

# **UNDERCOVER INVESTIGATION: Nigeria's 'Customs of corruption, bribery and forgery'**

**For nine straight working days in December, 'Fisayo Soyombo, editor of TheCable, disguised his appearance – first as a hungry, hapless job seeker; later as a trainee clearing agent; and finally as an intending importer of cars, computers and Italian suits and shoes – to penetrate into the importing and clearing ring at the Nigeria Customs Service (NCS). Presented in this comprehensive reporter's diary, his findings reveal series of sharp practices involving men of the service, other border and security agencies, the clearing agents, and banks – leading to massive short-changing of government revenue. They also underline the scale of work required to purify an agency that is arguably the armpit of corruption in the most populous black nation.**

It is easier for a camel to pass through the eye of a needle than it is for a rich man to enter the Kingdom of God. Sourced from two different chapters and verses (Mark 10:25 and Matthew 19:24) in the Christians' holy book, the Bible, this quotation is one of the most popular pastoral tools for summarizing the vanity of wealth – and life.

But nothing better captures the secrecy shrouding business activities at the NCS than a parody of this saying: it is easier for a camel to pass through the eye of a needle than it is for anyone to enter into the Apapa premises of the Nigerian Ports Authority (NPA). Before setting out for Apapa, which houses the largest and busiest seaport in Nigeria, and is one of the most horrendous traffic-gridlock zones in the densely-populated city of Lagos, I had been warned by everyone who knew something about the ports that I would be unable to enter.

Still, on Monday, December 14, 2015, I arrived Apapa in the company of my one-day guide who knew the area so well, and graciously offered to help with navigating opening-day impediments. Much of the first day's work was to revolve round securing temporary accommodation in Apapa pending the conclusion of the assignment – this didn't happen, by the way – and general surveying operations around the port.

## RESTRICTED ZONE



The port entrance, where loitering is highly prohibited

After the failed attempt to secure accommodation, my guide and I proceeded to the Apapa ports, where we were to study the inflow and outflow of articulated vehicles, the conduct of uniformed men, the transactional conversations of clearing agents and the touting drive of document forgers. In three hours, we were done with the last three, and it was time to move closer to the port entrance to get a closer picture of business. Although we had been informed that this was a period of low business, we counted the entry of at least five articulated vehicles in a minute, translating to an estimated average of 300 vehicles in an hour! We were standing some 50metres off the gate and had barely been there for five minutes when a policeman walked westward towards our direction.

“Yes, what are you doing here?” he says in a brusque, brisk tone. “What exactly do you want”?

“We’re waiting for a phone call, sir,” I reply.

“Move over there,” he barks. “This is a restricted zone.”

Our work was over for the day, apparently; but as we retreated, I looked out for the badge on his uniform. Odion Ohiro, it read.

## A FRUITLESS JOB HUNT



The entrance to Nnewi building, populated by agents and document forgers

I returned the following day – Tuesday, December 15, 2015 – as a jobless, poverty-stricken undergraduate seeking apprenticeship with a clearing agent. Clad in a scruffy shirt, faded jeans and a run-down pair of sandals to match, I arrived Nnewi Building (dominated by agents) at exactly 6:17am, settled into an irregular pavement just in front of First City Monumental Bank, and brought out the December edition of Azubuike Ishiekwene’s magazine, *The Interview*, which I not only read but also used to shield my face as I tracked agents, who soon began to arrive. For more than five hours, I observed the influx of people – some entering empty-handed and exiting with sheets of printed paper, others coming in with a few sheets and leaving with stashes of documents. This is the ‘Oluwole’ of Apapa – Oluwole being the notorious Lagos Island location where there is hardly a document that cannot be forged, from the University of Ibadan’s transcript to the University of Toronto’s certificate.

A little after midday, I climbed the first floor of the main building, also housing a FirstBank branch, and entered into a shack-size office. I was welcomed by the inquisitive, how-may-we-help-you-look of a middle-aged man and a young lady, whose demeanour immediately gave out as boss and apprentice, respectively.

“Please *sah*, I need your help,” I start, stooping by the man, a dark, well-built frame who spoke in measured tones. “I am jobless years after graduating from university; and rather than wait for a job that seems not to be coming, I have come here to learn how to become a clearing agent. I will learn very fast if you would take me on as an apprentice, *sah*.”

It was difficult for anyone to disbelieve me. I had deliberately left my hair overgrown and uncombed, and my beards unshaved; it was past noon and I had neither had a bath nor a meal. Jude ran a quick, furtive glance over me and must have concluded that I looked markedly hungry and shabby, and I truly needed a job.

“What is your name?” he asks softly, his voice rich in sympathy.

“Tunde,” I reply. “Babatunde.”

