

**Money Laundering and Trans-organised Financial Crime in Nigeria:
Collaboration of the Local and Foreign Capitalist Elites**

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Abstract

Nigeria loses US\$600 million annually to money laundering. Between the mid-1980s and 1999, Nigeria lost US\$100billion to money laundering. In the so acclaimed democratic era, between 2001

and 2004, the country lost an estimated US\$25billion to money laundering. Nigerians who specialise in international money transfer have also extorted about US\$357,142,857 from overseas victims. However, such illegal inflow and outflow of huge amount of money that has contributed to the impoverishment of the Nigerian economy cannot be easily perpetrated, without the cooperation, collaboration or at the very least, connivance of the professionals, particularly accountants. Yet, the various statutory provisions, companies' and professional bodies' Acts locally and internationally, all combined to place the responsibility on the accountants and auditors to detect and report cases of suspected money laundering and other financial crimes to the regulators. This paper develops theories of money laundering and the professions, particularly accountancy and utilizes archival documents to provide the evidence which suggests the role of the accountants in acting as the advisers and vectors of the ruling elites, politicians, public officials and their multinational corporations and other foreign capitalists' collaborators in siphoning the collective wealth of Nigeria into the individual private bank accounts abroad. The paper further provides the evidence, which suggests that, the successive Nigerian governments, the 'good governance', 'accountability' and 'transparency'-preaching Western economic powers, and the 'ethical conduct' and 'transparency'-preaching accountancy bodies (local and foreign) have been reluctant to investigate or prosecute the culprits and erring members within their borders or associations in the face of the evidence of these local and trans-organized financial crimes in Nigeria.

KEYWORDS: Money Laundering, Financial Crimes, Elites, Exploitation, Corruption, Transnational Corporations, Accounting Firms, Accountants, Auditors, Western Economic Powers, Developing countries, Hypocrisy

1. Introduction

Nigeria is the eighth highest exporter of petroleum worldwide, producing 2.4 million barrels of oil per day at an average price of between US\$60–US\$70 per barrel and generates US\$36 billion annually from the oil and gas sector (Kupolokun, 2006)¹. Paradoxically, the country ranks number nine on the United Nations' (UN) poverty list [BBC News, January 20, 2006]. The reasons for such artificial poverty creation in Nigeria are not far-fetched. Through the unpatriotic attitudes of its corrupt rulers, politicians, public officials and their foreign collaborators, Nigeria loses US\$600 million to money laundering annually (Elumelu, 2007)². Between the mid-1980s and 1999, the country lost US\$100 billion to money laundering [see *Vanguard*, October 25, 2005]. The former Nigerian dictator, General Sanni Abacha, utilized the services of a British businessman and generous donor to the British Labour Party, Uri David, and a British lawyer, Jeffrey Tesler, to stash away US\$4 billion in various banks in London and Switzerland, while he lost US\$30 billion to the international fraud syndicate [see *The Times*, October 15, 1999 and September 5, 2000; Regis, 2005]. In the so called the democratic era, between 2001 and 2004 alone, the country lost an estimated US\$25 billion to money laundering [Okauru, 2006]. On the part of the developed world, losses representing credit card fraud, advance fee fraud in the Netherlands and lottery scams in Spain perpetrated by mostly Nigerians who form the majority of West Africans operating in both countries amount to 100 million Euros and 200 million Euros annually (Nigerian Economic and Financial Crime Commission, EFCC, 2007).

The corrupt attitude of the Nigerian rulers, politicians, public officials and individuals have been further enlarged by the more sophisticated corruption (see Halliburton, 2004), cross-border bribery (see French Electronics Giant, SAEM, 2004), Tax evasion, money laundering and illegal capital flight (see cases of Shell, 2002; Chevron, 2004), and other trans-organized financial crimes constantly perpetrated by some of the MNCs and other foreign capitalists operating in Nigeria [see

¹ Funsho Kupolokun is the former Managing Director of the Nigerian National Petroleum Corporation, NNPC

² Tony Elumelu is the Group Managing Director of United Bank for Africa, UBA

Van der Wiel, 2007]³. The above local and trans-organised financial crimes have been further aided by the fraudulent and syndicated activities of some member countries of the acclaimed Financial Action Task Force (FATF), particularly Britain, France, Germany, USA and Switzerland, in providing safe havens for the looted funds from Nigeria [see Agabi, 2002; Shata, 2003; Olugbogi, 2007; Obasanjo, 2005].

Such financial crimes by the Nigerian rulers, politicians, public officials, individuals and their MNCs, politically-exposed foreign elites' collaborators are made possible and continue to be sustained by the unethical practices by the professionals, particularly accountants and auditors (local and foreign) (see the case of Osakwe, 2002). Despite the various statutory provisions, the money laundering legislations, companies' and professional bodies' Acts⁴ in place in Nigeria, it is the members of the veteran Institute of Chartered Accountants of Nigeria (ICAN), in particular, who connived with the ruling elites, MNCs and other foreign capitalists in siphoning the collective wealth of Nigeria into the foreign private accounts of the corrupt rulers, politicians, public officials, and their foreign collaborators [Dafinone, 2005; Aloba, 2002]. It is the accountants and auditors (local and foreign) who help in the concealment and conversion of such funds gained from criminal activities in Nigeria by transferring them from the illicit to licit sectors and eventually investing them, thereby legitimizing the illegitimate funds [Nigerian Drug Salvation, 2002]. Paradoxically, the two recognized and self-regulated professional bodies, particularly the ICAN, has, either by design or default, been reluctant to investigate its implicated members or prosecute its erring members it claimed to have investigated, in the face of evidence of professional misconducts, such as money

³ The Holland Ambassador to Nigeria, Van der Wiel, openly accepted and even described how foreign firms aid corruption in Nigeria (see Punch, August 13, 2007). For example, see cases of the British Labour Party donor, Uri David; a British lawyer, Jeffrey Tesler; German Ferrostaal Industrial firm; United States Company, Halliburton; and French Construction Company, Dumez

⁴ The money laundering Act of 1995, Advance Fee Fraud (419) and Fraud Related Offences Act of 1995, Failed Banks Act of 1996, Banks and other Financial Institutions Act of 1991, Foreign Exchange Act of 1995, Corrupt Practices and other Related Offences Act of 2000, the Companies Act 1968, the Institute of Chartered Accountants of Nigeria (ICAN) Act 1965 and the Association of National Accountants of Nigeria (ANAN) Act 1993, all placed the responsibility on the accountants and auditors to detect and report cases of suspected cases of fraud and financial crimes to the regulators

laundering [see the case of Dariye, 2004]. These local and trans-organised financial crimes and the anti-social behaviour of the accountants have contributed to the precipitation of hunger, diseases, the inadequate funding of education and health, and the lack of provision of basic life amenities such as good drinking water and electricity in Nigeria (see Bakre, 2007; Bakre, 2006).

Despite the evidence, the consequent poverty all over Nigeria and the continued reluctance of these MNCs to cooperate with the regulators in Nigeria, little have been done by the authorities in the developed home countries of the MNCs and other foreign capitalist, to curb the corruption and other trans-organised financial crimes atrocities being constantly collaborated or sometimes perpetrated by these MNCs and some other foreign capitalist elite operating in Nigeria [see CNN News, August 11, 2002]. Instead, the Financial Action Task Force, FATF that had threatened Nigeria with economic sanctions, if Nigeria did not put in place a draconian money laundering legislation by December 2002, all its member countries except France, have failed to ratify the United Nations Convention Against Corruption as at June, 2005 (see This Day, June 9, 2005). However, it is interesting to note that the implications of these foreign entities in criminalizing the Nigerian business culture and subverting the nation's due process are diametrically opposed to the anti-money laundering conventions globally. These include the United Nations (UN), European Union (EU), United States (US) conventions and the International Financial Reporting Standards (IFRS), which are all meant to criminalize cross-border corruption, trans-organized financial crimes⁵ and ensure accountability and transparency in the global financial system. These conventions and standards seem to have failed to achieve these purposes in Nigeria.

Unlike developed countries, Nigeria has little or no resources at her disposal to combat these global crimes [Ekaette, 2002]. Consequently, in addition to the hypocritical threat of economic

⁵ For example, the Organization for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997; UN Convention against Transnational Organized Crime, 2000; Financial Action Task Force, 1977; American Foreign Corrupt Practices Act, 1977 and the EU Programme against Cross-boarder Corruption Act, 1994.

sanctions on Nigeria, money laundering and other trans-organised financial crimes have become more devastating to the Nigerian economy than to those of developed countries [Ribadu, 2006]. It is therefore highly unlikely if this hypocritical approach can solve this global cankerworm and at the same time succeed in eradicating poverty in Nigeria in accordance to the United Nations' target goal to eradicate poverty globally by 2015.

This paper is further divided into seven sections. Section 2 develops theories of money laundering and the professions, particularly accountancy to examine their impacts on the fragile economies of developing countries. Sub-section 2.1 examines the impacts of these theories on the Nigerian economy. Section 3 reviews some prior studies. Section 4 looks at the corrupt role of the Nigerian ruling elite, politicians and public officials in looting the public treasury and laundering their loot into private bank accounts abroad. Section 5 provides the evidence of the collaboration of some erring MNCs and other foreign capitalist elite with the corrupt ruling elite in perpetrating graft practices in Nigeria. Section 6 analyses the hypocritical approach that the Western economic powers have chosen so as to continue to protect their exploitative accumulation of surpluses, expansion of their capital and profits in Nigeria. Section 7 looks at the roles of accounting and accountants in aiding and abetting money laundering and other trans-organized financial crimes in Nigeria. Section 8 concludes the paper in form of discussion.

2. Money Laundering and the Professions in Developing Countries

The relationship between money laundering and the professions (particularly accountancy) in developing countries can be situated in a contradictory role of capital accumulation ambition for the ruling elite and the professional groups (such as accountants) and defence of capitalism for the developed capitalist countries (see Hoogvelt and Tinker, 1978]. It is the above capitalistic ambition of the Western economic powers, their multinational corporations (MNCs) and other foreign capitalists of reproducing capitalist relations at home, that brought about the contradictory alignment between

the corrupt local ruling elite in developing countries and the “good governance”, “accountability” and “transparency”-preaching Western capitalist world (see Bakre, 2005, 2006a). This is always under the pretext of bringing investments to developing countries under the acclaimed globalization [see Wade, 1996]. On the contrary, capital mobility is not actually producing a massive shift of investment and employment from the advanced to the developing countries (Hirst and Thompson, 1996). This seems to suggest that the MNCs and other foreign capitalists operating in foreign countries may not be relied upon to subordinate their own capitalistic interest to the interest of those countries where they operate, especially developing countries. However, the notion that the developed capitalist economies would help to jump start and boost the economies of developing countries through investments, which would eventually eradicate corruption and poverty, has been the acclaimed cornerstone of globalization (see Groom, 2001). As a result, many of these MNCs and capitalists from the former colonizer’s country and other developed capitalist countries in search of capital expansion and an increase in profit generation as against the acclaimed moral imperatives of globalization perform their operations as an instrument of imperialism, particularly in most developing countries [Tinker, 1980].

