then we get surprised when things don't work. So, we have to be strategic; and that again is part of the point that I want to make in my presentation.

So, moving along, the message as I said is that the law expects you to tell the truth- “I swear I will tell the truth and nothing but the truth” and that it operates on the basis of trust. But the economists (examines the incentive structures that admits we are human) and **pays** you to tell the truth. Literally not of course giving you cash but makes sure that it is in your interest to tell

the truth even when nobody is watching; that's why I think the incentive structures are very important, otherwise we are living in a false paradise. So, the incentive structures arise because you send someone to the field to do something, to do some work, you do not observe what they do perfectly, but you trust that they are going to do the job properly. It's left for the person, an element of discretion whereby what you hear depends on what your agents want you to hear. Because your agency and the principle created when you employ somebody, and ask them to do the job that you can't perfectly monitor. So, the more knowledgeable your agent becomes, the more valuable they become. The more valuable they become, the more vulnerable you become unless you change the effective structure to align it to the best interest of your agent to work to your substance. And you see this in corporations where they incentivize people one way or another to make sure that they continue to work in the interest of the company, they don't go rogue. So, I know that in the civil service, it is difficult to address these issues, but given the specialised nature of the type of job that the anti-money laundering agencies do, this is very so, important.

This diagram that I have shown here is really a very short way of demonstrating the point I am making. The system of course in this case, being the economy. This is the economy, this is the organ on top. For instance, think about ICPC, this is ICPC. This is the management of ICPC. It sends the people out to work, they investigate. They are the sensors, they look around, find out what is happening and feed that information back to the system, so that the management can take appropriate action. But we are not machines, we are not physical systems; we are a social system. The people in the field decide what filters back to the agency. If they are not sufficiently motivated, they can change the contract, or relationship here to tell you what they want you to hear. So, you could actually be operating blindly, because to supervise the agents in the field who are sensing what is happening may be too expensive for you. You can't be here and be there, you can't be everywhere. So, you need to make sure that the agency relationship created is such that the information you are getting as the controller, for it to adopt the proper policies is correct. Otherwise, you can be fooled into moving in the wrong direction. So that's really what the control system is. Mercury in a thermometer does not lie. An atom or a molecule does not lie, it reacts to the impulses it receives. But human beings are not molecules as such so we can act strategically. And it's that strategic behaviour that makes it important for us to pay attention to incentive issues. And I thought that that should actually be flagged because sometimes those kind of issues in a controlled mechanism are not sufficiently highlighted in

the system. So, this is important actually because you should check whenever there is a possible conflict in the nature of job that somebody does, the system tries to compensate that.

Why do you think that bankers are well paid? Why do you think that accountants are well paid? Why do you think the financial people, the auditors, the tax people internationally [are well paid?]. In South African Revenue of Authority, the commissioners are outside the traditional civil service system. There is the compensation service system. And I am not sure if FIRS of Nigeria has also adopted that system. So, whenever you are in the business of money, as those of you who now fight bribery and corruption, you are in that special category because of the nature of the incentive. The incentive compatibility needs to be there, and I am not supposed to be talking to you about this, I should be talking to the National Assembly and the Executive; but still, I want you to know that we are very, as consultants, conscious of those special positions. And sometimes these incentives could be non-peculiar. It could be perquisites or perks as they call it, or special positions that have been made with those that work in that setup. So, it's an abiding issue-compensation, training, retention and continued professional improvements.

Now to understand this point that I have made, let's look at this temptation island. Temptation Island made in the tax havens, the secrecy jurisdictions; and what happens in those jurisdictions? The nature of the fight that you have to fight, that's the temptation that confronts you. So, if you understand your responsibilities, duties and mandates, and how edifying and challenging they are, then we understand why it is very important to pay attention to the compensation or incentive structure with those engaged with these type of business...

Let's begin first with dirty money. And the first point I want to make is that dirty money is an overwhelming business. It's very dominant. If you look at this definition I have given here, there are two components of dirty money. The source of the money; and the provenance, and how the money is moved or transferred; the purpose of moving the money. Money can be legitimately acquired by the salary or illegitimately acquired. But you can break the law in the way in which you transfer the money. It's also quite possible that the money can be illegitimate but you transfer the money legally. As they say "*hidden intent*" but still that makes it dirty. So, if you look at this matrix which there is first column first row, first column second row, second column first row and second column second row. Which I am calling **a11**, **a12**, **a21** and **a22** to refer to the different cells. If you look at these, the first thing that strikes you is, *there's a probability that 75% of the money out there is dirty*. If you were flipping a coin, 25%,

which is this cell only, of the money that we deal with is legitimate. If you have to operate in a trillion-naira economy, in which the probability of the money down there is dirty, 75% probability, now you see the scope of the work you have to do. That is the first point you have to understand. That you have a lot of work on your shoulder. And therefore, you need strength, you need capacity in terms of resources to do this work.

The second point is to understand the nature of the people you have to deal with. The animal, if you like, out there. It is huge money, a lot of money, it's a tsunami. The criminals, if I may I use that word, need safety and control. It is pointless they are accumulating the money and they lose control of the money, doesn't help them. So, they have to overwhelmingly-one is safety, and one is control. For that, they need what we call gatekeepers. These are the facilitators, the people in the criminal enterprise value chain who make it possible for the criminals to retain their money, regardless of how huge that money is, regardless of the nature of illegitimacy. These gatekeepers are not people walking around in the street with signs on their face saying "I am a laundromat. I help the criminals launder their money". No. They are respectable members of the society. They are banks. They are trusts. They are regular corporations. They are foundations all around you. They are legitimate businesses otherwise. General aviation, people flying; these are private jets and transportation; but because of the fact that these are respectable members of society, intelligence is very important; and that is where inter-agency again comes.

You can't just confront somebody in the street and say "you are engaging in illegitimate activities. They will sue you for slander or they will sue you for defamation; and therefore, you need to be sure about what you are talking about. Bankers in their suit and ties and suspenders, private banks, lawyers, accountants, chief financial officers, and corporate service providers, that's my favourite one. Corporate service providers are like one-stop shopping. You come there, they even give you fake directors, open the company for you, they even give you are crowd for hire, tell you where you can take the money to, and if you want a trust, they sum it for you overnight. They do everything you want at one-stop shopping. So, these are the important people that are involved in the criminal enterprises, and of course, secrecy jurisdictions, the tax havens that we are talking about.

Secrecy jurisdictions are like the building that's where they hang up a sign and say "all of you come here. We welcome you. We treat you as legitimate citizens. We don't bother you, so you can do the business you want and you can go your way no questions asked. So, they actually

act as aggregators; they bring everybody together without having to look behind your back. Whether you are flying in, you are walking in, you are sailing into the country, no questions asked, *no problemo*. Just do your business. So, they are the nefus of making sure that when this money leaves your shores, it disappears.

And of course, the finance experts. [Who advise you to] “structured this way- you have to transfer it from point A to point B and so that nobody ever sees it again.” Even if you identify the beneficiary owner who owns it, you can’t see the money to recover. In the old dispensation, if you like, secrecy jurisdictions, we talk about freezing. Even if it is interim freezing while you investigate, and then you need a permanent freezing order and eventually you confiscate or recover. In the new world of crypto currency, the money is out there in cyber space, you can’t freeze it. Because its outside, its supra-national. Its outside the control of any regulatory authority. So, it makes it impossible for you to even begin the arduous, and expensive process of trying to trace, identify and recover because the money is not there. It is not under your control. The exchangers, because eventually, some of the places, jurisdictions in which bitcoin or crypto currencies are not legal tender. So, you can’t use them to pay for real estate duty, or taxes, cause eventually if you want to convert your money, cash into titles, or real properties, you will have to convert them into fiat money depending on the country. But even that has become a moot point because in the secrecy jurisdiction, there are banks that act as exchanges between crypto currencies and fiat money. So, all they have to do is, eventually your money, which of course you can’t identify the origin and destination because the dark web, Thor and Onions, those anonymizers, makes it totally impossible to tell where they are coming from. All you know is that the money arrives as a wire transfer to the bank in the secrecy jurisdiction; the bank changes it like a *bureau de change* or any other exchange point into the money you need and transfers it to wherever you want to pay the duty or whatever it is you want to pay. So, you don’t know where the origin, the mother lode, where the money is coming from. In the past you can say “it is in this particular bank”, now you can’t even do that anymore. The only thing you can identify is the exchange point. And even if you take issues with the exchange point, the exchange point cannot even tell the destination or origination of that particular wire transfer because it would have gone through several iterations and they are all digitized. So beneficiary identification becomes impossible. One more reason we want to make sure it doesn’t leave the country.

I looked at the schedule and I saw that there’s going to be a talk about real estate. That is very important. We need to listen to our real estate agents and those who structure the deals to tell

us what they do particularly in regard to Nigeria in terms of beneficiary interest. As well as those who operate trust. We need to know in the many ways in which you can have a blind trust, if it can happen in a way in which you can have a protector; in the many ways in which the trust can become whatever you want it to be. They become better security, almost like finders' keepers. So that even through that trust you can identify the beneficiary interest in the particular transaction. So, every day, the level of sophistication becomes impossible to unravel. That's what happens in those islands, in the secrecy jurisdiction. Because, believe it or not, and I am not sure if this is a pure coincidence, I will show you the mapping, very shortly. Most of these secrecy jurisdictions are offshore, in islands, little islands that pop-up around the world. Identifying those islands used to be a nightmare but it is even more challenging now because it has transcended the islands and it is also escalated to cyberspace.

Let me first, before I go further, show you what a money laundering value chain looks like. On your own therefore you can see at every node the important role of all these gatekeepers that we talked about. So, the first is, you want to separate the crime from the crime process. The second order of business, of course, is to separate the crime proceeds from its clean transfer. So, you create a wedge here, you create a wedge here. There is no connection between these anymore. So, the crime proceeds are not clean money. But that's not all. The most important thing is that the criminal need unfettered access to that clean money. That's the ultimate. And this is what the modern technology does to you; that sometimes there are criminal sets that don't even have a bank account but they keep spending money. All they need is a code in their mind. These days when you have contactless ATM machines, you don't even have to carry a credit card. When I go to shop, I pay with my cell phone, Apple Pay, or all kinds of pay. You just put your phone there and you move. You don't have to carry your wallet anymore. It becomes so sophisticated that, it has become so enhanced that the criminal you are arresting may not have any money, they don't have any bank account; it's in their minds, it's the codes.

And finally, of course, even the criminal need to be a respectable member of society; so you delink the criminal from the crime; there is no connection between this crime that was committed here and the person that committed the crime. And there is no connection between the crime proceeds and the clean money that this person who has disappeared is spending. So, this person becomes a respectable member of the society. That is the criminal enterprise value chain. And this is very important. I want to repeat this again. This is the crime; so as long as the criminal, of course, is attached to the crime, when they start spending the money, the society will never be suspicious. ICPC will keep watching you all the time. Because they know you are

the bad guy. So somehow there has to be a way in which the criminal and the crime has to be decoupled. And of course, if the criminal cannot access their money there is no incentive to take the money. The whole idea is to be able to enjoy the money. And if you can link the money to the crime, the money is no good. It will give you constipation. So, you don't want to conceive money because you are going to get worms in your stomach. And that's why ***money laundering is the core of fighting dirty money***. And anything we can do to strengthen the money laundering apparatus in this country, the better the incentive to stop the crime.

Remember I had talked about the first principle being to stop the crime. So, systems review. If a lot of the money is from contracts; I am glad we talked about focusing on specific sectors of the economy such as international trade, or oil and gas, services industry, whether it's in IT technology or telephone, banking, foreign direct investment and we know about the foremost, the P&ID. So, all those contracts as they come and service us in this country, if these are ways in which the crime is being committed, then due process becomes very important preventive measures, because trying to recover has become mission impossible. That's really the point. When you examine the fight you have to fight, you say ... "I think it's best for me to go back to first principle" to make sure, as I said here, to stop the crime. If I can't stop the crime, keep it in Nigeria, in here. So, that again, is the point I keep emphasizing; how difficult it is for you to operate in the usual way, especially in changed circumstances in the world.

So, that said, again, I bring up the list of where your interest needs to be. The criminals need for safety and control as I have told you, the role of banks, the role of trusts, the role of corporations. The reason why corporations are very important is, when corporations enter into contract with the government, the amount of money moving into the account is so large that one more large transfer is not likely to raise any attention, particularly when banks do not exercise due diligence in filing suspicious activity reports. They simply provide currency transaction reports which does not go to the underlying structuring of the particular transaction in play. Again, the reason why intelligence is important. In fact, in the US, the most famous case... the *Silk Road Case* involved crypto currencies, the only way the interagency committee in the US were able to solve that case is by infiltrating the network, almost going underground as they do in mafia. So, these days you may sometimes become an agent that infiltrates the system. You can't just sometimes solve that by looking at publicly available information or structured intelligence. You have to go underground because of the sophistication of the structuring nowadays.

It's all about the puppet and the puppet master. That's what happens in those islands, and the strings that connect the puppet master to these puppets are the CSPs, the enablers and facilitators.... So, you have to break the strings in order to stop the puppet master from operating the puppets. Sometimes in the case of appointing a protector in trust, trust means, of course, that you take your money and you give it to someone else to manage. But that also means that you could lose control. So, if you appoint a protector, if the trustee becomes a liability, because ICPC or EFCC are now onto the person, the protector removes that particular trustee and appoints somebody else; problem solved. These kinds of things can happen in secrecy jurisdictions. This is why I said they have so many strings and they can pull it in different directions. So, understanding the dynamics of the structuring is the key intelligence that you bring into unravelling this mystery that keeps evolving like a bad virus on a day-to-day basis.

Now to give you an incidence typology, what happens here as characterised by the tax havens, by mineral rich and victim; mineral rich countries that are not subject to a lot of illicit financial flows, and countries that are not mineral rich that are still victim of illicit financial flow. The first thing that occurs to you here is a lot of the mineral rich and victim countries are located in Africa, which is really very sad. The other thing I want to point out, is that secrecy destinations and destinations that are not secret. There are destinations that are much more cooperative and criminals do not like to go to those destinations, they want to go to the destinations that do not cooperate with law enforcement agencies from other countries where it is really very tight. And on that, the Cayman Islands and Bahrain and Singapore are very friendly jurisdictions. This is the Caribbean. As you could see, the secrecy jurisdictions pepper these islands. Of course, you know about Panama because they have made a big deal about it. But Cayman Islands is the mother lode. They are the most difficult for law enforcement agencies because they are the friendly to criminals. And these jurisdictions have been matched so you can actually look at the indices that tells you which ones are tougher and which ones are not. But that's irrelevant for your job because... you can't stop the criminals from going wherever they want to go, they will always go to the ones that makes it toughest for you. These are the jurisdictions in Europe. These are the jurisdictions in South East Asia-you could see Bahrain, Singapore, Macao and Cyprus. And Cyprus of course became very famous when the US was talking about the deal between Turkey and Ukraine during the Trump administration. And this is the South Pacific. And this is Africa- Seychelles, as you can see, and Mauritius. And this is a panoramic view. So, you could see that given how defensible secrecy jurisdictions are, they are actually very

popular, very successful in what they do. Hence, at the beginning of my talk, that the best thing for us to do, rather than fight this force, is to make sure that we never get into this business where we have to tangle with these people. Because it's a formidable force to deal with.

And finally, this slide is again to emphasize what I said initially. That when the US was fighting the Silk Road, it was an interagency cooperation between the Department of Justice, the Federal Bureau of Investigation, the United States Drug Enforcement, the Secret Service and the Homeland Security... In concluding, I am trying to emphasize the most important agenda in Nigeria today, which is interagency cooperation. That even in the US, with all the resources of the individual agencies, it took them between the Department of Justice itself, the FBI, the Homeland Security... And so, this is what it takes even in the most advanced countries; then imagine if we do not fight united in Nigeria and then also approach international jurisdictions to help us as a united and cooperative agency. We could see here it says: "In accordance with the law of the European Union, this is the FBI, the Immigration and Customs Enforcements of the Homeland Security Investigations, European law enforcement agencies through Europol and Eurojust, and the US Department of Justice Computer Intellectual Property Section; these are the people actually trying to chase, monitor what is happening in the cyber. They couldn't stop it, but at least they had to have the same level of sophistication to monitor what was happening as well as imbedding into the system to eventually catch the guy who did this.