“See, nobody will take you in to learn this job,” he begins slowly, his compassionate gaze momentarily settling on my shattered pair of slippers. “You are Tunde – not Ibrahim or Obinna. You are Yoruba; meanwhile, this job is controlled by Igbos. Igbo men will rather trust a fellow Igbo man, or an Hausa; they will think you will run away with their money. So, being a stranger, the only way for you to become a clearing agent is to first take a lowly job, like that of a photocopier operator, then you can build trust over some months.”

Jude explained that even the option of operating a photocopying machine would not be available until the turn of the year. He then motioned his subordinate to fetch a piece of paper, on which he scribbled: 08068199143.

“No need to call me at all; just flash me and I will save your number, then I will activate my search antennae,” he says. “I’ll see if I can get you an opportunity with which you can

make like N500 daily, so you can at least feed yourself from your work. But for now, no clearing agent can take you in.”

Those harmless words pierced my heart like a dagger. Although everything about me up to that point was fabricated, it was the first time I radiated a genuine emotion. I was truly sad. As I exited Jude’s office and descended the stairs of the first structure in Nnewi Building, I knew that my first strategy for experiencing, firsthand, corruption at Customs had just been scuppered. It was a sad, lonely, dreary trip home.

## **THE BREAKTHROUGH**



The first welcome to Apapa, faraway from the port itself

I tossed from end to end in my sleep that night, and woke up on Wednesday grabbing my phone and making frantic calls to contacts who could link me with agents or Customs officers, as a jobless youth willing to work with them as an apprentice. Within two hours, I had a list of three Customs officers and five clearing agents. But by 6pm, all eight of them had turned down my request.

By 9pm when the telephone number of one more agent came in, my personality had evolved. I had then become the in-country representative of a friend who would start importing from January 2016. My friend had the capital but both of us were greenhorns.

All I needed was to convince him that I had learnt the workings of importing and clearing, and he would release the funds. I assured my listener that the agent who agreed to teach me the rudiments of the trade would certainly be the one to supervise the clearing.

“Let’s see on Friday,” Paul says with unmistakable excitement. “Call me when you get to Nnewi Building.”

The phone almost dropped from my hand, in disbelief. That was followed by a few minutes of soliloquy: *For two days I had failed to secure a meeting with an agent or a Customs officer, but here I am getting one within three minutes of presenting myself as a rookie agent. What if I was the importer myself? I would see almost anyone I wanted!*

## **WELCOME TO CORRUPTION... ‘EVERYONE MUST SURVIVE’**



The NCS office inside the port

When I neared the premises of NPA the next day – Thursday, December 17 – I went straight for Odion Ohiro, that same police officer who literally chased me away only three days earlier. There was no way he could have recognised me; this time, I was spick

and span, donning a brown Gilardino Rossi suit on a pink TM Lewin shirt and a pair of Giorgio Armani ankle shoes.

“Good morning, officer,” I say, stretching out my right hand to him.

He receives it warmly, responding: “Morning, sir.”

“I was thinking you could help me, officer. I’m travelling to London next week, with the hope of beginning importation in January. It’s a venture I’m unfamiliar with, so I came here to make findings on what I need to do or avoid doing.”

“I am not a Customs officer, so I can’t help you,” Ohiro says politely. “Over there, you will find someone who can.”

He certainly didn’t know it, but he was directing me to enter a premises that if he found me inside only days ago, he would have arrested me.

Normally, no one enters the NPA gate without a pass. But all three security officers on duty that day were perhaps too deceived by my looks to demand for my pass, so I strolled in, even to my own surprise. Into the premises, a cabin by the first turning on the left, manned by menacing, mufti-wearing Customs officers, represented a second checking point. I had been warned that anyone found at this point would either pay a bribe of N5,000 or be bundled into a cell within the premises. But I not only scaled this point, I sat among the officers for almost an hour, again reading *The Interview* while eavesdropping on their conversations, which centred on missing containers and court trials of the suspects.

When I didn’t find any investigative use of their aimless talk, I left them and embarked on a ramble through the premises. After walking for more than 20 minutes, I stumbled on a building marked: Customs Office. Without wasting time, I entered. As usual, I found a corner and sat down for about an hour, keeping my mouth firmly shut but my eyes and ears widely open.

Eventually, I walked up to the Customs officer seated nearest to the door, and I told him the same story: I was leaving Nigeria in a week; I would be importing cars, computers, and Italian shoes from January 2016; I needed an officer I could be dealing with on a personal level, to facilitate quick clearance of my goods and at the cheapest possible cost.

“You see, officer, there’s no use pretending that I know a thing about this business; that’s why I need someone like you to put me through the Customs end. I know that if I know the right people, my goods will come in without any problem, and I will even spend less than other importers are spending.”

I spilled those words out in deliberately pompous foreign accent, one I hoped would convince him that I was rich enough to deserve his time.

A smile soon lit up his face; and the officer – dark, well-built, soft-spoken and a native of Kogi state – asked a few questions before dropping his telephone number and email address. Just as I was taking down his contact details, a light-skinned, tall, plump senior officer swaggered past us.