About 80 percent of the total economic benefits generated by the MNCs and other foreign capitalists from the local economy, particularly in developing countries, found its way back into the coffers of their respective country’s capitalist system [see Hoogvelt and Tinker, 1978]. This is always in form of legal and illegal capital flight and money laundering, leaving an insufficient 20 percent to be shared by the society and government for the provision of infrastructure, essential public services and necessary wealth redistribution [see Bakre, 2007]. Paradoxically, the local ruling elite, politicians and public officials who collaborate with the MNCs and other foreign capitalists elite greedily complete the cycle of exploitation and impoverishment locally by looting and laundering about 75 percent of the remaining 20 percent into private bank accounts abroad (see the case of Abacha,

2003). Thus, for all practical purposes, the local and trans-organised financial crimes and corruptions leave only 5 percent of the total revenue generated locally for the government and society to share [see *Naijanet News*, June 25, 2005; *Daily Independent* May 18, 2005].

In order to facilitate the above trans-organized financial crime of their MNCs and other capitalists abroad, Western economic powers hypocritically become allies and mentors of known tyrants, brutal and corruptive regimes, particularly in developing countries⁶. Such support, in most cases, goes against what the Western economic powers claim to stand for (democracy, accountability, transparency and good governance). Despite the evidence of the involvement of rulers of some developing countries in corruption, financial crimes, money laundering, support of terrorism, drug and arms trafficking and their gross abuse of human rights, some Western economic powers still shore up support for such erring rulers⁷. This is so because these erring rulers are seen as the best protectors of the Western economic powers' capitalistic interests locally. Furthermore, as long as the interests of the Western economic powers, their MNCs and capitalists are not jeopardized, some Western economic powers conveniently look the other way as despots, who come to power through fraudulent elections⁸ or military coups, repress their people. All through history, the western economic powers have always used their imperial might to impose dictatorial despots on their countries while they trample on the rights of the people and plunder their economic wealth. And as these atrocities go on, the western overlords look the other way while at the same time continue to mouth support for "democracy", "transparency", "good governance" and "human rights", particularly in developing countries. In fact, in some cases, it is the representatives of the colonialist and Western

⁶ While the American and the British governments declared Abacha's regime as illegitimate and heavily sanctioned the regime, it was British citizens who helped Abacha to deposit his looted funds from the Nigerian treasury into the British and Swiss banks, without any hesitations from both the British and Swiss governments.

⁷ Despite the glaring evidence of looting of treasury and gross human rights abuses by Abacha between 1993 and 1998, the Commonwealth led by Britain could not impose total sanction on Abacha's administration. Also, Halliburton, a US-based oil company led by the US vice President, Dick Cheney, was busy exploiting Nigerian oil reserves

⁸ Despite the fact that the representatives of the USA, UK and EU openly declared the April 2007 elections in Nigeria as highly fraudulent which did not meet any democratic standards, both the American and British governments still recognized the perpetrators and the products of such fraudulent elections (see *Nigeriaworld*,

economic powers in most colonies and former colonies who help to manipulate and rig elections in favour of the despots. For example, in 1951 and subsequent elections, the British colonialists worked assiduously to tilt the political scale in Nigeria in favour of the Northern People's Congress (NPC), who they believe can protect the British interest after the independence, irrespective of the consequences on the Nigerian interest. The rigging of the elections was coordinated by Sir Smith Bryan who was to become the Lieutenant Governor and Governor of Northern Nigeria during the crucial run off period to flag independence. These efforts ensured that the genuine pro-democracy forces in the country did not acquire political power. As Bryan confessed:

In the elections of 1951, I not only helped to prepare NPC's manifestos, slogans and strategies but that in the case of more than a dozen, I had to hold and guide the pen hand, after cajoling from them the names of those for whom they wished to vote. I also helped to manipulate elections even in areas where Muslims were a minority so that the Northern People's Congress could win 90 per cent of the votes (Emphasis added, Punch, July 31, 2007).

The colonialists and Western economic powers also maintain questionable silence, as these erring rulers come to power, loot their treasuries, launder the funds acquired illegally into Western banks and use the illicit wealth to acquire property in Western countries (see the case of Britain, Switzerland and Abacha, 2003). This seems to further suggest that the colonialists and Western economic powers' interests in the colonies and former colonies have always been selfish [Hoogvelt and Tinker 1978].

In addition, Western economic powers also set up special offices at home, which work hand in hand with their MNCs and individual capitalists abroad to ensure their responsibility in protecting the "image" of their MNCs and capitalists abroad and not tarnishing it [see *The Guardian*, February 10, 2004]. This legitimacy at home seems to have become a motivating factor which encourages the MNCs and individual capitalists to carry on their exploitative functions abroad mostly in developing countries and with impunity. These exploitative functions sometimes include bribery of foreign

Saturday, July 14, 2007).

public officials (see the case of Baker Hughes and Allan Ferguson, 2004), corruption and fueling of violence (see the cases of Shell, 2004; Chevron, 2005), misuse of corporate assets (see Halliburton, 2004), tax evasion (see Shell, 2004; Halliburton, 2004), money laundering and other trans-organised financial crimes [see the cases of David, 2003; Tesler, 2004].

Hence, in most cases, the state-owned MNCs in the developed capitalist world have become not just undercover foreign policy tools, but convenient sources of cash to keep friends happy and enemies quiet [Desplan, 2003]. These corporations pay illegal royalties, secret bribes and commissions to various leaders, politicians, public officials and other elite groups mostly in developing countries [Tarrallo, 2003]. The MNCs sometimes give politically popular type of aid to promote the national security of the local society in order to transform fundamentally the cultures and institutions of that local society [Banfield, 1963]. Such transformation seeks to achieve the purpose of bringing influence to bear directly either upon the governments of the countries concerned or upon public opinion prevalent within those countries [Gill and Law, 1988]. Such illegal payments to the leaders, politicians, public officials and other elite groups coupled with financial support to the economies, serve the purpose of preventing internal disorders (Sklair, 1994). Without this support, the situation could seriously worsen and could consequently disrupt production activities of the MNCs within the respective countries (such as the case of the Niger Delta area of Nigeria) [Sklair, 1994]. Hence, these payments are partly aimed at guaranteeing that these MNCs and other foreign capitalists are given a free hand to dominate and exploit the local economies [Waters, 1995]. These MNCs and individual capitalists become “untouchables” and “veritable states” within a state particularly in most developing countries [see *Vanguard*, November 18, 2003].

The MNCs and the individual capitalists use the money obtained legally and sometimes illegally, mostly from developing countries, to help their home governments by contributing to developmental projects (such as controlling environmental pollution). Paradoxically, these same corporations are responsible for environmental pollution resulting from their exploration activities in most developing

countries [*Financial Times*, 1997). In fact, some MNCs and individual capitalists contribute generously to various political parties in their home countries, so as to buy the support of the politicians and their home governments in their illegal and exploitative activities abroad [see the case of David, 2003). As finance capitalism has expanded in this way, opportunities have increased for money laundering and other trans-organised financial crimes [Calvita and Pontell, 1990].

Both the local capitalists and their foreign collaborators have a network, which includes lawyers, doctors, bankers, investment analysts, and most importantly, accountants and auditors locally and abroad, through whom they cross from the illicit to the licit sector, thereby concealing and investing their looted funds, thus legitimizing the funds from their criminal activities [see This Day, June, 2007; Nigerian Drug Salvation Force, 2002]. Of this network, the accountants and auditors whom the government of every country have entrusted with the responsibility of creating and fostering “trust” in the financial system, have also found themselves in the contradictory role of protecting their private capitalist interests under the pretext of protecting the public interest [see Bakre, 2007; Canning and O’Dwyer, 2001].

Thus, the corrupt activities of the local ruling elite, politicians, public officials, the collaborative role of MNCs, foreign capitalist and the accountants and the compromising stance of the Western economic powers and the professional bodies, particularly accountants have got devastating effects on the socio-economic, political and cultural development of most developing countries, in which the case of Nigeria is next examined.

2.1. Money Laundering and the Professions in Nigeria

The resources at the disposal of the Western economic powers, like the USA, UK, France, and Germany, suggest that compared to Nigeria they are far more capable of shaping international regulatory regimes to suit either the interests or curb the malpractices of MNCs based within their borders but operating in Nigeria. However, Western economic powers seem to have found themselves in the contradictory role of a need to strike a balance between their capitalistic ambition and their moral obligation to see to the maintenance of economic stability and security in Nigeria, a situation that would also benefit the Western economic powers' economies. As Hoogvelt and Tinker [1978] explain:

In the post-colonial era, the western capitalists naively appeal to the governments of the developing countries for political stability and predictability. It is not realized that it is in the very nature of overseas exploitation to create instability and unpredictability precisely because it is successful in allying itself with the ruling elites in continuing to extract surpluses in the developing countries.

Despite these contradictions, Ekaette, [2002] with particular emphasis on Nigeria, points to the Western economic powers' responsibility to the developing countries thus:

Developed countries have a special responsibility, given the resources at their disposal to investigate and prosecute the companies within their jurisdiction that are conniving with public officers of developing countries to perpetuate corruption and subvert the orderly development of those nations [Emphasis added, The Guardian, October 30, 2002].

However, Arnold and Sikka [2001] explain why the above deemed responsibility of the Western economic powers to the developing world especially may never be actualized:

Within powerful nations, politics limits and shapes state actions not only because of the disproportionate influence exercised by corporate lobbies on domestic and international economic policy, but also because the nation-states increasingly compete to secure inward investment and thus smooth the path of capitalist development (Emphasis added).

