

Forensic Accounting as an Antidote to Corruption in Nigeria

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Abstract

There has been dramatic increase in financial crimes across the globe especially in developing economies. In Nigeria, the print and electronic media is replete with news of the charges brought against suspected persons accused of financial crime and charged to court by the anti-graft agencies being dismissed for lack of credible and sufficient evidence. The paper therefore aims at highlighting how forensic accounting can be employed to resolve this challenge. The paper adopted, narrative, analytical and historical approach in the interpretation and analyses of data gathered from written sources relevant to the study. The paper discovers that the engagement of forensic accounting is the most critical determinant in curbing the involvement of individuals in corruption and that the attempt to deal effectively with corruption in Nigeria must begin with institutional reforms which aim in altering the existing incentive structure. It recommends a clear and forceful demonstration of the governments political will in fighting the source of corruption via crafting of effective constitutional provisions, rules and institutions. These, it posits, will avert the futility of the variety of traditional anti-corruption techniques already in use.

Keywords: *Forensic Accounting and Financial crime*

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Background to the Study

Corruption can be variously described as the violation of established rules for personal gain and profit, a perversion from good to bad, an attempt at securing wealth or power through illegal means, private gain at public expense, as well as a misuse of public power for private benefit. It is a behavior which deviates from the formal duties of a public role, because of private gains or influence e.g. personal, close family, private clique, pecuniary or status gains. It further includes use of a reward to pervert the judgement of a person in a position of trust (bribery), the bestowal of patronage by reason of relationship rather than merit (nepotism), and illegal appropriation of public resources for personal uses (misappropriation). It confers improper benefits contrary to legal and moral norms and undermines the powers and responsibilities to improve the living conditions of the people. According to Dye, 2008, corruption is a form of behavior that departs from ethics, morality, tradition, law, and civic virtue.

The subject of corruption has been classified into different categories such as: (a) political corruption (grand) (b) bureaucratic corruption (petty) (c) electoral corruption (d) bribery (e) fraud (f) embezzlement (g) extortion and (h) nepotism / favouritism (Dike, 2005). The term fraud describes deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material fact, and collusion. It obtains an advantage, avoids an obligation, or causes loss to another party. Political corruption is similar to corruption of greed whereby leaders manipulate decisions, political institutions, rules of procedures, and government institutions. Bureaucratic corruption (corruption of need) is encountered by citizens daily at public or institutional places such as hospitals, schools, local licensing offices, police, tax offices etc. Corruption in Africa has been attributed to the post-independence development model of statism which many African countries chose as well as to the failure of African leaders to reconstruct the post-independence neo-colonial state as a tool for development. In developing countries like Nigeria, corruption is caused by a myriad of reasons which range from adopted political and cultural systems, great inequality in distribution of wealth, perception/use of political office as the primary means of amassing wealth, conflict between changing moral codes, weakness of social and governmental enforcement or monitoring mechanisms, and absence of a strong sense of national community or patriotism. Others include: obsession for materialism, ill-gotten wealth, glorification and flamboyant affluence; lack of ethical standards in government agencies and private sector organizations; poor reward system; poor priority / value system; influence of extended family system and family obligation pressures; bad rules / regulations and ineffective taxing system.

Corruption impacts negatively, on development and growth because of effects like reduced public spending on education, reduced level of investment, increased investment risk, large and hard-to-manage projects, as well as poverty and income inequalities. Corruption wastes skills because precious time is often wasted in setting up unending committees to fight it and monitor public projects. It also hinders the inflow of foreign aid while it leads to capital flight. Corruption destabilizes the political, social, and economic fabrics of a nation as it results in low quality of living, poverty, social revolution, and military takeovers. Corruption leads to

possible information distortion as books are cooked to cut corners, highly ineffective public policies, and exacerbates problems of national integration in developing countries. Corruption also destroys governmental structures, capacity and legitimacy. It undermines the effectiveness of governance, endangers democracy and erodes the social and moral fabric of a nation. It is the greatest constraint to poverty reduction.

In theory, Nigeria has virtually all the solutions to tackle corruption in the boo; but like other issues (poverty, etc.) bedeviling the nation, implementation of the laws is the 'Achilles heel' or the vulnerable point' of the country as the war against corruption operates merely at the level of symbolism. The reason is because those wagging the corruption wars are themselves corrupt. Merely instituting probe panels without effective national population reorientation to a better value is the ultimate solution to behavioral change and reduction in corruption. Thus, prosecuting all the known corrupt political heavy weights, adherence to ethical standard in decision making, fortifying the institutional checks and balances among the country's major social forces, enforcing the separation of powers within the government with tough penalties on the culprits, not granting too much discretionary powers to officers who are in position to grant favor to others, and living under the rule of law by avoiding consciously the claws of the military, are some of the policy initiatives that call for attention. Making tough rules with vigorous enforcement can deter corrupt behavior.

