Nigeria's New Emerging Corruption Architecture

By

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Abstract

Corruption is rightly described as a bane of public life in Nigeria. It has provided justification for changes of government both violently and through the ballot box. Regimes have risen and regimes have fallen because of corruption. It has also been used to vilify political opponents and to score political points among the political class. Very minor improvements in the corruption ranking of the country by international rating agencies are publicly celebrated. On their part Nigerians tend to be very gullible about corruption stories. Corruption is thus very prominent in Nigeria's national life and political discourse. This paper therefore interrogates the institutional arrangements for the fight against corruption in the country against the background of the country's approach of legal instrumentalism to corruption. Special attention is focused on the silent war machines, the national identity management system, the bank verification number and the integrated payroll and personnel information system instituted by the allegedly most corrupt government the country has ever seen popularized by the present Federal Government. The paper also examined the effectiveness of these various mechanism vis-à-vis the main types of corruption in Nigeria. It addresses the question of which types of corruption these silent machines can effectively and efficiently deal with. It adopts a

simple classification scheme to distinguish among different types of corruption based on actors and sector of occurrence. Data for the paper is sourced mainly from official publications and statements as well as media publications.

Key words: corruption, corruption architecture, BVM, IPPIS, legal instrumentalism.

1. Introduction

Nigeria is widely acclaimed to be a very corrupt country and corruption is rightly described as a bane of public life in Nigeria. A chairman of the country's main anticorruption agency, the EFCC, famously declared that if Nigeria does not kill corruption, corruption will kill Nigeria. A ranking of 121 out of 180 countries, which placed the country in the 7th percentile of the least corrupt countries in 2008, was celebrated nationally by a sitting President (Idoniboye-Obu, 2015). The country's highest score on the corruption perception index published annually by Transparency International, since it became included in 1996, is 2.8 out of possible 10 recorded for 2016. Table 1 shows Nigeria's performance on Transparency International's Corruption Perception Index for the years 1996-2018. As can be seen from Table 1, in 10 out of the 23 years for which we have data the country fell into the tenth percentile. This means that it is among the top 10 percent most corrupt countries in the world. And for five and seven years respectively, it fell into the 9th and 8th percentiles. So, for 22 out of 23 years Nigeria managed to be among the top 30 percent most corrupt countries. Corruption is seen as not only pervasive but also endemic, affecting every facet of life.

Table 1: Nigeria's Performance in Corruption Perception Evaluation

YEAR	CPI SCORE	RANK	NO OF COUNTRIES	PERCENTILE
2018	2,7	144	180	8th
2017	2.7	148	180	9th
2016	2.8	136	176	8th
2015	2.6	136	167	9th
2014	2.7	136	174	8th
2013	2.5	144	175	9th
2012	2.7	139	174	8th
2011	2.4	143	182	8th
2010	2.4	134	178	8th
2009	2.5	130	180	8th
2008	2.7	121	180	7th
2007	2.2	147	179	9th
2006	2.2	142	163	9th
2005	1.9	152	159	10th
2004	1.6	144	146	10th
2003	1.4	132	133	10th
2002	1.6	101	102	10th
2001	1.0	90	91	10th
2000	1.2	90	90	10th
1999	1.6	98	99	10th
1998	1.9	81	85	10th
1997	1.76	52	52	10th
1996	0.69	54	54	10th

Source: Computed from Transparency International's Corruption Perception Index for the various the years by the author

Corruption has been advanced as a reason for regime change in Nigeria. Major Chukwuma Kaduna Nzeogwu in his broadcast to the nation that announced the January 15 1966 *coup de tat,* listed corruption among the ills that the military struck to tackle. According to the radio broadcast that announced the coup, "The aim of the Revolutionary Council is to establish a strong united and prosperous nation, **free from corruption** and internal strife" (cited in Nzeribe, 2017, p. 5). The December 1983 coup also advanced corruption as one of the reasons for the overthrow of the democratically elected government of late Alhaji Shehu Shagari. According then Brig. Sani Abacha, all Nigerians were "living witnesses to the grave economic predicament and uncertainty which an inept and **corrupt leadership** has imposed on our beloved nation for the past four years"(cited in Oke & Ariyo, 2018, p. 474). Military regimes have also been overthrown for corruption as was the case with the General Yakubu Gowon regime. More recently, General Buhari's campaign for the presidency in the 2015 presidential election was hinged on the alleged massive corruption of the Goodluck Jonathan administration. The current APC Federal Government was elected on the wings of that anticorruption campaign and anticorruption remains one of its three-point agenda.

