

COUNCIL *on*  
FOREIGN  
RELATIONS

*CORRUPTION BRIEF*

# Improving U.S. Anticorruption Policy in Nigeria

Matthew T. Page  
July 2016

Corruption is endemic in Nigeria. It drains billions of dollars a year from Africa's largest economy and most populous country. Systemic corruption also undermines Nigeria's ability to combat Boko Haram, the [world's deadliest terrorist movement](#), which has displaced two million people in the country's war-ravaged northeast. Although the United States and Nigeria have been close partners since Nigeria's democratic transition in 1999, elite corruption has undercut diplomatic relations and undermined U.S. investments in the nation's development, security, and governance.

Following Muhammadu Buhari's 2015 presidential election victory, senior U.S. policymakers saw an opportunity to support his aggressive anticorruption efforts. However, U.S. efforts have thus far been nonconfrontational—limited to public speeches and high-level discussions—and have yet to translate into policy action. Corruption is still treated as a secondary, stand-alone issue rather than as a potent threat to U.S. interests.

To move beyond past mistakes, U.S. policymakers should commit to deterring official corruption in the sectors and institutions in which the United States invests significant attention and resources. At a minimum, this plan should establish an interagency working group on Nigerian kleptocracy, station a Federal Bureau of Investigation (FBI) investigator in Abuja, and promulgate an executive order (EO) restricting financial transactions by corrupt Nigerian officials.

## BACKGROUND

Nigerian official corruption is not new. It has thrived under both civilian and military-led governments, and has involved leaders of all ethnic and religious affiliations. However, under Buhari's predecessor, President Goodluck Jonathan, official corruption rose in scope and scale, especially in the [security](#), [petroleum](#), and [power](#) sectors.

Nigeria has one of the most corrupt defense and security sectors in the world, [according to Transparency International](#). Decades of unchecked corruption have left the Nigerian military hollowed out and ill-equipped to handle Nigeria's many internal challenges, including the long-running Boko Haram insurgency that has killed tens of thousands of people. Security sector corruption takes many forms, ranging from [facilitating oil theft](#) to [procurement fraud](#) to [misuse of opaque slush funds](#) called "security votes." Nigeria's previous national security advisor, for example, is on trial for [his role in diverting over \\$2 billion](#) in security funds. The scale of this theft has overshadowed and arguably negated U.S. military and police aid to Nigeria, [which totaled just \\$45.4 million from 2010 to 2014](#).

Corruption also pollutes two areas that will shape Nigeria's economic future: the petroleum and power sectors. Nigeria's state oil company, the Nigerian National Petroleum Corporation, has long been corrupt and mismanaged, [according to the Natural Resource Governance Institute](#). In 2012, Nigerians took to the streets after it was revealed that politicians connived with domestic oil companies to [embezzle \\$6 billion](#) in budgeted fuel subsidies. Endemic corruption has also meant that, even as the [government has spent \\$14 billion](#) since 1999 on developing a modern power sector for all of Nigeria (population 183 million), the national electricity supply steadily diminished to a level [on par with the city of Edinburgh](#) (population 500,000).

Systemic corruption threatens democracy and good governance in Nigeria. The country's senate president [is currently standing trial](#) for false asset declaration and other corruption-related charges. At least [five former governors are facing trial](#) for graft. The Economic and Financial Crimes Commission (EFCC), Nigeria's main anticorruption body, is actively investigating dozens more sitting and former

officials. Recent news that several senior election officials [allegedly accepted millions](#) of dollars in bribes demonstrates that corruption threatens the integrity and credibility of Nigeria's elections.

Since 1999, [U.S. policy](#) in Nigeria has largely focused on three areas: security cooperation, economic growth and development, and democracy and governance. By not directly confronting corruption, the United States has done little to prevent kleptocrats from weakening Nigeria's political, security, and economic institutions, sabotaging larger U.S. policy goals.