“Good morning, sir!” my officer-friend saluted, before turning to me: “See that man? He is the deputy comptroller-general in charge of cars here in Lagos.

“So, if you’re bringing in cars and you are to pay N20, you may decide to pay me N15. I will then go to him to say, ‘Oga, this man here has paid me N15, how will we help him clear his goods so that he can survive, you can survive and I can also survive; because all of us must survive.’”

It was the first real proof of the bribery and corruption accompanying the business of importation in Nigeria. But the officer’s N15-N20 analogy made little sense to me – until a few minutes later when a clearing agent filled me in.

## **ONE-THIRD FOR THE PRICE OF ONE**





Inside Apapa port

Although I deliberately ignored him, I spotted Ibrahim the moment I entered ‘Customs Office’ and I knew there was no way I was leaving without speaking with him. During my one-hour observatory period, I sat on the row of chair directly behind his. Although he seemed to have perfected the art of speaking in hushed tones, I managed to glean two very important details about him: One, he was trying to clear some goods, and he thought the Customs officer handling the clearing was foot-dragging just because the officer wanted to be bribed; two, Yuletide was approaching and he was cash-strapped, yet business was slow. *Ibrahim won’t turn down a stranger with the prospect of contracting him for clearing*, I reasoned.

Over the next quarter-hour, Ibrahim would give me a blow-by-blow explanation of the processes for importing goods into the country, from the filling of Form M on [www.trade.gov.ng](http://www.trade.gov.ng), to the generation of Proforma Invoice (PI) and Bill of lading (not Bin Laden), to the berthing of ships and final clearance by Customs. At the end of it all, I asked him a question: How best can I clear my goods in a way that is both cheap and fast?

“You will have no problems clearing your goods if you cooperate with the officers. But if you want to be forming protocol, it will be complicated,” he says.

“It is better to cooperate, because instead of paying full Custom charges to the government, you can pay just one-third to Custom officials, and your goods will be cleared.

“So, let’s assume that your charges amount to N1million. You can pay N100,000 to government. This leaves you with a balance of N900,000, but you only need to bribe Customs officers with N300,000, and your goods will be cleared. This means that instead of paying N1million to the government, you will clear your goods for just N400,000 if you’re ready to play ball.”

## **CUSTOMS OF EXORBITANT PRICES**



Everything is expensive around the port, even a plate of rice.

In the afternoon of Friday, December 18, I was quietly having brunch at a restaurant inside Nnewi building – the one adjacent to First City Monumental Bank (FCMB) –

when someone joined me uninvited. It was a face I instantly recalled to have seen before.

I was going to buy a pen the previous day from a woman selling odds and ends by the 'Customs Office' entrance, and I protested when she told me it would cost N30. *Who in Lagos sold the 'everyone's' pen for anything more than N20!*

But the woman turned to a bystander and said: "You better remind this man that he is at the ports!"

So it was a shock to find Samson, that same bystander, seated opposite me the following day under the same circumstance. This time, I had bought a plate of rice and fish, and I was surprised that the server demanded for N500 when, in my estimation, it should have cost no more than N300.

The server and I were still haggling over the price when Samson invited himself to sit opposite me, cutting in to explain that things were naturally expensive at the ports due to the huge flow of cash.

"Looks like you're a stranger here?" he says in a nondescript tone that is neither interrogative nor sentential.

*Finally, someone has found me out.* It wasn't much of a bad news, though. *I have been struggling to get the attention of other people since Monday. So, if someone looks intent on having mine, why not!*

"Yes, I am," I reply. "And it looks like you're the chairman here."

It was a compliment he was quick to accept, and he soon told me how he had come of age as a clearing agent over the last few years.

## **INTRODUCTION TO CORRUPTION**



Exploring the sprawling Apapa port

Samson and I shared experiences. First, I told him my plans for my import business, and when I was done, I asked him: “What is the toughest job you have handled in the last six months?”

“Ah!” he exclaims instantly. “That was in July 2015, when my uncle tried to bring in a block-making machine.”

For the next 30 minutes or thereabouts, he would talk about a series of artificial bottlenecks devised by Customs officials to exploit the average importer.

The landing cost of the machine, excluding the agency and clearing fees, was \$25,000. Now, the duty on an industrial-use machine that cannot be fabricated in-country, such as this, is 5 per cent of the landing cost. But once the machine arrived, Customs officials claimed it was undervalued by the importer and it should have cost no less than \$54,000. By doubling the landing cost, they were compelling the importer to either pay twice the original fee to the government or pay them a smaller bribe.

“They claimed that someone had bought the same machine for \$54,000, and then demanded a bribe from us if we didn’t want to make a fresh payment,” he says. “But that was a big, fat lie, because the landing cost of the machine is exactly \$25,000.”