There are many anticorruption agencies in Nigeria but two are major. These are the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC). Both agencies have attracted much scholarly and media attention as anticorruption watchdogs. Literatures on the ICPC and the EFCC include the following: Obuah (2010b), Okpaga (2012), Nwagwu (2011), Okogbule (2006), Owolade (2012), Raimi, Suara, & Fadipe (2013), Arowolo (2006), (Obuah, 2010a), (Inokoba & Ibegu, 2011), and (Nwoba & Monday, 2018). But they are not the only anticorruption mechanisms, institutions, or structures. There are a set of more silent and recent structures which are of a more foundational character in the fight against corruption. These more recent and silent institutions include the Biometric Verification Number (BVN) which enable

banks to know their customers and the Integrated Payroll Personnel Information System (IPPIS) which enables government ministries, departments, and agencies to track their employees' identity and employment status. Between them, these two institutions have enhanced the effectiveness of the EFCC as an anti-financial crime agency. The third institution is the National Identification Number being managed by the National Identity Management System

The remainder of the paper is organized into five sections including the conclusion. Section 2 deals with Nigeria's concept of corruption, section 3 with the concept of corruption architecture, section 4 with the foundational anticorruption mechanisms, and section 5 with the key challenges of our foundational mechanisms. The paper ends with a short conclusion.

2. A Nigerian concept of corruption

We begin this section with the question: "Is there a Nigerian concept of corruption?" There are two basic perspectives from which this question may be addressed. First, one can comb the literature on corruption to determine whether there has emerged a peculiarly Nigerian formulation of the concept of corruption. The second approach is to examine extant anticorruption legislations for such a concept. For the mainly scholarly community, the first approach may be preferred but for agencies charged with curbing, eradicating, or preventing corruption, the second is the more objective and measurable approach. A possible third approach could be to find out from Nigerians what corruption means to them and to formalize (distil) a concept from such an exercise. However, such a concept can easily form a part of scholarly definitions of corruption. Relatedly, certain agencies researching corruption in Nigeria such as the Independent Advocacy Group and Transparency International, and others involved with governance and development, such as the World Bank and the International Monetary Fund as well as the United Nations, the African Union and the European Union have tended to operationalize corruption as bribery, one of the forms in which it is most commonly expressed. While

bribery is one of the main patterns of corruption, it is very far from being a synonym for corruption. Therefore, and consequent upon the focus of this paper on corruption architecture, we will highlight the operational concept as contained in our laws. Moreover, Nigeria's basic approach to corruption is the "tradition of legal instrumentalism" (Ocheje, 2001, p. 174). This approach puts "uncritical faith in legal instrumentalism' without paying 'attention to the wider context of corruption" (Ocheje, 2001, p. 195). It criminalizes corruption without interrogating why people engage in it and live it. In other words, right from the twilight of colonialism, Nigerian governments have treated corruption as a problem of law and virtually completely ignored its social, political, economic and cultural contexts.

The fundamental or organic law of Nigeria is the 1999 Constitution of the Federal Republic of Nigeria as amended. So though not the oldest, we begin our examination of the existence or otherwise of a Nigerian concept with this Constitution. The 1999 Constitution provides in §15(5) that the "State shall abolish all corrupt practices and abuse of power". The term corruption itself appears six times in the Constitution, four times in the main body – §88(2)(b), §128(2)(b), §161(d), and §205(d); and twice in the Fifth Schedule which deals with code of conduct for public officers – section §18(2)(c) and §19. §88(2)(b) and §128(2)(b) deal with the same subject matter but with respect to two different agencies – the National Assembly and the House of Assembly of a state – and are stated in the same terms, to wit: "expose corruption, inefficiency or waste in the execution or administration of laws within its legislative competence and in the disbursement or administration of funds appropriated by it". 'It' in the foregoing quotation refers to the legislative body concerned. In §161(d) and §205(d), the Constitution mentions 'corruption' as one of the meanings of 'misconduct'. However, corruption itself is not defined. §18(2)(c) of the Code of Conduct for Public Officers deals with the punishments the Code of Conduct Tribunal may mete out to corrupt public officers and provides for the "seizure and forfeiture to the State of any property acquired in abuse or corruption of office". All one can infer from the constitutional provisions on corruption

is that it is an unacceptable conduct which it is the responsibility of the state to abolish and punish. The Constitution also vests in the respective legislatures at the federal and state levels, the responsibility to "expose corruption", thus assigning a primacy of place to law makers in the fight against corruption. However, corruption is not deemed worthy of interpretation, rather it is used to define misconduct.

