

IMPACT OF MARITIME FRAUD ON THE NIGERIAN ECONOMY*

Abstract

Fraud generally is a negative phenomenon. Maritime fraud is not in any way different. In every economy, there are negative and positive factors whose interplay determine the viability or otherwise of the economy and to a large extent determine the capital base of the nation and its image in the international community. This study discovered that maritime fraud is a cankerworm which dealt serious blow to the economy of most countries of the world. Huge sums of money have been lost to the activities of fraudsters in the maritime sector. International confidence and credibility in maritime business have been negatively affected by the activities of maritime fraudsters. In Nigeria, the rot is so much that key players in the maritime field comprising government, importers and exporters and other stakeholders who are not among the beneficiaries of these orchestrated vices in the industry daily desire a solution. Various strategies were adopted by the Nigerian government to tackle the problem, the most heralded was the ports concession exercise introduced by government in the year 2000 aimed at achieving efficient and pro-active ports management with the capacity to eradicate all forms of fraud and vices at the Nigerian ports. However, this device came up with its own challenges and left a situation hard to describe as its after-effect oscillated between genuine solutions and the old order. This study concluded that the defective and distasteful as cabotage regime might appear to other stakeholders still have the statutory to assist the maritime development in Nigeria. This study recommended that a maritime business development unit should be established to determine the issues of the availability of Nigeria ship and capacity of the indigenous operators whenever from the public cargo generators, shipping companies or other agencies.

Keywords: Fraud, Maritime fraud, Nigeria, Economy, Impacts

1. Introduction

Fraud is an aspect of crime. Economically, politically and socially crime has a devastating effect on the nation. Nigeria has its fair share. The level of damage that crime has caused Nigeria cannot be underestimated. Maritime fraud is a specie of crime and like other forms of crime e.g. cybercrime, drug trafficking, money laundering etc., it has done considerable damage to the economy affects and has drastically diminished the image of Nigeria internationally. For individual victims, it causes great inconveniences and distress. In most cases, innocent individuals might lose their means of livelihood or life savings. Fraud often goes along with other types of crime especially when committed by organized criminals who could also be involved in crimes such as killing crew members of a ship to conceal the fraud of cargo diversion; or the deliberate sinking of a ship to facilitate the maritime fraud of false insurance claim over hull or cargo. Fraud damages the economy. It drives up costs for consumers (for example through increased insurance premiums) and reduces the amount of money available for public service - this is because fraudsters claim benefits that they are not led to, which leaves less available for public spending. In a report published by the British Association of Chief Police Officers in March 2007, fraud over all costs the British economy an enormous amount of money estimated as at least fourteen (14) billion pounds Economically, Nigeria losses huge sums of money to maritime fraudsters yearly. This leads to increase in the price of goods; decrease in productive capacity and concomitantly decrease in economic growth rate. At the macro-economic level, it causes a slide in the country's balance of payment and in this period of great economic depression it catalyzes depletion of capital.

2. Some Impacts on Nigerian Economy

Loss of Revenue

The dwindling fortune of sea pirate/others crimes has its negative effects have continued to ravage maritime section in Nigerian economy. The maritime sector is adjudged next to oil in terms of revenue generation coupled with its ability to create thousands of jobs on a sustainable basis.¹ However, the Nigeria government, according to experts, is presently nor adequately positioned to reap benefits available in the maritime sector due to numerous challenges such as alleged huge loss of revenue, capital flight to the tune of two trillion annually, policy inconsistencies and dearth of human capital among others. According to experts, the Nigerian maritime sector if adequately harnessed and structured can generate seven (N7) trillion to the national coffers and create numerous jobs for Nigeria. Indeed, some stakeholders who spoke with the Guardian² on Monday expressed a common opinion on how Nigeria is losing several billions of naira' on a regular basis of revenue loss capital flight and policy inconsistencies in the sector. The loss in terms of monetary are unquantifiable, a development,

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¹T.O. Agbelus, *The Revolution of maritime crimes* (Lagos Pacific Printer Nigeria Limited 2009)6

² <http://guardian.ng>. curtailing revenue loss, accessed on 30th October 2022

which they say is depriving the nation of much needed revenue for development. The reverse the trend, they called on the federal government to review all bad policies ‘such as central bank of [Nigeria (CBN) forex restriction on certain items, investigate thoroughly alleged malpractices in shipping operation such as alleged under-valuation of imports, under declaration of goods, concealment, fraudulent transactions on Gross registered tonnage (GRT) of vessels by shipping lines, among others. The Nigeria inability to operate a national shipping line has put the nation at a serious disadvantage in terms of revenue generation and capacity building in the sector.