Corruption in African countries has been viewed as an outcome of the existence of poor rules and incentive structure which rewards opportunism. In a society where there are properly designed set of rules, individuals are offered the opportunity to pursue and maximize their private interests without trespassing on the ability of others to do the same. The lack of well-designed rules results in ineffective institutions, whereas effective institutions are important to the macroeconomic performance of nations for the enforcement of compliance and maintenance of law and order. They will also prevent interest groups from easily capturing the government and using the institutions for their own benefit at society's expense. Examples of effective governance institutions include an independent judiciary, a virtuous police force, a professional civil service or a just and vibrant Legislative Assembly. Forensic accountants are in a position to fashion institutional reforms which will effectively deal with corruption by altering existing inappropriate incentive structures to dismantle the levels of post-independence opportunism breeding corruption. Particularly, this is achievable through constitutional rules which will help in reconstructing the neo-colonial state of Nigeria. This will provide the society with laws and institutions that forestall the propensity of interest groups to subvert the machinery of state for self-enrichment at society's expense (Aka, 1999).

An Insight into Corruption Among the Political Leadership Class in Nigeria

At this point, a few of the many cases of corruption in Nigerian perpetrated by the top echelon of the political leadership class will be the focus of this discussion. As mentioned earlier, corruption by the political leadership class can be traced back to the colonial era. The culture of corruption had become entrenched in the Nigeria polity since the creation of modern public service administration in the country. According to Okonkwo (2007) in 1956, the Foster-Sutton Tribunal of Inquiry investigated the Premier of the defunct Eastern Region, Dr.

Nnamdi Azikiwe, for his involvement in the affairs of the defunct African Continental Bank (ACB). The code of conduct for government officials stipulates that a government officer shall relinquish his holdings in private business when he assumes public office, the Foster-Sutton Tribunal discovered that Azikiwe did not sever his connections to the bank when he became a Premier.

Again, Foster Sutton Tribunal of Inquiry (1956) reports avers that Azikiwe, his family, and the Zik Group of Companies were the principal shareholders of the African Continental Bank. As indicated in the report of the tribunal of inquiry, the bank loaned over 163,000 Euros to the Zik Group of Companies at a lower interest rate and over an extended period, which meant that the Zik Group of Companies did not have to repay the loans until 1971. Consequently, the African Continental Bank became a distressed bank. In 1952, the Register of Banks refused to grant a license of operation to the bank. Attempts of finding partners for the bank in Britain failed because of its level of insolvency (Okonkwo, 2007).

According to the colonial government official, “Were a UK minister is to be involved in a series of transactions, the result of which public funds were used to support an otherwise shady institution in which he was directly interested, he would be forced to leave public life” (Okonkwo, 2007). The question now is why did the colonial government not prosecute Azikiwe for his failure to observe the code of conduct for government officers? A colonial correspondence revealed that the colonial government supported the NCNC because it was seen as the only party organized on a platform of national unity. Without Azikiwe, the NCNC would collapse. The national interest of the country demanded that Azikiwe continues as the leader of the party (Okonkwo, 2007).

Again, in 1962, Chief Obafemi Awolowo, the first Premier of the Western Region, was also investigated and found guilty of corruption by the Coker Commission of Inquiry. However, by May 1962, the corporation had to exits on overdrafts amounting to over 2.5 million Euros. A loan of 6.7 million Euros was made to the Western Region government-owned National Investment and Properties Co., Ltd. For building projects out of which only 500,000 Euros was repaid. The Western Region Finance Cooperation and the Western Nigeria Development Corporation also received loans of millions of pounds. None of these loans were ever repaid. The Coker Commission of Inquiry found Chief Awolowo culpable for the ills of the Western Region Marketing Board, due to his failure to adhere to the standards of conduct, which were required of persons holding public office (Coker Commission, 1962).

According to Okadigbo (1994) it is common knowledge that the Shagari Administration that governed Nigeria between 1979 and 1983 had many of its state governor sentenced to ridiculous jail terms of a minimum of 100 years and a maximum period of 340 years by the Buhari / Idiagbon military regime that seized power from it. However, he continues that the Buhari / Idiagbon regime was short lived because it was replaced by the General Ibrahim Babangida military regime after a palace coup on August 27, 1985. The corrupt nature and financial recklessness of the Babangida regime was detailed in the Okadigbo panel report.

