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# Dubai Property: An Oasis for Nigeria's Corrupt Political Elites

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## Summary

For politically exposed persons (PEPs) with ill-gotten wealth, Dubai in the United Arab Emirates (UAE) is an alluring destination for investing their gains. Although certainly not the only place to stash money, Dubai—dubbed the commercial capital of the Middle East—exercises minimal oversight and has few legal or logistical obstacles to transferring large amounts of cash or purchasing property. PEPs, defined as individuals who are or have been entrusted with a prominent public function, are at higher risk of involvement in unlawful activity due to their positions of influence and access to assets.<sup>1</sup> In some cases, government officials and associates who succumb to the temptation become front-page news, but in many other cases, their activities go undetected or uncorroborated, despite the efforts of local authorities and intergovernmental bodies such as the Financial Action Task Force. As a result, billions of dollars are siphoned away to the detriment of both prosperous and struggling economies and societies.

The case of Nigeria—home to Africa’s largest economy and the world’s seventh most populous country—offers valuable insights into this phenomenon.<sup>2</sup> For Nigerian PEPs in particular, Dubai is an accessible oasis far away from the political drama in their capital, Abuja, or the hustle and bustle of their biggest city, Lagos. But a dearth of specific information about Nigerian PEPs’ property in Dubai has long precluded a deeper analysis of the share of illicit financial outflows from Nigeria; that is, until 2016, when the Center for Advanced Defense Studies (now known as C4ADS) acquired the data of a private database of Dubai real estate information (dubbed the “Sandcastles” data). At least 800 properties were found to have links to Nigerian PEPs or their family members, associates, and suspected proxies. With such information and continued monitoring, Nigerian and Emirati authorities and national and international actors could ramp up their scrutiny on high-end property transactions involving Nigerian elites to ensure that these purchases are not being made with pilfered public funds. The two countries could also deepen bilateral law enforcement cooperation by sharing information and assisting investigations more responsively and routinely. For their part, Western governments, the United Nations, and other international organizations could press the UAE to make its property and corporate records more transparent.

### The Scale and Significance of Nigerian PEPs’ Dubai Property Holdings

- The 800 Dubai properties linked to Nigerian PEPs are estimated to be worth well over 146 billion naira (N) (\$400 million).<sup>3</sup> This equals roughly two-thirds of the Nigerian Army’s annual budget and over three times the annual budget of the country’s Independent National Electoral Commission.<sup>4</sup>

- Dubai property ownership is an indicator—not definitive proof—that a particular politically exposed Nigerian possesses unexplained wealth. Although many PEPs’ property purchases exceed what their official salaries should permit, some politically exposed Nigerians have complicated personal financial portfolios combining marital and family assets, business holdings, charitable foundations, and other offshore wealth. Only Nigerian law enforcement agencies, working with their Emirati and international counterparts, can determine conclusively whether an individual’s property was purchased with the proceeds of corruption. Except where reference is made to factual matters concerning specific identified individuals, this paper should not be read as making any general allegations of unexplained wealth or ill-gotten gains concerning any of the individuals or corporate entities it discusses.
- Nigerian elites face few obstacles transferring large quantities of cash to Dubai. Banks or other money transfer agents in both Nigeria and the UAE do not appear to be reporting large or otherwise suspicious transactions by PEPs to national authorities. Unless Emirati and international authorities strengthen checks on such activities, questionable financial outflows from Nigeria to Dubai will continue to grow.
- Dubai property ownership cuts across all of Nigeria’s elite political, ethnic, and religious groups. The city hosts politically exposed Nigerians from across the country, not just its northern Muslim elites. The Sandcastles data are broadly representative of Nigeria’s geographically and ethnically diverse political class.
- In contrast to their Nigerian peers, Kenyan PEPs are linked to just a handful of Dubai properties. Given that Kenya also suffers from high levels of official corruption, it is unclear why the Dubai property market has not absorbed more of the country’s illicit financial outflows. An explanation might be that Kenyan elites use proxies and shell companies more effectively and systematically or that the country’s law enforcement and regulatory agencies are more effective than those in Nigeria.

### Policy Implications, Constraints, and Prospects

- Nigerian PEPs’ purchase of Dubai property—if carried out using ill-gotten gains—is a serious political and socioeconomic concern rather than a nuisance or victimless activity. Dubai’s receptivity to dubiously acquired funds fuels and incentivizes the looting of Nigeria by its kleptocratic elites. An unknown proportion, perhaps substantial, of the over \$400 million they have used to buy Dubai property could be part of a river of illicit financial flows out of Nigeria, which the think tank Global Financial Integrity conservatively estimated to total \$178 billion from 2004 to 2013.<sup>5</sup>

- Any Western governmental efforts to stem illicit financial outflows from Nigeria to Dubai will be constrained by strategic considerations. The United States, United Kingdom, and many European governments enjoy close diplomatic, military, financial, and institutional ties to the UAE. They therefore lack leverage over Emirati decisions, making it difficult to apply coordinated and sustained pressure on the country's officials on sensitive issues like this one.
- Nigerian law enforcement agencies could seize upon some underexploited opportunities to deter PEPs' illicit acquisition of Dubai property. The Nigerian government could launch an interagency investigative panel to scrutinize the last ten years' worth of financial transfers between Nigeria and Dubai, flagging suspicious transactions that may have been ignored or previously overlooked.
- Emirati authorities arguably have the greatest responsibility and strong incentives for preventing Nigerian PEPs from laundering money through the Dubai real estate market. If Dubai becomes a central port for spoils and a haven for kleptocrats, its attractiveness to mainstream investors could fade over the long term. Unlikely to embrace one-sided reforms that hurt their global competitiveness, Emirati authorities may be willing to buy into broader international fixes—such as increased transparency of company ownership records—that impact all jurisdictions equally.

## Introduction

Nigerians enjoy a special connection with Dubai in the United Arab Emirates (UAE). For Nigeria's politically exposed persons (PEPs) and their associates, Dubai is a welcoming destination for any unexplained wealth they accrue. PEPs are current or former political elites who are inherently at higher risk of carrying out illicit activity due to their position of power. For Nigerian PEPs who succumb to the temptation, Dubai is a place where they can relax and enjoy such gains away from the prying eyes of anticorruption agencies, journalists, and civil society watchdogs. And, for many, property ownership is a key way to fully unlock this privileged lifestyle.

Dubai specializes in selling high-end properties—whether modest serviced apartments, luxury penthouses, or spectacular villas—to the world's richest elites. Indeed, Dubai's rapid growth and development over the last four decades has been underpinned by its booming real estate market. With the strong financial backing of Abu Dhabi—the UAE's capital and home to over 99 percent of its oil production—Dubai is also now one of the world's premier commercial and banking centers. But, in part because of its success, it has become an attractive portal for illicit money flowing into the global financial system.