In addition to the Constitution, there are specific legislations on corruption. These include the Criminal Code Act 1990, the Penal Code Act 1959, the EFCC Act 2004, the ICPC Act 2000, and the Money Laundering (Prohibition) Act 2011 among others. The Criminal Code Act views corruption as abuse of office for personal gain. It regards corruption as a felony, a crime; essentially the crime of soliciting and receiving or giving bribe in order to perform an official assignment. The closest the Criminal Code Act 1990 gets to defining official corruption is to describe it as bribe in §98(A). However, bribe may be in different forms. The Criminal Code also makes it an offence to offer or give bribe.

The Penal Code Act holds a similar view but is more lenient towards the corrupt than the Criminal Code Act. Thus,

> Section 289 of the Penal Code provides that a public official who accepts or agrees to accept or attempt to obtain any gratification from any person in order to do or not to do an official act, favour or disfavour any person in the discharge of his/her official functions shall be punished with imprisonment of up to three years and thirty lashes in contrast to the Criminal Code Act which prescribes a term of imprisonment of seven years for the same offence (Idoniboye-Obu, 2015, p. 268).

The difference in the severity of punishment for the same offence is a node for corruption in policing and prosecution. The investigating police officer (IPO), has discretion to decide under which law to charge and prosecute a

suspect because of the existence of different laws dealing with the same offence and this creates opportunity for police corruption. Therefore, in places where the Penal Code is in operation as in the Northern States of Nigeria, the offender can get away with a much lighter penalty than obtains in the Southern States where the Criminal Code applies.

The summary of the foregoing discussion is that Nigeria views corruption essentially as bribery. While this makes corruption largely measurable, it focuses attention on a rather too narrow aspect of the phenomenon. The scope of operation of the EFCC has not helped much in expanding the application of the concept of corruption beyond 'money matters' – financial corruption including funds diversion, embezzlement, misappropriation, money laundering, and such like. While the focus on money in the war against corruption is understandable because it the main developmental resource, the underlying value systems and social structures that give rise to such conduct is left unscathed. The length of time it takes for corruption litigations to be concluded and the low rate of successful prosecutions or convictions also mean that the expansion in the scope of activities captured under the rubric of corruption do not easily add to the measurability of corruption. Moreover, the EFCC's approach is completely framed by the same tradition of legal instrumentalism and no attention is paid to dealing with foundational structures that give rise to, condone, and actively promote corruption.

3. The concept of corruption architecture[1]

The Merriam-Webster Dictionary defines architecture as "the art or science of building; specifically: the art or practice of designing and building structures and especially habitable ones".

[1] To the architect, what social scientists refer to as architecture is more formally referred to as architectural design, architecture being the discipline dealing with the science and art of building.

With reference to computing, architecture refers to "the structure and organization of a computer's hardware or system software". Structure here means the design or arrangement of the various components of hardware or system software which make up a computer while organization may be interpreted as the relationships and processes by which a computer functions. Organization can properly be seen as *organizing* or setting in desired order in pursuit of a specified purpose or purposes. Thus, the Meriam-Webster Dictionary defines organization as [1] the act or process of organizing or of being organized; [2] 'association or society' – 'an administrative or functional structure (as a business or a political party)' as well as 'the personnel of such a structure". The concept of architecture when applied to political, societal and economic problems is usually taken to refer to the institutions, rules, norms and values established to deal with problems in these areas of human activity. Thus, in reference to defence and security issues, Kimathi (2015) observes as follows

> The concept of a peace and security architecture refers to structures, norms, capacities and procedures that are employed to avert conflict and war, to mediate for peace where a conflict has broken out as well as to ensure the general maintenance of peace and security in a given setting. These instruments and norms may be well set up by way of a blueprint, with clearly defined inter-relationships, or they may be in the process of growth and definition (Kimathi, 2015, p. 37).