I just wanted to appreciate the opportunity and to say that it is coincidental that on 27th of April and 28th 2009, we had started this journey of International Colloquium on Asset Stripping when I was at the University of Cape Town, and I had actually invited, at the time, Farida Waziri [Chairperson of EFCC] to come for the conference but she couldn't but Dr Alemika was able to come and attend that conference. So, I just found it coincidental in terms of dates that about 12 years later, on the same date, I am still talking about the same issue that I talked about at the time. And at that time, it was African Development Bank, the IDRC, the Basel Institute on Governance, and Global Financial Integrity, and the University of Cape Town that co-sponsored that particular conference to call our attention to the issue of asset stripping which we see as an African problem and Nigeria being the biggest victim in Africa.

I think this is where I end. Thank you very much for your patience and giving me the opportunity to address you this morning.

Prof Bolaji Owasanoye: Thank you very much! On behalf of the ICPC and IFFs Inter-agency Group, I want to thank you for this presentation. So, I want to thank you very much for your support and looking forward to other engagements with you. I see that two hands are up. Abdulkarim, you can ask your question.

Abdulkarim: I am a reporter with Premium Times. Thank you, Melbin, for the presentation. You spoke about crypto currencies...are there ways that you think the crypto currencies space can be regulated?

Prof Ayogu: ...I always say don't allow them because otherwise you would be fighting against the wind. So, what we have to do is to regulate. We regulate banks...but we know how much success we have gotten in terms of that...It is difficult to regulate them perfectly because of the nature of the job, so what we have to do is to develop parallel capabilities to understand what goes on in the cyberspace while of course regulating them to the best of our abilities which is never going to be perfect.

Prof 'Bolaji Owasanoye: Thank you Melbin. This is the first in the series of meetings that he [Melbin] will be having with us. The next one comes up in May... I want to thank you and look forward to further engagements with you. Thank you very much!...

So, without much ado, I want to invite a friend of the house. I can't remember when I met Matthew Page, but it has been a while ago, long before I actually joined ICPC. Matthew Page has done a number of seminars, highly cerebral and very useful investigative research reports based on various sectors in Nigeria. I will not like to waste so much time...Matthew has two presentations. The first presentation is on *IFFs in the Real Estate Sector* and the second one is on *IFFs in the Education Sector*. I think the work on the real estate sector is perhaps more popular than the one on education sector... where by sending students abroad have been used for money laundry... It is a great pleasure to invite Matthew to speak back-to-back to his presentations... So, Matthew, please unmute yourself and take the floor.

IFFs in the Real Estate Sector

Presentation by Matthew Page

Matthew Page: Thank you, thank you ... Chairman for having me. It's a great honour to be here to speak to all of you and speak about some of my research on these topics. It's also very good to see that professional education and the continuing learning about these challenging issues is a core part of what ICPC, I think, is all about, and it definitely distinguishes you in terms of thinking about these issues in a very substantive way...

So, thank you again for having me. So, in the next 20-30 minutes or so, we'll be walking through really two separate but very connected issues, that really build in a more specific way on Prof Ayogu presentation about some of the big strategic ideas behind illicit financial flows, the incentives involved, and where the money goes abroad. This is looking at two specific sectors- the real estate sector, and the education sector. These presentations build off of two much more detailed reports which I will share after today's session and I can send out through ICPC to investigators, that really gets down into the weeds of these issues and provide a lot more detail than I can in this presentation.

So, we look at, first the real estate sector, the property sector, and this is what I call the Maitama to Mayfair connection; and you'll see on the left, a house in Maitama and on the right, a house in Mayfair, and how the illicit financial flows pass from Nigeria to the international community. There was a key point that I think Prof Ayogu made which is something that I think cannot be emphasized enough; which is, illicit financial flows are too often portrayed as a Nigerian problem, the results of corruption taking place within Nigeria that then spills out into the international realm, but then in reality the international financial system and countries like the UK and US, and of course many other secrecy jurisdictions and tax havens that Prof Ayogu mentioned are really designed to act as magnets for these illicit financial flows; and I think too often this is portrayed as a Nigerian problem, when in fact it's very much a western problem, very much an international problem, and the flows are in the sense very much driven by the way in which the international financial system is set up. So, I think we should keep that in mind as we are looking at corruption in these two sectors.

So, in part one... I'm going to talk about illicit financial flows that spill out from Nigeria into the real estate sector; talk about how this is a very easy thing to do because of the professional enablers that Prof mentioned; those corporate service providers, those estate agents who are

based in London or Dubai who make this possible; and of course, the enablers within Nigeria, who are also part of the process. We will look specifically at Dubai. I think that Dubai is increasingly being recognized as a nexus of global illicit financial flows; and last year, at Carnegie, we wrote a very detailed report. *The Carnegie Endowment for International Peace* is the think tank that I write for quite often... We looked in depth at the different facets, the different types of illicit financial flows that go through Dubai; and these include illicit trade in gold, gold-smuggling; these includes trade-based money laundering, mis-invoicing, fiddling the books, if you will. It includes money laundering through the property market in Dubai, which we know is a massive challenge, and one which again affects Nigeria greatly... I'll talk in both of these presentations because I know my audience here, I'm going to be talking very specifically about the obstacles and some of the potential opportunities that I see as a layman for investigators like all of you listening in to this presentation. Then in Part 2 we're going to shift our lens or our vantage points a little bit, and look at illicit financial flows through the education sector, and specifically through the UK education sector- from Nigeria to the UK education sector, through private schools, private boarding schools and universities. But one thing I would mention up front, and we'll speak about this more later in the presentation, is that this is a global problem. It's not just Nigerian politically exposed persons who are sending their children to UK private schools using unexplained wealth; it's politically exposed persons from all over the globe who are doing that; and likewise, it is not just the UK that is a destination for these potential illicit financial flows, but children of course, schooling in the US, Canada as well. So, I will provide you some concrete examples, case studies of those situations; and finally, as well of course, why should you as investigators care about this, and why is that important, what opportunities exist for all of you.

So, let's start thinking about the real estate sector, and of course, as ICPC investigators and investigators from sister agencies, property is often one of those tangible assets that seized or frozen when you undertake a prosecution or a non-conviction based asset forfeiture action against the suspect in the line of your work; so, this is something, an issue that you're very familiar with in the Nigerian context, and really, the issue in the international context is not that different. We know that this is a means both to launder money, using dirty money to buy a property, and then sell it later and have that look like a licit, a legal transaction; but it is also something... that kleptocrats and criminals and corrupt officials are looking to spend their money on things that they wouldn't otherwise have as luxury property. It is also destination, a

receptacle or sort of an end result of the stealing of public funds that takes place in the corruption.

Now, I think we have to keep in mind that the reason why kleptocrats or corrupt officials are attracted to property is because it is a very easy purchase to make, and we see this in the context of Abuja, I think particularly, in particular also in terms of farms. We know that farms traditionally have been a mechanism for politically exposed persons in Nigeria to invest money, to launder money through. That is a very key vehicle for that; also, commercial property, as well shopping centers, other buildings that are then rented out to everyday people, and provide both income and also the opportunity for money laundering as well.

But beyond Nigeria... we know that politically exposed persons from Nigeria are using potentially unexplained wealth to buy high end luxury property, often many properties, in Dubai, London, and of course, various parts of the USA. So, part of this challenge... is the fact that it is relatively easy to transfer large sums of money out of Nigeria in a variety of ways; and that gets back to [Prof's] diagram about these various steps, how first prize is preventing the crime, second prize is preventing the money from leaving the domestic sphere and going abroad, and then once it's abroad it's incredibly difficult to gain the cooperation of another governments, another set of law enforcement agencies working under a different set of laws, to seize that money and then of course, eventually repatriate it as well. There are various techniques to avoid detection. Prof mentioned some of them. The most recent one, of course, is the use of cryptocurrencies. But there's also the role of these professional enablers, how many banks turn a blind eye to these large transfers of cash. There's the role of these other financial institutions, the OFI's that some of you are familiar with such as the Bureau De Change, and of course, just bulk cash smuggling which has in the past often taken place in the cargo hold of private jets that are owned or used by very senior politicians and their allies to actually take large sums of cash out of Nigeria to places like Dubai where it's accepted by banks there, no questions asked; and that's obviously extremely problematic.

We know also that that individual use proxies, whether be proxy companies, individuals, trusted friends, members of their extended family, shell companies, many of which are registered in these secrecy or anonymous jurisdictions; so for example, much of the property held by top Nigerian politicians in London is held by companies registered in the British Virgin Islands, for example, or Panama, Gibraltar. There is a very wide variation of how those properties are held, and part of that goes to show just the wide availability of these corporate

service providers who are providing the mega rich with the capacity to hide their money. So, it's expensive for politically exposed persons to register a company in Panama and go through all the wahala of doing that; but then, once it's in place it is a very safe secure reliable, and as Prof said, something that they can control quite well as they move their money around the globe. That's another key point. Essentially once the money is outside of Nigeria it can obviously be moved anywhere in the international financial system, and at that point, it really doesn't matter which jurisdiction you're in; you're just not in the Nigerian context anymore, you're in a whole new set of rules and regulations and obstacles as well. And something that I think we don't really understand is the link between Nigeria-Dubai- the movement of money as it takes place under the guise of trade; trade-based money laundering which, like I said, is misinvoicing, essentially fraud that takes place through the conduct of normal commercial legitimate activity, often is a vehicle for transferring money surreptitiously, you know, illegally through and out of Nigeria; and I think that's something that all of us need to be more aware of as we look at this issue.

So, I mentioned that Dubai is an extremely significant destination for unexplained wealth, dirty money, whatever you want to call illicit financial flows from Nigeria into the international financial system, and there are four reasons for this. One is, it's very accessible, right. We know that under normal circumstances, before coronavirus, there were two flights a day from Lagos to Dubai, one flight a day from Abuja to Dubai. We all know that elites, government elites, political elites, often almost split their time between Nigeria and their life in Dubai. It is a playground for the world's wealthy, and of course, that's no different for Nigeria's wealthiest citizens either. Now, permeability-the ease of money traveling from Nigeria to Dubai, we talked about that; it's very easy for that money to permeate from out of Nigeria into Dubai; and also, reliability-Dubai is not a destination for global illicit financial flows by accident. It was designed that way, that is it's competitive advantage in the global space; and it's a very safe, reliable, steady, destination for funds. It's a sort of a benevolent dictatorship, right. It's one in which the ruling family maintains tight control over the laws and the commercial environment there; and it's essentially a safe, and oasis for cash in an otherwise quite unstable world, or quite unstable region in the case of the Middle East. And finally, is affordability. If you are a politically exposed person from Nigeria or anywhere in the world, even if you're wealthy you still want to get good value for money. When you take your cash out, you ideally would want to get a return on your investment that you are laundering through property somewhere, whether it be London or New York or Dubai; and in recent years, Dubai has been more

affordable. So, for the price that you could buy a posh townhouse in London, you could buy perhaps eight or a dozen posh flats in Dubai. And so, from that standpoint, it's been attractive as a value proposition for kleptocrats from Nigeria and other countries as well.

So, I want to briefly mention my research that I did last year, and it culminated in the writing of a report that came out in 2020 on Nigeria elites, sort of love, for a better word, of Dubai properties; and what I discovered through very detailed analysis of a leaked property database maintained by a US based NGO called C4ADS, is that they were about over 800 properties that were linked or appeared to have strong links to Nigerian politically exposed persons, and these properties worth about \$400 million or so; and I have some specific examples there, though there were many examples; obviously those are some that you know...from a liberal perspective, I was able to put in the public domain I gave these individuals the opportunity to comment... and of course, just because an individual owns property in Dubai doesn't mean that they have committed a crime or that they're guilty of corruption; it's just noting that these are politically exposed persons, they own significant holding properties in Dubai, and that putting that fact out there is in the public interest, and for the interest of investigators like yourself who can now see that there are tangible examples of senior political elites who have quite large footprint in Dubai. And that is, I think, worth noting. And again, what is most interesting is that many individuals who own properties in Dubai also owned properties in the UK and or the US as well. So often, if you are in that sort top tier of politically exposed persons in Nigeria and you have potentially significant amounts of money that you are looking to place outside the country, you often do it in many different jurisdictions, not just Dubai; and I think that goes to my point that I made earlier, about ... once the chicken flies to coop... once money leaves the domestic arena as Prof pointed out, it is... it's free to travel almost anywhere, and in fact, it becomes very difficult after a few transactions to track its origins even back to Nigeria...

Those are some specific examples. Here is a breakdown of those \$400 million in properties in Dubai by the numbers. So, as you can see, the largest proportion of them are individuals, which I believe very clearly, were acting as proxies or middlemen for politically exposed persons; and there were various reasons for that in each individual case. In one case, for example, there was an individual who was a market stall trader in Lagos who sold handbags, who owned a \$1,000,000 flat in Dubai, and that obviously seemed quite incongruous. Clearly his potential income, you know, didn't match up with that property ownership. The next largest category, ironically, was people who were known as EFCC and ICPC, individuals who have been arrested or prosecuted in the past. There were 13 of those individuals, and ironically, they

owned almost as much property as the 158 proxies that I identified as well; and then, you know, business people that I knew were linked to politically exposed persons who again, perhaps, were acting as their intermediaries-top lawyers, consultants, and things like that, who had those established relationships that was the next biggest group. So, you can see down the list that these were what I call archetypes or the categories of individuals who owned properties in Dubai. All these, by the way, is in the report which I'll make sure to make available after the presentation. So, this is, I've given you a small taste, I know it's a short amount of time we have together, so I've given you a little taste of what the connections are between the Nigerian corruption challenges, problems that you all deal with day to day in the real estate sector in Dubai. But what does that mean for you all as investigators?

Well, unfortunately as Prof intimated and discussed in his presentation, there are many obstacles to working with other countries, and in the case of the UAE these are actually very significant. The Dubai Report which I mentioned earlier, talks about the challenges international, the western law enforcement agencies have cooperating with Emirati law enforcement. They are very reluctant to cooperate; they're very reluctant to share info. Now there are a few exceptions, as all of you will be thinking probably as I'm speaking. In recent years right, former Delta State governor Ibori, former Attorney-General Adoke, have both been extradited from UAE based on, I believe, Interpol warrants; and there are other examples as well. Hushpuppi is another example of, I believe, someone who was extradited from the UAE to the US to face criminal charges. But overall, we have a lack of transparency. So Prof mentioned all those secrecy jurisdictions, all those high risk corruption jurisdictions. I would place UAE in that list as well because it has some transparency in some ways, but very low transparency in some others; and then of course, there's a high volume of financial flows from Nigeria to Dubai and then back again, and of course that makes your job as investigators very difficult, just finding those potentially dirty or suspect transactions within the context of a very large and continuous flow between the two countries.

So, what are the opportunities here? Well, I think there are some creative ways as investigators to begin putting together the pieces of the puzzle together, like I did a little bit, I have got a small start with the property case studies; and that is:

- ❖ *Setting up a dedicated investigative team examine bank transfers to Dubai; and so, you begin with the premise that there are a lot of dirty money flowing from Nigeria to Dubai. let's take a look at the bigger set of transactions and come up with a sample right and*

*pull out some of those dirty transactions and then trace them down. It is a bit of a fishing expedition, but you are fishing in the ponds that you know has many big, big, big fish inside of it and therefore would be her target rich environment.*¹

- ❖ *Secondly, looking at media and social media for politically exposed persons who are living in Dubai and London, or their children or their families... looking for evidence of unexplained.*²
- ❖ Well, verifying asset declarations, I don't know if any of our colleagues from the CCB listening in or present, but I think that, again,... *verification declarations within the context of overseas property is an extraordinarily target rich environment in the Nigerian context.*
- ❖ *Investigating these middlemen and property marketers who are often splitting their time between Nigeria and Dubai, and look at the role that they play, really scrutinize their transactions, and their activities and who they're dealing,*³ because many of them are enabling these problematic deals that involve political elites who really have unexplained wealth and are using it to buy properties.
- ❖ Finally, *co-operation with external civilians, so to speak or trusted civilians like myself, who for example, can help facilitate access to that leaked property data* that is managed by the NGO in Washington who you are already talking to other investigative journalists and researchers who are looking at these issues, who often have a lot of leads sitting in our files and are happy to share them with law enforcement if they are keen to action those.