For politically exposed Nigerians, however, Dubai's appeal runs even deeper. There are four reasons that, when taken together, explain why Dubai's property market is a particularly enticing destination for Nigerian elite investment:

- 1. Accessibility.** Dubai is a major transportation hub and the home of Emirates Airlines, which is ranked fifth out of all airlines worldwide in terms of the number of countries it serves.<sup>6</sup> For Nigerian elites, Dubai is as easy to reach as London, England, and more accessible than U.S. cities New York or Miami. Emirates Airlines flies to Dubai twice daily from Lagos, Nigeria, and once daily from Abuja, Nigeria. It is also much easier for a Nigerian to get a UAE visa than it is for them to get a visa for the United States or United Kingdom. A thirty-day tourist visa to the UAE only costs N30,000 (\$83) and takes about a week to process. There is no need to have legal residency or a permit to buy property in Dubai.<sup>7</sup> As a result, the number of Nigerians traveling to Dubai continues to rise. Nigerian arrivals increased 28 percent in the first half of 2019 (compared to the same period in 2018), vaulting Nigeria for the first time onto the list of top twenty countries sending international visitors to Dubai.<sup>8</sup>
- 2. Permeability.** Dubai is a welcoming business environment for not only legitimate businesses but unlawful ones as well. Both types can easily buy property in and transfer money to Dubai. As of 2018, the U.S. Department of State assessed the UAE to be a “major money laundering jurisdiction,” as defined by the Foreign Assistance Act of 1961.<sup>9</sup> In the words of a former sales manager at a major UAE property company, “There are not the same checks on the sources of money coming into Dubai as there are in London and elsewhere.”<sup>10</sup> Dubai's property market is especially vulnerable to money laundering because the emirate enjoys a strong banking system but weak financial regulations, champions rapid and aggressive business growth, and exercises minimal oversight of corporate and property registration practices.<sup>11</sup>
- 3. Reliability.** Buying property in Dubai has long been a relatively safe investment because of the emirate's strong links to the international financial system, stable governance, and investor-friendly policies. Government efforts to stabilize property prices may further improve the long-term reliability and profitability of Dubai real estate. In September 2019, Dubai's ruler created the Higher Committee for Real Estate Planning, a supervisory body chaired by Sheikh Maktoum bin Mohammed, who is Dubai's deputy ruler and the third son of Dubai's current ruler.<sup>12</sup> Made up of top emirate officials, government investment bodies, major property developers, and urban planners, the committee is tasked with better regulating housing supply and demand.<sup>13</sup>
- 4. Affordability.** Dubai property is also a relatively affordable entry point for Nigerian elites seeking to climb the international property ladder. In 2019, a global real estate firm ranked it third out of twenty global cities—behind only Cape Town, South Africa, and Sao Paulo, Brazil—in

terms of how many square meters of prime property \$1 million can buy.<sup>14</sup> Dubai also has some of the lowest property fees (in other words, taxes) in the world, averaging just 3.6 percent over a five-year period.<sup>15</sup>

These alluring factors are evident, yet specific details on the scope and scale of Nigerians' presence in Dubai are difficult to obtain. This lack of information is not unique to Nigerian linkages to Dubai; it reflects the overall lack of literature and in-depth analysis on the role of the emirate—and its luxury property market—as a conduit for global illicit financial flows.

This is not simply an academic oversight; study and discussion of Dubai's problematic role appears to be discouraged by Emirati authorities concerned about protecting the country's positive international image, attractiveness to international investors, and strong relationship with the United States, United Kingdom, and European governments.<sup>16</sup> Leveraging its dynamic diplomatic corps, top-notch lobbyists and public relations firms, and generous donations to world-class think tanks and universities, the Emirati government has tried to neutralize potential critics.<sup>17</sup>

Thus, research on this topic is scarce. In its report *Sandcastles*, the Center for Advanced Defense Studies (now known as C4ADS) examined how seven individuals sanctioned by the United States or European countries were linked to property in Dubai. Likewise, the Tax Justice Network's 2018 Financial Secrecy Index provides in-depth analysis of the emirate's role as a destination for global illicit financial flows, stating that it has “an ask-no-questions, see-no-evil approach to commercial and financial regulation as well as foreign financial crimes.”<sup>18</sup> The index ranks Dubai as the ninth most secretive jurisdiction in the world (out of 112).<sup>19</sup>

In his 2010 book *Dubai: Gilded Cage*, Syed Ali highlights the close connection that Emirati government policies have long had with the needs of developers keen to market upscale properties to international buyers.<sup>20</sup> This includes Dubai's 2002 decision to grant property ownership rights to noncitizens and issue residence visas to those who bought real estate.<sup>21</sup> Ali also explains how “Dubai has become the Gulf's money laundry,” noting that this activity is “really an extension of the smuggling trades that had been part and parcel of Dubai's development.”<sup>22</sup> Without accusing Dubai's rulers of active complicity, Ali notes that they have “[turned] a blind eye in the interests of keeping commerce generally as free and uninterrupted as possible.”<sup>23</sup>

The purpose of these assessments and this paper is not to tarnish reputations, whether Emirati or Nigerian. The research here focuses on assessing the extent of Nigerian PEPs' ownership of property in Dubai, the types of Nigerian PEPs linked to property, and the legal and logistical obstacles to purchasing property. The intent is to provide fresh evidence and analysis capable of generating policy solutions that could help Nigeria—on track to be the world's third most populous state by 2050—to

address a particular manifestation of elite corruption.<sup>24</sup> It is also to proffer policy recommendations for Nigerian and Emirati officials as well as Western governments and international financial regulators.

For Nigeria to address its worsening poverty rate—which is as high as 52 percent in rural areas—as well as its many other daunting socioeconomic, governance, and internal security challenges, it needs to curb outflows of cash being embezzled by some of its top office holders and public servants.<sup>25</sup> Ignoring this phenomenon would ensure that Dubai property remains an attractive conduit for illicit financial flows from Nigeria for decades to come. Over time, these outflows will drain government coffers, drive up borrowing, and put further pressure on the naira, Nigeria’s perennially struggling currency.

## Methodology Note

This paper is largely based on private data compiled by UAE-based real estate and property professionals and provided to C4ADS by confidential sources. It is hereafter referred to as the “Sandcastles data.”<sup>26</sup> C4ADS assesses this data to be credible, with the caveat that it does not constitute evidence of the same quality and standard as a property deed, a form of official documentation strictly controlled in the UAE as confidential information. Further, the data, last updated in 2016, show the affiliation of individuals and entities with Dubai property at that moment in time, and, as such, this paper makes no claim that these affiliations have continued past that year. The mention of any individual, company, organization, or entity in this paper does not imply the violation of any law or international agreement.

However, this paper attempts, wherever possible, to corroborate and substantiate the data with a variety of other open-source information, including corporate records held by Nigeria’s Corporate Affairs Commission. Specific information on individual residences (such as apartment numbers) are not disclosed to protect the privacy of current owners who may have purchased properties previously owned by Nigerian PEPs since the collection of this data.

The property prices quoted are either the purchase price listed in the data or an estimate of what the property was worth in late 2019 according to commercial aggregators that list the value of comparable units in the same development or community. All property values (unless otherwise noted) have been converted from Emirati dirham into U.S. dollars at the prevailing rate during the period of research (between July 2019 and October 2019).

