BUHARI'S CORRUPTION FIGHT: A FIVE YEAR ASSESSMENT

MAY 2020
As President Muhammadu Buhari enters his sixth year in office, fighting corruption remains one of his signature policy issues. Even before his successful 2015 election campaign, the fight against corruption had long been a core part of President Buhari’s personal narrative and popular appeal. Although it is one of the few policy areas in which he recorded some achievements, President Buhari’s anti-corruption track record defies simple characterisation.

On the one hand, President Buhari has elevated the fight against corruption by making it a national policy priority; positioning it alongside economic development and combating insecurity in his speeches and statements. He has empowered anti-corruption agencies, freeing them up to pursue far-reaching investigations into political and bureaucratic corruption. Appointing capable practitioners to lead the Economic and Financial Crimes Commission (EFCC) and the Independent Corrupt Practices and Other Related Offences Commission (ICPC) has been key in reinvigorating them. Corruption convictions and asset seizures by these agencies have increased on his watch. He has also followed-through on a few key financial management reforms. The mandatory use of the Treasury Single Account (TSA) being the most notable.

Nevertheless, many Nigerians had high hopes that President Buhari would work tirelessly to disrupt the country’s kleptocratic status quo. While these expectations may have been unreasonably high, he has nevertheless fallen short of his promise to ‘demonstrate zero tolerance for corrupt practices’. Indeed, he has missed many opportunities to institutionalise the so-called ‘Buhari Effect’: a term coined early in his tenure to describe how his ascension to the presidency would itself deter corrupt practices. Instead, he has disproportionately relied on an enforcement-based approach to combating corruption. In doing so, he has largely failed to enact a wider and more durable range of political and institutional reforms designed to achieve lasting change.

Equally problematic is President Buhari’s tolerance for corruption within his own administration and the ruling All Progressives Congress (APC) party. He has consistently turned a blind eye to malfeasance by some of his own appointees and resisted independent oversight of Nigeria’s most scandal-ridden agencies. His cabinet includes several individuals tainted by accusations of corruption. The APC has nominated—and President Buhari has personally campaigned for—many notorious kleptocrats.

Buhari’s government has increased its use of corruption-prone slush funds known as ‘security votes’.

ACHIEVEMENTS
Perhaps more than any of his predecessors, President Buhari has consistently and repeatedly stated his government’s commitment to fighting corruption. In a country where politicians euphemistically promise to ‘carry along’ their supporters and give ‘juicy appointments’ to their supporters if they ‘show gratitude’, President Buhari’s uncompromising rhetoric sets the right tone.

President Buhari has mandated all government ministries, departments and agencies to use the TSA under the watchful eye of the Accountant General of the Federation, rather than maintain their own corruption-prone bank accounts. Over the decades, such off-the-radar accounts had proliferated uncontrollably, allowing corrupt officials to siphon public funds with ease. President Buhari has likewise pushed for tertiary educational institutions to join the Integrated Payroll and Personnel Information System (IPPIS) that other government entities are already required to use.

President Buhari has mostly appointed experienced practitioners to lead Nigeria’s anti-corruption bodies. EFCC chairman Ibrahim Magu is an experienced anti-corruption law enforcement officer. ICPC chairman Bolaji Owasanoye is a policy expert and veteran legal scholar. Nigeria Extractive Industries Transparency Initiative (NEITI) head Waziri Adio—a respected journalist—has also performed well. Such appointments are important because the capacity and effectiveness of government agencies often depend on skill and integrity of their senior staff.

Early in his first term, President Buhari created two ad hoc temporary audit committees: one to investigate spending by the Office of the National Security Adviser and one to scrutinise defence procurement. These probes revealed that several former military chiefs, together, stole as much as $15 billion.  

Although caveats apply to this achievement, President Buhari has recorded more corruption convictions during his tenure than any of his predecessors. The EFCC claims to have secured over 2,000 convictions since 2015. It is important to note, however, that—in 2019 alone—it won over half of these convictions due to a sharp increase in successful cybercrime prosecutions. In other words, these laudable gains do not translate into a spike in high-profile corruption convictions under President Buhari, a fact which government press releases touting this achievement fail to mention.

More Corruption Convictions.

At President Buhari’s direction, anti-corruption agencies have made the recovery of stolen assets one of their top priorities. They have increasingly used these innovative legal tools to seize suspected proceeds of corruption from former officials who would be difficult and time-consuming to convict. As a result of this strategic shift, more stolen assets are being recovered than ever before. Without greater transparency, however, it will continue to be difficult to assess the quantity and type of assets seized, their final forfeiture status and how they are reallocated. In June 2016, for example, the information minister claimed the Buhari government had seized $9.1 billion during its first year in office: an astronomical sum that has still to be independently verified.

Increased Forfeitures of Stolen Assets.