In this context, combating money laundering in Nigeria may become even more complex for most developed capitalist world apostles of "accountability", "good governance" and "transparency" in Nigeria. This is because the banks in developed capitalist countries, most of which operate in secrecy, are a part of the capitalist establishments which seek to secure inward investments from Nigeria [see BBC News, October 10, 2002]. These inward investments from Nigeria, in most cases

include money from undisclosed identities and sources [see the case of UBS Geneva and Abacha, 1996]⁹. As Sikka, [2003] observes; “you cannot avoid money laundering if you have bank secrecy”. Moreover, as the banks in Nigeria are also established with profit interest in mind while the money laundering legislation in both Nigeria and developed countries sometimes positions itself in conflict with this commercial interest of the banks in Nigeria and developed capitalist countries, this suggests that combative engagement may never take place between these corporations, banks, individuals, their respective governments and controlled institutions¹⁰ in developed countries and Nigeria.

On the one hand, as the Nigerian authorities cry out about the exploitation by the MNCs and the powerful foreign capitalists in exploiting her economy, the authorities in developed countries condemn such actions by word of mouth alone [see Powell, 2004]. They rarely take any action that will investigate and prosecute the offenders within their borders. On the other hand, the developed economies put their resources together to put pressure on the Nigerian government, to introduce draconian legislations that could investigate and prosecute Nigerians implicated in money laundering and other financial crimes [see *Vanguard*, November 5, 2002]. The developed world MNCs and individual capitalists take advantage of the capitalist ambition of the erring Nigerian rulers, politicians, public officials and individual capitalists, who are still serving the interests of some colonial and global capitalists, and the weak regulatory system in place in Nigeria to pursue their narrow capitalist interests [Odah, 2002].

The collaborative exploitative actions by the Nigerian elite, MNCs and other foreign capitalists cannot be easily carried out without the culpability or at the very least the connivance of some professionals such as accountants and auditors in Nigeria (see Dafinone, 2005; Iwok, 2006). In this

⁹The UBS, Swiss bank claimed that the bank did not know the real identity or beneficiary of millions of dollars laundered into the bank on behalf of Abacha by Uri David, Abacha’s money laundering agent.

¹⁰ For example, at the request of the Government of Nigeria, it was alleged that the World Bank released the names of 21 Nigerians with billions of foreign currencies they had looted from the Nigerian Treasury and deposited in their private banks abroad. But, when contacted to confirm this list, the accountability and transparency-preaching World Bank said it was not their policy to be accountable or transparent to the entire world they purported to represent, by confirming the source of such a list [*The Guardian*, November 21, 2005].

context, the Nigeria auditing rules and standards have placed responsibility on the accountants and auditors to use various regulations, legislations, and auditing standards to report suspected malpractices, fraudulent activities, money laundering and other financial crimes to a public body or regulator (see the ICAN Act, 1965; ANAN Act, 1993). However, the accountants and auditors globally have formed major international businesses and become holders of a major fraction of international capital [Sikka, 2001]. Such capitalistic ambitions of the accountants and auditors in Nigeria for example, have led the Nigerian accountants and auditors to continue to compromise their independence (see the case of Aknitola Williams Deloitte and Afribank Nigeria Plc, 2006). The capitalistic interests of the Nigerian accountants and auditors have been making them to collaborate with company's management and directors to falsify and deliberately overstate company's accounts (see the case of Akintola Williams Deloitte and Cadbury Nigeria Plc, 2006). In fact, the Nigerian accountants and auditors themselves have become 'vectors' and 'agents' of the corrupt rulers, politicians, public officials, MNCs and other local and foreign elites in siphoning money from Nigeria to developed economies and vice versa [Agabi, 2002].

The MNCs in Nigeria with the professional advice of their respective accountants and auditors have been using fictitious spaces in offshore havens to deprive Nigeria of tax revenue which would have enabled populations, often on the edge of subsistence, to develop social infrastructure, education, clean water, sanitation facilities and healthcare locally [see Bakre, 2006]. Nigerian accountants, lawyers and bankers play a key role in facilitating the creative use of the concepts of 'residence' 'domicile', 'jurisdiction' and legal personalities to avoid paying taxes and fulfilling social obligations [see Bakre, 2007]. Accountants in the political directorate and public service of Nigeria have used secrecy provided by offshore places, such as London, Switzerland, Bahamas, Cayman island, to help General Abacha, Governors Alamiyeseigha, Audu, Dariye, Etete, Ibori, Nyame, Nnamani, Kalu, Turaki etc to launder money looted from the Nigerian public treasury into private bank accounts in the above countries [see The Guardian, July 18, 2007; Tribune, July 20, 2007].

As the cases of money laundering, financial corruption and other trans-organised financial crimes by the ruling elite, politicians, public officials, individuals and the collaboration of MNCs, foreign elite and accountants spanned all over the globe, especially developing countries, the next section examines prior studies that have examined the global dimension of this cankerworm in order to understand the devastating effects on the economies of mostly developing countries.

3. Review of Prior Studies

According to Wolfensohn (2002), at least US\$1trillion is laundered annually using increasingly sophisticated methods of moving funds across borders. However, such sophisticated methods include the employment of services and advice of some professionals, particularly accountants (see Sikka, 2003; Arnold and Sikka, 2001; Aloba, 2002; Bakre, 2007; 2006; Tax Justice Network, 2005).

Mitchell et al., (1996) revealed how the accounting firms of Jackson & Company; Grant Thornton Partners; Coopers and Lybrand; and a cabinet minister in the UK government, were all implicated in money laundering, resulting from the illegal transfer of money from AGIP to Kinz Joallier SARL. When the case was referred to the professional body, the Institute of Chartered Accountants in England and Wales (ICAEW), for investigation and could possibly lead to the charge of professional misconduct. Despite the fact that the High Court had already given its judgment in the case and that the two accountants involved in the case, Messrs. Jackson and Griffin, were 'professional men' who obviously knew that they were laundering money, a factor which seems to point to a guilty verdict, the professional body, the ICAEW, apparently did not view it in that way. The "investigation and disciplinary committee" of the ICAEW held that the ICAEW was provided with insufficient evidence to warrant the bringing of a disciplinary case against any of its members in this case of money laundering (see Letter of May 9, 1994).

According to the 400 page report by French MP, Arnaud Montebourge, Britain still offers a safe haven for money launderers and terrorists [BBC News, October 10, 2001]. The city of London's strict code of confidentiality allows money laundering to flourish. Banking secrecy appears to be more important than public order. The city is an impenetrable fortress with status, rights and customs of its own, a closed universe where every financier, banker or businessman chooses silence above all else. The report stated that it had taken the British an extraordinary amount of time to respond to Swiss tip-offs before ordering 19 banks to freeze funds linked to former Nigerian ruler, Sanni Abacha [BBC News, October 10, 2001]. It accuses Tony Blair and his government of preaching anti-terrorism and anti-money laundering around the world, when he and his government should be busy at home preaching the same to their own bankers and obliging them to go after dirty money.

The investigation following the BCCI's global closure in 1991 exposed a host of criminal activities including money laundering in several continents, bribery of government officials, arms trafficking, the sales of nuclear technologies, the support of terrorism, tax evasion, and smuggling operations, as well as massive financial frauds (see Arnold and Sikka, 2001). The external auditors, PriceWaterhouse, were in the dual position of acting as private consultants and tax advisors to the BCCI management to further their private interests, while the State was relying upon them to perform public interest functions by acting as an external monitor and independent quasi-regulator (Arnold and Sikka, 2001).

Hundreds of billions of rand from white-collar crime have been laundered through South Africa's financial system, but no convictions have yet been made (see African Business, July 1, 2002). Deloitte & Touché forensic services manager, Rupert Haw, says the global trend suggests that crime bosses earn their income in developing countries but invest it in more secure and sophisticated financial systems in developed countries (see African Business, July 1, 2002). "South Africa has world-class money laundering legislation," reports Haw, "but the irony is that

the harder we work to comply with international standards, the more of a magnet we become as the police do not have the resources to enforce the laws.

A Harvard-educated Colombian economist, Franklin Jurado, used the services of accountants to launder \$36 million in profits, from US cocaine sales for the late Colombian drug lord Jose Santacruz-Londono, by wiring it out of Panama, through the offices of Merrill Lynch and other financial institutions, to Europe. In three years, he opened more than 100 accounts in 68 banks in nine countries: Austria, Denmark, the United Kingdom, France, Germany, Hungary, Italy, Luxembourg, and Monaco. Some of the accounts were opened in the names of Santacruz's mistresses and relatives, others under assumed European-sounding names. Keeping balances below \$10,000 to avoid investigation, Jurado shifted the funds between the various accounts. He established European front companies with the eventual aim of transferring the "clean" money back to Colombia, to be invested in Santacruz's restaurants, construction companies, pharmacies and real estate holdings (see UN General Assembly Special Session on the World Drug Problem, 1998).

Raul Salinas de Gotari, brother of the former President of Mexico, Carlos Salinas de Gotari was able to transfer \$90 million to \$100 million between 1992 and 1994 by using a private banking relationship formed by Citibank New York in 1992 (see US General Accounting Office, 1999). The funds were transferred through Citibank Mexico and Citibank New York to private banking investment accounts in Citibank London and Citibank Switzerland. Yet, Britain and the United States are both powerful and leading member countries of the Financial Action Task Force (FATF) that claim to be fighting money laundering globally.

According to the UN General Assembly, corrupt politicians, government officials and other criminal organizations increasingly sub-contract the task of money laundering to specialized professionals (such as accountants, lawyers and bankers) because the methods required to circumvent

law enforcement officials are becoming ever more complex (see UN Special Session on the World Drug Problem 8-10 June, 1998). Professionals (such as Accountants, lawyers and bankers) are used not only to conceal the origin of the source of the proceeds, but to manage the subsequent investment into legitimate real estate and other assets.

With the above theory and literature as frameworks, the next section provides the evidence, which suggests that the Nigerian ruling elite, politicians, public officials and individuals have been using the professional services of some erring accountants and auditors to plunder the collective wealth of Nigeria into private bank accounts in some Western capitalist countries.

4. Culpability of the Politicians, Public Officials and Individuals

The Nigeria's anti-corruption commission, the Economic and Financial Crime Commission (EFCC), recently provided dramatic evidence, which put the total amount of money stolen by past and present Nigerian rulers and laundered mainly in anti-corruption-preaching Western banks at US\$521 billion [see Nigeria World News, June 25, 2005]. The total amount of Nigeria's funds squandered by the military rulers alone and laundered in various erring Western banks over the past 40 years stood at US\$400 billion [Ribadu, 2005]. The consequence of the above mass corruption has been lack of adequate shelter, potable water, proper sanitation or even regular supply of electricity since the independence [CNN News, August 11, 2002]. The entire infrastructure is in deplorable condition (Kpakol, 2006)¹¹, the educational system is in disarray [Obaji, 2005]¹² and the health system is in shamble [Lambo, 2005; Grange, 2007].¹³

For example, between September 1988 and June 1994, a total sum of US\$12.4 billion was squandered from six escrow accounts illegally opened and maintained by the former dictator,

¹¹ Kpakol is the Chairman of the National Agency for Poverty Eradication Programme (NAPEP)

¹² Mrs. Chinwe Obaji is the Minister of Education - see The Punch, October 19, 2005

¹³ Professor Eytayo Lambo is the Minister of Health up to May, 2007 (see The Guardian, October 13, 2005). Professor Adenike Grange is the Minister of Health from June 2007 to the present time (see Punch, August 17, 2007).