## Scope of Nigerian PEPs' Ownership of Dubai Property

Nigerian elites own hundreds if not thousands of properties in Dubai but perhaps not as many as some media reports suggest. A 2014 report, for example, claimed that Nigerian buyers accounted for 60 percent of all serviced apartment sales in Dubai.<sup>27</sup> Likewise, in 2012, the sales manager for a Dubai real estate firm claimed Nigerians had invested up to \$6 billion in Dubai property over the previous three years, recalling how “they are buying up units or floors. One client at the moment is looking at buying 27 apartments in Dubai, and they’re all \$450,000 each.”<sup>28</sup> In a rare public disclosure that same year, the Dubai Land Department noted that Nigerians invested \$52.2 million in property in the first six months of 2012.<sup>29</sup> At first glance, these numbers suggest that Nigerians must own an astronomical number of Dubai properties by now. Analysis of the Sandcastles data does not necessarily support these alarmist reports, but it does confirm that Nigerian elites have a significant presence in Dubai’s booming property market.

TABLE 1  
**Nigerian PEPs Linked to Properties in Dubai**

Individual Type	Total Individuals	No. of Properties
Suspected PEP proxy	>158	226
Known Nigerian law enforcement agency suspects	13	216
PEP-linked businessperson	50	91
Security sector leader	14	71
Governor	35	69
Legislator	16	45
Department/Agency head	16	25
Minister	15	24
Nigerian National Petroleum Corporation official	11	19
Presidency staff member	5	13
Judge	1	1
<b>Total</b>	<b>334</b>	<b>800</b>

**SOURCE:** Sandcastles data (last updated in 2016).

## Does Nigerian Law Allow PEPs to Own Property in Dubai?

Yes, under four conditions. First, a PEP must be able to explain the origin of funds used to buy the property. Under Nigeria's Economic and Financial Crimes Commission (Establishment) Act, the Economic and Financial Crimes Commission (EFCC) has the power to "cause investigations to be conducted into the properties of any person if it appears to the Commission that the person's lifestyle and extent of the properties are not justified by his source of income."<sup>30</sup> Similarly, the 2000 Corrupt Practices and Other Related Offenses Act states that:

Where . . . any public officer . . . owns, possesses, controls or holds any interest in any property which is excessive, having regard to his present or past emoluments and all other relevant circumstances, the [Independent Corruption Practices and Other Related Offenses Commission] Chairman may by written direction require him to furnish a statement on oath or affirmation explaining how he was able to own possess, control or hold such excess and if he fails to explain satisfactorily such excess, he shall be presumed to have used his office to corruptly enrich or gratify himself and charged accordingly.<sup>31</sup>

Second, a PEP must be able to show that the funds were transferred abroad legally. This is complicated, however, because Nigeria's constitution prohibits many types of senior public officers from maintaining a bank account outside the country.<sup>32</sup> For their part, Nigerian financial institutions are required to notify the Central Bank of Nigeria of any outgoing transfer over \$10,000. They are also obliged to file suspicious transaction reports with the Nigerian Financial Intelligence Unit if they suspect funds are the proceeds of corruption or other crimes.<sup>33</sup> Regulations also require financial institutions to "render monthly returns on all transactions with PEPs to the CBN [Central Bank] and NFIU [intelligence unit]."<sup>34</sup> If they fail to do so, banks and other middlemen could run afoul of the 2002 Money Laundering (Prohibition) Act, which states that:

Any person or body corporate, in or outside Nigeria who directly or indirectly—(a) conceals or disguises the origin of, (b) converts or transfers, (c) removes from the jurisdiction; or (d) acquires, uses, retains, or takes possession or control of any fund or property, knowingly or reasonably ought to have known such fund or property is, or forms part of the proceeds of an unlawful act, commits an offence of money laundering under this Act.<sup>35</sup>

Third, if a buyer is a public office holder or civil servant, they must disclose their Dubai property purchase on their official asset declaration submitted to the Code of Conduct Bureau. Under the Code of Conduct enshrined in Nigeria's constitution, public office holders at all levels must fully declare their assets before they assume their official duties, when they move from one position to another, and upon retirement. As part of this declaration, they must identify all properties and

assets—both in and *outside* Nigeria—that they, their spouse, or their children own. The bureau then collects, stores, and—in a small number of instances—seeks to validate these declarations. This system is deeply flawed, however. Not only does the bureau lack the resources and political backing to verify more than a tiny percentage of officials’ asset declarations, Nigerian law also exempts these documents from public scrutiny, including via Freedom of Information Act requests.<sup>36</sup>

Fourth, Nigerians holding assets abroad should declare them for tax purposes, even though many types of foreign income and assets are not taxed. Under the Voluntary Offshore Assets Regularization Scheme established in 2018, President Muhammadu Buhari’s administration gave offshore asset holders an opportunity to disclose these assets and resolve any unpaid tax liabilities by paying a onetime 35 percent levy on their value.<sup>37</sup> It is unclear, however, how many individuals took advantage of the scheme or whether the government will take steps to fine or prosecute those who failed to do so.

### Buying Dubai Property: A How-To Guide for Politically Exposed Nigerians

Purchasing property in another jurisdiction is never a simple proposition. This is certainly the case for Nigerian PEPs with ill-gotten gains looking to buy a second home in Dubai. Without careful planning and the right help, they risk being discovered, losing money on a bad investment, or getting defrauded by unscrupulous middlemen. The following analysis explains how Nigerian PEPs avoid these pitfalls.

#### *Marshall the Resources*

An examination of the Sandcastles data reveals that Nigerians who invest in Dubai property constitute a relatively small subset of the country’s expansive constellation of national elites. Not all Nigerian politicians and officials have the financial wherewithal to buy high-end property overseas. While many politicians may generate a significant income by both legal and corrupt means, their overheads—campaign costs, donor paybacks, everyday patronage, party fees, and other payments to their political godfathers—eat into their profit margin. And though bureaucrats do not have the same political overheads, they earn much lower salaries and have more limited opportunities for self-enrichment. Further, Nigerian officials do not receive annual salary increases and cost-of-living adjustments like officials do in the United States or European countries; the highest-paid Nigerian civil servants make N5.5 million (roughly \$15,000) per year.<sup>38</sup>

Thus, many politically exposed Nigerians would need a few years—or a few big payoffs in quick succession—to marshal the excess funds needed to invest in Dubai property. This nest egg would need to be in cash, as it would be risky and perhaps too expensive to apply for a mortgage loan unless

they already owned Dubai property they could leverage to buy another. Emirati banks do offer mortgages and home equity loans to Nigerians, though often at high or variable rates of interest.<sup>39</sup> Buyers must also factor in a onetime 4 percent Land Department registration fee on top of the purchase price.<sup>40</sup>

Nigerian buyers must also budget for long-term expenses, such as annual municipal taxes, maintenance costs, and property management fees. Similarly, they need to be able to afford to visit their property. A round-trip business class ticket from Lagos to Dubai costs about N1.2 million (\$3,300)—or about 20 percent of the pre-tax annual salary of a top-earning civil servant.<sup>41</sup> For Nigerian PEPs and their extended family to enjoy their Dubai property, they must budget for multiple round-trip airline tickets each year.