An economist, Otoide³ who monitors activities in the maritime sector accused previous administrations of not doing enough to harness available huge resources that maritime sector is ‘bleeding’. The revenue loss in that sector is huge. We must block the leakage’. Other nations are generating huge resources from the maritime sector but Nigeria is not? Between 2009 and June 2015, the Nigeria maritime administration and safety Agency (NIMASA) generate \$1.99 billion from the three percent levy on freight. In 2014 and 2015 revealed that the highest collection of \$335.7 million and \$287.3 million was recorded. Indeed, seasonal maritime lawyer and Senior Advocate of Nigeria (SAN)⁴ opinion that Nigeria’s maritime sector has huge untapped revenue estimated at N7 Trillion per annum. He further explained recently that in order to tap revenue from the maritime sector, there is a need to overhaul existing policies, institutions, regulatory and legal framework in the sector. Nigerian Port authority (NPA) NIMASA and other agencies in the sector should be encouraged to block leakage or loss of revenue and contribute more to the federation account. The Nigeria Port Authority is to generate N201.32 billion revenues between January-December, 2022. According to the purported 2021 budget N50.42 billion representing 25 percent will be transferred to the consolidated revenue fund. The NPA is to spend a total of N69.17 billion for personnel and overhead expenses and N81.77 billion for capital expenditures. According to NPA, the proposed revenue is based on ship and cargo traffic within the period while ‘the operating expense budget is essentially driven by the need to maintain and upgrade existing assets, improve monitory roles and advances human/capacity achievement.

In a related development, NPA has predicted that its operations in 2019 would be impacted by the increase in tariff. For imported auto mobile, reduction in service boat operation as oil companies scale down investment due to the global crash in oil price. ‘The on-going reforms initiated by the federal government stimulate growth and loss of revenue in the sector of the economy that are positively impacting maritime activities would be sustained. The port is facing serious insecurity, problems both at the ports of origin and destination, so if there is collaboration with all stake holders, especially relevant security agencies and host communities to engender safe and customer friendly operating environment. Explaining further, NPA said its operations might also be impeded by slow-down in economic activities ‘as businesses struggle with sourcing of foreign exchange. However citing remove short fall to the time of N230 billion, the Nigerian custom comptroller General Col. Hameed Ali(Rtd) has forwarded a request to the vice president, Prof. Yemi Osibanjo, seeking review of central bank of Nigeria Forex policy on certain items, investigate through by alleged malpractices in fraud shipping operation such as alleged under – valuation of imports, under declaration of goods, concealment, fraudulent transaction on Gross registered Tonnage (GRT) of vessels by shipping lines, among others. They opined that the rise in maritime insecurity is registered by an acute fixation on an economy based on revenue from natural resources particularly oil. This has let the systematic destruction of an economic system which occurs through excessive reliance on rent from corruption and waste of revenue.

High Unemployment Rate

The brain behind piracy on our marine environment is the unemployment of sea fares. The pirates we are talking about are professional about are professional sea-farers who are unemployed. ‘The first batch of Nigeria sea- farers development programme (NSDP_ cadets trained by N.I.M.A.S.A are mostly ex-militants. You train them abroad; broad them back without giving them jobs, so they are back to the creek. ‘that they ceased fire now is just a calculated attempt very soon, they were bounce back if the government does not solve their unemployment problems ‘Piracy is tactical, it’s not a battle you can fight will guns and fighting jets. You want to fight people you took out of job who are professional navigator to known where the ship is anchored and positioned before they can attack. It takes a good under water welder to know how to go to the sea and burst the pipe, it’s is a professional game’. One of the captains escaped from pirate attacks is that the federal government should enforce the cabotage law that mandates vessels sailing within Nigerian waters to be owned by Nigerians, not foreigners dominating our marine environment, if this enforced, over 50 percent of Nigerians would have jobs, even as he called on NIMASA and the ministry of transportation to provide an enabling environment for