# SHIPPING-LINE CORRUPTION



Most shipping lines are owned by foreigners. And since Nigeria is an import-dependent country, importers are left at the mercy of foreign-owned shipping lines. This is what they do:

“The moment the ship bearing your goods berths, the shipping line immediately sends you a mail that you must clear your goods within three days. They expect you to clear within three days; meanwhile, it will typically take four to seven days for your container to be moved from the ship to the block stacking, where all containers are first kept,” Samson explains slowly, pinstakingly.

“On a ship, you may have 1,000 containers on it. So, imagine if your container was among the last 50, it won’t arrive at the block stacking earlier than the fourth day. Yet, your container is still on the ship when your three-day notice starts reading.”

The consequence is that as early as the fourth day, importers are already being charged for demurrage. On a 20-foot container, the importer pays N7,000 daily from the fourth day, while it’s N11,000 daily for a 40-foot container. Samson considers this practice a “very devilish ploy to exploit Nigerians”.

## CORRUPTION BY INSPECTION



Imported frozen poultry products intercepted by Customs. Photo credit: NCS

As Samson explained, the NCS classifies incoming goods into four: green, blue, yellow and red. Green means the goods are well-trusted and therefore require no examination. But goods imported from suspicious countries, such as Indonesia where drug peddling is high, are classified as ‘red’ and requiring physical examination. So the importer not only pays Customs for physically examining the goods, but also the shipping agency for demurrage while awaiting the date of examination.

“Customs may tell you that your container is on red alert and that your physical examination will not take place until another three days, because there are thousands of containers to be examined.

“You will need to pay Customs to come and open your container and examine; they have somehow legitimized this corruption. In my own case, the total payment was N60,000, while we paid N24,000 for the physical examination itself. Meanwhile, shipping lines do not charge you day by day; they charge you upfront, minimum of four days.

“Now, when it’s time for your container to be opened, the Customs officers will tell you to open, even though they know that you actually cannot open the container yourself.

Therefore, you are forced to engage the services of their labourers. But before the labourers lift a finger, they demand money – and you have to pay them. Meanwhile, this was one of the things you already paid Customs for.”

## **EVEN NAFDAC, SSS, NDLEA ARE BRIBED FOR ‘LOOKING’**



Customs officials 'destroy' smuggled goods

So, what happens when the container has been opened? Representatives of all agencies go in to check, and each of them collects N1,000 “just for looking”. During the inspection of the block-making machine, “representatives of seven agencies” collected the money, according to Samson.

These are Nigeria Police Force (NPF), Nigeria Customs Service (NCS), State Security Service (SSS), National Agency for Food Drugs Administration and Control (NAFDAC), Nigerian Ports Authority (NPA), National Drug Law Enforcement Agency (NDLEA), and Nigeria Agricultural Quarantine Services (NAQS).

Of course any act of corruption should worry any patriotic Nigerian. But in this case, it is not just the N1,000 but the sheer scale of the sum total of the individual collections. On

this day alone, Samson witnessed the inspection of “more than 1,000” containers. By that calculation, each agency went home with an illegal collection of at least N1million.

And it’s hard for importers not to pay the bribe, because failing to pay these officers means that they won’t inspect on the day, which in turn means the importer’s container is moved to another location. When this happens, the importer not only pays a fresh inspection fee, he also has incurred more demurrage charge.

“So, these things are interwoven,” Samson says. “You pay N1,000 bribe to free yourself from maybe N20,000 or N30,000 charge. And if you don’t scale a process, you can’t proceed to the next. You see how complicated it is?”

Aside bribery, there is the danger of a porous system that allows for the illegal importation of arms or other contraband, because once these field officers are paid, they do not inspect; “they just look and tick the papers”.

After this “looking”, photocopies of the ticked Proforma Invoice (PI) and the Bill of Lading are taken to the offices of the superiors of these field officers, one by one. And when they have signed – most of them also demanding bribe – the documents are taken to the Releasing Officer.

## **THE RELEASING OFFICER IS LORD**





A truck exiting the port after clearance by the releasing officer

The releasing officer wields enormous powers, especially because he is last in the line. A “no” from him literally nullifies all payments since arrival of a container. So he makes his money by claiming that the imported goods have been undervalued, and subsequently quoting a fresh, usually-unreasonable figure. He then tells the importer to pay the requisite percentage of the new fee to the government or pay him a lesser fraction, if the goods must be released. Like all other importers, Samson’s uncle fell victim too.

“We bought this machine for \$25,000. But Customs already valued it at \$54,000, meaning we paid a duty of \$2,700 instead of \$1,250,” Samson recalls, his face decorated with anger.

“But, all of a sudden, the releasing officer said even \$54,000 was an underestimation; he claimed the machine was worth \$80,000, and said we had short-changed the Nigerian government.”

Despite all of Samson’s protestations, the releasing officer insisted that 5% of \$80,000 had to be paid to the government. And although this calculation itself amounted to \$4,000 (N800,000 at the rate of \$1 to N200), the officer claimed that by his own calculation, the importer had to pay a whopping N1.5 million to the government. It soon

emerged that the Releasing Officer was far from interested in generating revenue for the government.