### *Seek Advice and Assistance*

Getting the right help from corporate service providers—both in Nigeria and in the UAE—is another essential step in any Nigerian PEP’s journey toward Dubai property ownership. Accustomed to doing business in a jurisdiction where cash from corruption-prone states is largely left unchecked, these service providers (for example, real estate agents, bankers, lawyers, and accountants) routinely help overseas buyers no-questions-asked.<sup>42</sup> At home in Nigeria, banks or even currency exchange operators can be enlisted to help transfer a PEP’s cash to Dubai—either all at once or in smaller, daily transfers over time. Bulk cash smuggling is also an option. In 2012, for example, the EFCC arrested a courier attempting to smuggle \$7 million in cash on a flight from Lagos to Dubai.<sup>43</sup>

Real estate agents can also advise Nigerian elite investors about where in Dubai, and what type of property, they should purchase. Do they want a penthouse flat or top-end villa to demonstrate their wealth and status to other politically connected Nigerians? Do they want several more modest villas or apartments where family and friends can live for extended periods? Or do they want to buy up six or ten flats or even multiple floors of flats in new residential developments, perhaps as a means of laundering large sums of money?

In terms of maximizing value for money, Dubai property experts advise that affordable properties—such as simple flats in the International City district (average price \$91,500)—will offer the highest rate of return over the long term.<sup>44</sup> In some sectors of the Dubai property market, over the last decade, many real estate investments have lost value, with property prices declining between 25 and 35 percent since their mid-2014 peak as supply outpaces demand.<sup>45</sup> In other words, Nigerian PEPs who bought high-end property toward the end of president Goodluck Jonathan’s administration probably have lost money on their investment.

### *Avoid Getting Scammed*

Nigerian PEPs' appetite for Dubai property is so voracious that a burgeoning group of middlemen now specialize in selling Dubai property to recently elected politicians and newly appointed officials. Some of these salesmen are scam artists seeking to con naive legislators keen to convert some of their ill-gotten gains into offshore real estate. One former legislator from Nigeria's Kaduna State, for example, lost tens of thousands of dollars to one such hustler.<sup>46</sup> Similarly, in the early 2010s, a Dubai-based timeshare company allegedly scammed as many as 2,000 Nigerian investors, some of whom were sold timeshares by the company's Lagos offices in advance and some of whom were sold timeshares upon their arrival at Dubai International Airport.<sup>47</sup>

### *Evade Detection*

Apart from the snapshot offered by the Sandcastles data, Dubai property records remain opaque and inaccessible—both to international law enforcement and the general public. Even so, there are additional steps politically exposed Nigerians can take to conceal their Dubai property holdings. These include, for example, registering the property in the name of a shell company, close relative, trustworthy proxy, or unwitting but controllable stooge. Another precaution a PEP could take would be to include a fictitious Dubai property on their Code of Conduct Bureau asset declaration when entering office and then actually purchase one after sufficiently monetizing their position. Likewise, in lieu of a bribe, a businessperson seeking a government contract might offer to buy a property that they allow the PEP to use and promise to give them after they leave office.

Analysis of the Sandcastles data suggests that politically exposed Nigerians' use of middlemen and proxies could be widespread. A disproportionate number of Nigerian owners of Dubai properties list formulaic email addresses—often registered with Yahoo.com—on property records. This practice, likely orchestrated by Dubai-based salespeople, may allow a single facilitator to act as a proxy for dozens of Nigerian clients at once using a network of purpose-built email addresses purportedly registered in their clients' names. Likewise, it could also allow a single Nigerian PEP to register properties under multiple pseudonyms linked to different email addresses he or she controls. That said, many other politically exposed owners appearing in the Sandcastles data made no effort to conceal their identity, suggesting they feel able to own property with a strong degree of impunity.

### *Relax and Enjoy*

For politically exposed Nigerians, owning property in Dubai is an important status symbol. It grants them access to an exclusive cadre of wealthy, influential, and upwardly mobile elites able to relax and enjoy a luxury lifestyle away from the poverty at home. Far away from the demands of their communities and constituents, they are able to live lives not unlike Ray Hushpuppi (@hushpuppi)—a



Dubai-based Nigerian Instagram sensation who posts pictures of himself wearing designer clothes, driving high-end cars, and riding on private jets and mega-yachts for his 2 million followers.<sup>48</sup> Most importantly, spending time at their Dubai property gives Nigerian PEPs the opportunity to enjoy the monies they have accrued away from public scrutiny.

## Owner Archetypes

Politically exposed Nigerians appearing in the Sandcastles data fall into eight broad categories: state governors; state governors' allies; heads of ministries, departments, and agencies; individuals already investigated or convicted by anticorruption agencies; petroleum sector officials; security sector figures; legislators; and suspected proxies. Only one judge and a handful of traditional leaders appeared in the Sandcastles data, suggesting that these types of elites have less appetite for Dubai property compared with their peers.

### Their Excellencies: State Governors

More than twenty sitting or former governors—commonly referred to by their honorific “Excellency”—are linked to Dubai property, according to the Sandcastles data.<sup>49</sup> Nigeria’s governors are political titans who often become very wealthy while in office. Most control states whose populations, budgets, and territory are on par with many mid-sized countries.

#### *Abacha’s Money Man*

Abubakar Atiku Bagudu—a key ruling party figure, current governor of Kebbi State, and political godfather of Nigeria’s attorney general—is well-known to international law enforcement agencies.<sup>50</sup> Nevertheless, he is affiliated with eight properties worth over \$4.8 million in total on the twelfth floor of Dubai’s Capital Bay Towers development, according to Sandcastles data.<sup>51</sup>

Bagudu helped Nigeria’s former head of state Sani Abacha embezzle billions of dollars from government coffers in the mid to late 1990s, according to U.S. court filings.<sup>52</sup> Bagudu has categorically denied all corruption allegations against him.<sup>53</sup> A 1998 Nigerian government investigative panel described how Bagudu and his accomplices siphoned these funds:

General Sani Abacha directed Ismaila Gwarzo, his National Security Adviser, to present him with false funding requests for security operations or equipment, which he had the power to authorize. For the most part, the funds were directly remitted in cash (US\$1.131 billion and [British pound sterling] GBP 413 million) or in traveler’s cheques (US\$50 million and GBP

MAP 1

### States With Serving or Former Governors Linked to Dubai Property



3.5 million) by the CBN [Central Bank] to Ismaila Gwarzo, who then had most of the funds taken to [Abacha's] house. From there they were taken by his oldest son, Mohammed Abacha, and laundered through Nigerian banks or by Nigerian or foreign businessmen to offshore accounts belonging to Mohammed Abacha, Abba Abacha, Abdulkadir Abacha and Abubakar [Atiku] Bagudu. . . . At least US\$1.491 billion and GBP 416 million had thus been found by the [panel] to have been embezzled by the Abacha criminal organization.<sup>54</sup>

In another reported fraud scheme, Sani Abacha and his finance minister reportedly purchased government debt from a company controlled by Bagudu and Sani Abacha's son, Mohammed Abacha, at greatly inflated prices, generating a \$282 million windfall for the two men.<sup>55</sup> Nevertheless, the Nigerian government entered into a settlement agreement with Bagudu in 2003, which resolved all of the country's claims against him in exchange for the relinquishment and return of certain assets to Nigeria.<sup>56</sup> This cleared a path for him to enter civilian politics and win two senate elections (2009 and 2011) and two gubernatorial elections (2015 and 2019). When provided with an opportunity to comment on his possible connection to property in Dubai, Bagudu did not respond.