In other words, peace and security architecture refers to the agencies and methods established by law or treaty for dealing with matters of peace and security. Following this practice, one may take the concept of corruption architecture to refer to **the institutional arrangements and mechanism established by law to either directly or incidentally fight corruption**. In other words, corruption architecture is the organizational structure for

fighting corruption. Organizational structure has been conceptualized as entailing three things:

> [1] "formal division of the organization into subunits such as product divisions, national operations, and functions", [2] "the location of decision-making responsibilities within that structure", and [3] "the establishment of integrating mechanisms to coordinate the activities of subunits including cross-functional teams and or pan-regional committees" (Udechukwu & Mujtaba, 2013, p. 234).

Unlike the conceptualization of peace and security architecture, the architectural perspective to corruption focuses on structures and institutions (as organizations) without direct reference to principles, norms, conventions, or traditions. While institutions (as organizations) must necessarily be founded on some sort of norms, principles, conventions, or traditions; and while these may inform the operations of the institutions or structures including a definition or delineation of the phenomenon they deal with, they are not included in the definition of corruption architecture. The only foundational element retained in the conceptualization of corruption architecture is law. Moreover, "in their broadest sense, institutions are simply rules," (Steinmo, 2001), of which the highest form is law. In addition, structures are determined, defined, and delineated by law. To cite Steinmo again,

> Institutions structure politics because they: 1) define who is able to participate in the particular political arena, 2) shape the various actors' political strategies, and (more controversially) 3) influence what these actors believe to be both possible and desirable (ie. their preferences) (Steinmo, 2001).

North (1990) largely agrees with Steinmo (2001) about the nature and functions of institutions. For him, "institutions are the rules …, the humanly devised constraints that shape human interaction [which] structure incentives in human exchange, whether political, social, or economic" (North, 1990, p. 3).

The exclusion of values, principles, norms, and conventions can further be justified on the ground that there is no commonly accepted universal morality. We are conscious of the very important argument that corruption is fundamentally an issue of morality (Miller, Roberts, & Spence, 2005) but any morality which has not been captured in a law stands on shifting sand, especially in Nigeria-type societies in which different moralities govern conduct in the public and private realms (Ekeh, 1975). In addition, public opinion does not have the kind of weight or influence which it enjoys in Western democratic societies in Nigeria.

We chose to define corruption architecture so narrowly to exclude norms because of the absence of a common moral definition of corruption. Moreover, Nigeria conceives of corruption as a crime and a legal problem, rather than as a political problem although the fight against it is often perceived and characterized as political, especially by those being investigated and or prosecuted. Internationally also, corruption is criminalized and is fought through laws expressed in multilateral and bilateral treaties and conventions, which once domesticated through ratification, have the same force as municipal or national legislations. Thus, while it is generally agreed that political will has much to do with any fight against corruption, that battle is waged mainly in the courtrooms. There is also no express reference to capacities in our conceptualization of corruption architecture because the failure of anticorruption agencies in the country are more often attributed to lack of the political will to prosecute suspected cases of corruption and political interference in the running of

the anticorruption agencies rather than to the lack of the skills, competences, and abilities required for the performance of their duties.

Those institutions which directly fight against corruption are commonly and popularly known as anticorruption agencies. The key such institutions in Nigeria are the ICPC and the EFCC. These agencies were established specifically and directly to combat corruption. Then there is the judiciary and the Nigeria Police Force which functions include anticorruption activities. Also, to be included in this list are some international institutions of which Nigeria is a member. These include the African Union through the NEPAD Action Plan and the AU Convention on Preventing and Combatting Corruption AUCPCC); the United Nations Organization through the United Nations Office for Drug Control and the UN Convention Against Corruption; and the International Police Organization. These institutions are established by international treaties and conventions which are equivalent to the municipal laws that the domestic anticorruption agencies. "These instruments set binding standards on member states for the prevention and criminalization of corrupt activity" (Bureau of International Narcotics and Law Enforcement Affairs, 2015, p. 6) and therefore constitute part of the corruption architecture of nations which have ratified them.

Corruption architectures are critical to the fight against corruption. This is because "corruption flourishes and eventually becomes endemic in polities with poorly-developed, non-viable, and weak institutional arrangements" (Mbaku, 2010). Udechukwu and Mujtaba (2013) observe that in Nigeria, the relationship among the three branches of government is marked by the absence of a common purpose as well as of "integrating mechanisms to coordinate the activities of subunits including cross-functional teams" and hold that "this provides unexpected opportunities and loopholes for informal entities to legitimize informal rules and agreements with the political system through its electorate in that particular environment". They

argue further that this lack of common purpose and integrating mechanisms provides opportunities for corruption. In their words

> In the absence of effective structures borne from formal institutions, and uncoordinated with a national interested purpose, corruption then morphs from being perceived as a criminal behaviour to becoming an acceptable cultural ideal and belief system (Udechukwu & Mujtaba, 2013, p. 234).