³ M. Otoide: *The maritime solution and challenges facing the country* (Lagos Pacific Printer 2018) 45

⁴ Olisa Agbakoba *Regulating the marine government of Nigeria for sustainable economy* (2003) (2)(3)

the building of ships and one that would attract investors. A Nigerian lamented⁵ that the disparity and discrimination of indigenous sea farers by the government and also not recognized even they study in the country and have their certificates, they can't use it to work in the country does not engage indigenous ship owners to carry their trade, which has affected the employment of the sea farers.

Act of God: Disease Outbreaks

Some diseases like Ebola, Corona virus cause economic melt-down which affects numerous industries. The maritime industry is not an exception. During such circumstances, the shipping companies devise means of containing the situation at hand such measures include downsizing and limiting of crew change. Both factors lead to damage and low loss of ships.⁶ At such instances, the ship is rendered in effective for an under finite period of time with no crew required to be manned on such vessels, unemployment becomes the order of the day for sailors operating with such companies' unforeseen circumstance like accident can cause maiming, lacerations, high degree burns, loss of sight and so on. Such events lead to unemployment because such sailor becomes unfit to carry out his/her duties. The stated factors are but a few as compared to the bulk, load of other limiting factors. There is still hope for the Nigeria maritime industry the journey has only just begun.

Unfriendly Operational Environment for Economic Growth

Over these years, the marine industry has been very unfriendly in out look to its investors, users and stakeholders due largely to some of the unfriendly policies enunciated by successive government of the day, which have been very hostile and abrasive in nature and also affecting and impacting negatively on the growth, operational modalities and development of the marine environment plunged into a deep dark decline. This deadline cut across all the government agencies in the industry. About three (3) years ago, a ray of hope show through and the maritime industry began to witness visible change when president appointed,⁷ every one held their breath, excepting the same old same old'... soon enough proved everyone wrong and she did so admirably, to those of us that longed for such a positive change. It is no secret that a lot of government owned establishments are kin to Lagos market places where it is a free for all affair, or duty road side cafeterias rank, with the lingering smell food and characterized by a hinge of abandonment broken windows, doors, office tables, and chairs and non-existence or dilapidated office equipment. One of the first things the new Nigerian Ports Authority boss did upon the commencement of her tenure was to sanitize the Nigerian Ports Authority headquarters building in marina. She had the entire structure redesigned and fitted with aesthesis befitting of a respected government owned organization, immediately setting. It's apart from its sister agencies – first thing offices are equipped, order restored, and merit driven performance management systems introduced to improve employee and organizational capability and productivity. This new environment birthed a sense of pride among industry experts, a sense of ownership, and rekindled the desire to perform, following the renovation of the complex. The administration immediately embarked on most impactful human resource reforms in Nigerian Ports Authority history within its first eighteen (18) months, massive promotion of staff, review of salary structures, better conditions of service, upward review of pensions/gratuity as well as terminal benefit.