### *The Late Admiral*

Out of all the governors listed in the Sandcastles data, Mohammed Alabi Lawal—former civilian governor of Kwara State (1999–2003) and military governor of Ogun State (1987–1990)—is tied to the most real estate: six properties with a total purchase price of over \$2 million.<sup>57</sup> At least one of those properties, a villa, was bought in January 2003, while Lawal was still in office.<sup>58</sup>

As Kwara State governor, Lawal had a “widespread reputation for settling his scores by force” and pulled no punches in his bitter political rivalry with the Saraki family, according to U.S. diplomatic reporting.<sup>59</sup> Ahead of the 2003 election, Lawal allegedly paid then inspector general of police and fellow Dubai property owner, Tafa Balogun, 3 million British pounds (\$4.8 million at the time) to exert pressure on Lawal's opponent, Bukola Saraki.<sup>60</sup> In 1989, during his time overseeing Ogun State, Lawal's finance commissioner resigned, accusing him of embezzling money from the state treasury.<sup>61</sup> Lawal died in 2006.

### **Their Excellencies' Friends: State Governors' Allies**

Several other senior state-level officials have links to high-end Dubai properties, either under their own auspices or possibly on behalf of their gubernatorial patrons.

### *Friends of Ibori*

Four political associates of former Delta State governor James Ibori have ties to property in Dubai. In 2010, Emirati police arrested Ibori under an Interpol warrant, and he was subsequently extradited to the United Kingdom.<sup>62</sup> In 2012, he pleaded guilty to ten counts of fraud and money laundering involving at least \$66 million.<sup>63</sup> In 2017, Ibori returned to Nigeria after serving six years in prison and remains a major political figure in his home state. Although his associates may have used their own funds to purchase their properties, it is possible that they hold, or previously held, them on behalf of Ibori or purchased them with funds they received from the man who ran one of Nigeria's most oil-rich states from 1999 to 2007.

Several former senior state officials linked to Ibori are tied to properties in Dubai. One is linked to four Dubai properties, purchased for a total of \$3.8 million, according to Sandcastles data.<sup>64</sup> Another is affiliated with a two-bedroom flat on the twenty-first floor of the DAMAC Residence, which, according to the developer, “comes with all the trappings of an indulgent lifestyle” as well as “uninterrupted panoramic views of the ocean.”<sup>65</sup> The official reportedly purchased the apartment for over \$1.5 million and also bought a flat in another development for \$500,000.<sup>66</sup> A third Ibori ally is linked to a two-bedroom flat on the twenty-third floor of the DAMAC Residence that he purchased for over \$1.3 million.<sup>67</sup> Yet another is tied to four luxury flats in Dubai, purchased for just over \$2 million in total.<sup>68</sup>

### *Assorted Commissioners*

In Nigerian state politics, commissioners are key lieutenants in their governors’ well-lubricated political machines. Preeminent among the ranks of these state-level cabinet members are commissioners of finance, who control opaque and porous state treasuries and function as governors’ de facto wealth managers.<sup>69</sup> There are at least three such commissioners with ties to Dubai property, according to the Sandcastles data. A former commissioner of finance from one northern state is linked to a two-bedroom flat in the Tuscan Residences development worth about \$400,000.<sup>70</sup> Another former commissioner from a Niger Delta state is linked to two properties in Dubai Sports City.<sup>71</sup> An ex-commissioner from a neighboring state is affiliated with a flat in the upscale Jumeirah Lakes Towers.<sup>72</sup>

### *Ogas at the Top: Heads of Ministries, Departments, and Agencies*

Invoking Nigerians’ colloquial term for “boss” (*oga*), this category of elites includes current and former ministers, agency heads, top bureaucrats, and individuals associated with the presidency. Thirty-seven such people—linked to seventy luxury properties—appeared in the Sandcastles data. Many of these individuals are career government employees who earn modest salaries that remained static from 2011 until 2019, meaning that they lost value in real terms when the naira lost value over that period.<sup>73</sup> Even the highest-paid civil servants, including senior presidential advisers, earn just \$32,000 per year.<sup>74</sup> Furthermore, under Nigeria’s constitution, public officials are forbidden from undertaking any form of outside employment except farming.<sup>75</sup>

One senior official who managed a state-owned parastatal for roughly ten years is linked to a Dubai property worth over \$864,000.<sup>76</sup> Another senior career civil servant who recently retired from a prominent state agency is linked to three luxury apartments worth over \$900,000 in total, according to Sandcastles data.<sup>77</sup>

### *A Household Name*

Ahmadu Ali has been a main character in Nigeria's political story for nearly five decades. As minister of education (1975–1978) under military rule, his decisions sparked widespread student protests, immortalized by the slogan “Ali Must Go!”<sup>78</sup> An army doctor trained in the United Kingdom, Ali went on to become a senator (1979–1983, 1992–1993), board chairman of the University of Nigeria Teaching Hospital (1999–2003), and national chairman of the then ruling People's Democratic Party (2005–2008). He was also chairman of the board at the Petroleum Products Pricing Regulatory Agency (2009–2011) when it allegedly facilitated a \$6.8 billion fuel subsidy fraud scheme.<sup>79</sup> Marian Nneamaka Ali, his wife and also a physician, unsuccessfully ran for senate in 2007 but was rewarded with an appointment to the political party's Board of Trustees.<sup>80</sup> In 2017, however, she defected to Buhari's ruling All Progressives Congress party.<sup>81</sup> Meanwhile, Ali's son, Mamman Nesreddin Ali, controls Nasaman Oil, a company the EFCC prosecuted in 2012 for its alleged involvement in a N2.2 billion (\$13.75 million at the time) fuel subsidy fraud scheme.<sup>82</sup>

Ali and his wife and son are linked to eleven properties in Dubai, according to Sandcastles data. Seven of the properties are together worth at least \$4 million; the other four are together worth an estimated \$2 million.<sup>83</sup> Ali also owns two high-end London properties: a \$10 million house near Hampstead Heath and a \$1.3 million flat in Marylebone.<sup>84</sup> Ali did not respond when given an opportunity to comment on the aforementioned allegations or his family's possible connection to property in Dubai.

