

Sani Abacha

Sani Abacha was born in Kano Nigeria in 1943 and rose through the ranks of the Nigerian military before assuming overall command of the military forces in that country when he was appointed Minister of Defence in 1990. At the same time, he pursued a parallel career in politics and through a combination of both positions became the de facto President of Nigeria from 1993 to 1998, following the annulment of elections, from which major unrest ensued.

Whilst continuing to publicly assert his commitment to bringing democracy to Nigeria he pursued a campaign of repression aimed at undermining and, in some cases, eliminating opposition action which was criticised by human rights campaigners, civil rights lawyers and other pressure groups and commentators around the world.

Abacha's response to this was to ban political activity and exert control over all forms of the Nigerian press as well as surrounding himself with a loyal military power base which secured his position.

His ability to do so was assisted by the increasing value of Nigeria's reserves of oil which generated considerable income and opportunities for him, members of his family and close colleagues to siphon off huge amounts of money and deposit it in accounts held around the world.

Frequently this was done through corruption associated with the tendering and

subsequent award of contracts awarded to foreign entities and individuals operating in the petrochemical industry sector



According to post-Abacha government sources, between **US\$3-4 billion** or up to 10% of all Nigeria's oil revenues during the five years he was in power was illegally diverted and moved offshore.

The schemes to steal and subsequently launder the money varied.

In one scheme, Abacha's National Security Advisor would simply make a letter request for funds for unspecified "security needs." Abacha would countersign his approval on the letter, and his national security advisor would present the letter for payment to the Nigerian Central bank. Money was issued in traveller's

cheques in blank (the first embezzlement of this type involved US\$2 million in Thomas Cook traveller's cheques being issued in a single day), cash, and wire transfers.

Cash was deposited into Nigerian accounts of local business, smuggled overseas and deposited into foreign institutions, and wire transfers were deposited into accounts in false names, shell and bearer share companies, and trusts.

Another scheme involved an over billing and kickback scheme, in which a corrupt

Position: President of Nigeria from

1993 - 1998

Amounts Involved: US\$2-5bio

Country: Nigeria

Key date: 1998 (died in office)

company would supply goods to the government at grossly inflated prices and then kick back a portion to Abacha and his cronies.

In one instance, the government of Nigeria paid US\$110 million for vaccines that were in fact worth less than US\$23 million. In another instance, he directed Ismaila Gwarzo, his National Security Advisor, to present him with false funding requests for security operations or equipment, which he had the power to authorise, and would do so. These funds would then be remitted to Gwarzo in cash (US\$1.31 million and £413 million) or in travellers cheques from the Central Bank of Nigeria. The funds would then be taken directly to Abacha's house.

Abacha died in June 1998 while at the presidential villa in Abuja. He was buried on the same day, according to Muslim tradition, without an autopsy.



This fuelled speculation that foul-play was involved and that he may have been poisoned by political rivals via prostitutes. Whilst Nigerian military rulers cited his cause of death as a sudden heart attack it is suspected that he was in the company of six teenage Indian prostitutes imported from Dubai. It is thought that these prostitutes laced his drink with a poisonous substance, making Abacha feel unwell around 4:30am. He retired to his bed and was dead by 6:15am.

Following his death, investigations in time subsequently revealed **US\$2.4 billion** of assets linked to Abacha overseas, most of

which were channelled through banks (Swiss, Liechtenstein, France, UK, Jersey and the US, most of which is now repatriated back to the Nigerian government.

In the case of the monies identified in Liechtenstein, the funds originated from bribes paid by Germany's Ferrostaal AG to companies where Abacha was the ultimate beneficiary. They related to a grossly inflated contracts for the construction of an aluminium smelter.

As the assets were being identified, it became clear that major financial institutions and by extension major financial centres had failed to establish money laundering controls sufficient to counter the systematic looting of state assets on such a grand scale.

The sheer size of the assets involved and the numbers of financial institutions

implicated led to a re-evaluation and a recognition that controls needed to be enhanced and in particular expectations rose dramatically as to how a financial institution should treat prospective business relationships with politicians and their direct family and associates.

In future, relationships with individuals identified as PEPs or with entities with a significant PEP involvement in their management would need to be subject to significant additional scrutiny.

According to Transparency International in 2004, he was the fourth most corrupt leader who stole **US\$2-5 billion**.