The 1994 Okadigbo panel report on the Reorganization and Reform of the Central Bank of Nigeria indicted former Military President, General Ibrahim Badamosi Babangida, former Head of State, Late General Sani Abacha, and former Governor of the Central Bank of Nigeria, the Late Alhaji Abdukadir Ahmed, for mismanaging about \$12.4 billion oil windfall between 1988 and 1994. A summary of the panel's report submitted to the Federal Government revealed that General Ibrahim Babangida's regime conspired with top officials of the Central Bank of Nigeria to squander the entire fortune on unproductive or dubious projects (Okadigbo Panel Report, 1994). Even after Babangida had stepped down from power in August 1993, the pillaging of the country's coffer by his successors through operations of secret accounts and other means continued.

As indicated in the Okadigbo Report, in 1988, General Babangida authorized the dedication of crude oil of 65,000 barrels per day (bdp) for the finance of special priority projects including Ajaokuta Iron and Steel, Itakpe Iron Mining, and Shiroro Hydro-electric projects. The account was also to be used for external debt pay-back and the build-up of reserves. The quantity was subsequently increased to 105,000 barrels per day and in early 1994, to 150,000 barrels per day. In addition, a Stabilization Account to receive the windfall of oil proceeds of the Gulf War and a special Account for Mining Rights and Signature Bonus were opened. Altogether, \$12.4 billion was received into these accounts from 1988 to June 1994, all of which were frittered away dubiously leaving only a balance of \$206, million as of 30th June 1994 (Executive Summary of Okadigbo Panel Report, 1994).

The Okadigbo Panel's appraisal of the operations of these accounts indicated that the use of the Dedication Account was stretched far beyond its original scope just as the utilization of the Stabilization Account completely undermined its fiscal objectives. It was further observed that the list of projects to be serviced from the Dedication and other Special Accounts did indeed contain some projects of importance to the rest of the economy, although there were many large projects of doubtful viability and many more of clearly misplaced priority. Better described, the Dedication and Special Accounts became a parallel budget for the presidency. Decisions regarding what expenditure items to finance out these dedicated accounts were the exclusive preserve of the President, depending on the pressures brought to bear on him by the sponsors of the items. The next page shows the list of some of the expenditure made from the accounts:

Table 1: Expenditure on Dedication and Special Accounts

Items	(\$ Millions)
Documentary Film on Nigeria	2.92
Purchase or TV / Video for the Presidency	18.30
Ceremonial Uniform for the Army	3.85
Staff Welfare at Dodan Barracks / Aso Rock	23.98
Travels of the First Lady Abroad	0.99
Presidents Travel Abroad	8.95
Medical (Clinic at Aso Rock)	27.25
Gifts: Liberia	1.00
Gifts: Ghana	0.50
Nigeria Embassy: London	18.12
Nigeria Embassy: Riyadh	14.99
Nigeria Embassy: Teheran	2.76
Nigeria Embassy: Niamey	3.80
Nigeria Embassy: Pakistan	3.80
Nigeria Embassy: Israel	13.07
TV Equipment for ABU	17.90
Ministry of Defence	323.32
Security	59.72
Defence Attaches	25.49
GHQ	1.04

Source: (Okadigbo Panel Report, 1994 p.148)

Overall, neither the Dedication Account nor the Stabilization Account was applied for the purpose for which it was originally designed. Thus, the Dedication Account was used for many non-priority projects and the Stabilization Account was not, in practice, used to sterilize revenues in excess of projected earnings, instead, after a short delay, the monies in the accounts were spent virtually as fast as they accumulated. In addition, the operation of such accounts was not subject to the normal budgetary processes, and therefore lacked transparency. Thus, by limiting the authorization process for its operation to the approval of the President or Head of State, which was communicated directly to the Governor of the Central Bank of Nigeria, it created considerable room for abuse of procedures, abuse of application and reduced accountability (Okadigbo Panel Report, 1994, 149-150).

Besides, the balance kept in these accounts were not included in the Federation Account, a proactive that violated the fundamental precepts of federal fiscal relations in Nigeria. By excluding these incomes from the Federation Account, the respective shares of the State and Local Governments were more or less confiscated by the Federal Government, thereby unilaterally violating the revenue allocation formula (Okadigbo Panel Report, 1994, 151).

The economic impact of the corruption perpetrated with the accounts on the country's micro-economy was enormous. The gross takings on these accounts from their inception in 1988 to June 1994 totaled \$12.4 billion, which was held totally outside the country's external reserves.