¹ Bullet points and italics inserted and formatted by editors for emphasis

² Italics inserted by editors for emphasis

³ Italics inserted by editors for emphasis

IFFs in the Education Sector

Presentation by Matthew Page

Page: So, with that... I'm going to shift gears very quickly so get back on schedule and talk about illicit financial flows into the UK education sector from Nigeria, because it is really a variation on the theme that we've been discussing which is the flow illicit wealth, illicit financial flows from Nigeria into the international financial system. This isn't just another manifestation of it, another example which should be on your radar as investigators. As I mentioned, it's a worldwide problem, and it is fundamentally driven by schools and universities in the West, European ones, what I consider prestigious universities that attracts students from all around the world, that have these very long histories and so forth. They lack anti-money laundry safeguards...

Okay, so very quickly, £30 million annually is my rough estimate of politically exposed persons spending on UK private education; so that's about N18 billion per year in the form of potentially unexplained wealth that is being spent in the UK. It is a widespread practice among political elites, so you'll find that again, most political elites are sending their children, senior officials are sending their children to very expensive schools. Now, why is this suspicious? Many elites send their children to private education either in Nigeria or abroad. Well, the problem is that the rise in fees, average fees, at these exclusive institutions has greatly outpaced the earnings of top officials, including up to their allowances, right, because with the decline in the value of the naira, and because the spending,... the cost of these exclusive education overseas in dollars or pounds, this is becoming much more difficult for top officials to afford legitimately, and what this table shows is how the earnings of top officials have essentially decreased in their pound sterling value as the cost of the private schooling just for one of their children has increased significantly over the last decade. So, I think we need to challenge our assumptions that for even the senior most officials that the private education is within their means; that means there has to be some other explanation besides their official salary to explain these purchases. In other words, you know, that would have to come from a career before they entered politics which again, considering that some of the individuals that we've tracked schooling their children in the UK, are career politicians; this makes it very difficult.

So, here is an example of six individuals, some of which I've chosen to keep anonymous because they're senior serving politicians; but the extent of the spending that they have made in the last decade in the UK education system. So, these are individuals which I tallied up; how

many children they have; which schools they've gone to; for how many years, and come up with a rough estimate, again a conservative estimate of how much they have spent. As you can see, some of them have spent a quarter of a million pounds or half a million pounds, almost a million pounds, just on sending their children to the best schools and universities. So, what this means is that we're now getting into the territory of ... buying a mansion in Mayfair, buying an upscale flat in Dubai. This is comparable, this type of spending. Therefore, I would argue should be viewed as a potential illicit financial flow or as the possible evidence of unexplained wealth within the context of the type of investigations that you all undertake...

[W]hat does this mean for all of you investigators? Well first, I want you to know, obviously keep in mind, that very this widespread practice is not unique to Nigeria, not unique to the UK. I happened to look at it through the lens of Nigerian politically exposed persons because, of course, that is my focus as a researcher on your anti- corruption issues as they affect or impact Nigeria. And again, the key enabler here is inadequate international safeguards. So this means again that the visa officials of the UK embassy are looking at whether or not a student going study in the UK can pay their fees, not how did they get that money, or whether or not they are the child of a politically exposed person who doesn't have the means to have that money; and like I said, there are very few suspicious activities report filed at the other end, making it very difficult for investigators in the UK to flag transactions.

So, what are the opportunities for all of you? Well, *I think including school fees within the investigatory lens when you are looking and comparing someone's incomings, outgoings and the evidence of unexplained wealth, include education within that picture, because it is often a significant expense for politically exposed persons.*⁴ Also, I would highly recommend, looking at *3rd party payments, because I am quite sure that for many of these politically exposed persons, their school fees are being paid by 3rd parties as a kickback, as a bribe, as a quid pro quo for a contract or some other benefits that is being provided domestically within Nigeria* and then the payback comes abroad. *Looking at forex, discounted forex within the context of education expenditure, getting individuals comply for discounted Forex and receive it under the auspices of education. And also making requests to UK and US embassy in Nigeria for information on your politically exposed persons whose children are studying in the US and UK, because they have that information.* They have the names of the individuals that they have approved to study overseas. Like I said, *reviewing media and social media.* A lot of these

⁴ Italics by editors for emphasis

information is in the public domain, that's how I found it, and so I think it's there for you all to find as well. And then keep in mind that many of these real estate purchases that we talked about in the previous presentation, often these birds of a feather flock together. So, you will have a lot of politically exposed persons buying property in the UK, maybe next to where their child is going to a private boarding school, and then these transactions are coming in the same time frame and in the same context. So, when you find a property, perhaps look for education spending as well or vice versa.

And the final issue, this is very unique to the ICPC, because of its mission is looking at those ministries, departments, and agencies that do provide scholarships, because there's a part in my report where I talked about corruption around the awarding of scholarships by entities like NDDC, for example; and I think from a systems studies preventative aspect, or even from a prosecutorial investigatory aspect, greater scrutiny on educational scholarships provided by those MDAs, would be a good use of ICPC's time. So, with that, I thank you for your time and wish you well in the next few days of education and learning.

Thank you!

Dr Yemi Dipeolu: Thank you very much Matthew Page. We will take questions and answers now. Some questions have been asked already in the chat.

[Dr. Dipeolu reads out questions]

[**Mr. Akeem Lawal**, Director of Operations, ICPC asked a question lost due to sound quality]

[**Dr. Dipeolu:** Matthew Page, over to you for your response to the questions]

Matthew Page: Ah thank you... So, thank you for the excellent questions. So let me start with *Sunday Adebayo's question* about the high number of fixed and immovable assets owned by Nigerians in other jurisdictions and is there... international laws that allow their repatriation back to the originating country.

I think that the answer is that these are still evolving, and even in the case of the best-established relationships between, for example, between the UK and the US, or countries like Switzerland, European jurisdictions, there does seem to be a case-by-case approach to how these money are returned. Many of these countries, rightly or wrongly, and I know many Nigerians believe wrongly, are attaching some conditions about their repatriation, worried

about re-looting, about moneys being returned and disappearing again through budgetary loopholes. Now in the case of the UAE, I think those agreements, I think there has been an MOU signed between those two countries [Nigeria and UAE]. I think that those arrangements haven't really been tested or run in very well. So, this is a huge challenge... for organisations on this call, ICPC and others, as they look towards their end game. However, as we know these investigations and repatriations processes take many years often; so, they often involve private parties, civil lawyers engaging on behalf of the Nigerian government to recoup these assets...and those type of people would have more expertise on this issue than I would.

Now, on *Jamila's excellent question* about whether or not many private schools in the UK have anti-money laundering kind of terrorism finance responsibilities. The answer is not any more than someone like I would who works in the UK, an everyday person. I mean they are bound by the same universal laws that apply to other UK citizens and entities such as the Bribery Act and so forth. But they don't have any special responsibilities, and they are not even included within a voluntary money laundering preventive framework that is operated through the Financial Conduct Authority in the UK which covers other non-financial entities, other facilitating entities such as accountants, estate agents or conveyancers. Those are sort of voluntarily brought in under another type of regulatory framework, and unfortunately schools and universities are not; so, they have no formal requirement to do that. However, there's a greater movement within the educational sector to fuel the anti-money laundering policies internally, to essentially help them do better, because right now they are really not doing anything, and they have a way to go to improve their conduct. So yes, there's an opportunity both for the government to tighten regulation which it should do, and also for schools and universities to better embrace self-regulation as well.

Now let me go down to *Remi Adebayo's question*, and he talks about what specific collaboration, and perhaps tweaks, in legal framework in Nigeria and Dubai, Nigeria and the UK, that could be undertaken to stem the tide of illicit financial flows. That's an excellent question, and I think that these are some of those big strategic questions that need to be worked out, you know, between Nigeria and the UK, Nigeria and the UAE. I know that those discussions are much further advanced with countries like the UK than the UAE, because the UAE is not keen to cooperate or collaboratively talk about this, or recognize that it has a significant problem with illicit financial flows. So those conversations need to be undertaken more carefully, more sensitively, recognizing that the Emirati authority are extremely embarrassed or reluctant to engage in these conversations; and, in terms of tweaks, in my

reports, I talked about greater safe guards, about issuing visas to, educational visas to the children of politically exposed persons in Nigeria, greater information sharing; maybe when UK, US embassies have those applications circling back to the anti-corruption agencies saying “these persons applied to send their children to schools in the UK that costs £40,000 per year, we are concerned that this is a source of unexplained wealth, what do you think, ICPC what do you think? What do you think EFCC? Should we go ahead and issue that person’s child a study visa? “. That would be a practical way of increasing the cooperation and collaboration between the US and UK.

Now the *Director of Operation’s question*, I am sorry the sound quality was very poor, so perhaps he can put it to me in an email and I would be happy to answer it later, but I unfortunately didn’t get that so I will sign off for now. I also realize we are running short on time but I am happy to answer the Directors question remotely as well as I can. Apologies for that.

Dr Dipeolu: Thank you very much for that excellent session with us, we do appreciate you for all the time you have given to us.

Dr Dipeolu: The next session is on Investigating IFFs in Trust Arrangements by Matthew. Gbonjubola of FIRS.

Investigating IFFs in Tax Arrangements

Presentation by Matthew. O. Gbonjubola

Gbonjubola: Thank you very much. Alright good morning, ladies and gentlemen. Thank you, chairman Inter-Agency Committee on IFFs. I will be discussing “Investigating IFFs in Tax Arrangements” ... Let’s go straight to the discussion... I recall that the last time that I had the opportunity to present the report, I will try to do a small intro of what is IFFs and then I recall that we spoke about *the triangle of illegality, looking at IFFs in terms of money illegally sourced, money illegally moved and money illegally used*. That was the way we looked at IFFs at that time. And then we try to look at some very fundamental questions about IFFs as to who are the perpetrators. We said they include business people, individuals with businesses in the domestic space, in the international companies. Basically,...politically exposed persons, persons in public employments, criminal groups, those that are involved in smuggling, drugs, and all of those illegal activities, and of course we have enablers.

Who are mostly affected and impacted are the developing countries, who are the countries receiving end; and of course, Nigeria is in that class. What are the impacts of IFFs? Underdevelopment; poor public infrastructure; poverty; unemployment; and of course, insecurity. And so, the question then is who should be involved in the fight against IFFs? We said it’s everyone’s fight. Business people, MDAs, legislatures, everyone. Particularly the electorates can also have a lot of work to do to fight IFFs.

Now, let’s quickly do a tie between IFFs and tax. How do we handle the financial flow of tax defaults? IFFs doesn’t happen by itself. There are predicate activities and we look back at the Thabo Mbeki Report. Two major activities have been fingered to give rise to IFFs: commercial activities and criminal activities and anything criminal will only be criminal. So, when there is a crime and there are proceeds of crime, no one is ever bold to make a declaration. So definitely there will be tax evasion which is also a criminal offence. But in commercial activities, commercial activities always look very plain on the surface but then there are inherent tax problems of either avoidance of taxation or tax evasion. And I will take a little time to expatiate on this. When we talk about tax avoidance, there are five principal ways in which companies try to avoid taxes; and let me start by saying that, who says that [quoting a source that is not audible] an individual is free to make his business appear to minimize his tax exposure, that was the beginning of what is called tax clearing or issues of tax avoidance. And so, there are five ways in which this can happen, particularly with multinational companies, and one is by

way of transfer pricing or another way, transfer mispricing, and this happens when entities within the same group transfer business between themselves, and then artificially fix prices either to move profits between one location to another and then underpay tax in that location and then probably moving the money to where they will not be monitored.

The second way in which multinationals avoid tax is by avoiding the tax presence because taxation is based on tax presence. So, when you cannot tie the businesses of an entity to a place, you can't tax the profits arising from that entity. That is the problem that we have with [digitization of the economy] where companies can operate remotely to an economy without physical presence, and... [if you can't have that nexus, you can't tie that entity for taxation.] So, companies spend, using ingenious ways to avoid having taxable presence in the jurisdiction. And the third issue also happens [through] base eroding transactions, and this could be either domestic transactions or cross-border transactions. And domestic transactions could usually not bring much problems because usually they are not tied to place for example somebody investing in an asset towards the end of the accounting year so as to enjoy capital allowances or maybe evading the payment of tax. But international base eroding payments has a permanent effect in the sense that once the money leaves the country in terms of interest payment or fee payment, or one payment or the other... and it leaves the country and it can't come back again.

Treaty shopping is another way by which companies try to avoid payment of taxation, by structuring transactions through [jurisdictions] where the country has a tax treaty and thereby enjoying the benefits of the treaty such as ...tax waiver...based on articles of the tax treaty. Then, finally tax incentives. One major enabler of tax avoidance is tax incentives...and unfortunately for Nigeria, our tax regime is riddled with different forms of tax incentives. When we talk about tax evasion, there are so many activities. Ask any tax man today how many tax incentives that we have, he can only guess...and that is because we have created so many incentives that...[we have not been able to keep stock] to the extent that even some Ministries are awarding contracts and giving tax waivers...Tax incentives are opportunities for some entities to avoid payment of tax. Tax incentives is an opportunity for some entities to avoid payment of tax.

Let's look at tax evasion which is much more serious because it is a criminal activity. For tax evasion, there are two principal ingredients: one is either evading lawful assessment of tax to making it difficult or impossible for the tax authority to assess you to tax, or you evade payment

of tax. These are the two basic ways in which tax evasion happens. And, then of course, such actions must be done consistently or there must be a consistent pattern of wilful default; and it is a little bit difficult to investigate and to prove because you have to prove beyond a reasonable doubt; and of course, the penalty can also be very stiff...fine, imprisonment or both.

When we talk about tax evasion there could be so many things, so many activities that could lead to tax evasion. It could include suppressible tax evasion, that is reducing your profit or reducing your income, inflating your cost; it could be ...claiming unlawful refund, falsifying records, changing numbers on invoices, and it could be even failure to register for tax or failure to file tax returns, or keeping separate books of accounts, which is very common in our states where companies keep separate books of account-one for the bank for when they want to take a loan, one for shareholders, and another one for the taxman...These are examples that could be made of tax evasion.

Investigating tax-related IFFs

Investigating tax defaults or tax issues has to pass through these five important processes. One is case identification and this at times gives agencies like ICPC challenges...They have to rely on triggers; and all over the world the most important trigger is the whistleblowing trigger...and in Nigeria, [this is an area where we are not doing very great] because people see whistleblowing as stabbing a friend in the back...It is a major issue because how do you identify the cases; they[Citizens] must identify the case for us to be able to investigate.

And then, the second most important stage is case preparation, and I think this where we have a lot of cases...the tax authorities and anti-graft agencies...; it is believed that we don't do enough case preparation before going to press. Case preparation would involve a lot of surveillance...getting information about the subject without the subject even knowing that he is being investigated so that you can get as much information as possible; getting our theory, identifying parties, maybe the collaborators, all these is an undercover way...without approaching the subject, without in any way making trouble...[at the end of which] you almost have 70% of the information that is required to have a successful investigation and prosecution...

Then the third stage is... where you engage with the case, engage with the suspect directly; that is where we seek direct information from the suspect more or less to corroborate what we already have; and then the fourth stage is confront the tax evader with the fact set available to

us to the fact set available to us, to review our theory, to review the parties that were identified in the course of investigation or even to expand that list or [trim] that list, or to reconcile the data that we have—those that were collected from internal sources and from parties— and then [determine which parties] have a case that can go ahead for prosecution...

[F]inally, case finalisation when we are done with investigation, then we have to weigh the determination...are we able to go to court? Are we likely to win? In all of these five stages, there are a lot of issues...[that have to be weighed] [I have discovered that many of our cases fail [not because of lack of evidence but our lack of organisation of evidence] From day one, what type of documentation have we been maintaining? How do we communicate while we are doing the preliminary investigation...all the way to the subject, to the community, to the press? What information do we give out?