Ibrahim Babangida, in connivance with top officials of Central Bank of Nigeria (CBN), some Nigerian National Petroleum Corporation (NNPC), Executives and professional assistance of the accountants (Okigbo Panel, 1994). Another dictator, Abacha gave a standing order instruction to the Accountants at the Central Bank of Nigeria to transfer US\$15 million to be laundered into his Swiss private bank account every day (see Tax Justice Network, 2007). Between 2003 and 2006, a total sum of US\$13.2 billion was squandered from three special escrow accounts illegally opened and maintained by a former president, Obasanjo, in connivance with top officials of the CBN, some NNPC Executives and professional assistance of the accountants at the CBN and NNPC (Joint Senate Committee on Finance, Appropriation and National Planning, 2006). The vice president, Abubakar Atiku, shockingly released nine cheques and bank drafts totaling N432million (US\$3,085,710) allegedly paid from the controversial MOFAS Account¹⁴ at Trans International Bank Plc, Abuja, on behalf, and personal use of the president, Obasanjo (see Daily Champion, September 28, 2002; Daily Sun, September 28, 2006). The NNPC that was under the personal control of the president, Obasanjo, for 8 years, could not account for the sum of N555 billion (US\$4.4 billion) from the Federation Account from December, 2004 to April, 2007 (see Tribune, August 13, 2007). Again, during the same period, the top officials of the NNPC under the ministerial control of the president, Obasanjo, allegedly milked the nation's cash cow of another N502 billion (US\$4 billion) through various frauds including producing crude oil far in excess of assigned Organisation of Petroleum Exporting Countries (OPEC) quota and converting

¹⁴ MOFAS account was a dedicated account ran by one Otunba Fasawe, a close friend of the president and a powerful member of the ruling Peoples Democratic Party (PDP). The president and vice president both had their personal agents who were collecting money from MOFAS's account on their behalf (Mr. Bodunde Adeyanju for the president and Mr. Umar Pariya for the vice president). Funds collected from this account were from time to time made available to the president, vice president and the ruling party, not for the nations business, but for the president and vice president to run their personal businesses, acquire personal assets abroad and launder the balance in their private bank accounts abroad, while still in office

part of the proceeds to political electioneering and laundering the balance into private bank accounts abroad (see *Daily Sun*, August 13, 2007).

In addition to the above money laundering and financial crime corruptions allegedly committed by the three former Nigerian Heads of state while in office, it was further alleged that a sum of US\$22 million was discovered in the USA in the account of Gbenga Obasanjo, one of the president's sons who has also been implicated in numerous government contract scandals in Nigeria [*This Day*, October 18, 2005; *Daily Independent*, March 27, 2005; *Nigeria World*, January 4, 2006; *Daily Independent*, July 24, 2006]. Another one of the president's sons, Olumuyiwa Obasanjo, who was just called to the bar in July 2005 and has not even started his law practice also bought a property worth US\$530,000 in Brooklyn, New York [see *African Abroad, USA*, September 15, 2005]. It is interesting to note that despite this mounting evidence of money laundering and other financial corruption by Obasanjo and his family while in office, the president of the European Commission, Joze-Manuel Barozo, said the Commission was not aware of any bank account in any foreign country harbouring Obasanjo's money (see *This Day*, October 18, 2005). The London Metropolitan Police also 'cleared' Obasanjo of owning any foreign accounts (see *This Day*, February 15, 2007). However, consequent upon the mounting allegations of corruption by the anti-corruption-preaching president, many opposition political parties, Nigerian people and human rights activist in Nigeria have recently called on the Economic and Financial Crime Commission (EFCC), to investigate the president himself based on these allegations [see *Daily Independent*, October 12, 2005]¹⁵.

The Vice President, Atiku Abubakar on his own part in looting the public treasury, laundering his loot in private bank accounts abroad and using part of the loot to acquire property abroad, openly accepted that his own agent, Umar Pariya, collected N500 million

¹⁵ They are requesting for a probe of the activities of the executive branch from 1999 especially with respect to four major areas of expenditure, namely: energy (including NNPC and gas; electricity power supply); infrastructure – particularly the expenditure on roads and the privatization of national assets by the Bureau of Public Enterprises, BPE and the Petroleum Technology Development Fund, PTDF account from 1999 to 2007 (see *Vanguard*, August

(US\$3,571,428.5) from the generous MOFAS's account. Controversial investigations carried out by the Economic and Financial Crime Commission (EFCC) revealed that the Vice President abused his supervisory mandate on Petroleum Technology Development Fund (PTDF) by illegally diverting US\$125million of a public trust fund into his personal businesses (see the Report of the Senate Ad hoc Committee on the PTDF, 2006). Funds of the agency were on the instruction of the Vice President placed in two near-distressed banks, Trans International Bank (TIB) and Equatorial Trust Bank (ETB), from where pay-outs dressed in the garbs of loans were allegedly made to cronies and associates of the Vice President, Atiku. Further investigations revealed that just as the funds were hitting the two preferred banks, TIB packaged 'loans', even without collateral, for the VP's long time friend and business associate, Otunba Oyewole Fasawe. Similarly, as the funds were hitting his bank ETB, Otunba Mike Adenuga made a US\$20million deposit for Globacom license, the second national carrier. Also, when the transfer of the US\$50million by PTDF from its account in UBA plc New York was made to ETB, Mike Adenuga gave the VP the sum of N322million through his Marine Float account with Platinum Habib Bank (PHB). Moreover, the Vice President did not in any way deny the ownership of a huge mansion in Montgomery, Maryland, USA, estimated at more than US\$2 million.

A presidential aspirant in the April 2007 elections and leading figure in the ruling People's Democratic Party (PDP), retired Brigadier-General Mohammed Buba Marwa, was arrested by the EFCC in a case regarding the sum of US\$16 million, part of Abacha's loot, allegedly laundered into his foreign accounts [*Vanguard*, December 30, 2005]. Subsequent reports indicated that he has agreed to refund US\$12,000,000 in addition to forfeiting his properties in London, Paris, New York and Washington [*Vanguard*, December 30, 2005].

30, 2007).

An aide to the president Obasanjo, Andy Uba, was linked to money laundering in the United States. According to the investigation by the US secret service, the sum of US\$170,000 was smuggled into New York on September 22, 2003, by Andy Uba, aboard the Nigerian presidential plane, without a report to U.S customs and border protection (see Daily Sun, November 6, 2006). While Andy Uba has allegedly used his girl friend, Loretta Mabinton, to launder millions of dollars looted from the Nigerian public treasury and purchase property in the USA on his behalf, the US law enforcement agents has also indicated that the Service Atlanta field office had listed Andy Uba, as a previous subject of an Advance Fee Fraud (419) investigation (see Daily Sun, November 6, 2006). The former Nigerian Petroleum Minister, Dan Danzia Etete, had used his position to obtain a secret commission running to about US\$4 million dollars that were laundered into his various accounts in Geneva, Paris, and the British Virgin Islands by various erring oil companies operating in Nigeria [see *The Nigerian Guardian*, November 23, 2003].

The mounting cases of looting of the public treasury and money laundering by almost all the state governors have been so alarming that one of the Nigerian daily newspapers described the state governors as “State Execu-thieves” [see *The Guardian*, January 1, 2006; *The Guardian* October 13, 2005; *Vanguard*, October 21, 2005]. For example, Governor Joshua Dariye of Plateau State, a professional accountant, was being investigated by both the British and the Nigerian authorities for 13 offences, which included money laundering and other financial crimes. The investigation came as a direct result of a sum of £80,000 found on him in London. Also being investigated are other unspecified amounts of money in various currencies and about £2,000,000, which was discovered in his bank account in London, as well as a huge and well furnished mansion worth more than £600,000 – his residence in London [*This Day News*, January 24, 2005; *The Guardian*, September 3, 2004]. Governor Alamiyeseigha of Bayelsa State was imprisoned in London and later jumped bail for allegedly laundering between £10 million to £20 million into an account with HSBC in London, through a lady supposedly acting as his agent. Upon his arrest by the British police and subsequent

investigations, £1.8 million were discovered in cash and in his private bank accounts [*Vanguard* September 29, 2005]. In the hearing of his case at a Federal High Court in Lagos on July 26, 2007, Alamiyeseigha pleaded guilty to the offence and was convicted and sentenced to 12 years imprisonment for fraud and false declaration of assets (see *Vanguard*, July 27, 2007). Governor Kalu of Abia State has been charged with 100 count of money laundering scandal involving N2.7 billion (US\$19,285,714) (*Daily Champion Newspaper*, March 5, 2007). Governor Kalu, his mother and other five officials of his cabinet including the state commissioner for Finance and Director of Finance and supply were also accused of transferring N50 million (US\$357,142) at various times from the state account with Fidelity Bank Plc to the Governor's Airline account at Inland Bank (see *Daily Champion*, March 5, 2007). Governor Kalu also owns a mansion in New York, USA, valued at over US\$300,000. Governor James Ibori of Delta State, under the cover of his British born wife, Tessi Ibori, siphoned Delta State money to acquire two mansions, one at number 10 Westover Hill, London, which was purchased on October 18, 2003 for £1.7 million, and the other at number 14, which was also purchased on May 31, 2001 for £2.3 million [*Nigeriaworld*, October 21, 2005]. James Ibori and another ex-governor, Lucky Igbinedion of Edo State, have been asked to refund N60billion (US\$4.80 billion) worth of assets and cash to the Economic and Financial Crime Commission, EFCC (see *Vanguard*, June 14, 2007). The former governor of Ekiti State, Ayo Fayose, is currently under investigation by the EFCC for siphoning N1.5billion Ekiti state treasury for a dubious poultry project. A substantial part of the funds were looted as pay out to friends, cronies and family members of the former governor and balance laundered in private bank accounts abroad. An ex-governor of Kogi State, Prince Abubakar Audu, was fingered in money laundering in far away Bahamas Republic in the Caribbean (see *This Day*, March 10, 2007). The case became public when the government of the Bahamas Republic alerted the Nigeria EFCC about the lodgment of the whopping sum of US\$5million in one of the banks in the Bahamas by the erring governor (see *Tribune*, March 10, 2007).

