

Nigeria Seeks to End Corruption in Oil Industry

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An audit to enhance accountability and transparency in Nigeria's oil industry has been launched. For VOA, Gilbert da Costa reports that while oil firms and politicians have benefitted from oil revenues, the wealth has not trickled down to ordinary citizens.



AP Photo

A resident of Nigeria's oil-rich delta region looks at flames from an oil company's gas flare, Jan 2007

The United Nations says despite hundreds of billions of dollars in oil revenues, about 70 percent of Nigeria's population of 140 million live on less than \$2 per day. The World Bank estimates about \$300 billion of government oil funds are unaccounted for.

The spokesman for the Nigeria Extractive Industry Transparency Initiative, Waziri Adio, says a recent audit of oil revenues established significant discrepancies.

"A study covered the period between 1999 and 2004, and that audit discovered many lapses in the way the industry was being run," said Adio. "There were glaring lapses and discrepancies."

"The audit report confirmed there were sharp practices at different points of the industry. We want to be doing this audit so that people actually know how much oil we are pumping, how much is being paid to government and how government is using it," he added.

The government enacted a revenue transparency provision into law on May 28. The new law empowers the Nigeria Extractive Industry Transparency Initiative to monitor oil revenues, and as Adio explained, to apply sanctions when necessary.

"We have a law backing up the operations of NEITI and also giving NEITI the mandate to do its job," said Adio. "The law also has a sanctions clause; that if government agencies and oil companies default in providing timely and accurate information there are punishments."

Lack of access to the oil wealth is driving widespread discontent and violence in the oil producing region in the south.