



THE ROLE OF THE INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES COMMISSION (ICPC) IN PROMOTING TRANSPARENCY AND PREVENTING FRAUD IN PUBLIC PROCUREMENT IN NIGERIA

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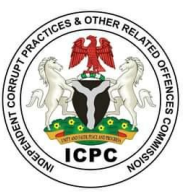


INTRODUCTION

SESSION'S OBJECTIVES:

BY THE END OF THE SESSION, PARTICIPANTS WOULD BE ABLE TO:

- Identify the core mandate of the ICPC
- Identify the role of the ICPC in government procurement process,
- Appreciate how the ICPC has used preventive measures to stop diversion of public funds
- Understand the Public Procurement Act and how ICPC has been fighting Procurement Fraud
- Recommendations on how better procurement processes can be achieved.



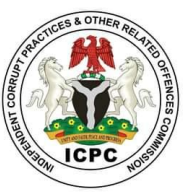
Background

Nigeria

A Quote

“Corruption is the enemy of development, and of good governance. It must be got rid of. Both the government and the people at large must come together to achieve this national objective.”

Pratibha Patil



Background:

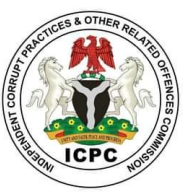
The Roles of the ICPC in the Fight Against Corruption in Nigeria

What are the roles of the Independent Corrupt Practices and Other Related Offences Commission (ICPC)?

The ICPC is a product of a long history of unbridled corruption in public service in Nigeria. The ICPC was established with three core mandates as enshrined in section 6(a) – (f) of the Corrupt Practices and Other Related Offences Act, 2000, namely

- ❖ Enforcement which involves investigation and prosecution
- ❖ Preventive mandate which involves systems studies and review
- ❖ Public Enlightenment mandate which involves mass mobilization against corruption

The Act was well crafted to address the multifaceted manifestations of corruption in public service ranging from diversion of public funds, misappropriation, embezzlement, procurement fraud and a host of others. In order to carry out its mandates, the Commission deploys policies, initiatives and tools to address its enforcement, preventive and public enlightenment mandates. Among the initiatives employed by the Commission over time include the formation of Anti-Corruption and Transparency Monitoring Units (ACTU) in all MDAs, National Ethics and Integrity Policy and the Constituency and Executive Projects Tracking initiative (CEPTi) and many others.



Corruption is a Systemic Crime

Public service corruption is systemic. It is carried out through faulty or weak processes. These processes are seen in government budgeting system, budget implementation, government procurement of goods and services, implementation of policies and a host of others. The most pervasive of these faulty or weak process happen in the budgeting system. While the Commission explores its mandates to design policies and initiatives to address the systemic processes where corruption thrives in public, it has adopted measures to critically analyse and monitor the implementation of Federal Government budgeting through its Constituency and Executive Project Tracking initiative (CEPTi); the initiative was designed to track the implementation of public funded projects to ensure diligent execution and value for the government.

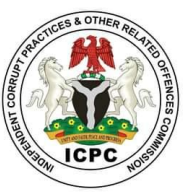
The Commission executes this initiative in collaboration with both:

- ❖ State actors

- ❖ Non-state actors

Such as Budget Office of the Federation, Office of the accountant General of the Federation, Office of the Auditor-General of the Federation, Bureau for Public Procurement, Nigeria Institute of Quantity Surveyors and some Civil society partners such as Budgit, Premium Times and PPDC.

To ensure accountability and transparency in the utilization of public funds and diligent implementation of Capital appropriations.



Corruption in Budgeting

The Budget Analysis

the Commission undertakes annual in-depth analysis and unpacking of the national capital budget with a view to identifying projects padding, budget duplication, suspicious projects, out of mandate projects and other forms of systemic manipulations of procedure to siphon public funds.

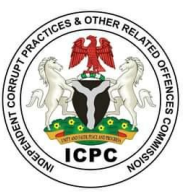
Between 2019 and 2025, the Commission, through its Budget analysis, identified gaps and had course to track about 4,500 projects valued at N433,400,750,000.00. In the same period, the Commission identified multivarious irregularities in the implementation of government projects ranging from underperformance, abandonment of projects, misappropriation of projects funds to outright embezzlement. The Commission through its enforcement instrument compelled erring contractors to go back to the projects they abandoned or shoddily executed to complete them according to specifications. In the same period, the Commission saved for the government and the people of Nigeria projects to the tune of N45,236,959,438.47.



Corruption in Budgeting

The Budget Analysis ... Contd

In addition to the flagging off irregularities in the budget that are deliberately created to facilitate fraud and embezzlement, the Commission has, between 2019 and 2025 made a cash recovery of N3,625,498,214.87 from contractors and public officers across the country. The Commission has just completed the analysis of the 2024 capital budget. The analysis has revealed multifarious irregularities including duplication of projects to the tune of N200,000,000.00. The analysis also revealed that projects insertion (budget padding) made into the budget is to the tune of N1.19 Trillion out of which allocation for installation of streetlights alone is N228.5Billion.