In its attempt to make these erring governors to face justice, the EFCC provided the Federal High Court in Abuja with dramatic evidence of how the former governor of Jigawa State, Saminu Turaki, used his accomplices in laundering a total sum of N33billion (US\$2.6billion) in local currency and another US\$20million (see the Vanguard, July 14, 2007). Choking evidence was provided by the EFCC to the Abuja High Court to substantiate the allegations of stealing, criminal diversion, dishonest misappropriation of public funds as well as money laundering totaling N1.6billion (US\$12,800,000) by the immediate past governor of Taraba State, Reverend Jolly Nyame (see Nigerian Tribune, July 20, 2007). The immediate past governor of Enugu State, Dr. Chimaroke Inamani and three other persons, as well as seven business, suspected to be owned by him are facing a 34-count charge of fraud, conspiracy, concealment and money laundering totaling about N5.621 billion (US\$44,968,000). They are due to be formerly charged before a Federal High Court in Lagos in July, 2007 (see Vanguard, July 18, 2007). Governor Olusola Saraki of Kwara State was reported to have purchased a mansion for £4,250,000 in London in 2001, while he was still special assistant to the president. He may now be facing investigation by the EFCC [*Nigeria World*, October 16, 2005]. Governor Attahiru Bafarawa of Sokoto state confessed to be the owner of a mansion in London estimated to cost £800,000. Even the convicted former Inspector General of Police, Tafa Balogun, who should be the government security chief responsible for arresting and prosecuting people involved in money laundering and other financial crimes, was himself accused of stealing and laundering \$100million [see Nigeria News on Line, June 30, 2005]. Another Inspector General of police, Sunday Ehindero, who was appointed to replace Tafa Balogun, and immediately gave the police a new motto: “to serve and protect with integrity, seemed to have by his later actions changed the motto to “to serve and to loot without integrity”. This is because within two years in office, Ehindero was implicated in an alleged stolen of local and foreign currencies totaling about N200 million (US\$1,600,000) belonging to the police force (see Daily Sun, June 8, 2007).

Another investigation has been launched into a N2.5 billion (US\$20,000,000) belonging to the police cooperative, which was alleged to have been lodged in some secret accounts (see Daily Sun, June 8, 2007). Ehindero was further traced to the ownership of 10 mansion houses all reportedly built during his two years as Inspector General of police (see Daily Sun, June 18, 2007).

In all, 31 out of 36 state governors have been indicted by the EFCC for money laundering; financial crimes and possession of illegal assets in foreign countries which are believed to be worth more than \$17 billion (see Daily Champion, July 24, 2007). The Federal Government of Nigeria through the EFCC has vowed to seize these illegal foreign assets and use the proceeds to provide basic infrastructure such as education, health, good drinking water and electricity for the masses of Nigerians from whom such money was stolen, and such basic amenities denied. However, many Nigerians are skeptical if the EFCC¹⁶ can have the moral courage to arrest, investigate and prosecute all the past and present corrupt leaders (including the former president, Obasanjo and vice president, Atiku), who have both been consistently fingered in many cases of money laundering and other financial corruption while in office (see Daily Champion, July 24, 2007; Daily Sun, July 12, 2007).

In the case of the individual Nigerian fraudsters, the statistics at the Nigerian Economic and Financial Crime Commission (EFCC) shows that Nigerian fraudsters have made up to US\$500,000,000 from fraud since 1997 (see Advance Fee Fraud (419) statistics, 2007). For example, Emmanuel Nwude and Amaka Anajemba were both convicted by the courts in Nigeria after successfully fleeced Nelson Sakaguchi, director of what was once one of Latin America's biggest banks, Banco Noereste of US\$242million over a non existing contract to construct an international airport in Nigeria's new capital, Abuja (see Daily Independent, April 3, 2007). Fred Ajudua was

¹⁶ By its mode of what many Nigerians believe to be a selective persecution of the political enemies of the ruling government (see Daily Independent, April 3, 2007).

arraigned before the Lagos High court, Ikeja on charges of obtaining US\$1,698,133 from a German national, Remmy Hendricks Luigi Cima under false pretence (see Daily Independent, April 3, 2007). Even a member of house of representatives, Maurice Ibekwe, was arraigned before the Ikeja High Court on charges of duping a German, Munch Klaus of US\$330,000 and 75,000DM over a phony contract to supply computers, monitors, radar system accessories and landing lights for the Nnamdi Azikwe International Airport in Nigeria. Ade Bendel was arraigned before an Ikeja High Court, Lagos on May 30, 2003 for swindling an Egyptian army general, Ali Abdel-Azim Atti of US\$500,000 over a non-existing contract.

It is in the light of the above alarming cases of money laundering and other financial crimes by the Nigerian rulers, politicians, public officials, individuals, the collaborative roles of the accountants and auditors, that one must understand the smilingly exploitative roles of the MNCs, foreign capitalist elites in collaborating with their corrupt local elite counterparts. Documented in the next section is the evidence which demonstrates that these foreign collaborators with the aid of the local elites and professional advice of accountants and auditors have been firming up graft practices such as money laundering and other trans-organized financial crimes in Nigeria.

5. The Collaboration of Multinational Corporations and Foreign Elites

The Nigerian and some foreign authorities have constantly provided evidence of many cases of the implications of MNCs and other foreign capitalists operating in Nigeria in various cases of fraud, bribery of public officials, money laundering and other trans-organized financial crimes in the country [see Agabi, 2002; Shata, 2003; Van der Wiel, 2007; Tax Justice Network, 2006]. These cases have always been to the knowledge and awareness of the institutions, accountants, bankers and of course the authorities in the Western economic power home countries of these erring MNCs and foreign capitalists operating in Nigeria [see Powel, 2004]. For example, a British businessman and

generous donor to the British Labour Party, Uri David, was tried in Geneva after being accused of aggravated professional money laundering, forgery and support of a criminal organization because of his role in helping Abacha to launder billions of dollars stolen from the Nigerian public treasury. The judgment by Daniel Zappelli, attorney-general of the Canton of Geneva, raises the possibility that:

UBS, the Swiss bank that held the funds, knew the account was being used by the Abacha family because the launderer, David, constantly asserted that the bank, UBS, knew fully well the real identity of the account's beneficiary owner, an allegation which a spokesman for UBS strongly denied [Emphasis added. The Guardian, December 31, 2003].

Moreover, four UK-based oil drilling companies in Nigeria, all subsidiaries of a British firm, a London-based Vetco International Limited, during a closed hearing in a Houston Federal Court, USA, all pleaded guilty to violating the American Foreign Corrupt Practices Act (see Vanguard, February 19, 2007). This was as a result of their trans-organised financial crimes of offering bribes of US\$2.1 million to the Nigerian customs officers from September 2002 to at least April 2005, to speed equipment and employees into Nigeria. As a consequence, Vetco Grays Controls Inc. agreed to pay US\$6 million; Vetco Gray Controls Limited, US\$8 million; Vetco Gray UK Limited, US\$12 million and the fourth subsidiary, Aibel Group Limited, agreed to accept responsibility for similar conduct by its employees (see Vanguard, February 19, 2007). However, this is not the first time of trans-organised financial crimes by Vetco Gray UK Limited in offering cross-boarder bribery to the Nigerian officials. In July 2004, Vetco Gray UK Limited, agreed to pay US\$5.25 million for offering cross-boarder bribery to Nigerian government officials with more than US\$1 million for insider bid information on oil and gas construction contracts (see Vanguard, February 19, 2007).

A US-based oil and gas drilling company, Baker Hughes, agreed to an out-of-court settlement with a former British employee, Alan Ferguson, who had claimed he was fired for failing to offer bribes to a Nigerian official in 1999 in order to win a drilling contract [see *This Day News*, February 22, 2004]. In addition, a US oil services company, Wilbros, bribed officials of the Nigerian National Petroleum Corporation (NNPC), the ruling Peoples Democratic Party (PDP) and the Nigerian

government of millions of dollars so as to secure the US\$387 million Eastern Gas Gathering System Project (see Daily Sun, August 22, 2007). Yet, another US-based multinational oil services and engineering firm, Halliburton, was implicated in various trans-organised financial crimes, including the misuse of corporate assets, bribery and money laundering in Nigeria [*Nigeria World*, January 25, 2004]. Under the French law that got its legal backing from the OECD convention, a French Judge, Renaud van Ruymbeke, is investigating a massive corruption scandal involving Halliburton's operations in Nigeria in the 1990s when the company had the US Vice President, Dick Cheney, as its CEO [see *Nigeria World*, January 25, 2004]. The case stemmed from a US\$4-billion US/Nigeria Liquefied Natural Gas (LNG) contract project in Nigeria. The contract was executed by four companies paradoxically from the "accountability", "good governance" and "transparency"-preaching G-8 countries. These companies include the American company Kellogg, Brown and Root (KBR), a Halliburton subsidiary; a French company, Technip; Snamprogetti SPA of Italy; and Gasoline Corporation of Japan. The magistrate has been investigating complaints that between the late 1990s and 1998, US\$180 million was paid in "secret commissions" to the late dictator, General Abacha, and his former oil minister from slush funds established by the consortium. The evidence for the laundering of the bribe by a British lawyer on behalf of Abacha, was revealed in an interview as follows:

*A British and London lawyer named Jeffrey Tesler, who has been operating in Nigeria for some 30 years, was Abacha's personal financial adviser. At the same time, this lawyer had a three-decade-old relationship, working closely with Halliburton. It is through this lawyer that the investigating judge believes that the bribe money was laundered in the form of 'secret commissions' paid after the sale—after the construction of the factory—called 'retrocommissions'. **But in fact, these monies were laundered by this lawyer who was both Halliburton's lawyer and the financial adviser to the Abacha dictatorship at that time** [Emphasis added. *Naijanet News*, January 25, 2004].*

A French electronics giant, SAEM SA, was alleged to have offered a cross-boarder bribe in excess of US\$1million to some corrupt Nigerian public officials to win the Nigerian National Identity Card contract [*This Day News*, February 22, 2004]. This bribery scandal became public when the erstwhile

Director of the Department of National Civic Registration, Chris Agidi, was caught at the Heathrow Airport, London, when he allegedly took \$200,000 of the bribe money gleaned from the National Identity Card contract to be laundered into private bank accounts abroad [*This Day News*, February 22, 2004].