What is more, if the funds were counted as part of the external reserves and were held as such, the impact in the exchange rate in the years under review would have been so significant that the Naira would have been stronger in 1994, in relation to the dollar, than it was in 1985 when it stood at N1 to \$1.004. more so, the burden of external debt to the Paris and London clubs and the pressure on the exchange rate would have been substantially mitigated if not eliminated (Okadigbo Panel Report, 1994, 153).

The above facts and figures, therefore, calls into question the wisdom and prudence of the Nigeria political leadership class in the management of the affairs and wealth of the country. The injury the country sustained through the exceedingly harmful corruption of the Babangida and the Abacha regimes massively sets the country back on the path of socio-economic advancement and other forms of development i.e. investments in infrastructure development and social services, such as electricity, roads, education, security, healthcare, water supply, to mention but a few. Saddening enough, the Okadigbo Panel Report was kept away from the prying eyes of the Nigeria press and the public for eleven years. It is noteworthy to mention here that up till date, the Federal Government is yet to officially release the Okadigbo Panel Report nor issue a White Paper on it. This is so because the report indicted many highly placed Nigerians.

The contents of the report were only published serially by a national newspaper that got hold of it from an undisclosed source. The implication of non-release of such sensitive panel report has been grave on governance. For instance, while the document was kept secret, more terrible corrupt practices that virtually collapsed the economy and impoverished several millions of Nigerians continued unabated. In addition, it encourages leaders, whether military or civilian, to engage in the looting of public treasury and amassing wealth illegally with arrogance and impurity.

Incontrovertibly, corruption became endemic in the 1990s during the military regime of Babangida and Abacha, but a culture of impunity spread throughout the political class when democracy returned to Nigeria in 1999. In fact, corruption took over as the engine of Nigerian society and replaced the rule of law (Mallam N. Ribadu, interviews by Reuters, December 17, 2004). Obviously, this was to the disadvantage of the country. The civilian politicians, their allies in public institution and collaborators in the private sector, particularly the financial institutions were not any better in corruption ratings than former Military President, Ibrahim Babangida, and ex-Head of State, late General Sani Abacha.

A survey on the level of corruption in Nigeria carried out in 2003 by the Institute of Development Research of the Ahmadu Bello University, Zaria ranked political parties in the country third in the list of thirty most corrupt public institutions in Nigeria (Adekeye, 2003, 29). This is a sad development for Nigeria because political parties are the ideological powerhouse of civilian administration. On the contrary, political parties in Nigeria have been the main avenues for promoting corruption practices in the country through godfatherism, extortion, to mention but a few. At the 2003 Special Convention of the ruling People Democracy Party (PDP), where the presidential flag bearer was chosen, more than N1billion

bribe was allegedly shared to delegates by the Obasanjo group on the ninth floor of the Nicon Hilton Hotel, Abuja (Adekeye, 2003, 29). A corrupt ruling party undoubtedly would always produce a corrupt government; it is difficult to separate the legislators and the executives at the federal, state, and local councils from the cardinal ideology of their political parties.

If corruption in the 1990s was endemic, corruption since the return of democracy in 1999 has been legendary. Throughout the eight years' presidency of President Olusegun Obasanjo, he was fully in-charge of the petroleum ministry, where high level corrupt practices took place with impunity. The over \$400 million invested on the Turn – Around Maintenance (TAM) and repairs of the refineries failed to yield any positive result, and the contractors awarded the contracts were never brought to book (Adekeye, 2003, 30). Records have also shown that the Nigerian National Petroleum Corporation (NNPC) is at the center of major corrupt practices in the industry with regards to the operation of its finances, especially in respect of actual revenue realized from the sale of crude oil, and other petroleum resources, such as natural gas.

Furthermore, the report by the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) indicated the 445,000 barrels of crude oil sold by the NNPC between January and July 2002 was not accounted for in its financial report. The report further indicated that within the seven-month period, there was a shortfall of N302 billion as undeclared revenue. The request by Haman Tukur, chairman of RMAFC, to the Presidency to compel Jackson Gaius-Obaseki, former Group Managing Director of NNPC, to refund the remaining money into government's coffer was never heeded. More so, the joint panel of the National Assembly set up to probe the matter was also hindered by the Presidency and top hierarchy officials of the People Democracy Party on the ground that the probe would send negative signals abroad about corruption in Nigeria, particularly because the Presidency directly oversees the petroleum ministry (Adekeye, 2003, 30-31 & Shettima, 2009).

Again, during the first four years of the Olusegun Obasanjo Administration, federal ministers allegedly stole more than N23 billion from the public coffers, an audit report released by Vincent Azie, Acting Auditor-General of the Federation, showed that the amount represented financial frauds ranging from embezzlement, payments for jobs not done, over-invoicing, double-debiting, inflation of contract figures to release of money without the consent of the approving authority in ten major ministries. (Adekeye, 2003, 30-31 & Shettima, 2009).