The elements of corruption architecture therefore are the laws governing corrupt practices and the agencies charged with ensuring compliance to such laws. But as the principles governing architectural designs are not ordinarily visible, so the focus of the architectural approach to corruption is on the institutions, organizations, systems, and processes established to prevent corrupt practices from occurring and uncovering them for punishment where they have occurred. It is to these elements that the next section speaks.

4. The institutional mechanisms for the fight against corruption

There are many institutions of government involved in the fight against corruption. This section of the paper discusses the new major emerging agencies which are being used, or can be used, to prosecute the fight against corruption. Left out of this discussion are the EFCC, the ICPC, and the Nigeria Police Service which constitute the major extant anti-corruption agencies. This is partly because much literature exist on these institutions (Malgwi, 2005; Nwagwu, 2011; Okogbule, 2006; Owolade, 2012; Sowunmi, Adesola, & Salako, 2010) but more importantly because this paper is focused on new emerging institutions. The analysis of the various institutions is preceded by a brief examination of the institutional theory which frames the discussion.

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4.1 National Identity Management System

The National Identity Management System was not designed with a view to fighting corruption in mind but, it has the potential to become a highly potent mechanism in the detection, prevention, and investigation of different patterns of corruption, especially financial corruption. It also has a potential to enhance the planning process by ensuring the reliability and validity of data, especially population statistics in the design and implementation of social services. This is because by its nature, a national identity management system can be used for "across network identity management" (Ibrahim & Abubakar, 2016, p. 1).

The National Identity Management System is managed by the National Identity Management Commission (NIMC). The NIMC is assigned several very important functions as set out in §5 of its establishment Act. These include §5(a, b, c, j, & k).

> (a) create, manage, maintain and operate the National Identity Database established under section 14 of this Act including the harmonization and integration of existing identification databases in government agencies and integrating them into the National identity database;
>
> (b) carry out the registration of citizens of Nigeria into the National Identity Database;
>
> (c) carry out the registration of non-citizens of Nigeria who are lawfully resident In Nigeria;
>
> (j) collaborate with relevant bodies and agencies in setting of standards and technical specifications for telecommunications links between organizations and for the devices utilized 'for such communications established or maintained pursuant to paragraphs (j) and (k) of this section;
>
> (k) respond to verification enquiries regarding the identification of individuals ;

> (l) perform such other duties which, in the opinion of the Commission, are necessary or expedient for the discharge of its functions under this Act;

Diligent performance of the above functions will make investigation of proceeds of corruption easier given that the MINC can collaborate with other government and private sector agencies concerned with personal information, including financial information. In order to perform the foregoing functions, the NIMC is empowered to "request for any information on data from any person on matters relating to its functions under this Act" and to "monitor any matter that may affect the functions of the Commission" by §6, §6(a) and §6(d) respectively. The scope of its functions being wide ranging, it has the potential to be a clearing house for identity information on persons and transactions. The power to respond to request for information coupled with the Freedom of Information Act creates a potential avenue for the exercise of people power in the fight against corruption.

However, its effectiveness as part of the corruption architecture depends to a large extent on the attitude of the government, the political elite, and the citizenry towards it on the one hand; and the integrity of the data capturing process as well as that of data storage on the other hand. The attitude of the government can be determined from the amount of support the NIMC receives in terms of the funding and the degree of autonomy it is given. About funding, the Commission has received steady support from the Federal Government since its establishment in 2007. Federal Government grants to the Commission from its inception to 2014 are shown in Table 1. It can be seen from the table that the grants increased steadily from N230 million in 2007 to N12 billion in 2013. However, there was a slight drop of 4.2 percent in 2009 and a sharp drop of over 35 percent from N12billion in 2013 to N7.76billion 2014.

Table1 Federal Government Grants to NIMC, 2007-2014

YEAR	AMOUNT (NAIRA)
2015*	917,441,917.55
2014	7,762,341,907.00
2013	12,000,456,169.00
2012	11,779,617,799.00
2011	5,391,822,672.00
2010	5,188,285,300.00
2009	3,108,154,146.00
2008	3,244,232,001.00
2007	230,000,000.pp

Source: NIMC, Annual Reports, 2007, 2013, & 2014.