A recent report credited to Jefferey Robinson, a respected international voice on money laundering, which appeared in the London *Times*, showed how three foreign firms from Germany, France and India had routinely paid various sums of money into some phony accounts that belonged to the late Nigerian former dictator, General Sanni Abacha. The report revealed that

Ferrostaal, the German Industrial firm paid DM 20 million into the account in 1996. Subsidiaries of Tata, the Indian group, deposited \$540 million, while a French construction company, Dumez Nigeria, paid \$8 million into the account [see This Day News, December 28, 2003].

It is amazing that while Britain, France, Germany and the USA are the leading member countries of the so-called the Financial Action Task Force (FATF) and Transparency International (TI), some MNCs, politically-exposed persons, top government officials, businessmen and even party donors from these countries can still continued to be implicated in money laundering and other trans-organised financial crimes in Nigeria. However, these atrocities have always been committed with impunity and with the knowledge and awareness of their respective home governments who paradoxically preach “transparency”, “good governance” and “accountability” in developing countries [*The Guardian*, December 31, 2003].

Being astonished by the various revelations of the brazen culpability of the foreign corporation’s incidence of bribery, corruption and other trans-organised financial crimes in Nigeria, the Nigerian president, Obasanjo lamented:

I note with sadness, the involvement of some corporations from the developed world that have, even in recent times, been heavily involved in criminalizing our business cultures, compromising our policy makers, contaminating our institutions and subverting due process. I also note the corrupt activities of a German company in the Aluminum project as well as that of a Chinese firm in the Railway project [Emphasis added. This Day News, February 22, 2004].

With the above mounting evidence of the cross-boarder bribery and other trans-organised financial crimes of the MNCs and foreign capitalists being constantly reported in news in Nigeria and abroad on daily basis, it would have been expected that the “accountability”, “good governance” and “transparency”- preaching Western economic powers would have called their implicated MNCs and capitalists to order. This is in view of the Western economic powers global campaign for the need for the authorities in developing countries, particularly Nigeria, to be accountable and transparent in governance. On the contrary, many of the Western economic powers, whose MNCs and capitalists have been heavily involved in various cross-boarder bribery and other trans-organised financial crimes in Nigeria (particularly Britain and USA) seem to only see their responsibility in protecting the ‘image’ of their erring MNCs and capitalists abroad and not tarnishing it [see *The Guardian*, February 10, 2004].

However, when the Nigerian president seemed not to be getting the necessary support from these “accountability”, “good governance” and “transparency”- preaching Western economic powers to check the excessiveness of their powerful and influential erring MNCs and other capitalists operating in Nigeria, he threw out the challenge to the Western economic power-based Transparency International thus: **“Transparency International must publish a list of countries that are encouraging in various ways, corruption and corrupt practices in other nations, receiving stolen funds and keeping stolen funds”** [Emphasis added. *This Day News*, February 22, 2004].

Paradoxically, while the Western economic powers have been facing criticisms from the Nigerian authorities for not doing enough to check the atrocities of their erring MNCs and capitalists operating in Nigeria, these same powers have succeeded in hypocritically forcing the Nigerian authorities to pass a draconian legislation on money laundering and other financial crimes [*The Guardian*, November 13, 2002]. This was achieved through their dominant imperial institution, the Financial Action Tax Force (FATF). It is to the evidence of this hypocritical action of the

“accountability”, “good governance” and “transparency”- preaching Western economic powers and their imperial institution, the FATF that I now turn.

6. Western Economic Powers and FATF Hypocrisy: Some Evidence

Money laundering is a global problem which significantly affects both developed and developing countries. This therefore seems to suggest that the problem should be tackled by both developed and developing countries, rather than shifting the burden on poor developing nations that have no resources to combat this global crime [Ekaette, 2002]. These suggestions were also made by the Director General of the West African Institute for Financial and Economic Management (WAIFEM), Chris Itsede [2002], as he argued that this cankerworm must be tackled from both sides of the Atlantic. Speaking of the developed capitalist countries, he reveals:

Funds allegedly looted from the public treasury, proceeds from inflated public sector contracts, illegal mining, corruption, oil bunkering, trade frauds and bank funds are transferred from West Africa to Asia, Europe, and the Americas; these funds end up in coded accounts while others are invested in exotic cars and real estate in prime locations [Emphasis added. *The Guardian*, November 1, 2002].

On the part of the developing countries (such as Nigeria), he also disclosed:

Funds obtained from criminal activities such as drug trafficking, credit card fraud, under-invoicing of exports and over-invoicing of imports, bank frauds, advance fee frauds, prostitution perpetrated in Asia, the Americas and Europe are transferred to West Africa through elaborate process. [Emphasis added. *The Guardian*, November 1, 2002].

He concluded by noting that West African States alone lose an estimated US\$10 billion yearly through money laundering activities in the sub-Saharan region [*The Guardian*, November 1, 2002]. At the same time, readily available evidence indicates that the looted funds find their way into some coded accounts in banks in England, Switzerland, France, Germany, the USA, the Cayman Islands, the Bahamas and the British Island of Jersey to mention but a few [see Agabi, 2002]. With the continued outcry from the Nigerian authorities and the public for many countries that serve as haven for looted funds from Nigeria to assist in the recovery of the looted funds in their banks, many of the

countries, particularly the former colonial power, Britain, have refused to cooperate. While some others (such as Switzerland) have been promising to cooperate, such promises have failed to be followed by the necessary actions to actualize their promises to Nigeria. In all the criticisms of the Nigerian authority by the Western economic powers regarding the issue of money laundering, the actions of the same anti-money laundering and anti-corruption-preaching Western economic powers suggest hypocrisy. For example, while Nigeria and 28 other developing countries have so far ratified the United Nations Convention Against Corruption, except France, all the other member countries of the so called Financial Action Task Force, FATF, that have been jointly threatening Nigeria with economic sanctions, have not yet ratified the UN Conventions Against Corruption (see This Day, June 9, 2007). Moreover, it was during the 2002 meeting on the Global Organisation of Parliamentary Against Corruption (GOPAC) that Australia, Canada and Italy¹⁷ made pledges to set in motion machinery to amend their banking laws to facilitate easy recovery of the Nigerian looted funds in the banks in their countries [see *The Guardian*, November 5, 2002]. Paradoxically, while the other countries such as USA, Britain, France, Germany, Switzerland which serve as havens for looted funds from Nigeria expressed serious concern over the growing incidence of corruption especially in developing countries, such pledges were not made by any of these countries [*The Guardian*, November 2, 2002]. On the contrary, in the face of evidence of the vast sums of Nigerian looted funds laundered (particularly by Abacha) into various erring banks in Britain and Switzerland, the British and the Swiss authorities have been placing much difficulty in the way of the Nigerian government's recovering such looted funds stashed away in British and Swiss banks [*The Guardian*, September 27, 2003].

¹⁷ US Department of State Report on Money Laundering and Financial Crime regard these three countries as vulnerable to money laundering. The report claimed that in 1977, money laundering in Italy was estimated to exceed US\$50 billion and in Australia, a comprehensive money laundering study commissioned by the GOA in 1995 estimated that each year approximately US\$2.8 billion is laundered in or through Australia, or offshore.

It was estimated that more than US\$1.5 billion of a total of more than US\$4.3 billion stolen from the treasury along with kickbacks from the so-called foreign contractors claiming to be working in Nigeria, was laundered in various British financial institutions between 1993 and 2000 by associates of Abacha [*This Day News*, December 28, 2003]. It was only when the British government was facing an embarrassment from its own public and a threat of legal action from the Nigeria Economic and Financial Crime Commission (EFCC), that the Tony Blair's government released to the Nigerian government a mere US\$3 million out of the estimated US\$1.5 billion stashed in various British banks [*This Day News*, December 28, 2003]. The British Foreign Office claimed that the release of the money was intended to support the Nigerian government's anti-corruption programmes and other reforms. However, such a claim was immediately dismissed by a Nigerian Minister, El-Rufai, who argued that the claim was a cover-up, as there was no more hiding place for the British authorities in the face of the evidence of the looted funds in their possession. As Minister El-Rufai puts it, "Britain attempts to portray the repayment as a contribution to anti-corruption efforts was nothing more than a cover-up. The British may give it any spin they want, the truth is that the EFCC was about to embarrass the British authorities" [see *The Nigerian This Day News*, December 23, 2003].

Moreover, it was after some proactive pressures and the threat of legal action by the EFCC that another major haven for the Nigerian looted funds, Switzerland, was also forced to agree to release about US\$618 million for a start [see *Vanguard*, October 3, 2003]. Like its British counterpart, this was also not without an attempt to cover-up coming from the Swiss spokesman, who also said, "Yes, we know that this money is yours, it belongs to your country, but we want to have a say in the spending of the money because people say the money will go into corruption again" [see *The Nigerian Vanguard*, October 3, 2003].

Paradoxically, while the Western economic powers regarded the Abacha's government as undemocratic and illegitimate and was severely sanctioned by the USA and Britain in particular, the

Western economic powers did not see anything wrong in their MNCs, politically-exposed persons, individual capitalists, government officials and even party donors in offering bribes to Abacha and his ministers [see *This Day News*, February 22, 2004]. Moreover, the Western economic powers did not see anything wrong in their own citizens helping Abacha to launder money, or in their banks accepting such looted funds from Abacha and his ministers. This was in spite of the fact that the authorities, the banks, and even accountants and auditors in the Western countries knew fully well that the funds were stolen from the Nigerian public treasury and that the real identity of the beneficiary was Nigerian dictator, Sanni Abacha and his ministers [see *The Guardian*, December 31, 2003]. As a Nigerian angrily observed:

I am appalled at the double standards of these greedy countries who provide shelter to the billions of dollars stolen from Nigeria and who continue to obstruct our recovery attempts by resorting to unique queer local laws that make such repatriation difficult and virtually impossible, all in an attempt to keep these funds within their economy to be used by their industries to provide comfortable jobs for their citizens while ordinary Nigerians, the true owners of the money find it difficult to put two daily meals on the table for their kids. Or as is often the case, they turn around and offer to lend us these same funds for our development projects thereby raking in profits from our own stolen money [Emphasis added. *Nigeria World*, November 8, 2002].

He further noted that it is no secret that the ordinary American will gloat and tell you that their country's economy is founded on greed, and will make no apologies about it [see *Nigeria World*, November 8, 2002].