Dasukigate allegedly siphoned a further $2 billion from the security budget. President Buhari also inaugurated the Presidential Advisory Committee Against Corruption (PACAC), a think-tank-like body tasked with producing policy recommendations and procedural guidance aimed at making anti-corruption efforts more effective. The Special Presidential Investigative Panel on Public Properties (SPIPPP) represents another attempt by President Buhari to recover stolen assets. After some initial progress the SPIPPP was disbanded in 2019 in the wake of a scandal.

SHORTCOMINGS
While acknowledging these genuine achievements, it is clear that President Buhari’s overall anti-corruption record has been undercut by several significant shortcomings. Many stem from his government’s failure to actualise and systematise broader transparency and accountability gains over the last five years. They include:

**Questionable Senior Appointments.**

Although President Buhari has appointed some capable technocrats to top jobs, he has also appointed many individuals of questionable integrity to key positions. For example, several members of his second term cabinet—particularly a few former governors and officials with close Abacha ties—are widely seen as lacking integrity. In 2017, Buhari controversially reinstated a top pensions official even though he was facing prosecution by the EFCC on corruption charges. Similarly, President Buhari did not timely suspend the former Secretary to the Government of the Federation, Mr. David Babachir Lawal from office, despite indictment by the Senate over alleged breaches in the handling of contracts awarded by the Presidential Initiative for the North East. The failure to timely suspend erring appointees pending investigations have been replicated in several instances.

**Turning a Blind Eye to Political Corruption.**

Under President Buhari’s leadership, the APC has demonstrated the same toxic behaviours and corrupt norms that have characterised Nigeria’s post-1999 electoral politics. Its modus operandi—both in governing and while campaigning—is indistinguishable from its predecessor. The APC has laundered the reputations of many corrupt politicians, some of whom President Buhari has personally endorsed and even campaigned alongside. The President has asked few questions about how the APC funds itself, even though it is common knowledge that candidates depend on stolen public funds provided by political godfathers to fuel election campaigns. Ignoring the APC’s reliance on siphoned public funds to energise its expansive patronage networks, President Buhari has instead positioned himself as their main beneficiary.

**Failure to Make Petroleum Sector Reforms.**

President Buhari—who is dual-hatted as Minister of Petroleum—bears personal responsibility for his government’s failure to undertake basic, and long overdue, reforms to the Nigerian National Petroleum Corporation (NNPC). Widely seen as one of the most corrupt and mismanaged national oil companies in the world, the NNPC continues to conceal illicit financial outflows from public or legislative scrutiny, inflate internal administrative budgets and withhold oil revenues from the national treasury. Moreover, President Buhari has personally opposed reforms such as the effort to sell off Nigeria’s mouldering refineries. Instead, he has chosen to press ahead with costly, and uneconomical, refurbishment contracts that corrupt officials have, for decades, used to embezzle billions of dollars. Even decisions initially seen as reform-minded may not be entirely what they seem. President Buhari initially granted fewer crude oil lifting contracts to corruption-prone briefcase companies than his predecessor—a positive step. In recent years, however, the NNPC has partnered with a smaller cadre of high-volume traders under similarly opaque arrangements that do not clearly benefit Nigeria.

---

Despite President Buhari's promises to curtail it, security sector corruption—which was rife under the Jonathan administration—persists. Defence and security expenditures continue to escape public and legislative scrutiny, and mostly occur under emergency procurement processes that lack basic anti-corruption safeguards. Belying his role as commander-in-chief, President Buhari has exercised weak civilian oversight over his long-serving service chiefs, giving them wide leeway to manage military affairs. He has also failed to rein in security votes—opaque slush funds that remain one of the most glaring examples of security sector corruption in Nigeria. In fact, the number of security votes tucked into the federal budget has markedly increased during his tenure from about 30 in 2016 (N9.3 billion or $46.2 million in total) to over 190 (N18.4 billion or $51 million in total) in 2018.¹

Corruption-Prone Economic Policies.

Many of President Buhari's statist economic policies have allowed corruption to undermine his government's efforts to develop power and transportation infrastructure, and to boost trade and investment. His administration has done little to reform the country's anemic power sector which, according to a recent study, lost (N)11 trillion to corruption between 1999 to 2017. Likewise, his 2019 decision to close Nigeria's borders to prevent smuggling has not only driven up food prices for everyday Nigerians, it has done little to deter smugglers operating away from main border crossings.² Meanwhile, costly delays caused by bribery and fraud remain a significant problem at Nigeria's publicly-owned ports, despite President Buhari's promise to reform them.³

Declining Fiscal Transparency.

Under President Buhari, the Central Bank of Nigeria has become less transparent and more vulnerable to political influence on fiscal and monetary policy. The bank's oversight role has diminished and the relationship between it and the nation's commercial banks has become too cozy. Since 2015, sales of discounted foreign exchange to privileged recipients have become more opaque than ever before. In December 2017, the government announced the withdrawal of $1 billion from the Excess Crude Account—nearly half of Nigeria's now nearly-empty rainy day fund—for ad hoc security expenditures. The government has yet to reveal exactly how this money was spent, suggesting that it was likely used to energise ruling party political structures ahead of the 2019 general election.