In 2006, an agreement which should have been reviewed biennially to ensure transparency and due process, she solicited the assistance of the world bank in establishing a standard template for assessment of the performance of both Nigerian Ports Authority and respective terminal operators which is now in place. The bottlenecks that hinder healthy marine environment, for instance is the de-classification of some points as strictly oil and gas. For a nation's port to function optimally, it needs to have a navigable water, deep enough for a large vessel to transit. For many years, only vessels of a limited size could come into our shores because our waters weren't deep enough. What this meant was that shippers brought their good in smaller vessels, which also meant that they couldn't take advantage of economies of scale, and so shipping and landing costs to Nigeria were higher and invariably retrials cost were higher two,⁸ the administration tackled this problem head on and also commenced dredging of the waters at the lay as channel and ports and continually maintains them to this day, keeping them in constant depth and navigable state while not in its direct purview, the Nigerian Ports Authority acquired four (4) patrol boats for the marine police to enhance security at the port and soon after the team constructed a standard stimulation Centre. As an indirect approach to addressing the Apapa gridlock and incentivized ship calls to the astern ports (Delta, Calabar and Port Harcourt, the management approved a 10% rebate on ship dues to vessels calling at those ports and further deployed tug boats, pilot cutters and initiated dredging works of those channels to ensure safety of navigation against sea piracy. In May 2021, a vessel belonging to Mediterranean shipping company (MSC), berthed at the federal ocean terminal, Onne and off

⁵ Ogun sakin Williams

⁶ [Http://sailor.com.ng](http://sailor.com.ng) accessed 3rd November 2022

⁷ Hadiza Bala Usman, managing Director of Nigeria Port Authority

⁸ P.E Asukwo, *Maritime fraud and piracy in Delta Port* (2006)(25) *geo -journal* ,356-360

loaded 1,297 containers, who according to the words of the managing director of the terminal, 'It has been a pleasure to work with the Nigerian Ports Authority to realize this project⁹. Berths 9-11 had been languishing, lying virtually unused for the last decades. Now in partnership with V, we are bringing them to life, adding capacity and competition to Onne Nigerian Port. This is solely needed as the Port is currently experiencing acute congestion with respect to container traffic.

At Escravos under the leadership, remedial dredging works have been completed to access channel of concession of terminal B of the Warri old port. This will increase the inflow of ocean-going vessels into Delta Ports and also impact positively on the socio-economic development of the area with respect to increased trade and commerce, and employment opportunities. We should also remember that we now live in a global village with the rest of the world bearing witness to our every move. The researcher view is that in the interest of saving our maritime sector and ultimately saving our economy, key actors and policy makers should recognize the impacts of their actions, sadly most of the policy makers are not maritime industry players and may not really understand what is at stake. The labourers face the obstacles caused by inconsistent policies that never right, policies that continue to stifle the industry. Some writer argued that the root of maritime insecurity are truncated development aspirations for the vast economy majority of citizen in our economic marginalization often reinforced by political exclusion.

3. Conclusion and Recommendations

It is clear that maritime fraud is on a large scale in Nigeria and that the consequences or impact of this on the economy is grave. From the analysis of data, it is apparent that Nigeria loses above three million naira yearly in maritime fraudsters and above all the image of the country is daily being dented by the perpetrators of this vice. The implication of all these is that Nigeria loses economically and socially. There are numerous benefits that accrue to a nation whose various sectors of the economy are variable and devoid of negative attributes. If the maritime sector in Nigeria is salvaged from the menace of maritime fraudsters, it will generate more revenue for government, it will as well create more employment which will in turn lead to greater human capacity development. Government should prioritize maritime trade as it is a veritable alternative to petroleum as the main source of the nation's economy. There is no guarantee that crude oil which is the country's main source of wealth will run forever. Historically speaking, oil wells dry up. The oil wells of Alabama in the United States of America constitute a case in point. There is urgent need to explore and develop other sources of revenue generation for the country. The two areas that quickly come to mind are agriculture and maritime trade. Agriculture recently (in the past 10 years) attracted Federal Government's attention even in the budget allocation. The maritime sector is not yet so likely despite huge revenue that accrue to the nation from maritime trade and activities this trend should change. Government should prioritize maritime trade bearing in mind that while the oil wells might dry up, the oceans cannot. We make the following recommendations as a way forward in curbing Maritime Fraud in Nigeria:

Legal Action

Legal action should be taken against anyone connected in any way with maritime fraud not only to deter him and potential fraudsters from the crime but for the purpose of restituting the ill-gotten wealth accruing to the fraudster. It is however unlikely that the fraudster will leave his assets intact in a bank within the jurisdiction to be paid out to a victim who brings a successful action. There are however procedural devices which can help the Claimant. Before delving into the devices proper, it is worthy to note that often, the remedies offered by law to grave and grave and challenging situations such as that under appraisal i.e. Maritime fraud are unfortunately obscured by technicalities of advocacy; leaving out the crux of the matter presented to court unattended to. This is most unfortunate and should be collectively fought.