When the then American Secretary of State, Collin Powell, was asked to reconcile the atrocities of the American companies (particularly Halliburton, which was led by his own immediate boss, Dick Cheney), involved in money laundering and other trans-organised financial crimes in Nigeria, especially in view of his earlier comment of dismissing Nigeria as a country of scammers, the then American number one diplomat said:

Well, we don't want to see any of our companies cheated by a country in which they are investing. And we don't want to see any of our companies take advantage of a government of a country in which they are invested or located. We want to see no corruption and total transparency, not only the government, but for our companies as well [Emphasis added. Interview with Collin Powell, UN, New York, February 5, 2004].

The above implications of the Americans, British, French, Germans and other developed capitalist world MNCs and citizens in bribery of public officials, corruption, money laundering and other trans-organised financial crimes in Nigeria, require that the authorities in these countries should, first and foremost, put their respective houses in order. It is after putting their respective houses in order that the authorities in these countries could get any moral courage to be lecturing Nigeria and other developing countries on the need for accountability and transparency and even imposing anti-corruption standards on Nigeria and other developing countries. The audaciousness of such a request arguably borders on hypocrisy, as these countries do not want to risk the financial investments their MNCs and capitalists have made in Nigeria or even admit to their own wrongdoing and involvement.

The above global capitalism requires checking and controlling the processes associated with the enlargement of capital by every government, citizen, and professional such as lawyers, bankers, accountants and auditors. This is in conflict with the objectives of money laundering and other financial crimes, but yet capitalism continues to encourage various global financial crimes, such as corporate corruptions, bribery and money laundering, despite various global and state legislations to fight these global endemic diseases.

Of all these networks, it is the accountants and auditors, amongst others, who are knowledgeable of the world's financial systems (Nigeria Drug Salvation, 2002). Accountants are the ones who are able to create and manipulate the complex transactions which make it difficult to identify and trace the origin and the ultimate destiny of illicit funds or, when acting as auditors, are reluctant to reveal and report such activities [Mitchell et al., 1996]. The above analysis seems to suggest that money laundering and other trans-organised financial crimes that have contributed to the impoverishment of the Nigerian economy would not have been easily perpetrated without the collaboration of the accountants and auditors and relying on their knowledge and expertise, the evidence of, which is provided next.

7. Accountants' Connections

Money laundering and other financial crimes are often regarded as international crimes [see United Nations Convention against Transnational Organized Crime, 2000; Financial Action Task Force, 1977], US Foreign Corrupt Practices Act, 1976]. To combat this global cankerworm, money laundering legislation, primary legislation relating to trans-organized financial crimes, auditing and International Financial Reporting Standards (IFRS), all combine to place a duty on the accountants and auditors to report suspected fraudulent activities to a public body or regulator.

In Nigeria, various statutory provisions, company's and professional Acts¹⁸ all placed responsibilities on the accountants and auditors to detect and report cases of suspected frauds, money laundering and other trans-organised financial crimes to a public body or regulator. Despite these various regulations in place, accountants and auditors (local and foreign) and the so-called professional advisors in Nigeria seem comfortable providing services, which help obscure the relationship between the 'money' and the 'man' [Sanusi, 2004]. In other words, most of the accountants and auditors (local and transnational audit firms) in Nigeria have been helping to construct byzantine offshore structures, which have the sole purpose of obscuring audit trails [see Aloba, 2002; Dafinone, 2005; Iwok, 2006].

For example, Mr. Edward Osakwe, an erstwhile Managing Partner of Ernst & Young, a transnational audit firm in Nigeria, was dragged before the Institute of Chartered Accountants of Nigeria (ICAN) disciplinary committee for aiding and abetting fraud and money laundering by diverting US\$12 million belonging to Orion Holding, to his personal account (see the Guardian January 30, 2007). In 1998, Mr. Sonola, an information technology specialist, based in England, sought to establish operations in Nigeria's telecommunication sector. After registering the company, Orion Holding International Incorporation in the Island of Nevis, West Indies, with the main purpose

¹⁸ the money laundering Act of 1995, Advance Fee Fraud (419) and Fraud Related Offences Act of 1995, Failed Banks Act of 1996, Banks and other Financial Institutions Act of 1991, Foreign Exchange Act of 1995, Corrupt Practices and

of specializing in space mining, data warehousing, space segment and transponders sales, Sonola realized the huge capital outlay was not feasible without a partner. He then had talks with an American firm, World Exchange, which agreed to inject investment into Orion, only on one condition that Orion was willing to involve someone from Ernst and Young, an audit firm and global auditors to World Exchange, which must serve on the board of Orion. Sonola reportedly agreed to the terms and came with Mr. Van Abbot, World Exchange vice president who later met Osakwe of Ernst and Young, Nigeria. After the meeting, World Exchange appointed Osakwe as its representative on the board of Orion. As directors, Sonola concentrated on the technical operations of the company, while Osakwe, a professional accountant, manned the finance department, overseeing the finances accruing to the company. In 1999, Orion Holdings reportedly raked in US\$12 million from World Exchange, which subscribed to many of its services. This money was allegedly credited to Orion Holdings and was to be received at the Island of Nevis, where the company was registered, but had no account. However, in 2002 when Sonola requested to know the state of finances of Orion Holdings from Osakwe, Osakwe declined to cooperate. Sonola subsequently met Mr. Abbot of the World Exchange, who confirmed the payment and directed Sonola to contact Osakwe. When efforts to extract information about Orion's accounts from Osakwe proved abortive, Sonola was said to have hired private investigators in England and the United States to audit the accounts of Orion. In an interview with the Nigerian Guardian in 2004, Osakwe was quoted as admitting the existence of US\$8.5 million and not US\$12 million as claimed by Sonola, thereby confirming that the allegation of fraud and money laundering was indeed authentic. Osakwe further claimed that in Nevis Island where the company was registered, the company, Orion, had no account and that he (Osakwe) paid for the establishment of Orion Holdings. He also said that only he (Osakwe) and Sonola are the owners of the company and World Exchange was not their partner as claimed by Mr. Sonola, but only their customers. He further claimed that each transfer of money by World Bank to Orion

other Related Offences Act of 2000, the Companies Act 1968, the ICAN Act 1965 and the ANAN Act 1993,

Holding was accompanied by an e-mail from World Exchange addressed to himself and Sonola. Moreover, he further claimed not to have transferred any money and that it was World Exchange, an American firm, which made the whole transfer to UBA and other local banks in Nigeria.” As the editorial comments of the Nigerian Guardian observed:

This is a clear case of fraud and money laundering. It will be interesting to know how the money got into his (Osakwe's) personal account without the approval of the Central Bank of Nigeria (CBN). How much tax did he pay on the amount?

This network is a clear case of how professional accountants in Nigeria collaborate with foreign multinational corporations, foreign capitalists, the local ruling elites, politicians, public officials and individual to launder money in Nigeria or siphon money out of the Nigerian public treasury.

Relying on its mandate to investigate allegation of professional misconduct against any of its registered member, the ICAN claimed that Osakwe, an accountant, is being probed by the institute's Investigation Panel. In a letter dated January 11, 2007, signed by Mrs. Ifeoma Okwuosa, on behalf of the Chairman, Investigating Panel, ICAN, the body noted that:

*Having gone through the facts of this matter carefully, the panel is of the opinion that the business relationship that existed between you (Osakwe) and Mr. Femi Sonola as directors/shareholders of Orion Holdings calls for accountability. **The Panel believes that since you (Osakwe) were the director/shareholder responsible for the finance of the company and also as a chartered accountant, there is a duty imposed on you to render account of all the monies that came into the account of the company to your fellow director/shareholder***

(Emphasis added, ICAN Investigation Panel's letter, January 11, 2007).

The panel therefore directed that Osakwe should render the accounts to the shareholder of Orion Holding, of all the monies that came into the company's account at all times material to this action within one month of receipt of the Panels' letter and further directed Osakwe to forward a copy of the account to the ICAN panel. Osakwe has since lost his job in 2006 as the Managing Partner of Ernst and Young, because of this case of financial fraud and money laundering.

Moreover, the case of financial crimes, bribery, misuse of corporate assets and money laundering for which the US-based Halliburton and the other three G8-based companies were

implicated, such trans-organised financial crimes cannot be possibly perpetrated in Nigeria without the knowledge, professional advise and indeed, collaboration of the accountants and auditors. Indeed, Halliburton told the US-based Security and Exchange Commission (SEC) in May 2003 that the company employees made US\$2.4 million in improper payments to Nigerian officials to obtain favourable tax treatment [*Nigerian Guardian*, January 25, 2004]. Even after the revelation of this financial crime perpetrated in Nigeria to the SEC in the USA, there has been no indication so far of any investigations being conducted by the Nigerian professional bodies, ICAN or ANAN, to examine the conduct of their members implicated in this financial crime. This is in spite of the fact that this payment violates the Nigerian anti-money laundering legislation 2004, Advance Fee Fraud (419) and Fraud Related Offences Act of 1995, Corrupt Practices and other Related Offences Act of 2000.

There is no basis for anybody to argue that the US\$512 billion looted from the Nigerian treasury, the US\$400 billion laundered by the Military alone during the 40-year period that they held power and the US\$4 billion looted and laundered by Abacha, would have been possible without the knowledge and collaboration of the Accountant General, Auditor General and other accounting officers who issued and countersigned the cheques in the political directorate and public service. Similarly, the billions of dollars looted from the Nigerian public treasury by the erring rulers, politicians, public officials and illegal capital flight by the MNCs, politically exposed foreign elite and other expatriates would not have been successfully looted and laundered in foreign banks without the knowledge, cooperation or at least connivance of local and foreign accountants and auditors. In the above context, a foremost chartered accountant and a fellow of the ICAN, Dafinone (2005), has criticized the culpability of accountants in financial crimes and money laundering and the compromising attitude of the professional bodies, particularly the ICAN, in the looting of the public treasury in Nigeria thus:

Many accountants aid money laundering, advance fee fraudsters and help aggravate corruption. Many shady deals were largely supported by Chartered Accountants without any warning from the watchdog professional body, ICAN. Many of the ICAN members connived

in siphoning our collective wealth into private pockets, but not once did ICAN raise its voice to rebuke or punish any of such erring members. The accountant has become the 'mule', the vehicle for the transfer of state funds for top government officials. The regulating body, ICAN, was not blameless in the action of its members as it adopted the attitude of ignorance, indifference and inertia.
[*Vanguard*, December 9, 2005].

Along the same line of criticisms, the president of the ANAN, Iwok, (2005) also indicted the accountants and auditors in compromising their professional standards, ethical conduct and integrity by perpetrating, collaborating and conniving in corruption and other financial crimes, when he told the gathering of about 1,200 accountants that:

It was the duty of accountants to act independently when they were approached to act against the interest of the state, adding that there was no way money could be siphoned or stolen from the public account without the knowledge of accountants
[Emphasis added. *The Punch*, November 23, 2005].