## CHALLENGES

U.S. anticorruption policy continues to be ineffective in Nigeria for four reasons. First, the interests of senior U.S. policymakers and working-level officials diverge. [President Barack Obama](#), Secretary of State John Kerry, [Attorney General Loretta Lynch](#), and [Treasury Secretary Jacob Lew](#) have defined anticorruption efforts as a U.S. policy priority in Nigeria; they see it as part of a global effort to combat illicit finance, poor governance, and [violent extremism](#). Yet officials serving at the U.S. Embassy in Abuja—diplomats, military liaisons, and intelligence officers—are mainly concerned with cultivating strong relationships with a wide range of elites, including those complicit in corruption. As a result, U.S. anticorruption policy remains broad-based and untargeted, centered on modest assistance programs for police investigators and civil society watchdogs.

One area where this tension occurs is visa sanctions under [Presidential Proclamation \(PP\) 7750](#). Local U.S. diplomats insist visa revocations unnecessarily antagonize their Nigerian counterparts and should be used sparingly. In 2013, an attempt to revoke the visa of a corrupt former minister was derailed by a senior embassy official who claimed that doing so would put U.S. oil companies' business dealings at risk. Little evidence supports this argument, however, given that when the United States revokes visas, the target is not made public. And at least one state governor still routinely [meets with](#) U.S. diplomats even though he [allegedly had his visa revoked](#) under PP 7750 nearly a decade ago.

Second, U.S. officials are not using existing tools—such as consular databases, local law enforcement records, or online searches to conduct basic due diligence—to identify and avoid enabling corrupt officials. As one example, the U.S. Agency for International Development (USAID) funds a [rice cultivation project](#) owned by a [former attorney general](#) whom the United States [sanctioned for corruption in 2010](#). In April 2016, the U.S. ambassador and USAID officials [visited and toured the farm with the owner](#).

Third, the anticorruption work of U.S. law enforcement agencies is under-resourced given the size and scope of corruption in Nigeria, its destructive impact on U.S. policy interests, and its role in fueling illegal financial transactions in the United States and Europe. Although the FBI's International Corruption Unit [recently tripled in size](#), its worldwide focus, heavy caseloads, and long prosecution timelines mean that it can only investigate a handful of the many potential cases involving corrupt Nigerian elites.

Fourth, as with other policy efforts, anticorruption action is hindered by interagency divides. The U.S. Department of State, Department of Justice, Department of the Treasury, and the U.S. intelligence community rarely collaborate to combat corruption in Nigeria. For example, the State Department and the intelligence community do not routinely provide tips, background information, or expert advice to Justice Department investigators working to locate and seize assets stolen by Nigerian kleptocrats. Further, frequent personnel turnover has hindered attempts by some working-level officials to improve communication and policy coordination.

## RECOMMENDATIONS

Since becoming president in May 2015, Buhari has supported the EFCC in investigating the country's most corrupt officials, leading to [140 successful prosecutions](#) in six months. Buhari has also lobbied the United States, as well as the European Union and Gulf countries, to repatriate stolen Nigerian assets. In April 2016, EFCC Chairman Ibrahim Magu visited Washington to ask for greater U.S. technical assistance, training, and information sharing. To fully realize the opportunity the Buhari presidency presents, the United States should make its anticorruption policy more effective by taking the following steps:

- *Formalize an interagency working group on Nigerian kleptocracy.* This internal discussion forum would be useful for sharing information and improving coordination between Washington and the U.S. Embassy in Abuja, as well as among policymakers, law enforcement, and the U.S. intelligence community. Better communication at the working level could facilitate stronger vetting of potentially corrupt Nigerians and discourage insulated decision-making.
- *Establish a permanent FBI special agent corruption investigator position at the U.S. Embassy in Abuja.* In doing so, Washington would send a clear signal that it is upping its anticorruption commitments and moving away from its hitherto nonconfrontational approach. Though subordinate to the [U.S. legal attaché in Abuja](#), this investigator would operate free from diplomatic interference in support of the [International Corruption Unit at FBI headquarters](#). Collaborating closely with the EFCC, this investigator would be able to provide Washington with unbiased reporting on corrupt individuals. The United States should also encourage the EFCC to field a senior liaison at the Nigerian Embassy in Washington, DC, to enhance information sharing.
- *Promulgate an executive order on Nigerian kleptocracy.* The United States should craft an executive order on Nigerian kleptocracy similar to [EO 13660](#) on Ukraine and [EO 13692](#) on Venezuela. Although it would require a months-long interagency effort, an EO would facilitate and streamline efforts to restrict financial transactions by individuals and corporate entities involved in official Nigerian corruption. It would also have a deterrent effect on Nigerians accustomed to [investing their illicitly gained wealth in U.S. real estate](#). Passage of the bipartisan [Global Magnitsky Human Rights Accountability Act](#), now under deliberation in the U.S. Congress, would likely obviate the need to develop a separate EO by imposing financial and travel sanctions on foreign government officials implicated in “acts of significant corruption.” If passed, Congress should require the State Department to use its authority under Global Magnitsky, ensuring it becomes a forceful anticorruption policy tool.