Mareva Injunction

The Mareva injunction is a form of interlocutory relief, whose object is to vent the defendant from removing his assets out of the jurisdiction or otherwise dealing with them until the action pending against him has been determined by a court. Originally the legal basis of the Mareva injunction under the English law was obscure. It is no longer so. Section (1) and (2) of the Supreme Court Act 1981 (England) provides the legal basis for Mareva injunction thus: (a) The High Court may by order (whether interlocutory or final) grant an injunction or appoint a receiver in all cases in which it appears to the court to be just and convenient to do so; (b) Any such order may be made either unconditionally or on such terms and conditions as the court thinks just. The name Mareva injunction comes from the case of *Mare Va Compania Naviera S.A. v. International Bulk Carriers S.A.*¹

⁹ Adegun Wole (ed) 'Maritime Fraud In Department.: An Overview in Wole Adewumi (ed) pacific printing press Lagos (2019)(2)(3)polish journal of environmental studies.

¹ (1975) 2 Lloyd's Rep. 509

the plaintiffs were ship-owners who time-chartered their ship, the Mareva to the defendants. The hire was to be paid in installment but after the third installment the defendant defaulted and claimed to repudiate the contract. The plaintiffs were afraid that the defendant would remove his assets from the jurisdiction before the plaintiffs claim could be heard. Before a Mareva Injunction could be granted, the plaintiff must satisfy tests which are more stringent than the American Cyanamid tests which are ordinarily applicable to interlocutory injunctions. The requirements are summarized by Rattee J. In *Re: BCCI (No. 9)*² thus:

There are three issues on which the Court has to be satisfied before granting a Mareva injunction (i) has the applicant a good arguable case (ii) has the applicant satisfied the Court that there are assets within and where an extra - territorial order is sought, without the jurisdiction, and (iii) is there a real risk of dissipation or sequestration of assets so as to render any judgment which the applicant may obtain nugatory?

According to Paul Todd, the last decade or so having seen a number of frauds on a truly international scale, Mareva injunction which was thought were available only to prevent removal of assets from within jurisdiction can be granted on a world-wide basis. This was the basis of the decisions in *Babanaft Int. Co. S.A v. Basantine*³ and *Debby & Co. Ltd. v. Weldon (Nos 3 & 4)*⁴

Anton Piller Orders

These are a type of interlocutory mandatory injunction which (like the Mareva Injunction) now derives its jurisdiction from the general power of the High Court, contained in the English Supreme Court Act 1981, S 37, to grant an injunction when it appears 'just and convenient' to do so. The order is named often after the case of *Anton Piller K.G v. Manufacturing Processes Limited*⁵ which was the first case where the English Court of Appeal approved the use of this kind of order Anton Piller received House of Lord's approval in *Rank Film Distributors Ltd v. Video Information Centre*⁶. Anthon Piller Order is obtained ex-parte (in the defendant's absence) so as to catch him off his guard and is used in cases where the Court believes there is a danger that he will remove or destroy evidence in the form of documents or movable property, such as money, paper or items of commodity. In addition to ordering the defendant not to move or destroy the evidence, the Court may require him to allow the plaintiff to inspect the relevant evidence of property at the defendant's premises. The order is very powerful and the Courts are concerned to protect the interests of the defendants. As Lord Wilberforce observed in *The Rank Film Case*:

Because they operate drastically and because they are made, necessarily, ex parte – i.e. before the persons affected have been heard, they are closely controlled by the Court. See the judgment of Lord Denning MR. in Anton Puller. They are only granted upon clear and compelling evidence and a number of safeguards in the interest of preserving essential rights are introduced. They are an illustration of the adaptability of equitable remedies to new situations.⁷