But the funding support is not matched by political elite attitude support. For example, the current first family of Nigeria did not register for the national identity management system until they became the first family. Thus the wife of the President, Her Excellency, Mrs Aisha Buhari enrolled for the National Identification Number only on February 16, 2016, nine months into the life of her husband's administration (NIMC, 2017a). The President, Muhammadu Buhari, himself, only enrolled for his National Identification Number at the NIN enrolment centre in the Aso Rock Villa on Tuesday 25th August 2015 (NIMC, 2017b). Registration with the agency has also been optional with so many other forms of identification such as driver's license, international passport, and permanent voter's card being used as alternative forms of identification. There is need to make the National Identity Card issued by the NIMC the primary means of identification and a requirement for issuance of every other form of identification.

4.2 The Integrated Payroll and Personnel Information System (IPPIS)[2]

According to its authors, IPPIS

> [Is] an Information Communications Technology (ICT) project initiated by the Federal Government of Nigeria (FGN) to improve the effectiveness and efficiency of payroll administration for its Ministries, Departments and Agencies (MDAs).
>
> IPPIS is an Oracle HCM solution that enables the end to end management of all staff personnel and payroll management system (Integrated Payroll and Personnel Information, 2015a).

It is a human capital management information communication technology program designed to "perform all gross to net calculations" using Oracle HCM. The objectives of IPPIS are

> 1) Facilitate human resources planning by providing information for decision making; 2) Provide a platform for accurate budgeting and annual recurrent expenditure on staff emoluments; 3) Monitor monthly payment of staff emoluments against FGN's annual budget to ensure minimal wastage and leakage; 4) Eliminate payroll fraud such as multiple payment of emoluments to single employee or payment of monthly salary to a non-existent employee; 5) Facilitate easy storage, updating, and retrieval of personnel records; 6) Ensure database integrity so that once entered cannot be manipulated by unauthorized users; and 7) Enhance confidence in the process of determining staff emolument cost (Integrated Payroll and Personnel Information, 2015a).

[2] Except otherwise stated, most of the information on IPPIS comes from the IPPIS website

The Integrated Payroll and Personnel Information System is housed in a Department in the Office of the Accountant-General of the Federation. It is headed by a Director who reports to the Accountant-General of the Federation. Its functions include timely and accurate payment of salaries and wages of Government employees directly into their bank account

> with appropriate deductions and remittances of 3rd party payments such as: Federal Inland Revenue Service, State Boards of Internal Revenue, National Health Insurance Scheme, National Housing Fund, Pension Fund Administrator, Cooperative Societies, Trade Unions/Association Dues Bank Loans (Integrated Payroll and Personnel Information, 2015b).

It performs its functions in collaboration with "the Budget Office, Office of the Head of Service, Civil Service Commission and MDAs that are enrolled on IPPIS".

The IPPIS Department is divided into four units for the effective performance of its assignment. These are the Information Communication (ICT) Unit, Administrative Unit, Audit Monitoring and Investigation Unit, and Third Party and Other Payment Unit. This ICT unit is responsible for managing the IPPIS Application system; maintaining the IPPIS hardware infrastructure; managing connectivity among IPPIS data centres; installing and configuring IPPIS application systems; and payroll administration. It is essentially the executor of the IPPIS system inputting personal and personnel information on employees of the agencies enrolled in the system. The Administrative Unit, among other functions, manages all correspondence, coordinates enrollment of new staff into IPPIS, prepares IPPIS briefs, budget, and reports; coordinates staff welfare and training as well as verification exercises and relations with client agencies. The AMI Unit audits IPPIS transactions, reconciles budget payment, compiles monthly payout report, and verifies and compiles arrears. Finally, the Third Party and Other Payment Unit manages payment of pension matters, PAYE

and union deductions, processes arrears repayment, and laisses CBN, NIBSS & Funds Dept.