“He told us we had paid N600,000 out of N1.5million, leaving a deficit of N900,000. He promised to let us go if we paid him one-third of that amount, that is N300,000.

“The tricky part is that if we didn’t pay the N300,000 by 4pm that day, we would not only pay N900,000 the following day, we would miss the following day’s deadline for moving our container, which would mean paying extra terminal and shipping charges. And don’t forget, these charges would not be extended by one day; the extension was for a minimum of four days, and these two costs would be close to N100,000.”

Eventually, the Releasing Officer let them go after collecting – wait for it – a paltry N50,000.

## **AT THE PORTS, ‘GATE MEN’ ARE POWERFUL PEOPLE**



A lineup of trucks queuing to enter the port

In most establishments, gate keepers are some of the least respected staff, as they are not considered anywhere close to the power brokers. Well, at the Apapa ports, gate keepers are so powerful. And this is why.

The various acts of corruption by officials of Customs and other agencies are all devised to capitalise on the importer's determination – at times, desperation – to adhere with strict deadlines for movement of goods out of the ports, to avoid paying demurrage. As a result, the releasing officer usually gives his final word a few hours before that deadline.

Now, due to the congestion outside the port gate, it typically takes a truck 12 hours to make its way into the port premises. So, if the men at the gate delay the entry of a truck after the agent has completed the clearing, this deadline can still be missed, which then means all previously-paid bribes have virtually come to nought. Dickey, isn't it?

Samson says he had to “tip the gate man for him to quickly sign my papers, because if he didn't on time, I would have missed that deadline”.

That is just one aspect of corruption at the gate. The second happens in front of the gate, where trucks are lined up and each one is in a hurry to be the first to enter. To manage this commotion, Customs engaged a team of soldiers, police, civil defence and navy to organise the truck drivers into a single line.

“When I handed our papers to a truck driver, he told me, ‘Look, this paper expires tomorrow and you're bringing it at 6pm today. If you really want to move your container, you have to pay us N20,000 for facilitation’. That fee is outside the N70,000 we were to pay to him for moving the container from Apapa to Lagos Island.

“He said to me, ‘We will need to give all these officers something, so that they would pass our own truck and pilot us straight to the gate’. My paper was to expire by 12 noon the following day, so it was either I paid this N20,000 bribe, or I would have to pay fresh terminal and shipping charges that would be roughly N80,000.”

As usual, Samson paid the bribe, and he watched as a soldier collected N5,000 and hopped into the truck to sit by the driver, directing him to head towards the gate. When

the driver reached the points that were policed by the navy, police and civil defence officers, he paid them N5,000 each. In a matter of minutes, the N20,000 had vanished and the truck was right inside the port. Yet, this same truck would have been denied entry, despite holding papers clearly stating that the container had to be moved before noon the following day.

## **WHO SAYS THE AGENTS ARE CLEAN, ANYWAY?**



A bank inside Nnewi Building, where anything – from bank draft to insurance certificates – can be forged

It was very easy for all the agents to expose acts of corruption by Customs and other agencies. After noticing that they evaded their own financial dealings with importers, I contacted Ayodele Adebambo, a businessman who had little problem fixing an appointment for his Ikorodu office on Monday, December 21, to discuss his encounters with clearing agents and how they were corruptly enriching themselves at the expense of importers.

One of such shady moves is in collusion with a banker, who provides the agent with fake documentation with which to swindle the importer.

“First time I experienced it, I was inside a bank and an agent brought a bank draft to the counter. I noticed that the guy was fidgety, and that the banker returned a draft that was separate from the one he collected. So I asked questions,” Adebambo says.

This is how it happens. Importers usually pay rent to use containers; it is N250,000 for 20-foot containers and N400,00 for 40-foot. If the container is returned to the port in good condition, after movement of goods from the port to destination, the rent is refunded to the importer through his agent. This return is never made in cash, but in bank draft. However, for every extra day the container stays on the site, the importer suffers daily deduction from that rent, because the expectation is that the container should be returned within 24 hours.












## HANGZHOU TIANLING SANITARY WARE CO.,LTD.

Dangshan Industrial zone, Dangshan Town, Xiaoshan District, Hangzhou  
TEL:86-571-82522353 Fax:86-571-82525578 EMAIL: info@atidy.com

### PROFORMA INVOICE

TO:Primerose advance Nigeria Limited  
12 Buratai Street,Wuse Zone4, Abuja,Nigeria  
Contact Party: Mr John Mohammed  
+2348057833555 email: primeroseadv@gmail.com