Rather than cautioning the ministers whose ministries were named in the fraud or invite the independent Corrupt Practices Commission (ICPC) to further investigate the veracity of the alleged fraud, Vincent Azie was hastily retired by the presidency for procedural offences (Adekeye, 2003, 31 & Haruna, 2009). What a country whose political leaders have opted to loot the public treasury with arrogance and impunity.

The National Identity Card scandal is another case of high-profile corruption perpetrated by the top echelon of the nation's political leadership class. In 2001, the administration of Olusegun Obasanjo awarded the \$214 million National Identity Card project to SAGEM S.A., a French company, under controversial circumstance because the Nigeria Security

Printing and Minting Company (NSPMC), which bid for the same contract at a lower rate, was not obliged. It was alleged that seven prominent public servants collaborated with SAGEM S.A. to scuttle the \$214 million project. Records of the investigation into the matter indicted Hussaini Akwanga, who until December 4, 2003 was Nigeria's Minister for Labour and Productivity, Chief Sunday Michael Afolabi and Mahmud Shata, former Minister of Internal Affairs and Minister of State in the same Ministry of Internal Affairs, Okwesilieze Nwodo, former Governor of Enugu State and erstwhile secretary of the ruling People Democratic Party, Niyi Adelagun, a business partner of SAGEM S.A. in Nigeria and Jean-Pierre Delarue, the Regional Area manager, Identification System of SAGEM S.A. It is now in the pages of history books that huge sum released for the project that was not fully executed was divided among the suspected culprits (Asaju, 2003, 38-41)

Anti-Corruption Strategies

Two major anti-graft institutions, the Independent Corrupt Practices (And Other Related Offences) Commission (ICPC) and the Economic and Financial Crimes Commission (EFCC) in 2000 and 2003 respectively were established by the federal government to fight against corruption and waste in the public service. Owing to the declaration of zero tolerance for corruption, the following anti-corruption strategies were adopted: Promulgation of laws against graft – Independence Corrupt Practices And (Other Related Offences) Commission (ICPC) Act, Economic and Financial Crimes Commission (EFCC) Act, Money Laundering (Prohibition) Act 2004, Strengthening of anti-corruption and other economic crimes institutions for effective law enforcement; Prosecution and conviction of high ranking administration officials; Tracing, seizing and confiscation of all proceeds of crime; Institution of the due process mechanism in public sector procurements; Privatization of failing public institutions and creating an enabling environment for effective private-public partnerships; Monthly publication of distributable revenue from the Federation Account to the different tiers of government; and institution of transparencies in the oil and gas sector through the work of the Extractive Industries Transparency Initiative (NEITI)

EFCC has been involved in the investigation of cases ranging from high profile corruption cases, advanced fee fraud, money laundering, tax evasion, contract scams, identity theft, illegal oil bunkering, bribery, looting, and foreign exchange malpractices. Bank failures which were rampant in the past have now become a thing of the past due to the EFCC's sanitization efforts on the banking sector through investigation and prosecution of Chief Executives and other officials for Money Laundering and other frauds. Key agencies and institution of the Nigerian Government (e.g. Nigeria Police, the Customs and the National Drug Law Enforcement Agency (NDLEA) have been cleaned up and reorganized. It has caused the prosecution/removal from office of top government functionaries such as the former chief law enforcement officer of the nation, a president of Senate, a governor, ministers, and parliamentarians. Also, it has recorded thirty convictions on corruption (advance fee fraud known as '419'), money laundering, identity theft, terrorism, oil pipeline vandalisms and the likes as assets worth well over \$5 billion have been frozen and seized from corrupt officials, their agent and cronies. Examples include the \$242 million case involving a Brazilian bank, the sum of \$4 million returned to a victim of 419 in Hong Kong, over \$500,000 seized and

returned to sundry US citizens and \$1.6 million returned to a victim in Florida (Ribadu, 2006).

Other accomplishments of the EFCC include: the setting up of the Financial Intelligence Unit to fight against money laundering, terrorism and terrorist; maintenance of a database of terrorist groups, individuals, non-governmental organizations (NGOs), etc, for a constant weather-look monitoring; setting up machinery for monitoring activities in the Oil Industry and prevention of the nagging illegal bunkering problem; partnership with Microsoft against internet scam and identity theft; capacity building (e.g. state-of-the art training) for law enforcement and judicial officials; and maintenance of an excellent working relationship with major Law Enforcement Agencies all over the world. In all, there has been improvement in the country's rating by Transparency International (TI) as well as improvement in Direct Foreign Investment (DFI) inflows. In addition, the 2005 World Economic Forum and World Bank Governance Surveys by Dr. Danny Kaufman indicated significant improvements on Corruption, Public Procurement, Public Finances, Taxation, etc. in the country (Aforensic, 2007).

