An Appraisal of the Role of the Economic Financial Crime Commission (EFCC) In the Fight against Corruption in Nigeria

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Abstract

This study explores the effectiveness of the Economic and Financial Crimes Commission (EFCC) in tackling corruption in Nigeria, a nation where corruption has long impeded economic progress and governance. Formed in 2003, the EFCC is responsible for investigating and prosecuting financial crimes, including fraud, money laundering, and other corrupt activities. Despite significant resources and high-profile prosecutions, the enduring nature of corruption raises doubts about the EFCC's overall impact. This study utilizes the secondary and multidisciplinary sources to assess the commission's performance. The study revealed that while the EFCC has made some headway in raising public awareness and achieving significant convictions, its overall efficacy is undermined by systemic issues such as political interference, inadequate funding, limited operational independence, and lengthy judicial processes. Furthermore, the study identified internal corruption within the EFCC and emphasized the need for increased transparency and accountability. The study further highlighted the necessity for extensive reforms to bolster the EFCC's

independence, enhance inter-agency cooperation, and create a more supportive legal and political environment. It concluded with recommendations to strengthen the EFCC's capacity to effectively combat corruption, including legislative changes, increased budgetary support, and fostering a culture of integrity at all levels of government. These measures are vital for developing a more robust and sustainable anti-corruption framework in Nigeria.

Keywords: EFCC, Corruption, Nigeria, Political Interference, Anti-Corruption

Introduction

Undoubtedly, corruption is a highly lethal affliction that is frequently likened to a malignant neoplasm. Nevertheless, corruption, in its true essence, surpasses the severity of diseases such as cancer, malaria, and even AIDS. Significantly, the impact of this phenomenon is far-reaching, as Africa as a whole is projected to incur an annual loss exceeding 50 billion dollars, according to estimates made in 2012. According to Matthew (2021), Nigeria incurred a loss of over $582 billion dollars due to corruption since gaining her independence in 1960. Between 2011 and 2015 alone, YIAGA programme manager Cynthia Mbamalu disclosed that about N1.3 trillion of public funds was reportedly laundered (Guardian, 2021). This pervasive issue of corruption is causing significant devastation in Nigeria and other regions of Africa. According to Patricia (2016), Nigeria and Africa are commonly perceived as experiencing a significant prevalence of corruption. Corruption remains a significant and persistent challenge in the region.

According to Obasanjo (2016), corruption poses a significant threat to the fundamental existence and long-term viability of Nigerian societies. Corruption, which refers to the use of legal authority for personal benefit, is a substantial impediment to the socioeconomic progress of Nigeria. This phenomenon erodes public confidence, impedes investment, and amplifies socioeconomic disparities. The issue of corruption in Nigeria is neither a recent occurrence, nor is it a novel trend within the political landscape. According to Transparency International (TI), Nigeria is classified as one of the high corrupt nations in the world in its corruption index. The nation is ranked 145th out of 180th with an average score of 25/100 as compared to countries like Ghana 70th out of 180 with an average score of 43/100,

and Kenya in 126th out of 180th with an average score of 31/100 (Transparency International, 2024).

Successive administrations in Nigeria have made efforts to mitigate corruption by implementing anti-corruption agencies. The establishment of the Economic and Financial Crimes Commission (EFCC) in 2003 was a significant milestone in Nigeria's efforts to combat corruption, economic crimes, and financial misconduct. This initiative was made possible through the enactment of the national anti-corruption policy. Thus, this study attempts to evaluate the effectiveness of the Economic Financial Crime Commission (EFCC) in the fight against corruption in Nigeria.

Origin of the Economic and Financial Crimes Commission (EFCC)

The Economic and Financial Crimes Commission (EFCC) was founded with the goal of creating a Nigerian State that is free from economic and financial crimes. Its aim is to eliminate these crimes by preventing, enforcing, and coordinating efforts. According to Amadi (2018), the Economic and Financial Crimes Commission (EFCC) is identified as the second anti-corruption body established by the government led by President Obasanjo. The primary objective is to counteract financial and economic offenses. The Commission has the authority to prevent, investigate, prosecute, and punish economic and financial crimes. It is responsible for enforcing various laws and regulations related to economic and financial crimes, such as the Economic and Financial Crimes Commission Establishment act (2004), the Money Laundering Act 1995, the Money Laundering (Prohibition) act 2004, the Advance Fee Fraud and Other Fraud Related Offences Act 1995, the Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act 1994, the Banks and other Financial Institutions Act 1991, and the Miscellaneous Offences Act.