Invoice Number: SS130524  
Date:25th,Aug, 2015

| Picture   | Item No. | Material   | Qty (sets) | Unit Volume | FOB price (USD) | Total Volume | Amount (USD)    |
|---|----------|------------|------------|-------------|-----------------|--------------|-----------------|
|    | 7225     | PVC        | 10         | 0.34        | \$96.6          | 3.40         | \$965.8         |
|    | 7211     | PVC        | 10         | 0.26        | \$83.7          | 2.60         | \$837.4         |
|    | 7200     | PVC        | 10         | 0.39        | \$158.6         | 3.90         | \$1,585.8       |
|    | 7194     | PVC        | 10         | 0.6         | \$230.8         | 6.00         | \$2,307.7       |
|    | 7193     | PVC        | 10         | 0.55        | \$219.2         | 5.50         | \$2,192.2       |
|   | 8101     | PVC        | 10         | 0.36        | \$137.5         | 3.60         | \$1,375.0       |
|  | 8010     | PVC        | 10         | 0.57        | \$194.3         | 5.70         | \$1,942.6       |
|  | 8141     | Solid wood | 10         | 0.42        | \$160.6         | 4.20         | \$1,606.0       |
|  | 8139     | Solid wood | 15         | 1.2         | \$792.3         | 18.00        | \$11,885.0      |
|  | 8133     | Solid wood | 10         | 0.75        | \$497.6         | 7.50         | \$4,976.4       |
|  | 8121     | Solid wood | 10         | 0.85        | \$215.0         | 8.50         | \$2,150.0       |
|   | TOTAL    |            | 115        |             |                 | 68.9         | \$31,824        |
| <b>Freight FOB to Apapa (1X20)</b>  |          |            |            |             |                 |              | \$1,950         |
| <b>TOTAL C&amp;F</b>  |          |            |            |             |                 |              | <b>\$33,774</b> |

Total payment: 33774 USD FOB NINGBO TIANLING SANITARY WARE COMPANY

Remarks:Price include mirror and side cabinet(if have in pic),without faucet and pop up.

#### Terms

##### 1. PAYMENT METHOD

40% T/T advance to confirm order,balance payment before loading.

##### 2. LEAD TIME

Within 35 days after received of advanced payment.

3. Country of Origin: China

4. Port of Loading: NINGBO

5. Port of Discharge: Apapa

Sample of a Proforma Invoice with which touts forge other documents

“The agents know how to bargain for waivers even when the importer is due for deduction. So when a clearing agent collects, say, a bank draft of N400,000 in the name

of the importer, he takes it to an agent who specialises in bank-draft fraud,” he explains further.

“These ‘agents of draft’, as they are called, are connected with bankers. The draft agent enters the bank and locates his insider. They move the money to a particular account, and when the money reflects in that account, they do a fresh draft from the receiver’s account. By that time, the banker would have deducted a percentage of the N400,000, say N60,000. So the banker and draft agent both share the N60,000.

“The clearing agent may then say he actually wants to present N200,000 to the importer, so another draft will be generated, and the clearing agent will pocket N140,000. It is this bank draft of N200,00 that they will now re-present to the importer.

“Let’s assume the banker changes 10 drafts in a day, and he makes N15,000, then he goes home with N150,000. That is just for one day. And do not forget, the business of importation is heavy in Nigeria, so these shady deals are always available every day. If he does that five times a week, he will be making approximately N3m a month, which is multiple times his salary.”

## **NOT JUST FRAUD, BUT FORGERY AS WELL**



ALLIANCE & GENERAL  
INSURANCE COMPANY LTD.

### MARINE CERTIFICATE AGIC 74641

SUM INSURED: N7,430,280.00

23RD DECEMBER, 2015

PREMIUM: N18,575.70

It is hereby certified that the Company has issued this Certificate under Policy No. 74641

in favour of Messrs. PRIMEROSE ADVANCE NIGERIA LIMITED for

the sum of SEVEN MILLION, FOUR HUNDRED AND THIRTY THOUSAND, TWO HUNDRED  
AND EIGHTY NAIRA ONLY.

Vessel ANT APPROVED VESSEL

Voyage FROM CHINA TO APAPA PORT, LAGOS

CONDITIONS INSTITUTE OF CARGO CLAUSE 'C'

WARRANTED GOODS CLEARED FROM PORT AREA  
WITHIN 21 DAYS AFTER DISCHARGED FROM OVERSEA  
CARRYING VESSEL.

INTEREST INSURED

PVC AND SOLID WOOD AS PER  
PROFORMA INVOICE NO: SS130524  
OF 25TH AUGUST, 2015.

RATE .....NO.25%  
VVVVVVVVVVVVVVVVVVVVVVVVVVVVVV

Vessel



Authorised Representative

In the event of loss or damage which may give rise to a claim under this certificate notice  
must be given immediately to ALLIANCE AND GENERAL INS.CO.LTD.

Any Lawful claim shall be settled by AS ABOVE

Upon surrender of this Certificate together with supporting documents in accordance with  
the instructions as stated over. THIS CERTIFICATE IS VALID FOR SIX MONTHS

This fake insurance was forged for N300. Meanwhile, the original costs N18, 575.