The Subject of Forensic Accounting

Forensic Accounting is the bridge that connects accounting system to legal system. Forensic accounting aims to provide accounting or financial information for legal purposes. To achieve this aim, the forensic accountant is required to not only possess accounting expertise but also law skills, investigative techniques, interpersonal and communication skills. Forensic accounting is equally known as fraud auditing or investigative audit. The forensic accounting approach initially developed in United States by Franklin Wilson in the 1930s as a strategy for fraud prevention/ detection and it has vastly grown since the Enron scandal blew open in year 2000. The post-Enron scandal publicized the awareness that conventional audits and accounting practice are not sufficient safeguards, the consequence of which was the promulgation of the Sarbanes-Oxley Act 2002 by the US Congress. Forensic accounting utilizes the process of rigorous investigation which aims to collect and analyze evidence as litigation support. The investigative process involves steps such as assessment, goal setting, planning, investigation, analysis and presentation on trial. The ultimate goal of investigation is to build inference which stand as beyond-reasonable-doubt arguments useful in court. The analytical procedure in forensic accounting compares financial data with financial ratios as well as with non-financial data to establish correlation or deviation.

The discipline of forensic accounting has forensic accounting software tools (examples are: BAMS, FINDER, LEXDOC) which can be used in investigative activities to help unravel any possibility of corruption (Aforensic, 2007). Forensic accounting applies financial skills and investigative mentality to unresolved issues within the context of the rules of evidence. It integrates financial expertise, fraud knowledge, a sound knowledge/understanding of business reality and the working of the legal system. According to Houch, Kranacher, Morris, Riley Robertson and Wells (2006), forensic accounting is the intersection between accounting and investigation, and the law which may involve the application of special skills in accounting, auditing, finance, quantitative methods, the law, and research. It also

encompasses occupational fraud, corruption and abuse, financial statement fraud, money laundering, transnational crimes and civil litigation matters. It has developed over the years primarily through on-the-job training as well as experience with investigating and legal officers (Ibrahim and Abdullahi, 2007).

Forensic Accounting as the Way Out

Thanks to Wilson's dynamic analysis of Capone's financial records, the notorious Al Capone was indicted for income tax evasion, owing government \$215,080.48 from illegal gambling profits. Capone was found guilty and sentenced to 10 years in Federal prison. Some noble criminal cases that relied on forensic accounting for investigation and prosecution included: Charles Ponzi, known as one of the America's most famous financial criminals, whose illegal investment scheme made over \$420,000 by 1920 and officially placed him in history as the namesake of the Ponzi scheme.

In 2008, Bernie Madoff's fraud was the largest fraud and largest-running Ponzi scheme. Madoff was a former chairman of NASDAQ but will always be remembered as the man who swindled 64.8 billion dollars from innocent personal investors, many of whom lost everything they had. Forensic auditing brought him down and sentenced him to 150 years in prison. Again, Tyco International in a case of extreme greed, in 2002, the Tyco International scandal involved the CEO and CFO stealing 150 million dollars and inflating the company's income by \$500 million. EFCC and ICPC in Nigeria should borrow a leaf from America's use of Forensic Accounting in tracking down many corrupt leaders and other swindlers in our country.

Forensic accountants provide a very effective antidote to corruption because the major rationale that underlies the thinking of people who commit financial crimes is that they can get away with it. Further, the greatest prevention to criminal behavior is law enforcement. If the consequences of corruption exceed the benefits, perpetrators will restrain from the act. Also, weak law enforcement in corrupt countries has been known to be caused by weak litigation support in the prosecution process. Corruption, usually, is a crime committed by conspiracy via complex accounting records manipulation. Prosecutors will usually need the full support of accounting experts in order to get corruptors imprisoned with proofs/strong evidence.

Forensic accountants can provide the needed performance-based oversight and accountability which can serve as an important antidote to government corruption, inefficiency, and waste. They are equipped to strengthen the governance capacity of weak nations as a good strategy in supporting and improving accountability, transparency, and probity. Good governance is a strong antidote to corruption and fraud. Forensic accounting is an important tool that will assist investigators not only to prosecute crimes such as bribery but also other criminal wrongdoing such as fraud, money laundering as well as other white-collar crimes. Forensic accountants understand how fraud and corruption occur, how they can be identified quickly and how to respond when they are detected. They also can assist in minimizing the damage done to the bottom line, brand and reputation through unethical institutional practices (Warfield and Associates, 2008).