### *Honorable Mentions*

Former minister of petroleum Dauzia Loya “Dan” Etete (1995–1998) is also linked to a parcel of land in Emirate Hills worth over \$920,000, according to Sandcastles data. *Finance Uncovered* highlighted Etete's Dubai connections in its 2018 article “Nigerian Oil and Dubai Land,” revealing that he also owned a \$500,000 apartment in the Palm Jumeirah's Marina Residences.<sup>85</sup> It also exposed how Etete used an informal money changer to bring \$21.5 million into Dubai.<sup>86</sup> This cash formed part of the \$1.1 billion that two international oil companies paid Etete's company, Malabu Oil and Gas, for the license to an oil block that Etete awarded to himself while minister.<sup>87</sup>

Four other ministers—sitting and former—appear to be linked to Dubai property, including one tied to a villa, worth up to \$800,000, in Dubai's Arabian Ranches development.<sup>88</sup>

### *Former Villa Aides*

Working in the presidential villa, close to Nigeria's most powerful figures, brings with it access and influence that can yield political and financial dividends. At least four former aides are linked to Dubai property. One is linked to four flats in the Burj Khalifa complex worth an estimated \$2.6 million in total and a three-bedroom apartment worth over \$490,000 in Dubai Marina.<sup>89</sup> Another is tied to an apartment in the Jumeirah Beach Residence—where the average sales price is now \$586,000—according to Sandcastles data.<sup>90</sup> Another operates an email address that is linked to a Dubai property listed in the Sandcastles data.<sup>91</sup> The spouse of another former aide is connected to an apartment on the Palm Jumeirah, according to Sandcastles data.<sup>92</sup>

### **Known Quantities: Individuals Already Investigated by Anticorruption Agencies**

Roughly one-quarter of all Nigerian PEP-linked properties appearing in the Sandcastles data can be linked to individuals who have previously been investigated, arrested, prosecuted, or convicted by Nigeria's anticorruption agencies. This category includes, for example, a man the EFCC arrested in 2010 for smuggling gold from Nigeria to Dubai; he is connected to five Dubai properties purchased for a total of \$1.4 million.<sup>93</sup>

These significant property holdings by individuals pursued by Nigerian law enforcement illustrate the failure of Dubai authorities and corporate service providers to conduct basic due diligence—or even simple internet searches—on foreign buyers. It also suggests that Emirati authorities have not given Nigerian anticorruption agencies free access to Dubai property and other financial records or to the details of suspicious transactions. This may change following the 2018 ratification of bilateral legal assistance, arrest, extradition, and asset recovery agreements signed by Nigeria and the UAE in 2016, though EFCC investigators doubt cooperation will improve significantly.<sup>94</sup>

The activities of these known quantities demonstrate how easy it is for PEPs and other individuals engaged in corruption and other criminal activities in Nigeria to travel to, buy property in, and undertake illicit activities in Dubai.

### *The Ibru Network*

Twenty-four properties linked to Cecilia Ibru—the politically connected former managing director of Oceanic Bank convicted of fraud in 2010—appear in the Sandcastles data. Cecilia's husband, Michael Ibru, created one of Nigeria's foremost political and business dynasties. His brother, Felix

Ibru, was governor of Delta State during the Third Republic (1992–1993) and later senator (2003–2007). Another brother, Alex Ibru, was a businessman and newspaper owner who served as Abacha’s interior minister (1993–1995).

Already associated with a wealthy and powerful family, Cecilia gained additional notoriety when in 2010, as the chief executive of Oceanic Bank, her malfeasance led to the sudden collapse of one of Nigeria’s five largest banks. Under a plea bargain with the EFCC, she plead guilty to three of twenty-five counts of fraud and agreed to forfeit \$1.2 billion in stolen cash and assets.<sup>95</sup> These assets included twelve homes in the United States, four homes in South Africa, twenty-eight shop fronts and seven residences in Dubai, forty-one properties in Lagos, Nigeria, and eight houses in Abuja, Nigeria.<sup>96</sup>

Despite her criminal record, Cecilia Ibru and her family members and associates were still connected to dozens of properties in Dubai as recently as 2016, according to Sandcastles data. These linkages include eight apartments in the Park Towers development purchased for a total of \$4.3 million, a flat in Dubai Marina now worth about \$500,000, and four commercial properties, according to Sandcastles data.<sup>97</sup>

### *The Moneychanger*

Nigeria’s enterprising kleptocrats rely on the country’s hundreds of independently run currency exchanges to launder stolen naira, converting it into dollars for easier storage or movement abroad—a practice Buhari lambasted as “a scam and a drain on the economy.”<sup>98</sup> Some elites even cut out the middle man by using “boutique” currency exchanges they personally control. These businesses are obliged to report suspicious transactions involving politically exposed Nigerians to the Central Bank but few do.

One such currency exchange operator, Mohammed Saminu Ibrahim Khalil, is linked to over \$3 million in Dubai property, according to Sandcastles data. In 2013, his business, named Dan Kawu, was accused of facilitating a N2.05 billion bank fraud (worth \$12.8 million at the time).<sup>99</sup> Though it is not apparent that the EFCC succeeded in its efforts to prosecute Khalil or Dan Kawu, the commission remains accredited by the Central Bank.<sup>100</sup> Likewise, Khalil was able to buy a three-bedroom luxury apartment in the DAMAC Residenze and a similar flat in Flamingo Cove, even listing his Dan Kawu email address on the purchase records.<sup>101</sup> When given an opportunity to comment on these allegations or his possible connection to property in Dubai, Khalil did not respond.

## Deep Dive: The 120 Million Dollar Man

Shehu Badamasi, a businessman involved in the technology and petroleum sectors, created a Dubai property empire worth over \$120 million, according to the Sandcastles data. He accomplished this despite being well-known to Nigerian law enforcement. Badamasi asserts that he and his companies do not, as of February 2020, own any Dubai real estate.<sup>102</sup> When asked to clarify whether he owned property prior to 2016—the period covered by the Sandcastles data—he did not deny owning it.<sup>103</sup>

The EFCC has arrested Badamasi at least twice, according to press reports. In 2009, he was arrested for alleged criminal conspiracy, fraud, and diversion of credit facility worth roughly N17.7 billion (\$147.5 million in 2008 dollars).<sup>104</sup> He was arrested again in 2016 for allegedly defrauding a businessman of N2.3 billion (\$6.4 million at the time).<sup>105</sup> In both instances, Badamasi was not prosecuted. One of his companies, Al-Kahf Resources, also owned a vessel that was detained by the Nigerian Navy in 2010 for alleged involvement in illegal oil bunkering, reportedly released under suspicious circumstances in 2012, and then reinvestigated by the Office of the National Security Adviser in 2016.<sup>106</sup>

Badamasi appears to have owned Dubai property through two firms he controls. Through Nujuum Ventures, he was linked to eighty-nine properties.<sup>107</sup> He also holds an 11 percent stake in Secure Electronic Technology (formerly the Nigerian Sports Lottery) through Nujuum.<sup>108</sup> Badamasi's other major corporate vehicle is Tanzila Petroleum, a petroleum products trading company.<sup>109</sup> Through Tanzila, he was affiliated with twenty-five Dubai properties, purchased for a total of \$25.7 million according to Sandcastles data.<sup>110</sup> He also registered companies of the same name—albeit for unknown purposes—in Canada and France, according to corporate records.<sup>111</sup>

The EFCC reportedly views Badamasi as “well rooted within the security agencies and the corridors of power,” according to a 2016 press report.<sup>112</sup> While no allegation is made against Badamasi of moving ill-gotten gains, he appears to have spent tens of millions of dollars on scores of luxury properties in Dubai despite the investigations facing him. The very large size of these transactions in circumstances where he was the subject of a number of investigations suggests that the transactions merit closer scrutiny. It is important to note, however, that Badamasi and his companies have never been prosecuted for any wrongdoing.