After successfully convincing Samson that I would make him my agent from January when I intended to begin importation, he gladly sent me a Proforma Invoice (PI), which



is the first document an agent works with before the onset of shipping. With this PI, I visited Nnewi Building on Wednesday December 23. *If these agents went as far as forging bank drafts, some other forms of forgery must be going on, surely.*

When I strolled into the building at a few minutes before 8am, I was one of the earliest arrivals. Three shops were open at the time: one manned by a fair, young lady donning a clingy top and a salaciously-short skirt; the second by another fair occupant, this time a man, elderly, slow-speaking and modest in appearance; and one more by a young man whom I didn't see but whose voice I only heard as he conversed loudly with a "client" of his on the phone.

I decided my destination in split seconds. I didn't need the distraction of a showy lady, and I gave a thumbs down to the young man's ebullience. I was interested in the experience of "Andy", as he would later introduce himself – or "Pa Andy" – as I continued drumming to myself.



Pa Andy's office, where insurance certificates are issued within five minutes!

"What do you want, my son?" the old man asks.

"Insurance for these goods, sir. Insurance plus bill of lading."

*“Make I see your PI,” he asks, before quickly adding, “Which bank you wan use?”*

I still hadn’t answered when he continued: *“Me I no fit do ‘bill lading’ o; person wey dey do am never come. But this insurance go cost you N300.”*

I waited outside while Pa Andy recoiled in. He reappeared after some 10 minutes and handed a paper to me – a duly stamped and signed ‘original’ marine certificate from Alliance and General Insurance Company Limited, which indicated that I had paid N18,575.70! Meanwhile, I had only paid Pa Andy 1.61% of that figure!

## **A DARING TRIP TO THE STRONGHOLD OF CORRUPTION**



The pedestrian passage leading to the port premises

In one final push for a live experience of all I had heard from clearing agents, importers and security agents over the last eight days, I arrived Apapa port at about 9am on Thursday December 24, with the intention of forcing my way to the inspection ground. It was the last gentleman’s agreement I had with Samson before I could officially designate him my clearing agent from January 2016: I needed to experience the payment of bribes to officials at the inspection centre so that when he finally became my

agent and he had to demand such payments from me, I wouldn't hastily conclude that he was trying to con me.

Therefore, I arrived the port gate dressed like a clearing agent, spotting a blue Ralph Lauren shirt and a pair of blue jeans on a pair of black sneakers. How wrong was I think to think I was going to stroll in as I did exactly one week before!

"Yes, where is your port pass?" one of the three uniformed men manning the gate queries me. Once the first soldier launched that attack, the NPA and police officers with him followed suit.

*"Oga, tok nah. I say wia ur port pass?"* one of the other two screams at me.

"Errrrm... I don't have," I stammer.

*"You go settle us be that,"* the soldier retorts. *"Oya, oya; no waste our time."*

I hand him a N500 note, and he passes me in.

Up next was the cabin side occupied by multi-wearing Customs officers. A week ago, I sat among them for over an hour, and none of them dared question me. This time, one barked out the moment he sighted me: "Come here! Who are you and who authorised you to enter?"

Samson had already mentioned me to his boss as a potential customer who needed to go in with him, so at the mention of Samson's boss – a popular figure among the officers – I was cleared to enter.

For the next two hours, I would pass time beside one of the food vendors close to 'Customs Office', in anticipation of the examination of a container Samson was clearing. Samson had told me it would hold at 11am, but 11am became 12noon, noon became 1pm, and 1pm extended to 2pm. So long the inspection ground was the place where the actual sharing of money to seven recognised government agencies took place, no wait could ever be too long. I was just beginning to wonder if I had been scammed when Samson appeared out of the blue to fetch me, and we both sprang into a waiting bus that

conveyed a total of 18 clearing agents to the inspection ground. As I soon found out, the bus was one of a few that worked in shuttles, fetching agents from the Customs Office to and from the inspection ground.

Security here was tighter than I anticipated. A harmless-looking civil defence officer manned the gate, fussily checking the agents' ID cards and port passes to be sure that only authorised people entered. After renting a reflective vest (worn by all agents) for N100 from a nearby seller, I advanced towards the gate with container papers handed over to me by Samson, but I was turned back. Two bellicose men who carried themselves like the officer's superiors stepped in to find out what the matter was; and when they found out I had no port pass, they drove me away.

"No ID card/port pass, no entry," one shouted. "You have no business here; just go."

I pulled the N500 trick that worked with the soldier, but it failed. When I stepped it up to N5,000 and they still didn't budge, I knew I had reached my wits end. But I reminded myself that my job was still unfinished: *If I can't enter, I must find out the real reason why I can't! Is it to protect the goods or to protect their pockets?*

I pulled out my phone, plugged my headset and began listening to and loudly humming the lyrics of Carlos Santana/Musiq's *Nothing At All*. I turned off the volume but continued humming and whistling to feign the impression that I was dead to the noise around me. It worked!