According to Junaidu (2015), the EFCC which was led by Nuhu Ribadu, demonstrated significant effectiveness in executing its legal responsibilities, resulting in its activities receiving media attention. In addition, Alaka (2016) expressed the view that the commission has gained expertise in managing instances of advance fee fraud, commonly referred to as 419. This includes various fraudulent schemes, like contract scams, credit card scams, inheritance scams, job

scams, lottery scams, money washing scams, marriage scams, immigration scams, counterfeiting, and religious scams, which are obtained through false pretenses. The economic and financial crimes includes issues that pertain to matters of good governance, transparency, and accountability within the realm of government. According to Bello-Imam (2011), the investigation of various instances of abuse of office, official corruption, bribery of government officials, diversion of public funds through fraudulent award of contracts, corruption in land allocation, tax fraud, capital market fraud, money laundering, and oil bunkering are among the significant functions performed by this entity. Therefore, the EFCC is quite effective in addressing electoral fraud. Undoubtedly, it serves as a genuine tool for advancing the principles of effective governance. They have the authority to initiate corruption accusations, hence, enabling the prosecution of individuals for criminal trial. According to Aganda (2020), the EFCC received about 4,200 petitions on illicit corruption in 2006, conducted investigations on 1,200 cases, and brought 406 cases to court.

Bello-Imam (2012) reported that after conducting an extensive investigation into corruption charges against thirty-one out of thirty-six states in Nigeria, the EFCC made the decision to indict fifteen governors while granting immunity to only six state governors. The indictments, arrests, and reports conducted by the EFCC regarding corruption cases involving prominent public officials in Nigeria serve as evidence of the extent to which these officials were willing to engage in activities such as exploitation, looting, theft, misappropriation, and money laundering for personal gain, rather than prioritizing the welfare of the populace.

Functions of the Economic and Financial Crimes Commission (EFCC)

According to the commission's strategic plans for 2021-2025, one of its main responsibilities is to investigate and prosecute all economic and financial crimes. This involves conducting a thorough investigation, observation, and close examination of suspected crimes, followed by legal action. Other responsibilities include:

i. The coordination and enforcement of economic and financial legislation, as well as the delegation of enforcement activities to other individuals or authorities.

ii. The implementation of strategies aimed at identifying, tracking, freezing, confiscating, or seizing funds obtained from acts of terrorism, as well as economic and financial offenses. In addition to the pursuit of preventing and eliminating economic and financial crimes.
iii. The dissemination of scientific and technical knowledge, as well as the implementation of collaborative initiatives aimed at eliminating economic and financial offenses.
iv. Engaging in partnerships with governmental entities both domestically and internationally.
v. Engaging in research activities, managing data, metrics, documentation, and generating reports.
vi. Implementing and maintaining a comprehensive public and educational campaign aimed at combating economic and financial crimes.
vii. Establishing communication and collaboration with government security and law enforcement agencies, as well as financial regulatory organizations, to effectively combat economic and financial crimes.

The Structure and Membership of EFCC

The strategic plan for the year 2021-2025 outlines the leadership structure of the commission, to include an Executive Chairman who serves as the Chief Accounting Officer and has responsibility for the executive operations of the commission. The individual serving as the Secretary to the Commission assumes the role of the administrative leader and bears the responsibility of maintaining the panel's financial records. The commission comprises a total of 14 departments, namely: Administration and Human Resources, Operations, Legal and Prosecution, Planning, Research and Statistics, Forensics and Crime Laboratory Services, Asset Forfeiture, Internal Affairs, Intelligence, Internal Audit, Information and Communication Technology, Procurement, and Staff Welfare Services. In addition, the Commission possesses strategic units, including External Cooperation, Freedom of Information (FOI), and SERVICOM. Additionally, it possesses a Training Academy, known as The EFCC Academy, which is tasked with providing training to its workers and other relevant parties. Rufai (2020) averred that the commission is composed of the following members:

- The Chairman, who is the Executive and the Accounting Officer of the commission and also the chairman of the board.