When given an opportunity to respond to this information, Badamasi denied any wrongdoing and noted that “although both Nujuum Ventures and Tanzila are my business names, none of them has \$1 investment in Dubai or any Middle East real estate development as at the time of writing this response.”<sup>113</sup>



## Petro Personalities: Petroleum Sector Officials

Top Nigerian officials' easy access to a steady stream of petroleum revenues underpins the country's corruption problem. Not only does this income constitute over 75 percent of total government receipts and well over 90 percent of export earnings, it fuels politicians' elaborate patronage networks and highly evolved corruption schemes. The epicenter of such corruption is the state oil company, the Nigerian National Petroleum Corporation (NNPC), which operates with minimal oversight and shuns international best practices. Its top officials typically partner with the president's administration and petroleum ministry to enrich themselves and their cronies. Eleven individuals linked to the NNPC have ties to Dubai property, according to the Sandcastles data. Several of these individuals were or are career civil servants bound by the Code of Conduct.

At least one former NNPC group managing director has ties Dubai property. Shehu Ladan—a career government official who briefly served as NNPC managing director from April to May 2010—was linked to a flat in Dubai Marina.<sup>114</sup> He died suddenly in Dubai in October 2011.

Another NNPC alumni linked to Dubai property is Samuel Chuba Okeke, who served as managing director of the Petroleum Products Marketing Company—NNPC's corruption-prone downstream subsidiary—from April 2010 to February 2011. According to Sandcastles data, Okeke is affiliated with a villa in Jumeirah Park worth roughly \$1.1 million and a property in the high-end Jumeirah Beach Residences, where the average apartment sells for \$614,000.<sup>115</sup>

In 2017, the EFCC seized nine properties in Dubai worth N1.6 billion (US\$4.4 million at the time) from Okeke's successor, Haruna Momoh.<sup>116</sup> In late 2010, Okeke was allegedly involved in a \$400 million corruption scandal in which officials of the Petroleum Products Marketing Company deliberately delayed the offloading of imported refined products in exchange for kickbacks from the demurrage fees charged by the vessel owners.<sup>117</sup> An NNPC spokesman at the time vehemently denied the allegation, dismissing it as “character assassination.”<sup>118</sup> However, seven senior NNPC officials were sacked in 2004 for committing this type of fraud, raking in \$108 million.<sup>119</sup> Okeke did not respond when given an opportunity to comment on these allegations or links he may have to Dubai property.

## Security Sector Figures

Nigeria has one of the most corruption-prone security sectors in the world, according to Transparency International.<sup>120</sup> Opaque and subject to minimal civilian oversight, it is replete with opportunities for security officials and their business associates to accumulate unexplained wealth. These opportunities include inflating procurement contract values or even creating phantom contracts funneled to defense contractors in exchange for kickbacks. Outright embezzlement of operational funds, troop

allowances, and even retiree pensions is also rife. At the same time, however, even the most senior military and police officers are modestly paid, with the average major general or equivalent earning only about \$40,000 per year.<sup>121</sup> As a result, it is more difficult for such individuals to explain high dollar purchases such as luxury Dubai property.

Analysis of the Sandcastles data reveals that senior security officials and other individuals involved in the security sector have ties to seventy-one properties in Dubai. This group includes the following:

- Two former chairmen of the Military Pensions Board—including retired Rear Admiral Bala Mohammed Mshelia (2011–2013)—are linked to three properties. One purchased a flat in the Lago Vista complex for \$670,000, while Mshelia is linked to two flats in Dubai Marina worth up to a total of \$1 million, according to Sandcastles data.<sup>122</sup> The EFCC has prosecuted Mshelia—who also served as chief of accounts and budget at Naval Headquarters—for his alleged involvement in an N600 million (worth \$3.6 million at the time of the alleged offense in March 2014) corruption scheme led by former navy chief Usman Jibrin.<sup>123</sup> Mshelia did not respond when given the opportunity to comment on these unproven allegations.
- Former inspector general of police Tafa Balogun (2002–2005) was successfully prosecuted by the EFCC in its first high-profile corruption case, but he is nevertheless linked to two apartments, including one now worth an estimated \$600,000 within the upscale Shams 4 complex in the Jumeirah Beach Residence.<sup>124</sup> Although the EFCC seized up to \$150 million worth of Balogun’s assets, it appears they were unable to locate Balogun’s Dubai property holdings, perhaps because the agency did not request—or did not receive—help from Emirati authorities.<sup>125</sup>
- Another former senior customs official is linked to three properties purchased for \$800,000 in total, according to Sandcastles data.<sup>126</sup>

## Legislators

Despite the corruption opportunities available to them, just seven sitting and former senators, linked to thirty-two properties, appear in the Sandcastles data. Likewise, only seven members or alumni of the 360-strong House of Representatives, linked to eleven properties, appear in the data. Two former speakers of state legislatures have connections with one property each.<sup>127</sup> Two individuals with the same distinctive last name as the current clerk of the National Assembly—the person responsible for managing the day-to-day finances and operations of the legislature—are also linked to property in Dubai, according to Sandcastles data.<sup>128</sup> Nigerian press reports indicated that the EFCC questioned the clerk in May 2019 over his alleged financial misconduct.<sup>129</sup>

## Deep Dive: A Duo of Deputies

Two of Nigeria's former deputy senate presidents—senator Ibrahim Mantu (1999–2007) and senator Ike Ekweremadu (2007–2019)—are separately linked to multiple luxury properties in Dubai.

A close ally of former president Olusegun Obasanjo, Mantu, who entered politics in 1979, turned out to be one of Nigeria's most controversial deputy senate presidents. In that role, he orchestrated the unpopular attempt to change the constitution to allow Obasanjo to serve a third term. This contentious effort allegedly involved disbursing huge bribes to legislators or intimidating them, according to U.S. diplomats at the time.<sup>130</sup> Kaduna State Governor Nasir El-Rufai accused Mantu of soliciting bribes from him in 2003 in exchange for supporting his confirmation as a minister in Obasanjo's cabinet.<sup>131</sup> Politically wounded by his unwavering support for Obasanjo, Mantu lost his 2007 reelection bid.

Mantu is linked to twelve Dubai properties purchased for a total of over \$10 million through a front company, TSE Stevedoring Nigeria.<sup>132</sup> Mantu's wife and sons own 70 percent of the company, according to corporate records.<sup>133</sup> Through another company, A-Z Properties, Mantu also is linked to a \$600,000 flat in the Jumeirah Beach Residences.<sup>134</sup> His son Musa is also tied to a comparable flat in the same development.<sup>135</sup> When given the opportunity to comment on their alleged links to Dubai property, the Mantu family did not respond.

Mantu's successor, Ekweremadu, is a career politician. First elected senator for the Enugu West zone in 2003, he has been reelected four times since. Before joining the senate, he served as secretary to the State Government of Enugu State (2001–2003), chief of staff to the governor of Enugu State (1999–2001), and local government chairman (1997–1998). Prior to entering politics at age thirty-four, Ekweremadu practiced law in Enugu.