"Who knows who he is?" one of the two menacing men says. "We have to be careful. See what happened last week. Who would have believed that Wale would be the one to go about running his mouth about our 'runs'?"

## **DAMAGE BEYOND BELIEF**



Customs officers on night patrol

**By its own admission**, NCS has two major functions: the “core” and “others”. The core functions, which are just two, are “collection of revenue i.e. import and excise duties and accounting for same”, and “prevention and suppression of smuggling”.

But has the service truly been collecting “revenues”? Certainly not. It has been more of “bribe” collection than “revenue” collection. “Accounting” for revenue collection is also out of question. Although, over the last few years, the service has regularly declared a figure in the realm of N1trillion as annual revenue generation, there are no documents in public domain by which the service can be held to account. That may soon change, though, since President Muhammadu **Buhari recently ordered the probe of all revenue-generating agencies**, including Customs, from 2012 to 2015.

Has Customs been preventing and suppressing smuggling? Surely not to the extent that it can, because when inspection officers only “look” at a container, collect N1,000 and move on to the next container, there can’t be watertight blockade against the smuggling of illicit goods or even arms into the country.

Shortly after leaving office as comptroller-general of Customs in August 2015, **Dikko Abdullahi boasted** that the service, which was generating a monthly revenue of

N29billion before his assumption of office, was realising “between N90billion and N100billion on a monthly basis” by his departure. Hats off to Abdullahi for the upgrade, but far from impressive – because, at the very least, Abdullahi’s Customs should have been declaring nothing short of N500billion to N1trillion monthly, seeing how Customs officers deprived the government of N1million in exchange for a bribe of N300,000, or N900,000 for a measly N50,000 bribe.

As revealed by the experiences narrated in this report, the business of importation and clearing, as it currently runs, is a huge turnoff for any serious or incorruptible businessman.

## RIDDING CUSTOMS OF CORRUPTION



Ali addresses Customs officials at the federal capital during a visit in September

There is little doubt that Hameed Ali, a retired colonel, is desperate to clean up the mess that is the NCS. So “incorruptible” is Ali that [Buhari nearly named him chairman of Nigeria’s anti-corruption agency](#), the Economic and Financial Crimes

Commission (EFCC) – until he had a last-minute about-face – instead appointing the Kaduna state former military governor as CG of Customs.

And since assuming office, Ali has talked tough. **In one of his first public appearances**, he said that corrupt Customs officer “will not go scot-free”. A month later, **he vowed to double the minimum punishment for corruption in the agency**, saying: “The minimum jail term for corrupt officers is five years, but I will make sure that any officer found to be corrupt gets the maximum jail term of 10 years.”

It must be said that it hasn’t been all talk. Within two months of **his reign**, all five deputy comptrollers-general of the service **tendered their resignation**, to herald his restructuring plan. This was soon followed by the **“immediate retirement” of 40 senior officers**. With the same period, he **cancelled the practice of permanent posting** of officers to unit commands and departments, saying anyone who had spent up to three years in a unit should expect posting. Then he followed this up by **promising to meet the president** to discuss improved remuneration for Customs personnel. Clearly, Ali has the will that was lacking (or maybe not evident) in previous regimes.

But my experience with this undercover investigation has shown that Ali’s strategies have so far omitted the factor most crucial to sanitising the agency: elimination of human contact with importers/agents. And the best way to achieve this was long prescribed by the president under whose watch corruption perhaps flourished most in the country: Goodluck Jonathan.

Speaking in March at a campaign rally in Enugu ahead of a presidential election he would go on to lose, Jonathan had censured his opponent, Buhari, and his party, the All Progressives Congress (APC), for constantly haranguing and pillorying him for lacking the will to fight corruption. He said: “You don’t fight corruption with individuals or will, you fight it with institutions, with technology.”

Ali must never mind that Jonathan didn’t practise what he preached; he must retrieve the message and forget the messenger. Without a technological revolution, Ali’s will to

rid Customs of corruption will be futile. The releasing officer who demanded for N300,000 wouldn't do it if the applicant submitted his endorsed documents online, and the approval process was entirely electronic, with superior officers having online access to his dealings. The representatives of seven agencies who collected N1,000,000 per 'looked' container would have been handicapped if all containers were screened by scanning devices rather than by physical examination. Of course, [\*\*NCS has a website\*\*](#) with which it interfaces with importers; but bar the filling of the 'Form M' and a few other pre-shipping procedures, the bulk of the work, particularly after arrival of goods, takes place physically. And this wholesale technological migration does not have to be accompanied by loss of jobs, as people only need to be made to do online, the same tasks they did offline.

In the end, fighting corruption in the NCS is not exactly about sacking the you-will-survive-I-will-survive officer or the N500-bribe-taking soldier, or the your-machine-is-undervalued bribe-seeking releasing officer. It is purely about enthroning a custom of institutional probity, about instituting a corruption-intolerant SYSTEM rather sticking with the medicine-after-death approach of sacking corrupt officers.