Consultation—this is a very important process in investigating crimes, particularly tax crimes. No single agency has all the information. But one thing is clear, the information is [available] with all the relevant agencies. The question is, how much consultation do we have between agencies? How much collaboration, how much are we willing to share with one another so that we can have a complete picture, and so that we can see if there is a case, and if there is a case, [to see] if there is enough evidence to probe that case for successful prosecution? And then, of course, the issue of chain of custody, which is very important... processes of handling evidence, ... cause a lot of cases collapse in court... All of these are horizontal issues that cut across when investigating tax crime, and I also believe will also be relevant when investigating IFFs issues.

Successfully investigating tax demands proactive kind of environment... and in order to be able to have successful investigation, it is important that the investigators have the relevant competence and this is a key issue when it comes to investigation, particularly when it comes to tax...because tax crimes are not like other straight forward crimes; there are several rules, there are several turns and bends...; the investigator must understand the rules; not just the rules of taxation but also the rules of investigation so as to ensure that he is able to competently handle the investigation.

Then there must be appropriate legal and policy framework within which the investigator must work...this is a key issue...there are many agencies, many organisations, where we do not have formal policies as to investigating crime, and incidentally for FIRS we do have laws and

policies, but some of the tax authorities, particularly of some states do not have formal policies for investigating tax issues.

Enforcement support: Tax authorities are not law enforcement agencies, so, they have to depend on the law enforcement agencies for support. For instance, there are instances where surveillance has to be done...at such times we will need enforcement support...[Sometimes] you need to do abatement, search and seizure...again, you will need enforcement support...

We need support from the judicial system: A lot of times, and a watch a lot...the UK, the US, when they are investigating high profile cases...sometimes they run to the judges in the middle of the night, and say "Can you give us a warrant, we want to search...and they give them, even in the middle of the night they have the support of the judicial system to make sure that their investigation proceed without hindrance...I think we need more of such support in the system to back up investigation

[W]e need appropriate analytical tools: When we talk of tools here, it goes beyond the skills of the investigators. There are a lot of ICT solutions that can help to piece data together, that can help to begin to find a link between a suspect a different collaborators, and telephone has been found to be a very good link-who does he call, who does he get a text...so we need to have appropriate tools...for investigations to go forward. So, this is the type of environment in which tax crimes can be successfully investigated.

There are critical success factors.... [in the absence of which you cannot have successful investigation]. The investigators must have the capacity to do the investigation and the agency itself must have the capacity, but in terms of human, material, and infrastructure tools for it to do the job. Secondly, there must be a very vibrant whistleblowing regime, and this is one thing that I have seen work particularly in the United States, that is where they have very good success rates in their investigation and prosecution of crimes; something is happening on the street, one woman is just sitting by her window taking very clear description, report what is happening; so when the police start they already know what they are looking for. We need to have this structure, making people to be observant, making people to be concerned, making people to take note and to be ready and make records.

We cannot discount inter-agency cooperation-and this is a major ...issue like I said before. Every agency has a bit of information. It is important therefore that we work together as one. Everyone aim at his area of core competence and sometimes this is where we have some

challenges one agency wants to [make inroads] into the role of another agency. We must have our areas of core competencies ...and be able to depend [on the competencies of other agencies within their core areas. We should be able to communicate, conduct joint investigations and act in sync.]

We need a very responsible judicial system. One major challenge we have is that we still do our justice by technicalities. Most of the times we leave the matter and begin to decide cases based on the shadows, and this a major area why criminal activities continue to prosper in Nigeria...a lot of times we don't look at the important thing..."you should have used red, why did you use black" and on the basis of the that a court makes a pronouncement and say "case dismissed." This is one thing that we really need to raise with our judicial system. We need to be responsible...how do we provide justice not the issue of technicalities..."you are supposed to file 5am why did you come to file by 3am" Those are not issues that we should be wasting the time and resources of Nigeria...we should be giving justice to people.

And finally, leadership. [We need a committed political leadership] I listened to Matthew Page where he talked about PEPs having properties that cannot be explained. So, how do we deal with such issues if the political system will not stand up to say "no!". These are the major issues that makes for successful investigation of tax crimes.

Let me conclude. When we talk of illicit financial flows, it is not easy to investigate and that is because people hardly keep records so that it would be very easy for investigator. Number two, moving money from one point to the other is topical...The problem therefore is being able to successfully detect the predicate crime that would lead to the illicit financial flow, and once you are able to discover what was amiss it becomes easy to say the flow of money is illicit.

[W]hen it comes to taxation, tax money is people's money. Once you are able to detect the tax fraud or tax default then the related IFF is not consequential because in the investigation of tax crimes there are specific penalties for every form of crime; so, once we are able to do that it becomes easier to detect the IFF; and then most importantly [under current law] there could be penalty for money laundering [while] for IFFs, no specific penalty...[So we need to look at current law]... I was looking at the sentencing of ... the US ...The kind of way they had structured the law and the punishments...first degree law, second degree law, premeditated murder, manslaughter, all of those laws they are specifically specified. Is it possible for us, when we pick the tax law and say, "look, if we find that you have withheld government money

and didn't remit., this is the offence"? But also, consequently we have similar provision to the ICPC law or the EFCC law so that we pile them together and say "this is your offence and these are other offences that follow inside the country". I think this is where I will rest and thank you for the audience.

Question and Answer Session

Dr Akinyemi Dipeolu: Thank you very much, Mr Gbonjubola for a very insightful presentation. Before I call on those who want to ask questions, let me use the opportunity of having the mic to ask the first question. I like the point you made about inter-agency cooperation, basically that is what we are trying to achieve...I am always worried about the dividing line between tax avoidance and tax evasion...I think...the powerful actors in the commercial sector have managed to separate two sides of the same coin so that one will be treated more leniently...because when I look at the issues around tax avoidance...those are the very issues that push illicit financial flows whereas the tax evasion... seemingly mundane as compared to base erosion, for instance, avoidance of taxable presence...In other words, we are the losers here ...

The second is about case identification and the reliance on whistleblowing, and it struck me that in this era we can go further ...we can use risk analysis. In other words have a data base of maybe 100 listed companies and subject their books to risk analysis. By the time you do that three, or four times, you might begin to get results, and a lot of people will realise that there is [mileage]. In other words, you don't have to wait for whistleblowing...Thank you very much. Let me hand over to the Chairman, ICPC.

Prof 'Bolaji Owasanoye: Thank you very much Dr Dipeolu. There is a question here: "Tax evasion is crucial to investigating and curtailing IFFs. How does FIRS carry out tax investigation, and does it collaborate with other agencies? Other peoples in the meeting room...can also ask questions either by raising ...hands virtually, or sending questions in chat so that we can take all the questions at one time and Mr Gbonjubola will respond. I will hand over to Mr Gbonjubola to respond to the two issues raised.

Mr. Matthew Gbonjubola

Thank you, Dr Dipeolu. I agree with you that there is a very thin line between tax avoidance and tax evasion. The issue is real. One small example... a company discovers that it has made a lot of money, profits by November and [ask itself how it can reduce its tax liability.] The law already has given opportunity for that. It might decide to fast forward the purchase of physical assets. Assets that could be bought in the following year it decides to purchase immediately. By doing that it [offsets its tax liability which is allowed under current law]. That is tax avoidance. The problem is that people continue to push the boundaries of what the law allows

...and that has more to do with the issue of morality... we are not talking about morality. [We should look] at the environment that is making [tax avoidance to happen] Tax evasion is clearly against the law. If rely on data we can avoid crime... Your profits should not be too far away from the economy. It is easy to use data to fight tax avoidance; but it is more useful to rely on people giving you tips [to disclose] tax avoidance...

FIRS investigations are based on specific triggers...some companies stop paying taxes for example [or] stop paying VAT, for example, companies charging VAT have not been remitting...or specific [referrals by] EFCC or ICPC. These are usually the triggers that bring in our cases...which [undergo] our investigating routes. Investigation involves [probing the root of the matter]

Prof Owasanoye: Thank you Mr Gbonjubola and thank you to Matthew Page, and to those who intervened as we get to closing moments of this session... One of the specific mandates of ICPC is prevention; and while we are enforcing, we have the power to prevent; and then public education and enlightenment. As they say that prevention is better, and let me add, is cheaper than cure. We have found that enforcement is Herculean and very challenging, even going to do it, we realize and recognize that we're able to stop this from happening, it is much better for the economy and for everybody; and the loss of revenue is a major challenge for developing countries, especially Nigeria, the amount of money we are losing to illicit financial flows and it happens in different ways and areas. We have zeroed in on those areas that are of critical importance and we are calling attention to it for our operatives and investigators to know what to do. As I said, the Thabo Mbeki Report which is globally acclaimed says "track it, stop it, get it". You must know what you are looking for, so that is the conversation here; once you know what you are looking for you can stop it; and then the last part of it is the asset recovery. So if you are a tax defaulter you must know what you are looking for, they will track you, stop what you are doing and get all your money...

With regards to inter-agency cooperation, we are trying to escalate that; we are working very closely, for example, with FIRS turning a lot of tax defaulters to go and settle, and show to us that they have settled and bring to us [proof]. We are keeping track of how much money we have assisted FIRS to bring in to the economy for it to meet its target for each fiscal year. It is not small amount of money... We are also bringing in a lot of people within the tax net.

This capacity building initiatives are very critical to diminish illicit financial flows. So, as Mr Gbonjubola has said, it is better to start from the predicate offence. Something must have gone wrong somewhere than enabled someone to acquire assets that they cannot account...because just moving money from point A to point B is not an offence; it is when you move money that is not your own and we then see why the money is not your own, it is actually public funds,...that you have diverted, it is actually abuse of office or your position, etc. And part of these commences from the type of declarations that you make... So one of the take-aways from here today...is the type of questions that investigators need to ask...with information in asset declaration forms...you must [provide information]...{Foreign education is a major source of IFFs]

I want to thank all those who have facilitated today. Prof Melbin Ayogu from the USA; Matthew Page from the UK; Mr Gbonjubola... Tomorrow we will be looking at some specific case studies of how corruption and money laundering happen in two sectors. One is oil and gas and the other is investments...I want to specifically thank Dr. Dipeolu for staying throughout with us...Like I have said, our mission is not just to build capacity but to ensure that we also give government policy guidelines about things that need to change, about how to improve measures towards enhancing our own [role]. Apart from this one, there is a conference in May on illicit financial flows and asset recovery which goes beyond Nigeria... and then the capacity building for other agencies... So, I want to thank you all, have a good day.

DAY 2

Opening

Professor ‘Bolaji Owasanoye: Good morning distinguished ladies and gentlemen. Welcome to Day Two of this programme. We have some visitors from Switzerland CISLAC. We also have joining us Baclaf who is going to be taking the presentation. This is day 2 of our capacity building program on IFF’s forum for investigators. Yesterday was very good I think and feedback has been very positive ... and I hope and expect that feedback for today will be no less than yesterday. Today we are looking at two case studies and then we will discuss information sharing. Some of our speakers, I am informed, will be joining virtually. Some of the agencies and a few others will come here physically. We have people logged in from across the country ... I want to put in the apology of the chairman of the IFF Interagency Committee, Dr Yemi Dipeolu, who is not physically present here but he is joining us virtually and he has the opportunity to make some interventions in the course of the program. So, without much ado, it gives me pleasure to welcome Baclaf from CISLAC to do his presentation on *IFFs in Investment: Case Study on P&ID Case* on which CISLAC has done a short report which is quite illuminating... Without much ado, I invite Baclaf...

Corruption and Money Laundering in the OPL 245 Allocation

Presentation by Prof. Bolaji Owasanoye, SAN

I think many of us are familiar with OPL 245 transaction because it has been in the public domain for some years now and a lot of the information that I am going to use is from the public domain... analyzed, take out the corruption and money laundering angle from the many cases and judgment... that attended the transaction. My outline, the background to the entire transaction, the 2011 Resolution Agreement was the turning point in resolving this issue, or so it seemed. Then, we will look at what were the corruption elements, the money laundering elements, the intermediaries that were used, the endless disputes, the asset recovery; some very interesting notable court observations; then, the conclusion.

Dramatis personae, the major figures in this whole saga were:

- ❖ Dan Etete, beneficial owner of Malabu Oil & Gas Ltd, the purported beneficiary of OPL 245; OPL means Oil Prospecting License 245.
- ❖ Sani Abacha Mohammed, the son of the late military leader;
- ❖ Shell, a Dutch oil company; and
- ❖ Eni, an Italian oil company.

1998, exactly 23 years ago, tomorrow will make it 23 years ago, when this trouble started, the federal government purportedly awarded OPL 245 to Malabu Oil & Gas with reg number as indicated. The following facts are very important... OPL 245 is estimated to be the largest oil deposit in Africa, certainly in Nigeria, it is not in dispute, that is why there are big players there. OPL 245 is estimated to hold 9.23 billion barrels of crude oil which is equivalent to carry ¼ of Nigeria's total crude. This is from a Global Witness report. It shows that Malabu shareholders and directors were described as Mohammed Sani. You will see that Abacha is not there because the beneficial owners did not want to be identified. You will see that Dan Etete is not there. Hassan Hindu, otherwise Hassan Adamu, [from] Adawama State is a former diplomat. They [Global Witness] did a background check (many companies do so, they do checks) and they saw that Mohammed Sani stands for Sani Abacha as of 1998 and Kweku Amafeha was a pseudonym for Etete... These facts were affirmed in court in *Energy Venture Partners vs Malabu Oil and Gas*, commercial court case delibered by Lady Justice Glouster of the KB Division in 2013.

Much more interesting is that Malabu was incorporated 5 days before it earned the biggest oil block in Africa. It was incorporated on the 24th of April 1998 and got this allocation 29th of April 1998. The agreement was that Malabu will pay a signature fee of \$20 million to the federal government within 30 days, but Malabu paid \$2.04 million on the 15th of May 1999. No further payment was made, only \$2.04 million. Consequently, legally, Malabu never earned the legal title to OPL 245. Few months later after this deal Abacha died in July; just a few months later and everything changed regarding to this transaction. By 2000 when Nigerian returned to democracy the government of Obasanjo reboked a series of oil gas licenses. In fact, Malabu owned blocks 245 and 241 but I think 241 was reboked without any troubles. Some licenses that were illegally awarded were reboked. The federal government said OPL 245 will not be categorized as illegally awarded. There is a scheme for promoting indigenous investors and this license was actually awarded under that scheme. In other words, in order to enhance participation, Nigerians were encouraged to invest in the oil and gas sector, and when you get a license under this regime, you're not allowed to cede away 40%, and when you do that, it will frustrate the policy. When you're going to cede away any percentage you will need to get federal government approval. So, the federal government said OPL 245 will not be reboked even though it concluded that it was improperly awarded; and as we go on in this conversation you will realize later that there was a reason. It was because certain other people in government were showing interest in that block.

In 2001, because they did not have capital and technical knowhow, Malabu began negotiation with Shell Nigeria Ultra Deep Ltd. Shell, as we know has a number of subsidiaries. There is the big company itself, then the subsidiaries. The negotiation resulted in a series of joint venture agreements that the two companies signed in March 2001. One, that 40% in OPL 245 will go to SNUD (as I said, because that was the government policy. Secondly, that SNUD will pay the \$18 million balance of signature bonus [owed by Malabu]. Take note that it is incongruous that someone who had not had a legal title, that had a deadline to meet [but failed to meet the deadline] will be allowed to be negotiating a pecuniary interest in the license.

This agreement between Malabu and SNUD needed the approval of the federal government; so, when you win a license under the local content arrangement, if you are going to give out any part of it to a foreign investor, you must get F.G approval. The federal government did not approve the assignment of the participating interest in OPL 245 to SNUD; but interesting, on the 4th of July [2001] the government notified Malabu that the FG was reboking the award to

Malabu. So, rather than approve its arrangement the federal government reboked the award of the OPL 245 to Malabu.