---

¹ Neil Munshi, Nigeria: oil privatisation call exposes election divide , The Financial Times, February 14, 2019, https://www.ft.com/content/1e9e9d52-2e0d-11e9-ba00-0251022932c8.
The 8th National Assembly passed the Federal Audit Service bill in bid to improve audit functions, accountability, transparency, the utilization of public funds and empower the Office of the Auditor General of the Federation (OAuGF). The Bill enables the auditor-general to penalize government agencies and officials who refuse to submit their financial statement for audit. However, President Buhari has withheld his assent on the Bill without stating any reasons.

Over the years, the country has faced various challenges with its audit processes, particularly with ministries, department and agencies (MDAs) failing to submit their audit reports, cases of unauthorized payments and leakages in government revenue. For example, in the 2017 audited report, about 265 agencies defaulted in the submission of audited accounts; while 11 agencies have never submitted a financial statement since inception. Overall, the report stated MDAs failed to remit a total of Twenty billion, six hundred and one thousand, four hundred and seventy-nine naira, fifty-nine kobo (N20,675,801,479.59) in taxes to the consolidated revenue fund of the federal government.

The problem associated with the audit process in Nigeria brings forward the significance of fast-tracking the process of passing the Bill into law. The continuous refusal of President Muhammadu Buhari to assent the Bill has been argued to be at variance with his anti-graft position.

Without the implementation of the audit law, it will remain difficult for stakeholder such as the Public Accounts Committees (PAC) of the Senate and House of representatives, OAuGF to effectively deliver on their mandates and block resources leakages in the country.
RECOMMENDED REFORMS
Over one year into President Buhari’s second term, it is not too late for his administration to add to its list of anti-corruption achievements and mitigate some of the shortcomings. Unable to run for reelection in 2023, he arguably is no longer as beholden to party powerbrokers and could immediately take steps to institutionalise the so called ‘Buhari effect’. While some lasting anti-corruption reforms will require enabling legislation—and thus the cooperation of the corruption-prone National Assembly—many do not. If he is serious about reestablishing his reputation as an anti-corruption champion, President Buhari could immediately undertake the following corrective steps:

1. **Take concrete steps to improve transparency and accountability surrounding government budgets, actual expenditures and contracting processes, especially in the petroleum, power, defence and humanitarian sectors.** Mandate that detailed records of these transactions be published online.

2. **Ensure the timely release of budgeted funds to anti-corruption agencies, especially the ICPC and CCB.** Ask anti-corruption agencies to develop strategic, multi-year spending plans that aim to build long-term capacity and require they provide greater transparency and accountability for their expenditures and strategic decision making. Propose an executive bill allowing anti-corruption agencies to retain a percentage of seized assets to help fund their operations.

3. **Commit to removing or otherwise sanctioning government officials and ruling party politicians who attempt—or have previously tried—to interfere or exert undue pressure on the judiciary or the EFCC, ICPC, and Code of Conduct Bureau (CCB).** Make clear that interference will result in swift and significant repercussions such as dismissal and prosecution.

4. **Appoint respected technocrats, jurists, and civil society figures to serve on the boards of the anti-corruption agencies.** Invite respected civil society groups working on anti-corruption issues to interview candidates for these positions and provide written feedback to the Presidency on their suitability for the role. Consider changes in the law that give the Chief Justice of Nigeria the power to appoint the heads of the EFCC, ICPC and CCB, subject to Senate confirmation.
Submit legislation outlawing security votes at the federal, state and local levels. A ban on the use of security votes should be accompanied by transparent and comprehensive budgeting procedures and criteria for security expenditures that meet international best practices and incorporate robust oversight mechanisms.

Require that ministries, departments and agencies submit all required documentation to the Auditor-General of the Federation. Remove the leaders of those entities that do not. Build the capacity and guarantee the independence of this important internal oversight institution.

Drawing on existing proposals and international good practices, introduce an executive bill that provides comprehensive whistleblower protections.

Support a constitutional amendment that separates the Office of the Attorney General and that of the Minister/Commissioner of Justice at both federal and state levels to ensure efficiency, reduce politicisation and increase the independent decision making of Attorneys General across Nigeria.

For their part, Nigeria’s international partners—particularly the United States, UK, Canada, Australia and EU countries—need to prioritise anti-corruption in their diplomatic engagement, military assistance and development assistance. They should proactively deny visas to kleptocratic officials and withhold cooperation opportunities from agencies engaging in high-risk behaviour or unwilling to address glaring internal corruption challenges. Governments repatriating recovered assets to Nigeria should also set up independent monitoring arrangements, and include transparency and accountability standards, as principles for repatriation.