What is the place of the IPPIS in the fight against corruption? The aim of introducing IPPIS is to so manage human resources as "to eliminate fraud in the Nigerian public service" including "payroll fraud such as multiple payment of emoluments to single employee or payment of monthly salary to a non-existent employee" (Integrated Payroll and Personnel Information, 2015a). By design, it deals with bureaucratic corruption in the main but also with political corruption to some extent. At the federal level much credit has been claimed for the system in checking and exposing payroll fraud and thereby saving much needed resources. According to Maliki and Jimoh (2016), "payroll fraud has continued to drain incredible sums of money from the Nigerian civil service". Maliki and Jimoh argue that IPPIS is one of the steps taken to check the phenomenon of ghost workers.

There is as yet no way to certify the amount recovered through IPPIS via the biometric verification of public sector employees at the federal and state levels in Nigeria but the reports published by the media is indicative of the magnitude of the problem. Citing a few of the headlines in the Nigerian press will suffice for purposes of illustration.

Its successes in the exposure of payroll and payroll related fraud notwithstanding, IPPIS was opposed by the intelligentsia and organized labour. For example, ASUU opposed it on the ground that it encroaches on university autonomy. According to the Union, "the integrated payment system did not take into consideration the peculiarities of the work of academic staff and negated the principle of autonomy which ASUU won since 1992". The Union argued further that "academic staff were employed by their respective university councils which managed the resources and took care of the welfare of its staff; and not centrally by the NUC".

4.3 Bank Verification Number (BVN)

The introduction of BVN by the Central Bank of Nigeria has been followed with wails and applauses. On the negative side, the manner of its introduction has been decried. Thus, Alawiye-Adams and Awoyemi (2014, p. 5), see it as a "new approach to the wave of oppression and maladministration of the cash-less" policy in Nigeria. The motives for its instruction is also perceived to be impure. In their words,

> BVN have been introduced in the civilised world with an intension to invade the privacy of the banking public. As soon as any bank customer commit himself or herself to the BVN biometric registration, every detail of his or her life and financial details in all banks plus … business details are revealed through*(sic)* the entire banking system to the worldwide(sic) hence, no more secret. A dishonest government and financial system, like we have in Nigeria will take the Nigerian public for granted and impose any policy and penal charges on their account without their consents or agreement rather than educate and create awareness on its policies and programme. This obviously is fraudulent and part of the game of corruption in the Nigerian landscape (Alawiye-Adams & Awoyemi, 2014, p. 5).

But what is BVN and why was it introduced? BVN is "a centralized biometric identification system for the banking industry" involving the issuance of a "unique identifier" to every bank customer operating an account with a Nigerian bank. The purpose of introducing the BVN is to enable banks know their customers under what the CBN calls "Know Your Customer" (KYC) principle. According to the CBN, it is to protect bank customers and their accounts from identity theft and fraud and strengthen the banking industry by enabling banks to identify blacklisted customers. And, by linking all of the bank accounts to which one is a signatory, the BVN, in the effort to check payroll fraud through IPPIS, makes the exposure

of such practices easier. It is the BVN that tells how many salaries are entering into an account and thereby provide evidence of payroll fraud. So contrary to the fears of Alawiye-Adams and Awoyemi, Mr Olaniyi Adekeye, a financial analyst, argues that

> The truth is that ordinary identity cards are no longer enough to properly identify an individual and differentiate between genuine customers and fraudsters, seeing that fake identity cards are easily obtainable. So even if someone is in possession of your vital documents, that wouldn't still be sufficient enough to use against you, steal from you or commit fraud in your name, because of the fingerprint factor on your BVN card (Awodipe, 2016).

Mr Adekeye is also of the view that the problems people encountered over the registration for BVN stemmed from the inefficiencies of the banks and their inability to understand the process at the beginning and are not inherent in the policy (Awodipe, 2016). Another challenge facing BVN as captured in the criticism of Alawiye-Adam and Awoyemi (Alawiye-Adams & Awoyemi, 2014) is the lack of trust in the government and financial institutions by the people. There are also many challenges with the manner of implementation of the BVN based biometric verification of genuine workers by the various governments in the country but no change is painless. Compensating for such pains as delayed salary payments will be the elimination of payroll fraud. In addition to inhibiting public sector payroll fraud and other financial crimes by the fear of exposure, the BVN also has the capacity to not only trace the movement of money, especially bank transfers among customers, but also the deposit of physical cash.

The pains of registration for BVN and the biometric exercises based on it notwithstanding, different security agencies have attributed their successes in tracing financial frauds and bribe payments to it. Thus, in respect to the

arrest of Federal High and Supreme Court justices, the Department of State Security claimed that

> But you see under the Bank Verification Number, you must put in your passports, name, signature and others. So, for some of the judges, who used fake names and their wives names to open the accounts into which they paid in the proceeds of crime, they foolishly appended their signatures or used their pictures, something that gave them out (Daniel, 2016).