- The Governor of the Central Bank or his representative.
- A representative each of the Ministry of Foreign Affairs, Finance, and Justice.
- The Chairman, National Drug Law Enforcement Agency or his representative.
- The Director General of the National Intelligence Agency or his representative.
- The Director General of the State Security Service or his representative.
- The Registrar General of the Corporate Affairs Commission or his representative
- The Director General, Department of State Security Service or his Representative
- The Director-General, Securities and Exchange Commission or his Representative
- The Managing-Director, Nigeria Deposit Insurance Cooperation or his Representative
- The Commissioner for Insurance or his Representative
- The Postmaster-General of the Nigerian Postal Services or his Representative
- The Chairman, Nigeria Communication Commission or his Representative
- The Controller-General of the Nigeria Custom Service or his representative
- The Controller-General, Nigeria Immigration Service or his Representative
- The Inspector-General of Police or his Representative
- Four Eminent Nigerians with cognate experience in any of the following; finance, banking or accounting.

The responsibility for appointing the Chairman and members of the Commission lies with the President. The confirmation of the Senate is a prerequisite for the appointment. With the exception of the Secretary of the Commission, all other members of the commission serve a four-year term and are available for re-appointment for an additional four-year term. In contrast, the Secretary of the

Commission holds a five-year term and may be re-appointed for an additional five-year term.

Measures for Successful Operation of the EFCC

According to Percy (2019), many procedures have been implemented to ensure the effective functioning of the commission. The following measures includes:

Prevention: The commission possesses the authority to implement measures aimed at preventing and eliminating economic and financial crimes inside the borders of Nigeria. As part of its efforts to prevent economic and financial crimes, the commission has been tasked with enhancing its systems and expanding its preventive measures to identify, disrupt, and uncover such crimes.

Enlightenment and Public Education: Implementing outreach programs to educate the public about the impact of economic and financial crimes on society, as well as the importance of ethically reorienting citizens against such crimes, is considered a crucial step towards the successful operation of the commission. In order for the commission to effectively carry out its mandate, it is crucial that the general public be informed of the commission's dedication. This can be achieved by involving the public in the broader preventative efforts and by establishing a suitable framework to assist its implementation.

Research: Engaging in research and related endeavors to ascertain the manifestation, scope, scale, and impact of economic and financial crimes, and providing guidance to the government regarding suitable intervention strategies to address these issues. Enhancing research endeavors pertaining to the etiology, consequences, typologies, demography, and other relevant aspects of economic and financial crimes in Nigeria represents a suitable approach to mitigating such criminal activities.

Enforcement: Although the commission has consistently executed its enforcement responsibilities in accordance with existing rules, laws, and regulations, enhancing enforcement measures will enable the EFCC to efficiently carry out its duties. Enhancements in the procedures of inquiry and legal proceedings, alongside the

authentic retrieval of illicitly obtained funds and the administration of confiscated and forfeited resources.

Effective Judicial System: The establishment of an efficient and effective legal system holds significant importance in combating economic and financial crimes. In an effort to combat these criminal activities, the commission introduced the Administration of Criminal Justice Act (ACJA) in 2015 as a means to expedite the efficient administration of justice.

Political Will: The success of the commission would be significantly influenced by the quality of political leadership and their dedication to combating economic and financial crimes. The effective execution of the commission's operations necessitates the support of both the Executive and Legislative branches. This support can be achieved through the enactment and effective implementation of pertinent laws and reforms, as well as the provision of sufficient funding to sustain the commission.

Some Achievements of the EFCC

Following the establishment of the Economic and Financial Crimes Commission (EFCC), the commission has made notable progress in its efforts to combat economic and financial crimes, including corruption, within Nigeria. These include

High-Profile Conviction: According to the efccnigeria.org, the EFCC has effectively conducted investigations and brought legal action against numerous prominent individuals implicated in corruption and financial offenses. A range of individuals, including as legislators, government officials, business executives, and other powerful personalities, have been convicted, thereby conveying a resolute stance against the acceptance of impunity.