And Adeyemi (2004) summed up the accountants culpability and collaboration in financial crimes and the professional bodies compromising stance in Nigeria thus:

The modern day Nigerian Accountant is a mere tool in the hand of fraudsters. They simply allow personal interests to override national call to duty. In their quest to keep their jobs they sometimes prepare three different accounts for the same organization (one for the shareholders, another for the management, and the third for the tax authority. The accountancy professional bodies have not done better either. They seem to engage in breast beating of erring members who violates professional etiquette (Emphasis added).

8. Summary and Discussion

This paper has provided evidence which indicates that the corrupt attitudes of the Nigerian rulers, politicians, public officials and individual capitalist have become ingredients for the MNCs and other foreign capitalists to continue to collaborate with their corrupt local ruling elite counterparts in continuing to perpetrate graft practices that have contributed to the impoverishment of the Nigerian economy. For example, 18 Russians were among some 37 foreigners held over illegal oil bunkering, and pipeline vandalism in Nigeria in February, 2004 [*Daily Times*, February 27, 2004].

Such criminal activities by foreign individuals and entities cannot be possibly carried out without any local collaboration.

The staff members of the oil companies have been accused of racism against Nigerians in their own land [*Daily Independent*, January 13, 2004]. The management of these companies sometimes fires any of their officials who refuse to offer bribes to identified Nigerian officials [*This Day News*, February 22, 2004].

After openly accepting the stolen money from the Nigeria public treasury into their respective banks, the members of G8 individually and jointly have been giving conditions under which they will again use the looted Nigerian funds in their possession to help Nigeria in their dictated neo-colonial New Partnership for Africa's Development (NEPAD). For example, though Britain is a known haven to billions of Nigeria's looted funds, however, the British High Commissioner to Nigeria, Thomas Phillip, claimed that:

*The British government is prepared to champion debts rescheduling and forgiveness for Nigeria strictly on the condition that a reformed economic policy is instituted in the country, and that **the IMF is the only institution to help Nigeria fashion out how the policy framework should operate***

[Emphasis added. *Daily Independent*, November 16, 2002].

But, the IMF, World Bank and WTO have long been identified with the G8 and as all neo-colonially dominated and monopolized institutions that aggravated poverty in Nigeria and many other developing countries. The invitation to the IMF by the government of Nigeria in 1985 has successfully devalued the Nigerian currency, the Naira, from the exchange rate of 60 kobo to US\$1 in August 1985 to N140 to US\$1 as at August 2005, a quantum of over 200 per cent devaluation. This downward movement has had the drastic consequences of changing the economic condition of Nigeria to reflect a poverty rate of 70 percent and now paradoxically places the oil-rich Nigeria, as the 9th poorest country in the world [see United Nations Report, February 16, 2004].

In all the above collaborative efforts for money laundering and other financial crimes in Nigeria, the analyses in this paper indicate that the accountants and auditors in Nigeria and abroad are the

professional machineries and advisers for siphoning money. The accountants and auditors have helped Nigerian leaders, politicians, public officials, corporate executives, the elite, individuals, MNCs and foreign capitalists to conceal their fraudulent activities by converting the looted funds from illicit to licit funds so as to legitimize the sources of the funds.

The above analysis and evidence suggest that the solution to money laundering and other trans-organized financial crimes in Nigeria requires a great deal more than the legislation being currently enforced on the Nigerian legislators by the so-called FATF. It requires the Western economic powers to first and foremost put their respective houses in order in terms of shaping international regulations for their own MNCs and individual capitalists operating in Nigeria and other developing countries. If the Western economic powers are encouraging accountability and transparency as claimed, they themselves, their MNCs, politically-exposed persons and other capitalists should also be accountable and transparent in their own activities, whether at home or in Nigeria. Instituting such regulations would also require that the Western economic powers regulate the kinds of monies which are deposited in their banks and refuse dirty monies from erring politicians, corrupt individuals and their own citizens and capitalists who arrive from foreign countries, such as Nigeria, with dirty monies to launder into private bank accounts.

In this regard, the American authorities seem to have taken the right step by canceling the visa of one of Nigeria's great money launderers, Joshua Dariye, a professional accountant and Executive Governor of Plateau State. However, America authorities should do more by incorporating such a step in a foreign policy, not applicable only to selective Nigerians, but to all Nigerians, foreigners and even its own citizens and MNCs operating globally (such as Halliburton, Chevron etc), irrespective of their positions or political affiliations. Moreover, the American authorities should use its global influence on other countries (such as Britain and Switzerland) that still serve as havens for looted funds from Nigeria and other developing countries, by encouraging them to also adopt this measure. It is by adopting this measure that this cankerworm can be defeated globally. The

hypocritical step currently being taken against Nigeria and other developing countries by their imperial institution, the FATF, is not likely to be as effective.

Moreover, the Norwegian representative to the June 8, 2007 global conference to address illicit capital flight out of developing economies has also challenged the status quo by announcing that Oslo is eager and willing to ask the World Bank to undertake a much-needed study on illicit financial outflows from developing countries. The representative further made a commitment that Norway is also prepared to finance such a study. Oppressed and poverty-ridden citizens of developing countries are now eagerly waiting for the World Bank to comply since the necessary financing is in place. It will be to the interest of the global economic growth, development and prosperity for the Western economic powers to abide by the principles of democracy, good governance, accountability and transparency, which they preach globally. This can only be achieved by using the huge resources at the disposal of the Western economic powers to find an equitable and permanent democratic solution to this global financial cankerworm, a solution that is acceptable to both developed and developing countries. The current hypocritical approach, in which some MNCs and capitalists from developed capitalist countries continue to collaborate in perpetuating money laundering and other trans-organised financial crimes with impunity, mostly in developing countries, while their governments continue to threaten poor developing countries with sanctions, may not yield any desired results. A stitch in time saves nine.

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on January 8, 2001, the president sent his Special Assistant, Bodunde Adeyanju, to obtain N401, 861,411 (US\$2,864,282) bank draft from the MOFAS account at Trans International Bank (TIB) in Abuja. The draft was written in the name of Abdulahi Atotileto, which was subsequently presented for clearing at Trade Bank, Abuja on January 9, 2001 (see Daily Sun, September 28, 2006). On February 15, 2001, N10million (US\$71,428) draft was given to Mr. Bimbo Daramola from the same MOFAS account. Other alleged withdrawals from the MOFAS account by Bodunde Adeyanju on behalf of the president, Obasanjo were: N5million (US\$35,713) for his lawyer, Afe Babalola on March 26, 2003; N5million (US\$35,713) up country draft for Wasiu Adekunle on March 26, 2003; N2.2million (US\$15,714); N2million(US\$ between 1999 and 2004, the president through his agent, Bodunde Adeyanju, had collected N3 billion (US\$21,428,571) from the MOFAS account. In addition, cheques worth over N100 million (US\$714,285.71) were issued from the MOFAS account to IBAD Nigeria Limited, a construction company solely owned and run by the president, Obasanjo, while still in office. From the same MOFAS account, a new Peugeot 607 motor car was also purchased for one Ms. Lamide Adegbenro, a woman friend of the “anti-corruption”-preaching president, Obasanjo. A Toyota Prado Jeep was also purchased for Mrs. Ajoke Mohammed

from the generous MOFAS account. Two coaster buses valued N11 million (US\$78,571.42) were purchased for Bell comprehensive high school from the MOFAS's account, a school solely owned and run by the president, Obasanjo, while still in office. Obasanjo also donated total cash of N4 million (US\$28,571.42) from the same MOFAS's account to his own village, the Ibogun-olaogun development association.

In the so-acclaimed current democratic era, which many Nigerians believe could bring an end to their man-made socio-economic miseries, has since 1999 proved to be business as usual. This is because the democratically elected president, vice president, legislators, state governors and the honourable members of the federal and states House of Assembly and even the local governments have chosen the path of looting the public treasury (see *This Day*, October 24, 2004). These rulers, politicians and public officials have been laundering their loot in various “anti-corruption” and “transparency”-preaching Western banks, while the masses who elected them to power continue to live in extreme poverty at home [*This Day News*, October 24, 2004]. The president and the vice president who were both elected on the basis of fighting corruption have been constantly accused by their fellow politicians, electorate, human rights activists (at home and abroad) and Transparency International to have been enmeshing themselves in an unprecedented corruption by looting the public treasury [see *Daily Independent*, February 17, 2007; *Daily Sun*, March 27, 2007; *Daily Sun*, July 12, 2007; *Daily Independent*, October 12, 2005]. For example, the “anti-corruption” and “transparency”-preaching president and vice president, without the approval of the Senate and the National Assembly as required by the Nigerian Constitution, have used the services of some erring accountants to illegally open an account named MOFAS account at the Abuja branch of the Trans International Bank (TIB). MOFAS account was a dedicated account ran by one Otunba Fasawe, a close friend of the president and a powerful member of the ruling Peoples Democratic Party (PDP). The president and vice president both had their personal agents who were collecting money from MOFAS's account on their

behalf (Mr. Bodunde Adeyanju for the president and Mr. Umar Pariya for the vice president). Funds collected from this account were from time to time made available to the president, vice president and the ruling party, not for the nations business, but for the president and vice president to run their personal businesses, acquire personal assets abroad and launder the balance in their private bank accounts abroad, while still in office. As Oloja [2006] noted:

It is only in Nigeria people in power can have access to public funds to run their private business and the business of governance at the same time. Nigerian rulers have enough latitude and unlimited access to public funds to set up newspapers, shipping lines, airlines, mechanized farms, universities, etc and run them openly while they are in power. In Nigeria, public officers build or buy hundreds of millions worth of landed property even while in office. Public officers bid openly for hundreds of millions worth of government property without fearing any consequences. [Emphasis added, The Guardian, January 1, 2006].

A pattern of overseas bribery cases involving US companies, many of which are also involved in accounting fraud, has emerged in recent years. Reported cases of overseas corruption include Xerox (India), Tyco (Venezuela), Accenture (Middle East) and IBM (South Korea) [*Nigeria World*, January 25, 2004]. Enron accounting-aided allegations of wrongdoing span the globe: UK, India, Ghana, Colombia, Bolivia, Panama, the Dominica Republic and the power plant in Lagos, Nigeria [*Nigeria World*, January 25, 2004]. In fact, a former Enron accountant has pleaded guilty in respect of his role in the collapse of the energy company [BBC News, December 29, 2005].