Forensic accountants render a wide range of services which guide against fraud and corruption tendencies. Such services include: establishment and review of a whistle blowing hotline, superannuation fraud and theft prevention, identity theft prevention, anti-money laundering and counter terrorism financing services, asset and funds tracing, data mining, supplier and customer vetting, fraud and misconduct investigations, royalties and licensing audits, pre-employment screening, code of conduct services, fraud awareness training, fraud risk assessment, fraud and corruption prevention services, conflict of interest services and business valuations.

Furthermore, forensic accountants are both reactive and proactive in their services. For instance, the examples of reactive services they render involve investigations along the line of: fact-finding investigations to uncover vital evidence and identify relevant individuals; reviewing books, records and other financial data to determine scope of suspicious activities; providing research advisory services to support preliminary accounting and reporting positions; providing assistance in responding to subpoenas and requests for information; witness interviews; electronic discovery, corrupt data and record reconstruction; document production support; and preparation of formal reports to regulators and law enforcement. Other reactive services border on internal controls. These include: the design and implementations of internal controls to prevent recurrence as well as the monitoring and internal review of policies and procedures pursuant to settlement agreements (FTI Consulting, n.d.).

The proactive services through which the corruption menace is tackled by forensic accountants involve services centering on due diligence and risk calibration. On due diligence, they carry out services like: review of written policies and procedures to ensure compliances with applicable regulations; review of subsidiaries, joint ventures and other controlled entities for appropriate internal controls; review of consultants, agents, resellers, distributors and other third-party representatives ; review of customer lists for foreign government or foreign official involvement and ownership interests; as well as identification and prioritization of risk exposure for each foreign operating division or sales region. Risk calibration services include: testing of weakness in the compliance program and design of appropriate internal controls and recommendation of solutions including restructuring and other policy changes.

Forensic accounting professionals work closely with electronic evidence experts to dissect complicated transactions and expose vital evidence. Computer forensic expertise is engaged in the discovery process as more than half of business documents are stored in electronic form. Data mining tools are used to efficiently recover, search, sort, sift and analyze massive amounts of electronic data. Thus, complex investigations and disputes are demystified. To permanently nip the corruption menace in the bud, the existing serious challenges to the continued successful prosecution of the war on corruption in Nigeria must be confronted head long and it is forensic accountants who are most equipped to take on that task. Ribadu (2006), enunciates those challenges as including: relatively slow judicial system; the technological complexities in fighting economic crimes in the cyber space; lack of capacity and investigation tools such as analyses tools and financial transactions software; the availability of safe havens

for corrupt Nigerian officials to keep their loot abroad; and lack of corporation from some countries.

Combating corruption involves a process, not an even (Hossain, 2008) therefore the custodians of the national reforms process to address corruption and money laundering must be forensic accountants who have the professional capacity to investigate, prevent and aid the prosecution of offenders. According to Eboh (2008), the 44th president of the institute of Chartered Accountants of Nigeria (ICAN), Richard Uche, recently in his acceptance speech promised to enlighten stakeholders in the nations' economy on the vices of corruption and called on accounting professionals to use their knowledge on advanced accounting practices to fight the corruption malaise at all levels of governance and public life. He noted that this is an era in which adherence to universally accepted ethical values is the bottom line. In his words:

The accounting profession in Nigeria, as in other parts of the world, must continue to lead the crusade for transparency and accountability in governance. We must hone our competency in Forensic Accounting services and work with relevant authorities to fight corruption at all levels (Eboh, 2008).

Discussion of Findings

The paper finds out that forensic accountants hold the answers to the vulnerable points or bane of the war against corruption in Nigeria. These bane include: merely instituting probe panels without effective national population reorientation to a better value system, lack of the practice of virtue/ethics, lack of effective prosecution system having no regard for sacred cows, lack of tough penalties on the culprits, non-vigorous law enforcement, granting too much discretionary powers to officers who are in position to grant favour to others, not living under the rule of law, poor rules and incentive structure, weak institutions (e.g. corrupt judiciary), and failure to be transparent, open, and accountable.

The paper discovers that Forensic Accountants role in public institutions is distinct from that of Independent Auditor. According to Steven, L. Skalak in News Standard (2021) the auditors concern is that the financial statement of an entity be stated fairly in all material respects accordingly. The auditor's responsibility is to design and implement audit procedures of sufficient scope and depth to detect materials deficiencies in financial statements especially, without regard to the source or origin of the deficiency. Auditors are charged with: making appropriate reasonable efforts to detect material misstatements in financial statement and causing management to correct material misstatement or misrepresentations before the financial statement are shared with the user community or, alternatively, alerting investors not to place reliance on the statements through qualification of their professional opinion issued as part of the companies' public filings. Seemingly, single statements of the auditor's mission bring into play a series of interrelated and complex concepts including: reasonable assurance, material misstatement, detection as distinct from deterrence and investigation expectations about the efficacy of the auditing process.