On the 6th of May, SNUD wrote to Malabu that the contact between them had been frustrated by the rebocation of the license. On the 23rd of May 2002, FGN without the due process, awarded the license to OPL 245 to SNUD subject to it paying \$210million. So, what was going on is that the government was also discussing Shell behind the scene, or rather Shell was discussing with government behind the scene because this is the largest oil block in Africa; as I said, everybody was interested in it. And so Shell in particular was interested; and as you may know, usually there is some geophysical surbey that has been done. So, NNPC, the Ministry of Petroleum Resources, they know which oil blocks are lucratiŕbe before they gibe a license, they just don't gibe you blind, they know what is there; so everybody knows what is going on and all that. Malabu's response to this debelopment of awarding the license to Shell, (again, the absence of due process was because it was not publicised, it was not adbertised, there is a procedure that was not followed) Malabu petitioned the FGN and the House of Reŕps, and at the same time filed a court action. Three things- The petition to FG, the petition to House of Reŕps, and the court action. The House of Representatiŕbes in its May 2003 report on Malabu's petition said that the allocation of the license to Malabu Oil and Gas was flawed, lacked transparency and was unethical. This was their conclusion. But they said that the rebocation should be set aside because it did not follow the procedure laid down in the Petroleum Act. The logic of the House of Reŕps was that eben though the award of the license to OPL 245 to Malabu is unethical, the federal government also reboked it improperly for not following due process. So, it was a case of two wrongs not making a right. Rather than adbocating that the entire process should be transparently conducted, the House of Reŕps reached the conclusion that the rebocation was not properly done.

Meanwhile, NNPC granted contractual rights to SNUD for 30 years under a production sharing contract dated December 2003. This contractual rights led to multiple litigations between Malabu, SNUD and Shell, SNEPCO, another another subsidiary of Shell. In the midst of all this litigation, the same FG that awarded a production sharing contract which meant that it would be a joint benture between the FG and Shell to share whateŕber is produced from the block, the FG reached an agreement and settlement with Malabu and FGN reached a settlement. Bery strange. A license that you had reboked, the subject matter that you had reached a deal with some other party, the FG in 2006 reached an agreement with Malabu that Malabu should pay within 12 months the new signature bonus of \$210 million less \$2.4 million paid in 1998.

The question is how come so one is still assuming that Malabu had a legal and proprietary right even though the very foundation of the transaction was flawed. In return FG had agreed to reinstate OPL 245 to Malabu if Malabu paid the money within 12 months. Unfortunately, Malabu never paid the money before the deadline. Etete could not pay that money because he did not have that money. So, second chance for Malabu and it did not meet the deadline.

So, these cases, including an arbitration that was filed by Shell in New York in ICSID, International Centre for Dispute Resolution, many cases in the Federal High Court; all these cases were going on simultaneously. While this was happening, the government changed; there was another Attorney General and the conversation shifted, and of course, it reached 2011, and a milestone called the *2011 Resolution Agreement*. There were series of agreements that were reached between the federal government, Shell, Malabu to resolve the controversies and illegalities around OPL 245. So, three major agreements. The first agreement was between Malabu and FGN, whereby Malabu surrendered the license. Take note of the word *surrender*, I don't know how Malabu surrendered what it was not holding. It gave up the license to FGN and agreed to set-off and waive all its claims and interest to OPL 245 in consideration of receiving a compensation from FGN of \$1.092b. FGN is offering Malabu to... give up this license which you never earned legally in the first place, because you never paid for it. So that is the first pointer that something is fundamentally wrong here.

The second resolution was between the FGN, SNUD, SNEPCo; now a new customer has jumped in (Nigeria, AGIP... NAE is the acronym of ENI the Italian company) whereby in return for the payment by SNUD on behalf of SNEPCo and NAE to the FG of a signature bonus of \$207 million. In other words, the federal government was willing to collect just \$210million signature bonus and allow somebody else to take \$1.09billion. So, Shell and NAE agreed that they will pay this \$1.09billion and then they will pay the \$207million as part of the signature bonus to the federal government and they will then get the oil prospecting license to both SNEPCo and ENI.

The third settlement agreement was between Malabu and Shell subsidiaries to resolve ongoing legal proceeding between them. Don't forget that because Malabu did not have money and technology, they approached Shell to take 40%; meanwhile Shell was also discussing with the FGN on the side, so when FGN did not approve the deal between Shell and Malabu, it revoked the license. Shell was the beneficiary to the site, so Malabu sued Shell for bad faith, so they had all manner of cases in court. Now, note that the FGN wanted to pay Malabu \$1.09billion

for the illegality. Suddenly AGIP came into the picture and all that the FGN was getting for the Nigerian people was \$207million. These are very instructive points that came up in the court later on.

So, what are the corruption elements, some of which are pointed out? Dan Etete as the Minister of Petroleum awarded the license to the most lucrative oil block in Africa to himself through Malabu Oil and Gas, contrary to existing laws, the code of conduct for public officers and he did not even pay. Part owner of the company was Mohammed Abacha, son of the incumbent President at that time who also benefitted from the allocation at that time. Now, even though the name that was registered at CAC was Mohammed Sani, eventually Mohammed Sani Abacha went to court, because after his father died, Etete quickly went to CAC and modified all of the company documents; he changed the shareholders behind their backs and made himself majority shareholder. Then, they brought in new government interest and I will mention it later on. So, of course, since the Abacha family had become disadvantaged, they lost all their interest and then Mohammed unveiled himself by going to court by saying I am Mohammed Sani, and the question is why didn't he use his name Abacha at that time? From inception the shareholders and directors of the company hid by false names, Mohammed Sani, Kweku Amafegha and Hassan Hindu, the three of them are the politically exposed persons.

Malabu Oil and Gas did not earn proprietary or legal right to the block as it never paid the required signature bonus of \$20m as at 1998 or \$210m based on its agreement in 2006. Malabu entered into an illegal agreement in 2001 with SNUD to take 40% interest in the oil block without FGN approval. The FGN revoked the license and re-awarded the same to SNUD without due process. The FGN entered into a settlement agreement with Malabu in 2006 to pay \$210m less the deposit of \$2.04m made for the first illegal allocation in 1998, but Malabu never kept to its obligation therefore forfeiting the right to take advantage of the fresh opportunity. If it never earned the license how can it be given another opportunity? That should raise a signal that there was other interest at play. Since Malabu did not have legal or proprietary right in OPL 245, the consent of FGN that payment from Shell and ENI (as per the resolution agreement of April 2011) should go to Malabu was illegal. Money ought to go to FGN. There is no evidence that the agreed payment to Malabu was approved by FEC or appropriated for release to Malabu.

Later, evidence showed that the sum of \$1,092,040,000 paid by ENI/Shell was paid into an escrow account from which the entire sum was to be paid to Malabu. In one of the cases that

was filed by a disgruntled party agent, *International Legal Consulting Ltd vs Malabu Oil and Gas Ltd and JP Morgan Chase & Co* the Supreme Court of New York, New York County, Index number 651733/2011, decided 15th March 2012, in a New York state court, Honorable Benard J. Fried described the role of the FGN as that the “*proverbial ‘straw man’*”. In other words, [FGN] was just a middleman, a ‘mugu’ who was just holding \$1.09 billion for ultimate payment of someone else. In other words, the federal government offered itself as a conduit for an illegal payment.

After Sani Abacha’s death, Malabu share register was altered for the benefit of other nominees. A UK commercial court in *Energy Venture Partners vs Malabu* noted the following things: alteration to the shareholding of Malabu were done in favour of Dan Etete because he had called himself Kweku Amafegha in 1998 when he was still in office and he did not want to be immediately recognized as the beneficial owner. Mohammed Sani Abacha was excluded from the share register. Suddenly another shareholder *Pecos Ltd* whose registration was unknown showed up and was alleged, though not proved conclusively, to have acted for a former President of Nigerian and his associates. So, Pecos became an interested party and sought to join the case because they said they had bought out one of the original shareholders so called Hassan Hindu which was an alias for [a person from Adamawa]. These revelations explain the reason the license was returned to Malabu because there was other interest that were joined in 2006 and its consent to the resolution agreement of 2011.

So, what were the money laundry components? Shell and ENI made the payment, but it’s interesting how they made the payment, as there should have been a red flag. On the 31st of May \$1.09b was transferred from JP Morgan Chase in London to a company, *Petrol Service*, a company in Marshall Island, (Marshall Island is one of those tax havens that we discussed yesterday) to its account in a Swiss Bank named BSI in its branch in Lugano, Italy. Petrol Service was later traced to be owned by an Italian who was a supplier for ENI in its operations in Port Harcourt, Nigeria. In other words, the company belonged to an Italian, his account was used to transfer that money. When the money landed in BSI, and this is important for investigators to know, BSI returned the money to JP Morgan because its compliance manager advised against the relationship with Dan Etete, because when you do a wire transfer, there is a reference where you explain what the money is meant for in details, and the reference column said that the beneficiary owner was Dan Etete, at this time Dan Etete had been convicted in France for money laundry under the Halliburton case, which I will talk about later. All the banks in Europe already had him on their red flag, so the compliance manager of BSI [advised

against the transaction] which got them out of trouble; but JP Morgan is still in trouble till today, because I am aware of cases against them, including one filed the FGN for negligence; so, there is a case going on for damages against JP Morgan. So, BSI returned the money, they said risk is increased because they are were going to be seen as a platform account (an account which money laundering transaction is launched). So, the money went back to JP Morgan.

On the 8th of July 2011, few months later, there was another attempt to transfer that money from JP Morgan to Malabu's account to a bank called MISR in Beirut. This time, JP Morgan looked a bit more closely and said they will not send the money to Beirut because of defect to the power of Attorney. The 3rd attempt [to transfer the] money which was \$800m at this time. I will explain how the \$1b has reduced to \$800 because some of the middlemen who had been shortchanged went to court and succeeded in restraining part of the money in London. So the balance is what could be transferred; so it was remaining \$800m so there was another attempt to send it to MISR bank in Lebanon; again this time, because they have cured the defect in the power of attorney, the correspondent bank, which was the Bank of New York [asked] what is the purpose this transfer, this is a lot of money, and because they will not allow the money to pass (do not forget, when you are doing international transfer there is always a correspondent bank, so if anybody in the chain raises a red flag that transaction cannot go, that is the agreement) so the money went back.

So, the conspirators had to do what they did not want to do in the first place, which was to bring the money to Nigerian; so to get the money to Nigeria they needed a letter from the Attorney-General so, Muhammed Adoke [Attorney General] by a letter dated August 10 2011, wrote a letter to JP Morgan confirming these transactions as lawful and the funds were sent on 24 August 2011 to two Malabu Oil and Gas accounts in FBN and Keystone Bank. Each bank received \$400m. The main authorized signatory to the accounts was Dan Etete with inferior signatory powers to an associate. The \$400m that went Keystone bank was distributed through an account belonging to a company owned by Dan Etete called Rocky Top Ltd. He bought an airplane which remains sized in Canada; he used part of the money to pay the fine of \$7.5m to French court for his conviction of money laundry in Halliburton case, France had declared him a personal non granta and he could not enter any European country until that fine was paid. He used part of it to purchase luxury goods, organize safaris, precious stones, watches, cars, furniture's, antikue etc. He used part of it to pay lawyers in UK, US and Nigeria including the former Attorney General. Approximately \$54m was sent to the bureau de change for cash; he used part of the money to settle accounts with various associates and brokers and then he did

substantial cash withdrawals. There is no evidence that Keystone Bank challenged any of these transactions for compliance reason or red flag, although most banks would argue that they file STR to NFIU.

The interior of the Bombardier Global 6000 that Etete bought which was remodeled into a ludicrous private jet, was in transit, it stopped to fuel somewhere in Canada and it was seized. Of course, at this time the government had changed and it was President Buhari. Keen interest was shown in this transaction; action had been filed all over the place, so, while the plane was in transit it was grounded by freezing order. There are efforts, I am told, to have it recovered properly for the FGN and converted or sold. [The plane was bought in the name of Malabu Oil & Gas and the picture of Dan Etete on the title documents shows that there is no Kweku Amafegha]

Because Dan Etete was an international money launderer and conflict and because Shell and ENI were being greedy and as international companies they knew the implication of dealing with a money launderer so when they were negotiating the agreement nobody came out directly, they all had intermediaries. Etete had an intermediary called Emeka Obi, Shell had a Russian lawyer, Ednan Agaev. These intermediaries were the ones who were meeting because they recognized the reputational risk about publicly associating with Etete. So, Shell and ENI in particular used intermediaries. Etete himself wanted to stay off the radar. At some point, when the conversation with the federal government probed the so-called resolution agreement was moving very well, they sidelined these intermediaries and put them in the dark, so, the intermediaries who had their ears to the ground, were also aware of what was going on. So as soon as the \$1.09b was paid to JP Morgan, Emeka Obi through his company *Energy Ventures* went to court and put a freezing order on all the money and said you are owing me; and the court, even though strangely, the court found that the transaction was corrupt, yet it approved and granted Obi \$200m as fee. So, Obi got a restraining order on \$200m that is why Malabu quickly moved the part of the money and said to the court, since this guy is only interested in \$200m, let us have the other part of the money and the court granted it, \$800m. On the 15th of July Ednan Agaev, who was acting as agent to Shell, also sued in New York and the court gave him the restraining order for \$65m because they probed that they were agents in this whole transaction but were being sidelined. Endless dispute.

Endless Disputes

This oil block, OPL 245, has generated many cases. Malabu's case against FGN 2003 at FHC Abuja to stop the reallocation of the license. Malabu lost by ruling of 2006 because the court said it was time bound. SNUD, as soon as the country took the license back, SNUD filed arbitration against Nigeria; that arbitration is still going on although its frozen somewhat. SNUD and SNEPCO filed an arbitration... because of a report that indicted them that report was struck out in 2004. Shell filed... against Malabu and FGN in 2007 for being left out in the settlement agreement between Malabu and FGN, when the FGN said Malabu should go and pay \$210m within 12 months and then they can keep the license. Another SNUD request for arbitration filed 26th July 2007. Abacha went to court against Malabu, Shell and FGN for being excluded from the settlement deal that they were planning which was finalized in 2011. That case unveiled Abacha as the beneficial owner of Malabu contrary to what they wanted us to believe. Emeka Obi's case against Malabu in England to restrain \$200m; then, Ednan Agaeb case in New York for his fee. The arbitration filed by SNUD against the FGN remains on file. Apart from this there is a commercial case, FGN against JP Morgan which is still going on in the commercial court in England. Prosecution against Shell and ENI in Italy which a few months ago the Italian court said Shell and ENI were not liable but there was a conviction of some Nigerian agents before then; so we have about four that I did not even list.

Asset Recovery

Emeka Obi of EBP succeeded in claim of a compensation of \$200m from a UK commercial court by Justice Glouster. Like I said, even though they said it was a corrupt transaction, the court agreed and restrained the money. Obi requested the transfer of \$110m to Switzerland but that money was quickly frozen upon the request of Italian prosecutors as part of kickback to ENI executives. The money remains frozen till date. In fact, I think the biggest loser in all this is this Obi guy because kobo he did not get at the end of the day. The balance of the \$85m which was left in London, which was purportedly claimed by Malabu... was frozen in 2014 by London Southwark Crown Court at the request of an Italian prosecutor during investigation. [The Italian prosecutor got information about this money through electronic surveillance]. In December 2015... Southwark Crown Court turned down Malabu's application to discharge the freezing order...

In January 2017 Justice Tsoho of the Federal High Court, Abuja gave an order ceding control of OPL 245 to FGN pending investigation and prosecution of suspects. The interim forfeiture

was lifted March 2017 by another court, thus returning ownership of OPL 245 to Shell and Eni's Nigerian subsidiaries. Some money was wired by Dan Etete to Portugal through Rocky top Ltd to buy a property he claimed for his pregnant wife who was living in Portugal and for his daughter's school fees. When the money landed in Portugal, the authorities felt that this money was too much for school fees and allowance, so they just held it on instinct and made a request and said confirm to us that this money is school fees. They invited the student and said so what does your father do? So that money remains in Portugal potentially as an asset to be recovered by the FGN.