ICPC:

The Cycle of Annual Budget Analysis and Tracking by the Commission



THE ICPC AND PROCUREMENT FRAUD

PROCUREMENT: This is the process of sourcing/ acquiring goods, services, or works from outside /external sources. This involves:

- Needs identification
- Specification Development
- Tendering
- Evaluation
- Contracting
- Contract Management



The implementation of Budget and Delivery of projects across the nation is dependent on efficient procurement Process. If the procurement Process is skewed, budget implementation/project delivery would fail significantly.

THE ICPC AND PROCUREMENT FRAUD CONTD ...

Procurement fraud in Nigeria is a significant issue that affects both the public and private sectors. It refers to dishonest or illegal activities carried out during the process of acquiring goods and services, particularly where contracts are awarded through manipulation, bribery, collusion, or misrepresentation. This leads to contract being awarded to incompetent contractors which results to poor execution of projects.

The Bureau of Public Procurement is responsible for the implementation of the Public Procurement Act, 2007 which sets out procedure for award of government contracts. The Public Procurement Act 2007 is well designed to implement procurement of goods and services to the most competent and responsible contractor through competitive.

THE ICPC AND PROCUREMENT FRAUD CONTD ...

As a safeguard for due diligence in the procurement process, the Public Procurement Act, 2007 also spells out offences and penalties for irregularities in procurement process. For instance, **section 58(1-4)** outlines offences of bid rigging, contract splitting, forgery, obstruction of contract process and other forms of manipulations in the contract award process. Although the Procurement Act was well designed, the Bureau of Public Procurement is not vested with prosecutorial powers. The Bureau of Public Procurement cannot sue for contract offences. For this reason, the Bureau, in November, 2024 entered into an MOU with the Commission for the purpose of enforcement of relevant sections of the Public Procurement Act, 2007.

The ICPC has many ongoing prosecutions that were filed as a result of violations of the Public Procurement Act, 2007. A clear case of reference is an ongoing prosecution in Benue State where a man used the company profile of his friend to secure a big government contract. He did not use his own company because his company was not qualified to be awarded such big contract. After his friend's company was awarded the contract, he surreptitiously forged some documents and transferred the contract through a power of attorney to his own company without the consent of his friend whose company was originally awarded the contract. He is being prosecuted for contract fraud and rigging.

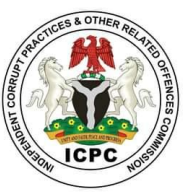




THE ICPC AND PROCUREMENT FRAUD CONTD...

In all government projects, there are sponsors right from the point of budgeting. When the sponsors of government projects are allowed to interfere with procurement process, execution is often compromised in their favour for their personal aggrandizement. Note:

- Those who inserted the projects do not allow the implementing MDAs to carry out due process in the procurement cycle,
- Undue pressure on the MDAs to award such contract to their friends or companies in which they have interests,
- Selective tendering thereby cutting off more qualified contractors.



THE ICPC AND PROCUREMENT FRAUD CONTD...

Collusion: Collusion between public officers and contractors or suppliers can occur at any level of procurement. For example, guidelines allow that as an exemption from open competitive bidding, at least three relevant quotations be obtained for a procurement which value does not exceed N5million.

Rather than source the quotations separately, officers collude with a preferred supplier/contractor to submit all the quotations, one of which would be in the company's registered name and the other two often times, are in fake names with higher quoted prices, giving the fraudulent impression that the quotations are from three different contractors.

The pre determined contractor, of course with the least price then gets the job.



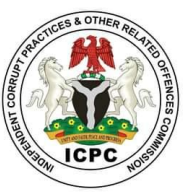
THE ICPC AND PROCUREMENT FRAUD CONTD...

Manipulation of Bids Evaluation: Abuse of the procurement process at the point of bids evaluation especially when the transparent process throws up an unfavored contractor as the best responsive bid.

In this type of situation, the procuring entity factors in previously undisclosed criteria to disqualify the best bid.

Deliberate Splitting of Tenders: This is usually done to secure approval by evading the approval threshold that is beyond the approving authority.

Procurement Officers either in connivance with or at the directive of the Accounting officer illegally split tenders to achieve purpose.



THE ICPC AND PROCUREMENT FRAUD CONTD...

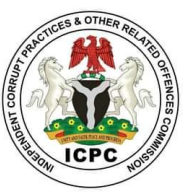
Variation Abuse: A situation where a contractor in collusion with a procurement executive, win a project with a low bid and then submit multiple variations to the project to increase price and profit.

Qualifying an untested/unqualified company/vendor.

Leaking tenders from other bidders.

Specification's narrowed to ensure that only one (1) bidder can win the tender.

Contract awarded prior to specifications being fully agreed.