Forensic Accountants have largely separate set of concerns based on a different role that calls for a different tool, different thought process and different attitude. The Forensic Accountant's concern is not with reaching a general opinion of financial statements taken as a whole derived from reasonable effects within a reasonable materiality boundary. Instead the Forensic Accountant's concern is, of a much more granular level, with the development of factual information derived from both documentary evidence and testimonial evidence: about the who, what, when, where, how and why of a suspect or known impropriety. Sampling and material concepts are generally not used in determining the scope of Forensic accounting procedures. Instead, all relevant evidence is sought and examine.

Based on the investigative finding: The Forensic Accountant assesses and measures losses or other forms of damage to the organization and recommends and implements corrective actions often including changes in accounting investigators, take preventive actions to eliminate recurrence of the problem. The Forensic Accountants findings and recommendations may form the basis of testimony in litigation proceedings or criminal action against the perpetrator. They may also be used in testimony to government agencies such as the EFCC, ICPC etc. Accordingly, the scope of the investigations and the evidence gathered and documented must be capable of withstanding the challenge that may be brought by adversely affected parties or skeptical regulators.

Conclusion

Corruption makes no socio-economic distinctions and infects all forms of government. The impact of fraud and corruption, especially on the poorest citizens of developing countries, is very devastating. Corruption has no borders. It has spread worldwide, even to countries once considered "clean". Bribery, fraud, and corruption have become leading concerns in the public and private sectors. No country can afford to sustain the social, political, or economic costs that corruption entails it results in erosion of public confidence in political institutions, contempt for the rule of law, distortion of the allocation of resources, devastating effects on investment, growth, and development, undermining of competition in the market place, and exaction of a disproportionately high price on the poor via denying them access to vital basic services

The causes of corruption vary from one country to the next. Such contributory factors include faulty: government and development policies, programs poorly conceived and managed, failing institutions, inadequate checks and balances, an undeveloped civil society, a weak (corrupt) criminal justice system, inadequate remuneration of civil servants, as well as a lack of accountability and transparency.

This paper exposes the key roles of forensic accountants play in providing lasting solutions in the fight against the persisting challenge of corruption in Nigeria and African countries. Forensic accountants are trained experts in the art of providing litigation support and fact-finding investigations to curb fraud, corruption and crimes. These include: money laundering, embezzlement, bribery, looting, illegal oil bunkering, illegal mining, tax evasion, foreign exchange malpractices, currency counterfeiting, intellectual property and piracy theft, open

market abuse, dumping of toxic wastes, and prohibited goods. In other words, they are the custodians of anti-corruption national reforms process, performance oversight functions, good governance, transparency and accountability.

Recommendations

It is therefore strongly recommended that great attention must be paid to this development era of the forensic accounting discipline for nations to enjoy value-for-money services, enormous improvement in efficiency/productivity, and elimination of wastes/corruption in all public and private sector domain organizations. To this end, attention should be paid to the following via the instrumentality of forensic accountants:

- a) Clear, direct, and forceful political will support of the federal government to engage forensic accounting.
- b) Introduction of transparency and accountability in government functions, particularly in all financial transactions, through forensic accountants.
- c) Establishments of whistle blowing processes whereby forceful reports/ tips on corruption will be made by the society (the free press, electronic media, civil societies, etc.).
- d) Introduction of watch-dog agencies (anti-corruption bureaus, inspectors general, auditors general and forensic accounting ombudsmen's) into government to identify corruption practices and bring them to public attention.
- e) Restriction of opportunities for corrupt rent seeking by minimizing and simplifying government regulations, e.g. on issuance of licenses, permits and preferential positions
- f) Inserting anti-bribery clauses into all major procurement contracts as well as those relating to privatization of government enterprises, taxation, and natural resources development
- g) Ensuring that enforcement is predictable and forceful.
- h) Scrutinizing the sources of huge sums of money by individual depositors and erecting barriers to the transfer of corrupt financial gains to western financial institutions
- i) Removing the veil of secrecy on declaration of assets by public officials to enforce verification and accountability.
- j) Putting forensic accountants in the forefront of building global coalition against corruption via collaborative initiatives with other countries.
- k) Providing support/empowerment to local agencies on the ground through capacity building and technical assistance.
- l) Establishing a performance monitoring and accountability agency.

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