Among the safeguards are that the applicant shows a prima facie case, that the damage. Potential or actual, must be very serious for the applicant, that there is a real possibility that the evidence will be destroyed. The most devastating problem associated with the legal remedies in maritime fraud is the problem of jurisdiction. Often, the defendant's location after the fraud or the bank where he keeps the money - the proceeds of the fraud - or the location where he keeps the property or goods is different from the jurisdiction where the fraud was committed; this often pose jurisdictional problems. According to Paul Todd:⁸ 'Because of the international nature of maritime fraud, issues frequently arise...' However, in England this is taken care of by the English Rules of Court - the R.S.C. Order II and the Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters (as amended) indicial approval has been given to it by the authority of *Group Torras S.A v. Sheikh Fahad Mohammed Al Sabah*⁹. In Nigeria, the Sheriff and Civil Process Act, The Federal High Court Rules and the High Court Rules of the various states and Abuja make provisions for service of processes and enforcement of judgments and orders outside jurisdiction. As a corollary to the legal remedies, Huttingdon in his book '*Fraud, Discovery, Proof and Recovery*'¹⁰ gave some useful hints on the techniques for investigation of Maritime fraud, some of these useful hints include:

² (1994) Todd, *Maritime Fraud*, London LL, p 2003 P.200

³ (1990) Ch 13

⁴ (1990) Ch 65

⁵ (1976) 2 WLR 162

⁶ (1982) AC 380

⁷ (1990) Ch 13

⁸ Paul Todd, *Maritime Fraud*, London LL, p 2003 P.11

⁹ (1995) 1 Lloyd's Rep. 374 also *Goode Commercial Law* (1995) Chapter 7

¹⁰ Pail Todd, *Maritime Fraud*, London LLp 2003 P.8

- a). Records to be always maintained by the registrar of companies from which can be obtained names and addresses of directors, professional advisers and bankers.
- b). There should be surveillance techniques of individuals whose behavior indicate recent sudden enrichment. It may also be useful to observe meetings, places etc.
- c) Immigration department records are valuable (if access is available) to show access to and egress from countries.
- d). Travel agent, records, hotel registers, car hire receipts etc to be kept and periodically accessed.
- e). Communication company records, (for telex etc) should be kept and scrutinized.

Paul Todd further states that the purpose of any investigation needs to be borne in mind at all times, which will usually be to identify the whereabouts of traceable assets and then to move quickly to freeze them before he can be dissipated by the fraudster or an accomplice. It is however instructive to note that in common law, tracing of proceeds is limited and is not available where the proceeds get paid into a mixed bank account¹¹ nor where a recipient as given consideration. However, where they remain unmixed, they can be traced into hands of a donee, as in *Banque Belge Pour L Tranger v. Hambrouck*,¹² where they traced into the bank account of the fraudster's mistress.

Re-orientation Programs

Government and maritime institutions in the country should organize periodically reorientation programs for the customs, immigration, Port workers, ship-owners and maritime businessmen aimed at exposing the dangers of maritime fraud and inculcating the spirit of patriotisms, hard work, sincerity and probity in maritime business.

Agency Intervention

Nigerian Maritime and Safety Agency (N.I.M.A.S.A) and similar maritime bodies should be better equipped and funded to meet the current challenges of maritime security and effectively fight maritime fraud in Nigeria

Niger Delta Problems

Core problems and issues or neglect in the Niger Delta should be urgently addressed by government to curb the menace of hostage taking and attacks on vessels and maritime installations.

Use of Information Technology

The Nigerian maritime industry should embrace the use of information technology more aggressively and also change its attitude to information exchange. By embracing information technology, Nigeria is expected to key into world's maritime industry and benefit from the wealth of knowledge and contemporary experiences of the leading world maritime Sectors in maritime fraud prevention, control and adjudication. According to Olawale Onadapo¹³: the main area of strength that has given developed markets like U.K and America an edge over Nigeria is the extent of the use of information and technology to manage data exchange. As far as 1987 the British Market started operating a computer database code-named Motor Insurance Anti-Fraud and Theft Register (MIAFTR)¹³. The initiative was also followed by the establishment in 1994 of another computerized databases known as Claims and Underwriting Exchange (CUE) for the household insurance market. These tools have greatly assisted the U.K. market to control fraud with record success of over 50% reduction.