Recovery of Stolen Wealth: In the context of the EFCC, recovery refers to the procedure of reclaiming assets that have been acquired through corruption, with the aim of returning them to the state's reservoir (Adeyemo, 2014). The success of the EFCC in asset recovery is exemplified by the notable case of Diepreye Alamieyeseigha, a former Governor of Bayelsa State in Nigeria. In 2005, the EFCC

faced charges of money laundering and successfully recovered a sum of N3.1 billion (£6.5 million) as a component of its anti-corruption efforts (Okwor, 2019). This recovery demonstrated the EFCC's unwavering commitment to eliminating corruption. The recovery efforts of the EFCC have extended beyond Nigeria and have involved collaboration with foreign organizations in order to accomplish its objectives. An illustrative example is the "Abacha Loot" case, wherein the EFCC diligently cooperated with the United States Department of Justice to retrieve more than $480 million that was purportedly misappropriated by the deceased General Sani Abacha (Akpan, 2014). This exemplifies the extent to which the EFCC is prepared to go in order to recover assets that were fraudulently obtained from the Nigerian government.

Prevention and Deterrence: The EFCC is actively involved in both enforcement measures and prevention and deterrent initiatives aimed at mitigating the occurrence of economic and financial crimes within Nigeria. This encompasses initiatives aimed at raising public awareness, enhancing the skills and capabilities of law enforcement and judicial professionals, and fostering cooperation with various agencies and stakeholders. Furthermore, the commission has displayed efficacy in crime deterrence through some examples of high profile convictions. The EFCC relentless awareness campaigns have also, significantly reduced the practice of internet fraud among Nigerian youths.

International Cooperation: The Economic Financial Crimes Commission (EFCC) has forged collaborative alliances and cooperative arrangements with law enforcement agencies and international organizations to enhance the process of investigating and prosecuting transnational financial offenses. This has empowered the EFCC to more efficiently pursue cases pertaining to transnational corruption, money laundering, and cybercrime. The Economic and Financial Crimes Commission (EFCC) has effectively cultivated strong partnerships with global entities such as Interpol and the United Nations Office on Drugs and Crime (UNODC), (https://www.unodc.org). The Commission has been able to expand its global influence by leveraging the considerable collective intelligence and resources of these international institutions to effectively address economic and financial crimes.

Cybercrimes Enforcement: According to Broadhurst et al., (2019), the epidemic of cybercrime has dramatically surged in recent years, causing distressful impacts on various sectors globally. Consequently, proactive countermeasures have become imperative to tackle this global menace. This is where the EFCC, Nigeria's prime anti-graft body, has made significant stride. Availing cutting-edge resources for its operations, the EFCC has established an advanced Cyber Intelligence Unit to deal with more sophisticated internet-related crimes.

Areas of Shortcomings

Despites some of the notable successes recorded by the commission, the EFCC has further faced criticisms in areas it has failed or has not lived to the expectations of the general public. These areas includes:

Political Interference: Despites the effective strides of the commission, political interference has significantly undermined its efforts in the fight against economic and financial crimes in Nigeria. One of the areas where political interference manifests in the commission's operations is the appointment procedures of its chairperson. Power players wield their influence overtly and covertly to position their affiliates at the helm of the commission's affair. This is often done to gain control and exercise authority over the commission's operations. EFCC overtime, according to the Human Rights Watch, (2011), has continuously been utilized as a political tool to victimize and intimidate perceived opposition under the disguise of anti-graft campaigns. EFCC, in most cases, falls prey to the insidious practice of political interference through its investigatory and prosecutorial powers. Investigations are often influenced by those in power to protect vested interest.

Selective Prosecution: Selective prosecution signifies prejudice in law enforcement where those who committed similar crimes receive dissimilar treatment based on arbitrary factors, (Kelly, 2017). The impact of selective prosecution significantly impairs the integrity of the EFCC. In addressing the compromise that selective prosecution brings to EFCC, greater consistency in the prosecution of economic and financial crimes must be actualized without prejudice to any societal group.