By taking these steps, the United States can combine its anticorruption policy rhetoric with measurable actions and significantly reduce illicit financial outflows from Nigeria, which [Global Financial Integrity estimates](#) exceeded \$178 billion from 2004 to 2013. Absent these steps, Nigerian kleptocrats will continue to see the United States as soft on corruption and a place to hide and spend their ill-gotten gains.

## About the Author

**Matthew T. Page** is an international affairs fellow at the Council on Foreign Relations. He is the coauthor of *Nigeria: What Everyone Needs to Know*, forthcoming from Oxford University Press in 2017. Previously with the Department of State's Bureau of Intelligence and Research, Page was one of the U.S. intelligence community's top experts on Nigeria. A former deputy national intelligence officer for Africa with the National Intelligence Council, Page wrote articles for senior policymakers on a wide range of political, military, and socioeconomic topics affecting the continent. He also served as senior analyst for West Africa at the Defense Intelligence Agency and as an Africa analyst with the U.S. Marine Corps.

Page's Nigeria analysis has received accolades including the National Intelligence Analysis Award from the Office of the Director of National Intelligence, two Superior Honor Awards from the Department of State, and the Defense Intelligence Agency's Civilian Meritorious Service Medal. He holds a BA and MA in politics, philosophy, and economics from the University of Oxford, as well as another MA in war studies from King's College London.

The Council on Foreign Relations (CFR) is an independent, nonpartisan membership organization, think tank, and publisher dedicated to being a resource for its members, government officials, business executives, journalists, educators and students, civic and religious leaders, and other interested citizens in order to help them better understand the world and the foreign policy choices facing the United States and other countries. Founded in 1921, CFR carries out its mission by maintaining a diverse membership, with special programs to promote interest and develop expertise in the next generation of foreign policy leaders; convening meetings at its headquarters in New York and in Washington, DC, and other cities where senior government officials, members of Congress, global leaders, and prominent thinkers come together with CFR members to discuss and debate major international issues; supporting a Studies Program that fosters independent research, enabling CFR scholars to produce articles, reports, and books and hold roundtables that analyze foreign policy issues and make concrete policy recommendations; publishing *Foreign Affairs*, the preeminent journal on international affairs and U.S. foreign policy; sponsoring Independent Task Forces that produce reports with both findings and policy prescriptions on the most important foreign policy topics; and providing up-to-date information and analysis about world events and American foreign policy on its website, CFR.org.

**The Council on Foreign Relations takes no institutional positions on policy issues and has no affiliation with the U.S. government. All views expressed in its publications and on its website are the sole responsibility of the author or authors.**

The Civil Society, Markets, and Democracy (CSMD) program seeks to better the understanding of the economic, political, and social dynamics shaping the twenty-first century. By examining how rule of law is implemented and enforced, how global supply chains affect politics and society, and how technological innovations drive civil society engagement, CSMD seeks to advance better economic, political, and social policies globally.

For further information about CFR or this paper, please write to the Council on Foreign Relations, 58 East 68th Street, New York, NY 10065, or call Communications at 212.434.9888. Visit CFR's website, [www.cfr.org](http://www.cfr.org).

Copyright © 2016 by the Council on Foreign Relations® Inc.  
All rights reserved.

This paper may not be reproduced in whole or in part, in any form beyond the reproduction permitted by Sections 107 and 108 of the U.S. Copyright Law Act (17 U.S.C. Sections 107 and 108) and excerpts by reviewers for the public press, without express written permission from the Council on Foreign Relations.