Human Capacity Development

The biggest investment in life is human capacity development. Government should therefore pursue issues of capacity building for the Nigerian customs service, the Nigerian immigration service, and the employees of the Nigerian maritime sector. When the right person is made to take charge of the sector, maritime fraud and other forms of corruption in the sector will be drastically reduced if not completely exterminated.

Reporting Maritime Fraud

Victims of maritime fraud should be ready to report their experiences to the appropriate agencies and authorities as to reveal the frill cope of the defendants criminal acts; by so doing the fraudulent nature of the transactions engineered by the defendants is readily grasped and by continued interagency collaboration, public education and greater international cooperation huge success will be achieved in the area of combating maritime fraud in Nigeria ,giving that fraud in the industry is often orchestrated by very powerful cartel with connection in high places including iii government and who possess the power to inconvenience of citizens who at the risk of losing their lives choose to 'bell the cat'. The essence of Freedom a reporter, the Freedom of Information (FOI)

¹¹ *Agip/Africa Ltd v. Jackson* (1991) Ch 547, 91991) 3 WLR 116, (1992) 4 All ER 451

¹² (1921) 1 KB 321

¹³ O. Oladipo, *Detecting and Handling Fraud in Insurance Claims* P.9

Act becomes necessary to protect and secure the liberty of Information Act is also to give protection to Informants in very sensitive and critical situations.

Need for care in Maritime Business

In nearly all incidents of maritime fraud, it is evident that dishonesty of one party is combined and with the misplaced trust and shortsightedness of the other Therefore for buyers and sellers, care should be exercised when dealing for the first time with unknown parties. Careful inquiries should be made as to their standing and integrity before entering into a binding agreement. Shipment should be well established shipping lines. The cargo owner should be wary: (a) if the freight rate is too attractive, (b) if the ship owner owns one vessel only (singleton), (c) if the vessel is over 14 years of age or, (d) if the vessel has passed through various owners. The buyer and the seller should identify before transacting business, whether the carrying vessel is on charter and who the charterers and owners are. They should ensure that chartering is done only through agents of reputable institutions.¹⁴

Exploring the Opportunities Provided by the International Maritime Bureau

The International Maritime Bureau (IMB) is a non-profit making organization established in 1981 to act as a focal point in the fight against all types of Maritime crime and malpractice. The International Maritime Organization (IMO) in its resolution A504 (xii) and (9) adopted on 20 November 1981 has interalia, urged governments, all interests and organizations to cooperate and exchange information with each other and the IMB with a view to maintaining and developing a coordinated in combating maritime fraud. The IMB has a Memorandum of Understanding (M.O.U) with the World Customs Organization (W.C.O) and has observed status with International Police (Interpol). I.M.B's main task is to protect the integrity of international trade by seeking out fraud and malpractice. For over 25 years, it has used industry knowledge, experience and access to a large number of well-placed contacts around the world to do this: identifying and investigating frauds, spotting new criminal methods and trends and highlighting other threats to trade. Nigeria should therefore through its relevant agencies and institutions e.g. N.I.M.A.S.A cooperate with the I.M.B. and as such enjoy the numerous benefits that the Bureau offers in the area of Maritime Fraud Prevention, investigation and control. It is not in doubt that Resolution A 504 (xii) (5) and (9) of 01981 has been grossly abused by many countries including Nigeria Inter-agency collaboration is lacking. The essence of the resolution is to achieve a coordinated approach to the fight against maritime fraud. States do not key into the programs and activities of the International Maritime Bureau. The advantages are enormous, Nigeria has related agencies including N.I.M.A.S.A through which the country could effectively link with the IMB and derive the maximum benefit of such union. The appropriate agencies of government should ensure this much desired effective collaboration.

¹⁴ Precautionary Measures for Fraud Prevention: Measure for Exporters and Importers – <http://www.vnovinite.com> p4-5 visited 9/9/2010