Capacity Constraints: The EFCC's integrity remains tarnished by its inability to satisfactorily fulfil its mandate and the culprit is capacity constraints. One of the pressing constraints of the EFCC, is the lack of personnel. The commission is severely undermined, teetering hopelessly to manage a population of close to 200 billion. This incapacity further undermine its efficiency, stalling investigations and prolonging responses. It is disheartening that EFCC officers are denied consistent, up-to-date training opportunities, thus, limiting their proficiency and subsequently undermining the effectiveness of the commission.

Corruption within the EFCC: In the realm of countering corruption, Nigeria formed the Economic Financial Crimes Commission, unfortunately, it seems that the hunter has become the hunted, as EFCC's hunt for corruption descended into corruption within its ranks, thereby undermining the motive behind its creation. One of the ways corruption has infiltrated the EFCC, severely impacted its credibility and efficiency is that officers within the commission are influenced, manipulated, and even threatened to drop investigation against high-profile individuals. Another grave manifestation of corruption is apparently in situation where EFCC's key personnel are beholden to political figures, and consequently been exploited to their very end, using the commission as political weaponry rather than a beacon of justice.

Legal Challenges: The principal legal challenge faced by the EFCC is the overwhelming nature of the "plea bargaining". As prescribed by the Nigerian legal framework, plea bargaining grant alleged economic and financial criminals a less severe punishment in return for a guilty plea. Notably, this legal provision tends to compromise the deterrent nature of the EFCC, consequently obstructing its efficiency. In addition, legal immunity enjoyed by certain political office holders further forms a prohibitive obstacle to the EFCC.

Bureaucratic Bottlenecks: Bureaucratic bottlenecks, fundamentally connote processes or procedures impeding expeditious flow of work, oftentimes a result of an overload of checks and balances or excessive regulations. Described as "red tape", such processes not only slow down the pace of operations but also deplete efficiency. Impediments from governing laws also blot the efficacy of the EFCC. Its operations are governed by various statutes, some of which are incongruous

with the provision of expedited justice. Bureaucratic bottlenecks significantly hinder the EFCC, negatively affecting its ability to deliver on its mandate.

Conclusion

Nigeria has implemented a number of policies, regulatory structures, and anti-graft organizations in the battle against corruption. The most prominent of these is the Economic and Financial Crimes Commission (EFCC), which has led this crucial effort from the front. Examining the effectiveness and efficiency of the EFCC in this battle opens our eyes to the successes, obstacles, and possibilities in Nigeria's fight against corruption. The EFCC was founded in 2003 as a response to the financial crime wave that was escalating and endangering Nigeria's economy. Their broad mandate includes financial crime prevention, investigation, and prosecution. Even though this commission's effects and effectiveness are perhaps obvious, discussions over them have arisen, particularly in light of Nigeria's well-known widespread corruption.

Significant strides were achieved in the battle against corruption after the EFCC was established, as shown by a string of high-profile prosecutions and the recovery of money that was obtained improperly. Fortunately, the EFCC has been active at the right moment, going after senior officials as well as lower-level agents engaged in financial crimes. This has made a major contribution to Nigeria's deterrent against corruption. Though the EFCC has made progress in the fight against corruption, it has not yet reached its full potential. Many obstacles have hampered its efficacy, most notably governmental meddling, insufficient finance, and the drawn-out and sluggish legal system. As such, Nigeria's fight against corruption is far from ended.

Nevertheless, the problems the EFCC is facing highlight the necessity of specific measures to deal with the pervasive corruption. Above all, the political environment needs to be changed to support the commission's efforts rather than obstruct them. This demands that the commission and the Executive branch be kept further apart in order to ensure that corruption offenses are investigated with a comprehensive and least biased methodology. Secondly, in order to prevent the EFCC from being compromised, financing needs to be enhanced and money

disbursed more transparently. In addition, the legal system needs to be accelerated and free of the loopholes that dishonest people frequently take advantage of.

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