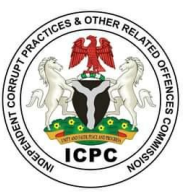
OVER INVOICING/ INFLATED PRICE



Causes of Procurement Fraud

Weak enforcement of procurement laws

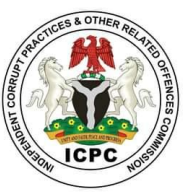
- Lack of transparency and accountability
- Poor oversight and auditing mechanisms
- Political interference in procurement processes
- Handling of Procurement processes by non-certified professional
- Low salaries and poor working conditions of procurement officials?
- Collusion between government officials and contractors



IMPACT/ EFFECT OF PROCUREMENT FRAUD

Inefficiency of Procurement Process

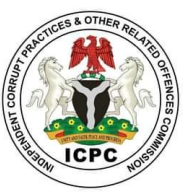
- High Cost of Contracts
- Shoddy completion, non-completion or outright non-execution.
- Under-performance of contract.
- Illegally signing off projects as completed (false certification of projects)
 - Loss of public funds and reduction in service delivery.
 - Poor infrastructure and low-quality public projects.
 - Erosion of public trust in government institutions.
 - Reduced foreign investment due to perceived corruption risks.



PROJECT TRACKING AND PROCUREMENT:

High-Profile Cases and Trends

- Several investigations have revealed procurement irregularities in government ministries, departments, and agencies (MDAs).
- High-profile cases have involved ghost projects, inflated contracts, and fictitious vendors.
- Double Award
- PEP forcing their crony contractors on MDAs for contract awards of projects they inserted /projects in their constituencies
- ZIP Projects hardly meet the procurement process because of vested interests
- CEOs of MDAs cancelling previously concluded procurement process, and reawarding same to cronies



THE ICPC AND THE FIGHT AGAINST PROCUREMENT FRAUD

Legal and Policy Framework: a. Public Procurement Act (PPA), 2007

This is the cornerstone legislation for public procurement in Nigeria.

Objective: To ensure transparency, accountability, and value for money in public procurement.

Key Provisions:

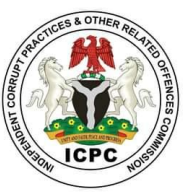
Establishment of the Bureau of Public Procurement (BPP)

Competitive bidding as the standard procurement method.

Mandatory procurement planning and thresholds.

Disqualification of bidders involved in fraudulent activities.

Penalties for procurement-related offenses (e.g., bid rigging, collusion).



Legal and Policy Framework: Public Procurement Act (PPA), 2007

Bureau of Public Procurement (BPP)

Established under the PPA, it serves as the regulatory authority.

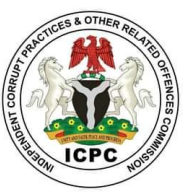
Roles:

Setting procurement standards and guidelines.

Oversight and certification of MDAs' procurement.

Debarment of corrupt contractors.

Capacity building for procurement officers.



Legal and Policy Framework:

INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES COMMISSION (ICPC) ACT, 2000

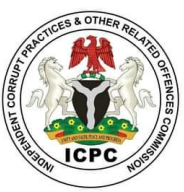
Governs anti-corruption measures across public service, including procurement.

Roles:

Investigates and prosecutes procurement fraud.

Enforces provisions related to gratification, kickbacks, and conflict of interest.

Conducts system reviews in MDAs to close loopholes.



Challenges

Gaps and Challenges

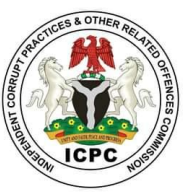
Weak Enforcement: Conviction rates for procurement-related offenses remain low.

Political Interference:

Limited Capacity: Many MDAs lack trained procurement officers or rely on manual processes.

Poor Whistleblower Protection: Fear of retaliation discourages internal reporting of procurement fraud.

State-Level Disparity: Many states lack equivalent procurement laws or enforce them poorly.



Recommendations

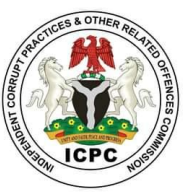
Solutions and Recommendations

- Strengthen enforcement of procurement laws with real consequences.
- Digitalize procurement processes to ensure transparency (e.g., use of e-procurement platforms).
- Protect and encourage whistleblowers.
- Capacity building for procurement officers.
- Regular audits and value-for-money assessments.
- Civic and media oversight to hold public officers accountable.



PROJECT QUALITY AND ADHERENCE TO BOQ/BEME





CONCLUSION

All hands must be on deck to combating procurement fraud/corruption, reducing waste and other fraudulent acts, so that we can ensure that our resources are utilized efficiently and effectively.

PPA 2007 must be adhered to strictly, and a review of the PPA Act 2007 where necessary,

Relevant professional bodies must come together to ensure procurement process are adhered to, and sanctions are meted to those who go outside the regulations.

The ICPC will continue to ensure Improved service delivery and full implementation of public funded projects and execution to specifications of projects. And at the same time enforce the law on any infraction committed.

The End