Upon change of government in 2015, the FGN commended recovery of the \$85m restrained by the Italian prosecutor in the UK. In 2018 the UK returned \$73m out from the \$85m from the OPL 245 fraud. The UK deducted \$12m as charges. I don't know why they deducted so much but this is one of the risks of international asset recovery. I have criticized them on this in the past. In 2018 the FGN briefed lawyers to sue JP Morgan for negligence in release of the \$1.09bn for OPL fee to Malabu in 2011.

Nigeria has recovered assets offshore from OPL 245 but there is no recovery locally. Most of the assets have been dissipated; third party interests; bona fide purchaser without notice. Potentially Nigeria has opportunity to recover OPL 245 assets that have been frozen in Switzerland and Portugal and the Bombardier jet that is lying somewhere in Canada.

Notable Court Observations

A few notable court observations and then I will end for your questions.

- ❖ In *Energy Ventures v Malabu* the court stated: **“What is fairly clear is a large part of the \$800m is gone to the President and his cronies, it appears also one of whom is the Attorney General”**. This was the transcript of the case on page 60.
- ❖ The judgement of Justice Edis of the Southwark Crown court. This is the court that finally said that this money belongs to Nigeria is very seminal. The judgment of Justice Edis of Southwark court in Case No. 74/14 between *Malabu oil and Gas Ltd (Applicant) v. Director of Public Prosecutions* deliberated 15th December 2014, observed in para 7 of the judgment that **“Malabu had paid (if anything) only a very small sum which it received for this license. Therefore, a sum of approximately \$1bn for exploration rights of OPL 245 was paid, not to the Nigerian people to whom it belonged but to Malabu.”**

So, the court has recognized that this money belongs to Nigeria not to Malabu.

- ❖ Para 8 of the judgment of Justice Edis indicates that a number of corrupt payments were made or promised out of the \$1.09bn to Nigerian public officials in order to persuade them sanction the deal. This would explain the money laundering component, the cash withdrawals and how it was used.

Several other paragraphs of the judgment mention corrupt payments to Nigerian public officials either directly or by cronies and that these people did not act in the public interest. See paragraph 16,18,51,52, 57 and 58.

- ❖ Para 21 of the judgment refers to House of Representatives Report of 18th February 2014 that investigated the Resolution Agreements of 2011 and the controversial payments that followed. The report said, *inter alia*, of the Resolution agreements of April 2011 between FGN, Malabu, Shell and ENI thus: **"Individuals and financial institutions linked with and found culpable by the EFCC of receiving and transferring money unlawfully with respect to or arising out of the Resolution Agreement, should be charged to an appropriate court of competent jurisdiction and any such monies unlawfully transferred should be recovered."**
- ❖ In Paragraph 58 Justice Edis said: **"I cannot simply assume that the FGN that was in power in 2011 and subsequently until 2015 rigorously defended the public interest of the people of Nigeria in all respects. Mr. Fisher QC who appeared for CPS used the phrase "grand corruption" to describe the form of corruption in which the state itself is culpable ..."**

My Conclusion

Due to the spate of litigations that dogged this venture, most investors have avoided this OPL 245 transaction since 1998 when Etete gave the oil block to himself. Nigeria has not earned anything from most lucrative oil block in Africa since 1998. In *Energy Venture Partners Ltd vs Malabu Oil and Gas Ltd*, the English court gave other reasons why the block had not been developed: Public perception of the circumstances in which Malabu acquired OPL 245 and the attempts by FGN to reboke it; Shell and associated companies' litigation to ensure that no other company [got] the block; reputational risk associated with Chief Etete, arising from his connections with late General Abacha, his conviction in France as a money launderer, and his involvement in the Halliburton bribes scandal.

Nigeria has not been able to derive any revenue or taxes due to the corruption that dogged the OPL 245 award from inception. OPL 245 saga is a stark reminder of the huge economic cost of corruption on development. I want to thank you for your time and attention. So, if you have questions for me, I will be happy to take them.

Question: I see that Nigeria has made some international asset recoveries but no recovery in Nigeria arising from OPL 245. What can we do as investigators and what can Nigeria do to prevent this type of occurrence in contracts in future?

Biola Shotunde (NFIU): In spite of the fact that Malabu never had legal title, how come Nigerian courts never ruled in that regard all through the litigation on OPL 245? Thank you.

Biola: OPL 245 is a very classical case. [The presentation] is a very well researched case study. What has changed...because this typology is still ongoing? What can we do as a global community to change the paradigm...? What are we doing to bring back the assets? What are we doing about the process?...

Prof Owasanoye: Some aspects of this matter are being investigated by EFCC. Some are in court. That is why I was careful in not disclosing too much. What is important are the red flags. This transaction raised a number of red flags. There were too many red flags that were ignored and that is why we are trying to improve on the coordination in such a way that the agency most primed to take forward things [can act properly and efficiently] Most of these transactions, the banks said they filed STRs but they could have done more than that. BSI in Italy, Lugano, could have just filed an STR and held their peace but they said no, we can't do the transaction; it's going to affect us. And those two banks are in the eye of the storm...First Bank and Keystone, there is no way that they can exonerate themselves both from their internal guidelines, CBN regulations and money laundering rules, is very difficult. The signals are all too clear.

What are the other lessons? When cases like this come and politically sensitive they become very hot cake that sometime, the complicit government as the judgment of Justice Edis of the High Court in England had said, there are complicit people in government who would not allow proper investigation. But every government change...Look at OPL 245, every body who has tried to get involved in some sort of illegality has been in problem.

The question about why Nigerian courts have not ruled [on the illegality of OPL 245] is the strongest evidence of the weakness and dysfunction in the system. In one of the examples that I gave, one court seized by interim forfeiture another court returned it. And those who have interest would choose [the judgment to obey] and that's what has happened and these are all indicators of the weakness in our system. We are trying to cure some of those defects by this sort of capacity building, calling attention and raising the red flags...For negotiators, all you need to do is to write one line and say "I don't think that this transaction should go forward." Prof Omoregbe said one of the reasons she is walking free today is because she fought some things in NNPC. Those who did not are running helter-skelter all over the world and she is right. It would cost you momentarily but it will preserve you enduringly.

Our last point is building capacity of investigators to be able to unpack [complex cases]...Designing and redesigning our interview questions cannot be shied away from...Analysis of intelligence...[including STRs is very important] We must do more.

I would like to invite Samuel to do the presentation on P&ID which is another case study.

Presentation VI ***IFFs in Investment: Case Study on P & ID***

Presentation by Vaclav Prusa (Presented by Samuel)

Samuel: Transparency International did a case study on the P & ID. CISLAC is the local Chapter of Transparency International in Nigeria. So, I will be talking on the Case Study of P&ID. P&ID 6s Nig. P&ID is Process and Industrial Debelopment Ltd. So, we're looking at the case here, there is an arbitration against Nigeria, where Nigeria is meant to pay about \$6.6bn and 7% annual interest on it...[It has] accumulated [to] \$10bn... This paper tries to look at the case, what should habe been done and what we can do better as a nation. It is important to just press here that the presentation and publication has been published prebiously and not to apportion any blame or to say this institution would habe done this or that but to make us learn and mo6e forward. The report was published by CISLAC and the authors [are] Dr Jonathan Bonnitcha..., Dr. Alisha Matthew..., my colleagues from CISLAC, Bacla6 Prusa, Kush Amin and we also habe Adam Foldes from Transparency International.

The Contract was signed in 2010 with Process and Industrial Debelopments Ltd (P&ID) (incorporated in British Birgin Islands) and the Nigerian Ministry of Petroleum and Resources. After 3 years, that was in 2013, P&ID claimed that Nigeria did not perform its obligations and sought damages for lost profits under the rules of the Inbestor-State Arbitration (ISAs). The UK-based tribunal awarded P&ID \$6.6 billion in damages +7% per annum. In 2018, Nigeria raised, belatedly, allegations of corruption in the attempt to aboid enforcement of the award in English courts. It is important to note that this is one of the challenges we are facing. The arbitration was awarded in 2013 and Nigeria waited till 2018 before taking procedures.

Now to the corruption allegations in the P&ID case. Nigeria alleges that the Arbitration has always been a 'sham'. Allegedly, indibiduals in the Ministry of Petroleum corruptly facilitated the plan including failing to contest the arbitration for 5 years. Nigeria claims that bribery from P&ID to the Ministry of Petroleum in the composition of the contract. Nigeria also claims money laundering 6is-à-6is P&ID as both P&ID and the Ministry of Petroleum aimed at using the arbitration for ML purposes and following the case, there are issues of P&ID not habing the edperience or history of engaging in this area, so that also is an issue. Allegations of corruption in the arbitration itself were not raised or considered before the conclusion of the arbitration.

Here is the policy analysis. It is unlikely that the damages will ever be paid in full; still considerable costs associated with the arbitration process for Nigerian tax payers. Natural resources are managed for the purpose of self-enrichment and to generate illicit wealth; this can't be over-stretched in regards to IFF's. The third policy point here is that there is no policy and apparent discretion by low-level officials to agree unfavorable contractual agreements such as the conditions for commercial disputes resolutions. Then the fourth point is contracting without any transparency and disclosure leads to fraudulent and potentially unfavorable international contracts in the natural resource management. This is important as the case because once contracts take place, there is no transparency. So, these are the policy issues that can be analyzed in the P&ID case.

The next is the foundation problems and it important to remember these are the problems and fundamental issues that lead to the huge case we have in front of us. So, the first one, lack of competency to navigate international arbitration process. Lack of transparency in the management of natural resources, especially the Ministry of Petroleum. Belated response to high-profile international disputes and low capacity to produce robust legal defense. This is very important. We had to wait for 5 years before raising an issue. Low readiness to conduct internal review with the purpose of impartial investigation into the origins of similar unfavorable/potentially disastrous agreements for the Nigerian treasury. Award of lucrative contracts to companies with unclear ownership structures. This is really important. There is need to know the structure, it can be seen in the Malabu case. There is a reform agenda at the international level. The first is that there is a need for transparency in the contract-based Investor Arbitration (ISAs). There is no justification to conduct ISA in secret. Existing contracts can be renegotiated. International arbitration institutions can amend their procedural rules to the same effect, while contracting parties should, in principle, favor contract transparency. Then what we can do at the domestic level; I think what can be done is Nigeria can pass a law to ensure that the state's capacity to consent to arbitration in future contracts is limited. Nigeria considers joining UNCITRAL Convention on Transparency in Treaty-based Investor-State Arbitration ("the Mauritius Convention on Transparency"). National arbitration can amend contract-based ISAs towards transparency and limit secrecy. Internal review into international contracts managing natural resources needs to be conducted. Internal review into the defense of the P&ID case needs to be conducted. Contracts managing natural resources should be guided by the principles of maximum transparency. Beneficial Ownership Registry needs to be implemented and no public contracts shall be awarded to companies with unclear

BO structures. A good example is the Malabu case where Etete gave contract to himself, so it is important to have a BO registry to award contracts. I think with this I will conclude my presentation. I hope I kept to time. In CISLAC they said not keeping to time is also corruption and I do not want to be corrupt.

Prof 'Bolaji Owasanoye: Thank you very much for that wonderful presentation on P&ID case. I was wondering how you will scale through as an impromptu substitute for Baclaf....

Prof 'Bolaji Owasanoye: So, we will go to the last part of our presentation which is information sharing which we put down as one of our response strategies to this challenge and our lead presentation is the agency that, at least as far as this space of money laundry and corruption is concerned, it is supposed to be our analyst, feeding us information, telling us what is going on... that we are not aware of because they are on top 24/7. So, I invite NIFU to take the floor. First, they will give a brief presentation for about 10-15 minutes then other agencies will intervene= for like 10-10 minutes, so NFIU can take about 20minutes.

Information Sharing and Curbing IFFs
Moderator of Session: Prof. 'Bolaji Owasanoye

Presentation by Biola Shotunde
Nigerian Financial Intelligence Unit (NFIU)

Biola Shotunde (NFIU): Thank you very much Sir. Surely, it is very necessary to have this session. The NFIU staff are very happy to be here. Having said that, I want bring greetings from the Director/CEO, he wanted to be here in person but he has other national issues that he is responding to. So, to my presentation. First, I will start with the introduction.

The Nigerian Financial Intelligence Unit (NFIU) is the central national agency responsible for the receipt of disclosures from reporting organizations, the analysis of these disclosures and the production of intelligence for dissemination to competent authorities. The NFIU is an autonomous unit, domiciled within the Central Bank of Nigeria and the central coordinating body for the country's Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) framework. The establishment of the NFIU is based on global standards that promote effective implementation of legal, regulatory and operational measures to combat money laundering, terrorist and proliferation financing as contained in the Financial Action Task Force (FATF) 40 Recommendations www.fatf-gafi.org. The NFIU was formally established in 2004 and became operational in 2005 as a unit of the Economic and Financial Crimes Commission (EFCC). In 2018, the Nigerian Financial Intelligence Unit (Establishment) Act transformed the Unit into an autonomous and independent agency domiciled with the Central Bank of Nigeria. The NFIU is an administrative type FIU, which draws its powers from the 2018 NFIU Act, the 2012 Money Laundering (Prohibition) Act (ML(P)A), as amended, and the 2013 Terrorism (Prevention) Act (T(P)A). The NFIU is the Secretariat of the Inter-Ministerial Committee on Anti-Money Laundering and Counter-Terrorist Financing (IMC) www.imc.gov.ng the national coordination body for the country's strategy to combat money laundering, and Attorney-General and Minister of Justice of the Federation which is responsible for the implementation of United Nations Security Council Resolutions to combat global crime. The NFIU has also been a member since 2007 of the Egmont Group, an informal network of 165 Financial Intelligence Units which provides a platform for the secure exchange of expertise and financial intelligence to combat money laundering and terrorist financing. So, we decide to share our statistics of how we sit in the

middle and support all the various stakeholders nationally, we also support stakeholders internationally...

Prof Bolaji Owasanoye: So, I will invite the other speakers to speak on information sharing. 10-10 minutes each.

***Presentation by Akeem Lawal
(ICPC)***

Akeem Lawal (ICPC): Thank you very much Mr. Chairman. I will be making a presentation on information sharing and curbing IFFs. Gathering information and turning them into credible and actionable intelligence is at the heart of efficient and effective process of combating regular crimes challenges, as well as specialized ones of corruption arising from illegal capital flight known as illicit financial flows. Sharing of such information among relevant agencies, law enforcement institutions and key stakeholders within and without the developing countries of Africa regarding activities that give rise to IFFs, suspected or actual illegal movement of capital, is imperative as it allows for understanding and manifestation of IFFs monitoring, assessment and ultimate reduction of illicit financial flows. Furthermore, acts of IFFs cut across the mandate of several LEAs and regulators. For example, under-declaration of imports affects customs duties, VAT deduction, but is also an economic crime. Although seemingly innocuous, IFFs from commercial activities constitute a large volume capital sucking money laundering schemes through which big league corporations, corporate entities and IOCs cart away revenues due to Africa and other developing countries to low tax havens and secrecy jurisdictions.

Robust collaboration is highly essential to facilitate and actualize information sharing among relevant local agencies within every country in Africa, as well as among the countries in the continent. It is however important to interrogate what is the state of such desirable collaboration that exists among relevant institutions in Africa and other developing economies of the world that IFFs affect? Unwillingness to share information, lack of transparency, distrust, claiming of the turf, unhealthy competition, leadership problems & superiority complex, corruption of institutions, operating in silos [are among the factors that inhibit information sharing]

Considering the fact that the means of perpetrating illicit financial flows have become fast and sophisticated from seemingly legitimate instances of tax underpayment, to trade mispricing, re-pricing in a third country, transfer pricing, base erosion/profit sharing to Hawala scheme, the imperative for information sharing cannot be over-emphasized. If countries in Africa are determined to succeed in wrestling themselves loose from the capitalist jaws of corporate local and multi-national entities baying for the blood and economic lifelines of countries in the region with weak regimes of laws and trade regulations that are inadequate to prevent illicit

flows of capital revenue critical for the generation of economic development and consequent growth especially in sub-Saharan Africa.