The discovery of payroll fraud across the country is also largely due to the BVN. Under the biometric exercises undertaken by the Federal Government and several of the state governments in the wake of the economic crunch arising from the collapse of oil prices and shortfall in production due to disruption by militants, the BVN was the main mechanism that exposed the payroll fraudsters. Thus when in February 2016 the Federal Government announced the "removal of 23,846 ghost workers" from its payroll, the decision was based on BVN generated data. According to the Minister of Finance,

> the ghost workers were uncovered in payrolls of various MDAs during the ongoing bank verification number (BVN)-based staff audit and enrolment to the Integrated Payroll and Personnel Information System (IPPIS) (Press Release, 2016).

Similarly, the uncovering of over six thousand ghost workers by the Bauchi State Government and about 43,000 ghost security personnel on the payroll of the Federal Government was attributed to BVN.

5. Key Challenges & Issues

The NIMS, the IPPIS, and the BVN all have great potentials for combatting corruption. They can be used to prevent corruption by raising red flags and they can also be used to fight corruption where it has already occurred as trackers. NIMS does not only issue identification to citizens and foreign residents; it also has authority to call for personal information about any person resident in Nigeria irrespective of who collected such information or the original purpose for which it was collected. The key challenge here is that for long (until September 2018) the agency did not have the power to make registration compulsory. An additional challenge is its lack of capacity to fast-track the issuance of identity cards. A situation where people wait endlessly for their identity card besides the indignities suffered at the various registration centres, kills the enthusiasm of citizens to register for and obtain a national identity card.

IPPIS faces challenges arising from the nature of Nigerian politics and society and from its implementation. Its implementation at the state level is generally outsourced and political changes seem to affect its integrity, efficiency, and effectiveness. A major internal challenge to IPPIS therefore comes from politicians, especially the state governors. A situation where contractors control the databases created at government expense is not acceptable. So contract terms need to be properly negotiated to advantage the government. The contracts should not also be tied to the life of the government that entered into it but to performance. Related to the political factor is the level of development of information and communications technology in the country. According to Enakirerhi and Temile (2017, p. 3495) challenges of IPPIS include "lack of sufficient skills transfer to government personnel which prolong consultants stay on the project, poor state of supporting infrastructure such as low internet penetration, [and] technological barrier". The main criticism against IPPIS however, relates to its acceptability by MDAs and organized labour including ASUU and PENGASSAN (Adebowole, 2914), two very vocal and powerful unions. The opposition to IPPIS is because of the hardship some workers suffered over

delayed salary payments; a problem arising partly from poor or even fraudulent documentation by employees and managers of finance functions in the MDAs. But the resistance from stake holders has also resulted to the unintended consequence of prolonging the period of implementation of the programme (Enakirerhi & Temile, 2017). We are optimistic though that with proper enlightenment, workers and other stakeholders will ultimately support the project as it will release resources for other social services, improved conditions of service and more employment. A full implementation of the national identification programme will provide a database to help determine where the source of the suffering of workers over delayed salary payments is and thereby indicate a way forward for IPPIS in the negative perceptions it suffers.

Biometric Verification Number (BVN) was introduced by the Central Bank of Nigeria to enable banks identify the person and banking habits of their customers. The main challenge BVN faces is related to the fear expressed by bank users about identity theft through the data bases of banks. It has been suggested that BVN is susceptible to cybercrimes because of the existence of unscrupulous bank staff and fishing.

6. Conclusions & Recommendations

The most measurable form of corruption is financial corruption – bribery, embezzlement, advance fee fraud, misappropriation of funds, etc. This is perhaps because money is the most popular means of exchange as well as of reward administration. The fight against corruption has also focused on financial corruption more than any other form of corruption. There also seems to be little capacity to fight corruption in some of the other forms and sectors of society in which it occurs - political, legislative, judicial, or police corruption. In all these sectors, it is mainly economic, finance, funds and property related abuses that are focused upon by anticorruption agencies and the key tracker is financial transaction through the BVN which connects all the bank accounts of an individual. Furthermore, the lack of common

ethical standards or moral code means that responses to corrupt conduct differ widely among the ordinary Nigeria.

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