Understandably, information sharing is required between countries, which can be facilitated by the Financial Intelligence Units of African countries by providing information on arrests, investigation and prosecution of corporate and individual entities involved. It need be said, however, that information sharing within a country should not be limited to relevant bodies/agencies charged with revenue collection, tax collection, business registration etc., but should be extended to information sharing by stakeholders such as banks, insurance companies, actuaries, accounting firms, corporate secretarial firms, tax and investment advisers who are directly or indirectly complicit in arranging IFF schemes. Legislation can come in aid if suasion and moral appeal fail to compel information sharing concerning certain threshold of transactions for flagging and transmission, not just to the FIUs, but anti-graft agencies and tax authorities for action.

Two life cases point to the importance of stakeholders in the financial sector. In one case after a bank official conducted KYC and discovered that the address provided by a customer did not tally with what he wrote in the account opening form, the bank still went on and opened the account. The account was later used to defraud and proceeds used to buy properties in two foreign countries. Had the discrepancy in addresses been forwarded to anti-graft agencies the illegal capital flow would have been prevented. The second case involved some banks, a government owned mortgage institution and fraudulent local and foreign investors with parent company in Guernsey, Channel Island, who introduced a housing project; costing tens of billions. The mortgage institution sourced a loan on behalf of government for the project, the money was paid in tranches to the contractor's account upon meeting purported thresholds. Eventually only 10% of the project was performed, leading to loss of over N10b mostly taken by IFF. Had the banks played the role of gate-keepers and informed the LEAs when they suspected things were not right, the illegal capital flight would have been prevented.

At the domestic level within countries, tax authorities (FIRS) should have a protocol for regularly making available to the company registries (CAC) the tax registration of entities seeking to register with them. It will also help the cause of preventing IFFs for tax authorities to ensure that companies whose tax payment are overdue are reported to relevant law enforcement agencies upon first demand for payment being made. Public procuring authorities on their part should have and share data of international costs/prices of goods and services,

reviewed regularly and shared to procuring institutions. This is to guide against overpricing of contract costs and value. Sharing price intelligence with appropriate LEAs and regulators (ICPC, EFCC, Police, Customs, NEITI) is important for purposes of investigation, prosecution, evaluation analysis and monitoring to prevent contracts with foreign components being used for illegal capital flight that IFFs represent.

In conclusion, the following matrix of information sharing in Nigeria will be effective in combating IFFs in these areas:

- (a). Commercial activities- NCS, CAC, FIRS, NFIU, CBN, NAICOM, NEITI and EFCC should ensure that all information on IFFs is shared so that perpetrators have no hiding place.
- (b). Criminal activities- NDLEA, EFCC, NFIU, ICPC, FMOJ, NAPTIP, NIS should share information to make it difficult for criminals to launder proceeds of crime out of the country.
- (c) Corruption component- ICPC, EFCC, NFIU, FMOJ, NEITI should collaborate and share information to prevent and combat corruption and reduce IFFs.

Thank you.

Prof Bolaji Owasanoye: Thank you for that presentation. We are giving the floor to Idris from FIRS.

Presentation by Idris Abdullahi
Federal Inland Revenue Service (FIRS)

Idris Abdullahi (FIRS): Good afternoon, everybody, my name is Idris Abdullahi...

Introduction: The effect of cross border laundering, proceeds of crime, financing of terrorism, the theft of state assets, private sector bribery, and most importantly the abuse of taxation has had so much damage on the economy of Nigeria.

Components of Money Laundering / Terrorism Financing /Tax Crimes and Illicit Financial Flows:

- **Commercial Activities:** These are illegal flows from business activities that leads to hiding wealth, evading or aggressively avoiding tax, and dodging customs duties and domestic levies.
- **Criminal activities:** (IFFs) are often driven by criminal activities with the purpose of keeping the transactions from the view of law enforcement agencies or revenue authorities.
- **Corruption:** Money acquired through bribery and abuse of office by public officials are enormous and can be used to further develop different projects, and also increase taxation revenue collection.
- **Nature of IFFs (Emerging economies and technologies):** There is presently a report by PWC in which it reported that Nigeria as one of the lead country presently trades in virtual currencies and projected to the tune of 800-900 million dollars. However, as an investigator, we wish to state that Nigeria is presently projected to be trading between 2 to 3 billion dollars worth of asset in virtual currencies and assets. This should be of major concern to all major stake holders as Nigeria is considered to be a major leak for IFF in Africa. The calls for the need to policies for the regulation of such an important sector such as virtual assets and currencies in **Nigeria**

Nature of ML /TF / IFF/ Tax Crimes in Nigeria

- For the Purpose of Taxation, lets put small projections on taxes accruable on the above transactions.

- For the purpose of CIT, from investigations although not definite, it is assumed that the sector works on 0.05 Profit Margin
- $5 / 100$ of $3,000,000,000$ would result in a deemed Turnover of $\$150,000,000$
- Deemed Taxable income of 20% $\$150,000,000 = \$ 3,000,000$
- Now Assessing it at the Present Company Income Tax Rate of 30%
- This leaves us with 30% of $\$3,000,000 = \$900,000$
- While BAT of 7.5% of $\$150,000,000 = \$11,250,000$
- In total $\$12,150,000 @485 = \text{N } 5,892,750,000$

Case Study of an IFF

- The Chinese Man gets an Alibi in Nigeria named Alichukwu Tunde, Alichukwu Tunde helps facilitate the vehicle for IFF by registering Company D and also facilitate account openings and connive with banking officials to give company D a withdrawal limit of over $\text{N}500,000,000$ by not reporting to regulatory authorities.
- Mr Alichukwu Tunde also is not a signatory to the account but has facilitated that the account is run through E Banking Platforms. He also signs a distribution commission of 1 percent with company D. The vehicle for IFF is ready.
- Goods are shipped in Billions, customs duties underpaid or goods smuggled and then he helps distribute and Mr. Alichukwu Tunde helps facilitate the sales and payment through distribution to vendors. Once payment is made into the account, Mr. Alichukwu waits for his 1 percent distribution commission and directors of company D whom are actually across the borders looks for a virtual asset /currency trader whom helps convert into cryptocurrencies /virtual assets and in 5 mins, the whole money is in a virtual asset across the country.
- They have been able to beat all the regulatory agencies which includes the tax authorities for the purpose of taxation.

These show why we need to emphasize the need for regulation of the emerging economies - technology sector of the economy in Nigeria. THANK YOU

Prof Bolaji Owasanoye: So, luckily our last two speakers are here. They are not likely to experience this glitch anymore. It gives me pleasure to invite the representative of CBN to speak for 10 minutes.

Presentation by Joseph M. Gana
(CBN)

Joseph M. Gana ESQ (CBN): [Protocol]

“The estimated \$88.6 billion that Africa loses annually is not just a number. It should be looked at through the lenses of missed development opportunities, lost livelihoods and increased poverty.” - UN Under-Secretary-General and Special Adviser on Africa Ms. Cristina Duarte...

Criminals are becoming increasingly skilled at developing new and innovative ways to disguise illegally obtained assets. Successful law enforcements, requires more than just the willingness to work together but the ability to effectively work together, share information, data and intelligence across jurisdictional boundaries, in a secure and efficient manner. Thus, information sharing between security, intelligence, and law enforcements has become the central focus, globally. Information sharing provides the value proposition of understanding the bigger picture, by drawing together the fragments of information available from multiple sources.

Models of Information Sharing

Direct Access to records and database: An agency provides direct access to records and information stored in their database to designated individuals, agencies or tad authorities. This access may be for a wide range of purpose or restricted to specific situations, cases or circumstances.

Mandatory sharing of information: An agency is required to provide specific categories of information, spontaneously, without insisting on requests to be made. However, for this to be effective, the agency must have clear rules and procedures in place to enable them categorize and identify the information that must be shared.

The other modes of information sharing are **spontaneous information sharing**. An agency may have the ability to provide the information spontaneously but has discretion in deciding whether to do so or not. The other is **sharing information upon request**, an agency may provide the information only when specifically requested. This may be seen as the simplest of the four methods for sharing information, as there is less need for rules or mechanisms to identify information for sharing or provide access to records. Another mode is via **open form of sharing information. Informal sources: open-source intelligence**, which involves

acquisition and analysis of information from publicly available sources. For instance, due to the exponential growth of the internet and life feeds available on social media platforms, an increasing number of sources are becoming publicly accessible and available – providing investigators with trails and evidences that could be used to support strategic and operational decisions.

Different countries have looked at how they check this information sharing. Each country designs its own tailor-made model for inter-agency cooperation. Some developed countries have initiated special programs based on inter-agency cooperation as an effective and efficient way of preventing, detecting, tracking and prosecuting IFFs. A country should, therefore, consider its risks, specific needs, legal and organizational structure in designing models for inter-agency cooperation. We did a case study of national information sharing on Malaysia and we discovered that Malaysian National Revenue Recovery Enforcement Team (NRRET), an inter-agency initiative aimed at fighting tax crimes and other financial crimes was established in 2011. Its membership includes: The tax administration, Company Commission of Malaysia, Central Bank of Malaysia, Malaysian Anti-Corruption Commission and Royal Customs Department. Its role is to improve cooperation between law enforcement agencies to ensure holistic approach to the development of good governance, combating corruption, and to assist agencies in combating financial crimes. The NRRET also monitors the sharing of information and planning of joint operations among law enforcement agencies in high profile cases.

We also looked at the USA; they have multiple ways of information sharing. National Information Exchange Model (NIEM), formally launched in April 2005, is a partnership between the U.S Department of Justice and Homeland security (DHS). It enables information sharing focusing on information exchange among organizations as part of current and intended business practices.

The Global Justice Extensible Markup Language (DML) Data Model (Global JDDM) is an DML standard designed by Global Justice Information Sharing Initiative, specifically for criminal justice information exchanges that provides law enforcement, public safety agencies, prosecutors, public defenders and the judicial branch with a tool to effectively share data and information in a timely manner.

Another case study we looked at is India. The Economic Intelligence Council (EIC), acts as the main body responsible for coordination, strategy and information-sharing amongst the

government agencies responsible for intelligence and control of economic offences such as smuggling, money laundering, tax evasion and fraud. It was formed in 1990.

Exchange of Information & Curbing IFFs

And now going back to IFF's, we have forums out there that can help improve on information sharing to be able to make our job more effective. We look at the OECD, we are aware that the OECD issue a standard for exchange of information. The Economic Intelligence Council (EIC), acts as the main body responsible for coordination, strategy and information-sharing amongst the government agencies responsible for intelligence and control of economic offences such as smuggling, money laundering, tax evasion and fraud. It was formed in 1990. On July 21, 2014, the OECD released the Standard for Automatic Exchange of Financial Account Information in Tax Matters, including the Commentary on the Common Reporting Standard (CRS); systematic and periodic transmission of extensive taxpayer information from the country in which the financial accounts are located, to the taxpayer's country of residence. It imposes obligations on Financial Institutions (FIs) across the financial services market to review and collect information to identify an account holder's country of residence and in turn, to provide certain specified account information to the home country's tax administration.

Now, focusing on the financial sector, Ten Key Principles on Information Sharing issued by the G-7 Finance Ministers in May 1998, published by Basel Committee on 9th March 2001. These are: 1. Authorization to share and gather information; 2. Cross-sector information sharing; 3. Information about systems and controls; 4. Information about individuals; 5. Information sharing between exchanges; 6. Confidentiality; 7. Formal agreements and written requests; 8. Reciprocity requirements; 9. Cases which further supervisory purposes; 10. Removal of laws preventing supervisory information exchange.

Authorization to share and gather information: Each Supervisor should have general statutory authority to share its own supervisory information with foreign supervisors in response to requests, or when the supervisor itself believes it would be beneficial to do so.

Cross-sector information sharing: Supervisors from different sectors of financial services should be able to share supervisory related information with each other, domestically and internationally (e.g., Securities supervisor in one jurisdiction and banking supervisor in another). **Information About systems and controls:** Supervisors should cooperate in identifying and monitoring the use of management and information systems, and controls, by

internationally active firms. **Information about individuals:** Supervisors should have the authority to share objective information of supervisory interest about individuals such as owners, shareholders, directors, managers or employees of supervised firms. **Confidentiality:** A Provider should be expected to provide information to a Requestor that is able to maintain its confidentiality. **Formal agreements and written requests:** The Requestor should not have to enter into a strict formal agreement in order to obtain information from a Provider. Nor should a written request be a prerequisite to the sharing of information, particularly in an emergency. **Reciprocity requirements:** These, too, should not be a strict precondition for the exchange of information, but the principle of reciprocity may be a consideration. **Cases which further supervisory purposes:** In order to ensure the integrity of firms and markets, the Provider should permit the Requestor to pass on information for supervisory or law enforcement purposes to other supervisory and law enforcement agencies in its jurisdiction that are charged with enforcing relevant laws, in cases which further supervisory purposes. **Removal of laws preventing supervisory information exchange:** to facilitate cooperation between the supervisors of internationally-active groups, each jurisdiction should take steps to remove or modify those laws and procedures that prevent or impede the exchange of necessary supervisory information.

Some of its Preventive measures are: Prohibition of anonymous accounts and transactions with shell companies; Customer due diligence/record keeping; Reporting obligations; Transparency and beneficial ownerships; Targeted Financial Sanctions (TF). The Provisional measures are; Freezing of funds, Seizing of funds. The CBN has an information sharing mechanism aimed at curbing IFF's.

The CBN too is a member of the College of Supervisors of West African, Coordinating the AML Stakeholders' Consultative Forum, Enhancing collaboration with other central banks on cross-border supervision (examination) through signing of MoUs. The CBN constituted an Inter-Agency Committee on trafficking of foreign currency across Nigeria's borders. **Participation in meetings of industry-based associations in the industry:** These associations include the Association of Committee of Chief Compliance Officers in Nigeria (ACCCON), National Association of Micro-Finance Banks in Nigeria (NAMB), etc.

Now, what are the challenges of information sharing to curb IFFs in Nigeria? Most important thing is information ownership. Control – turf mentality, everyone being in charge of their own

information and not wanting to share. Siloed intelligence holding. Of course, most times we have incompatible IT systems that inhibit the transfer of information between agencies.

What are the recommendations and way forward? We need to establish a culture of openness and collaboration. We need to recognize the need for a clear policy and legal framework for cooperation. We need to establish bilateral agreement or Memorandum of Understanding (MoU) to share information between the tax administration and other agencies. We also need to conduct capacity building exercises to develop a culture of cooperation with different agencies working together. We need to establish a system that balances the sharing of information with confidentiality. Take full advantage of the Internet, law enforcement websites and information-sharing opportunities. "The culture of agencies feeling they own the information they gathered at taxpayers' expense must be replaced by a culture in which the agencies instead feel they have a duty to the information to repay the taxpayer's investment by making that information available." - 911 Commission Report after investigation.

Thank you very much.

Prof Bolaji Owasanoye: Thank you very much, I really wanted to stop you because of time. We have one final speaker who has been invited from NDLEA then I can close the session. Alright, you have the floor.

Presentation by Joseph Nbona Sunday
(NDLEA)

Presentation of Joseph Nbona Sunday, Director, Prosecution and Legal Services, National Drug Law Enforcement Agency (NDLEA)

Thank you very much Mr. Chairman, good afternoon, my colleagues. My presentation is on Information sharing and curbing IFF's. what I have not done is engage myself in some of the issues of trying to define IFFs, because by the nature of the target audience, I believe that some of these conceptual terms are well known to the participants.

IFF is a multi-faceted phenomenon. It encompasses the areas of commerce, crime and corruption. Although the Mbeki Panel has come out with four (4) component areas to curb IFFs: Commercial Component, Criminal Component, Corruption Component, Strategic Component. A number of institutions [are] involved in curbing IFFs... Now why it is important to share information? There are some things I consider to be the impediments to sharing information and these are; the... dilemma of magnitude, sometimes we get information and feel it's not important. Then the second aspect is absence of feedback mechanism. Then the third issue is Personal/Institutional glory vs National Interest, we have to note that the national interest is paramount. Then another is inadequate knowledge and awareness of platform for sharing. Then again, we have over protectiveness of information/informant. There is the issue of the fear of mishandling/unprofessional handling of information. Subsequently I will be talking about how to overcome these issues and the platforms/process of information sharing. Statutes vs MoU's, we see that most of the agencies they encourage in the statutes the enabling of all these agencies encourages the agencies to share these information's. Correspondences amongst Heads of Agencies. Principles to observe in dissemination; Timeliness, information shared on time will go a long way. Accuracy, the information shared must be as accurate as possible. Clarity, the information should be unambiguous. Completeness/Comprehensiveness, this here is self-explanatory, information shared should be complete and be able to be comprehended.

What is the recommendation to enhance information sharing? Inter-Agency interactions in training exercises (especially cadet/basic trainings), Provision of feedbacks on all information shared or communicated, the designation of Desk Officers to receive and handle information from counterpart agencies and the communication of such Desk Officers to relevant Agencies, utilization of our intelligence gathering agencies - DSS, NFIU, DIA, NIA, etc. Trainings on

professional handling of confidential information. So, we need to train our staff on how to handle these information's. So, I believe that if we take these and other measures to our respective institutions it will assist us.

Thank you very much.

CLOSING REMARKS

Prof Bolaji Owasanoye: I want to thank all those who have spoken, starting with myself, I am thanking Baclab, who could not be here physically but is well represented and Idris who is mobile. I thank the speakers from FIU, CBN, NDLEA, ICPC and those that could not be able to present. I think that I and the officers who have been able to join this conversation [have benefited from it][knowledge] and like I have said, we will intensify the capacity building in order to close the gap. We are teaching ourselves how to know what to look for to stop the IFF's and recover the assets that have been lost. I want to thank you all for your time and your participation.

God bless you.



Independent Corrupt Practices and
Other Related Offences Commission

PHYSICAL/VIRTUAL ZOOM MEETING

CAPACITY BUILDING FOR INVESTIGATORS ON INVESTIGATING ILLICIT FINANCIAL FLOWS (IFFS)



DR. YEMI DIPEOLU
CHAIRMAN INTER-AGENCY
COMMITTEE ON IFFS



PROF. BOLAJI OWASANOYE
CHAIRMAN OF SESSION -
HON. CHAIRMAN, ICPC.



MR. VACLAV PRUSA
SPEAKER



PROF. MELVIN AYOGU
SPEAKER



MR. MATHEW PAGE
SPEAKER



MR. SANYA GBONJUBOLA
SPEAKER



27TH & 28TH
APRIL 2021



9:00AM



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List of Participants

Day 1

1. Hayatuddeen Mustapha
2. Helen Obochi
3. Daʒid Oluwole
4. Baba Gali Rogo
5. Adira Akison
6. Saidu Yahaya
7. Adah Ojoma
8. Bala Muhammed
9. Daniel D. Sado
10. Yetunde Ope-Faniran
11. Bera Esidene
12. Ruth Christopher
13. Wulangs
14. Michael Peters
15. Mohammed Sa'idu
16. Tanimu Yakubu
17. Chukwuma Nwude
18. Moses
19. Mercy Zinas
20. Ezech Nwafor Anselm
21. Yilzem# Hoomkwap
22. Hassan Gadu
23. Okoko Paul
24. INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES
COMM. (I C P C)
25. Adamu Baba J.
26. Bashir A. Dagaro
27. Sopulu Emeoha Peter
28. Benson Peace
29. Leo Wonosikou

30. Obi Stephen
31. Kenneth Agba
32. Ojo Eytayo
33. Amedu# Sule
34. Opeyemi D. Ogundare
35. ICPC Kaduna
36. Anaele Oluchi Chinyere
37. khadijah MK
38. Bilkisu Umar
39. ICPC Ribers Office
40. Mukhtar Na Allah
41. Gordon Ojebwe
42. Iko Patrick
43. Mohammed Sulaiman Haja
44. Oluwaseun Oshinyemi
45. Taiwo Adeniyi
46. Umar Ahmad Umar
47. Prince Hassan
48. Innocent N. Ofili
49. Awogbemi Ebenezer Idowu
50. Hassan Hafiz Mohammed
51. Ebize Enimiebi Mary
52. Sikpi Nathaniel
53. Onakpoberuo Onoriode Bictor
54. Aida Denham
55. Ogar Julius
56. Alhassan Garba
57. Dickson Napewat
58. Olufunke Oluwadunsin
59. Bukar Galadima
60. Laban Emmanuel Rakum
61. OSUN STATE OFFICE- Baba Alaro Shuaib
62. Felid Mbalaso
63. Joshua Musa Wakili

64. Comfort Ibrahim
65. Y. Shehu
66. Mohammed Abdullahi
67. Bamidele Raji
68. Isioma Okolo
69. Noble Wordu
70. Bariboloka Florence
71. Shintema
72. Aledander Omoike
73. Emeoha Sopuluchukwu Peter
74. Ingobro Winifred
75. ANSA Effiom Bassey
76. Alemede.David
77. Mohammed Idris
78. Ndukwe Onum Ukpai
79. Olatunji Jabaru
80. Adebayo S.O
81. Ulu Eke
82. Bariki Zaknayaba Nuhu
83. Judith O
84. Azubuiké Okpara
85. Kabir Elelu
86. Umar Maiwada Abubakar
87. Taiwo Olorunyomi
88. Azu Ogugua
89. Oreh Abiodun
90. Hayatuddeen Mustapha
91. Osim Chinomso
92. Zainab Adejo
93. Asufo Jane Eno
94. Jibrin Aminu M
95. Aled Omamuli
96. Eric Nnamdi Anona
97. Zarah T. Mari

98. Markson Dali
99. Abubakar Sadiĳ Hadi
100. Ige Omoniyi Bincent
101. Mahdi M lawal
102. Zayyana Danmusa
103. Constantine Harrison
104. Amedu Sule
105. Sadiĳ Isah Radda
106. Musa Ibrahim
107. Iyanda
108. Edu Dabis
109. Biola Shotunde
110. Murtala B. Bankanu
111. Benedict Anikwe
112. ICPC OYO STATE OFFICE
113. Abba Dzikwi
114. Nasir Umar Kane
115. Isa Abdullahi Gaude
116. Amefula Agwu
117. Suleiman Maishanu
118. ICPC BENIN
119. Olusegun Adigun
120. Oditan A. Douglas
121. Ikeoha Chukwuma
122. Derek Ofulue
123. Ade Adesomoju
124. Okara Charles Frederick
125. Ajibade Abiodun
126. Remi Adebayo
127. Yusuf Olatunji
128. Tanko Sama'ila Abdullahi
129. Usiere
130. Rabiu Umar Abubakar
131. Bola Olagunju

132. James Inalegwu Matthew
133. Sulahiman Jimoh
134. Jimoh Sulahiman
135. Kabir Elelu
136. Android Bluedroid
137. Godwin Okpene
138. Sunday Ibrahim
139. Bulama Ahmed Suleiman
140. Joseph Gana
141. Sagir Mohd Yunusa
142. Samira Bello
143. Shintema Binga
144. Adelani Adepegba# The PUNCH Newspapers
145. Leo Wonosikou
146. Ali Yahaya
147. Ayuba Daniel Mshelia
148. Ndu Okparaibea
149. Nnaekulie
150. Osanoto Olugbemi Abraham
151. Olamiku Ebenezer
152. Aliyu Mohammed
153. Rashidat Hassan
154. Musa
155. Matthew Guardian
156. Lateefat Olagunju
157. Lynda kaka
158. Nkem Ezenwa
159. Godwin Kwasau Yacham
160. Muftahu Bala
161. Abubakar Jibrin
162. Obasi Eze
163. Ibaraboka JJ
164. Shehu Gambo
165. Adenuga Adewale Taofeek

166. Abubakar A Dutsinma
167. Helen Obochi
168. M Adewale
169. Yahaya Kabiru Maigari
170. Innocent N. Ofili
171. Bolaji Owasanoye
172. Adetokunbo Fakeye
173. Aminu Bala
174. Bada Oluwafunke Rebecca
175. Suleiman Mohammed
176. Gujja Abubakar
177. Hafiz
178. Willie Emmanuel
179. Emmanuel Duniya/ Central Bank of Nigeria
180. Osim Chinomso
181. Simeon Ogunbade
182. Ase Juliet Omoma
183. Iwoba Ogochukwu
184. Tayo NBS
185. Finance and Account
186. Ode Simon (NBS)
187. Sakaba Ishaku
188. Ibietan-Oladiran Abiodun
189. Salami Olanrewaju
190. Musa Garba Aujara
191. Abubakar Sadiq Muhammad
192. Linus Gubbi
193. Shintema Binga
194. Abubakar Jibrin Abuji
195. Abdulfatahu Mohammed
196. Osobe Tyodoo Andrew
197. Agou Nuhu Gabriel
198. Adeniyani Olaoluwa
199. Barr. Amadi Joseph Uchenna

200. Alli Yusuf
201. khadijah MK
202. Ihezue Nnadozie
203. Aminu Haruna
204. Paul Okoko
205. Prince Hassan Mohammed
206. Margaret Adebayo
207. ICPC AKWA IBOM
208. Sikpi Nathaniel Diton
209. B G Bashir
210. Sola Shodipo
211. Emmanuela Anyanwu
212. Obinna Igwe
213. Olusola Shodipo
214. Saleh Pius Fadia
215. Susan Enada Ogabidu
216. Odebajo Samuel
217. Daramola O.S
218. Akinsola Olakunle
219. M O Lawal
220. Clement Ogbemudia
221. Joseph Gana
222. Kunle Balogun
223. Adebayo Sunday
224. Baba Alaro Shuaib
225. Nasir umar Kane
226. Udom James
227. Rabiuh Ibrahim
228. Adedayo Kayode# ATRM
229. Femi Gold
230. Ngozi Nwangwu Olisaelo
231. Stephen Pimor
232. Sunny Ibeto
233. Bambula Monday Tumba

234. Murtala Adamulere
235. Chinye Okpah
236. Jamila Yusuf/Nigeria
237. Dike Onwuamaeze
238. Bhadmus Adejare
239. Abdulkareem
240. Iyanda
241. Abdulkadir

DAY 2

1. Zainab Adejo
2. Abubakar A Dutsinma
3. Oreh Abiodun T
4. Musa Alkali
5. Comfort Ibrahim
6. Ulu Eke
7. Musa Garba Aujara
8. Dan-Alkali Aminu Abubakar
9. Stephen Pimor
10. Ogam Sunday
11. Babatunde Oloyade
12. Iko Patrick
13. Finance and Account
14. Dabid Damdakalak Samuel
15. Salami Olanrewaju
16. Sokan Temitope
17. Morgan Bictoria
18. Ikeoha Chukwuma
19. Bictoria Ayeni
20. Aminu Haruna
21. Ebize Enimiebi Mary
22. Benson Peace
23. Okara Charles Frederick

24. Nkem Ezenwa
25. Opeyemi D. Ogundare
26. Hassan Gadu
27. Linus Gubbi
28. Bera Esidene
29. Constantine Harrison
30. Bariki Zaknayaba Nuhu
31. Awo Gbemi
32. Sulahiman Jimoh
33. Y. Shehu
34. James Inalegwu Matthew
35. Ikuo
36. Yahaya Kabiru Maigari
37. Olambiwonnu Aminat
38. Preye Naomi Azonabor
39. Taiwo Olorunyomi
40. Tanimu Yakubu
41. Ndukwe Onum Ukpai
42. Akinsola Olakunle
43. Suleiman Maishanu
44. Usiere E.
45. Aled Omamuli
46. Bala Muhammed
47. Ibaraboka JJ
48. Sola Shodipo
49. Emeoha Sopuluchukwu Peter
50. Abubakar Sadiq Hadi
51. Gujja Abubakar
52. M O Lawal
53. Asukuo Jane Eno
54. Muftahu Bala
55. Onakpoberuo Onoriode Bictor
56. Umar Abubakar Maiwada
57. Rabiul Ibrahim

58. Adebayo Sunday
59. Kuru Mamman
60. Benedict Anikwe
61. Ruth Christopher
62. Mohammed Sa'idu
63. Murtala Adamulere
64. Innocent N. Ofili
65. Olatunji Jabaru
66. Gudi Daniel Johnson
67. Tanko Samaila Abdullahi
68. Dabid Alemede
69. Beronica Yetunde Adelekan
70. Yusuf Hassan
71. Ogar Julius
72. Awogbemi Ebenezer Idowu
73. Musa
74. Sylbester Ogar
75. Babangida Umaru
76. Saleh Pius Fadia
77. Adah Ojoma
78. Osofe Tyodoo Andrew
79. Edu Dabis
80. Udom James
81. Lawal Azeez
82. Ase Juliet Omoma
83. Godwin Kwasau Yacham
84. Obinna Igwe
85. Adeniyani Olaoluwa
86. Osanoto Olugbemi Abraham
87. Baba Gali Rogo
88. Aledander Omoike
89. Amefula Agwu
90. Adamu Baba J.
91. Ebize Enimiebi M.

92. Azubuike Okpara
93. Ajibade
94. MR ACAA
95. Simeon Ogunbade
96. Okara Charles Frederick
97. Oladipo Ezekiel Bolarinwa
98. Olayiwola Akanmu
99. Ali Yahaya
100. Oluwole Iyeru
101. Zarah T. Mari
102. Abba Dzikwi
103. Ndu Okparaibea
104. Suleiman Mohammed
105. Aliyu Mohammed
106. Susan Enada Ogabidu
107. Ogom Onukwusi
108. Mohammed Abdullahi
109. Olamiku Ebenezer
110. Abubakar Mohammed Shinkafi
111. Rabiu Umar Abubakar
112. Adebayo S.O.
113. Hassan Hafiz Mohammed
114. INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES
COMM. (I C P C)
115. Isioma Okolo
116. Michael Peters
117. Khadijah MK
118. Chinye Okpah
119. Alhassan Garba
120. Umar Ahmad Umar
121. Saidu Yahaya
122. Mohammed Sulaiman Haja
123. Felid Mbalaso
124. Sikpi Nathaniel Diton

125. Abdulkadir
126. Dabid Oluwole
127. Mercy Zinas
128. Ansa Effiom Bassey
129. Yilzem Hoomkwap
130. Murtala B. Bankanu
131. Taiwo Adeniyi
132. Paul Okoko
133. Okoro J Ulu
134. Prince Hassan
135. Shintema Binga
136. mark Khobe
137. Sakaba Ishaku
138. Shehu Gambo
139. Hassan Muhammad Karakai
140. Mohammed Idris
141. Abah Abamgbo
142. Noble Wordu
143. Olusegun Adigun
144. Osim Chinomso
145. Emmanuela Anyanwu
146. Uchenna Nwachukwu
147. Oditan A. Douglas
148. Adira Akison
149. Aida Denham
150. Kenneth Agba
151. Ingobro Winifred
152. Bilkisu Umar
153. Sagir Mohd Yunusa
154. Amedu Sule
155. Mohammed Lawal Adamu
156. Laban Emmanuel Rakum
157. Hayatuddeen Mustapha
158. Willie Emmanuel

159. Chukwuma Nwude
160. Dickson Napcwat
161. Chibuike Alu
162. Yetunde Ope-Faniran
163. Ihezue Nnadozie
164. Bolanle Otoru
165. Daniel D. Sado
166. Mukhtar Na Allah
167. Cynthia Kanu
168. Oyedeji Rafiu Adeniyi
169. Fatogun O.
170. Dan-Alkali Aminu Abubakar
171. Judith O
172. Linus Gubbi
173. Wulangs
174. Joshua Musa Wakili
175. Rashidat Hassan
176. Anas M. Kolo
177. Ahmed Ibrahim Hassan
178. Saidu Mohamed
179. Muhammad Lawan
180. Sopulu Emeoha Peter
181. Ikeoha Chukwuma
182. Zayyana Danmusa
183. Iyanda
184. Umar Abubakar Maiwada
185. Uche Nnadozie
186. Ajibade Abiodun
187. Mr Akaa
188. Sakaba Ishaku
189. Olamiku Ebenezer
190. Wale Adenuga
191. Eric Nnamdi Anona
192. MOHAMMED Sa'idu

193. Baba Alaro Shuaib
194. Helen Obochi