According to the Sandcastles data, Ekweremadu is connected to eight Dubai properties, with an estimated total value in excess of \$7 million.<sup>136</sup> These include a luxury flat in Park Towers bought for \$2.2 million and one in Burj Dubai purchased for \$1.4 million.<sup>137</sup> According to the United Kingdom's public records, Ekweremadu is also linked to at least two properties in the country, purchased between 2008 and 2011 for a total of GBP4.2 million (\$6.5 million in 2011 dollars). One of these properties, an upscale flat in central London, is registered in the name of Ekweremadu's charitable foundation.<sup>138</sup> The second, a detached house in a leafy north London suburb, is owned by a shell company registered in the British Virgin Islands.<sup>139</sup> Through his spokesman, Ekweremadu has denied owning "purported 'hidden properties'" and has stated "unequivocally that he declared all his assets with the Code of Conduct Bureau as required by law."<sup>140</sup>

## Suspected Proxies

Out of the 800 suspected Nigerian PEP-linked properties identified through analysis of the Sandcastles data, over 200 belonged to likely proxies. Whether acting on behalf of wealthy clients, appearing fictitious, or sharing identifiers (names, email addresses, phone numbers) of working-class Nigerians, these proxies are connected to many luxury Dubai properties. Such individuals include a Lagos-based lawyer linked to a \$6.6 million property, a consultant from Rivers State affiliated with six properties purchased for \$3.3 million in total, a businessman who owns a small consumer electronics shop in a suburb of Abuja with ties to a property worth \$1 million, and a Lagos market stall trader who sells handbags but is connected to a flat in Dubai.<sup>141</sup>

## Notable Absences

Several governors and other top officials rumored to own high-end Dubai property do not appear in the data.<sup>142</sup> One notable name missing from the Sandcastles data is Chief of Army Staff Tukur Buratai. In 2016, he weathered press reports that he had acquired two Dubai properties in 2013, reportedly registered in the name of his wife. Nigerian authorities cleared Buratai of any wrongdoing, with the army asserting that he had paid for the properties out of his personal savings in 2013 and had consistently declared them on subsequent asset declarations made to the Code of Conduct Bureau.<sup>143</sup>

Aside from these notable absences, it is possible that other politically exposed Nigerians may still own or otherwise control Dubai property through alternative mechanisms or may have been omitted from the Sandcastle data. These could include anonymous shell companies registered in secrecy jurisdictions, opaque Dubai-registered companies, or family members or other proxies. It is also possible that these individuals bought Dubai property after—or sold it before—the period covered by the Sandcastles data or that parts of the data are missing or incomplete.

It is equally possible, however, that Nigerian media outlets and gossiping elites sometimes fabricate or overstate such claims for political gain. Ironically, the secrecy surrounding Dubai property records enables such rumor-mongering insofar as it is just as difficult for a politician to convincingly debunk such allegations. It is, however, equally tough for investigative journalists or anticorruption activists to prove that the same politician does indeed own—or effectively control—a luxury flat in a city that allows the world's kleptocrats to buy and sell property on a no-questions-asked basis.

## Comparative Analysis: How Do Kenyan Elites Measure Up?

As a comparative case study, Kenya works well because it shares many of Nigeria's political corruption challenges, ranks among Africa's economic heavyweights, and possesses similar transportation and business connections to Dubai. Interestingly, analysis of the Sandcastles data indicates that politically exposed Nigerians' appetite for Dubai property is much more voracious than Kenyan elites' appetite. Using a similar methodology to locate potential PEP-linked properties, only six politically exposed Kenyans were linked to Dubai property; about 100 other properties were connected to unknown persons who might be acting as proxies. These possible proxies are individuals who lacked a discernable electronic footprint or who, because of their personal or professional circumstances, did not appear capable of purchasing Dubai property without help.

Two individuals stood out given their relatively modest holdings. The son of a former Kenyan senior government official has ties to a studio apartment in the Tuscan Residences complex that he purchased for \$138,000.<sup>144</sup> Zephaniah Anyieni, a recently deceased former junior commerce minister and former board chairman of Kenya's National Housing Corporation was linked to a flat bought for \$445,000, according to Sandcastles data.<sup>145</sup>

Though civil society sources warn that specialized consultants are helping politically exposed Kenyans buy Dubai property discreetly, it is unclear why significantly fewer Kenyan PEPs are linked to properties than their Nigerian peers.<sup>146</sup> Perhaps Kenyan elites use proxies and shell companies more effectively and systematically. Alternatively, Kenya's law enforcement agencies, tax bodies, and financial regulators may be more effective at scrutinizing suspicious transactions. Another explanation could be that Kenyan elites may prefer to invest their wealth domestically or in offshore jurisdictions other than Dubai.

## Unexplained Wealth? Five Conclusions

The Sandcastles data provide the most detailed view of politically exposed Nigerians' investments in Dubai property. Analysis of its secrets provides an opportunity to move beyond anecdotal accounts of this phenomenon and contextualize it within a broader understanding of Nigeria's many corruption challenges and their consequences. It also yields five other important conclusions:

- 1. Nigerian PEPs can be linked to a lot of Dubai property, but not as much as some reports suggest.** Despite its many revelations, the Sandcastles data cannot serve as the basis for a wholesale indictment of Nigeria's political class. In fact, it demonstrates that the number of Nigerian PEPs that *do not* have ties to Dubai property greatly exceeds those that *do*. Therefore, it is safe to conclude that Dubai property ownership is, along with luxury cars and Abuja mansions, just one of many manifestations of politically exposed Nigerians' wealth and status rather than a predominant one.
- 2. Dubai property ownership is an indicator—not definitive proof—of Nigerian PEPs' unexplained wealth.** Only Nigerian law enforcement, working with Emirati authorities and international counterparts, can determine conclusively whether an individual PEP's Dubai property was purchased with ill-gotten gains. Although many PEPs' property purchases exceed what their official salaries could cover, some politically exposed Nigerians have complicated personal financial portfolios that combine marital and family assets, business holdings, charitable foundations, and other offshore wealth.
- 3. Many Nigerian elites use proxies to hide their ownership of property, but just as many buy with impunity.** The number of proxies and intermediaries identified in the Sandcastles data indicates that circumventing anti-money laundering checks or other regulatory safeguards is relatively easy. Nevertheless, the data also reveal that many prominent Nigerian PEPs did not feel obliged to hide their purchases—either because they could justify their purchase if challenged or they felt confident that the sales records would be kept secret.
- 4. Nigerian PEPs face few obstacles in transferring large quantities of cash to Dubai.** Financial institutions in both Nigeria and the UAE do not appear to be reporting large or otherwise suspicious transactions by PEPs to national authorities. And when they do, the reports do not appear to be regularly investigated. Thus, Nigerian PEPs face few roadblocks or consequences for exfiltrating pilfered public funds out of Nigeria and investing them in Dubai property. Unless disincentives are put in place, such outflows will continue unchecked.
- 5. Dubai property ownership cuts across Nigeria's political, ethnic, and religious divides.** Dubai plays host to politically exposed Nigerians from across the country, not just its northern Muslim elites. The Sandcastles data are broadly representative of Nigeria's diverse political class. Every state, leading party, and major ethnic group are well-represented. The data contain both long-serving political veterans and ambitious up-and-comers.

## Policy Implications, Constraints, and Recommendations

Beyond its capacity to further problematize Dubai's international role or exploit weaknesses in the international financial system, the potential for misuse of Dubai property by politically exposed Nigerians fuels and incentivizes the looting of Africa's most populous country. The millions of dollars many of these PEPs may have used to buy Dubai property are just one possible source of a river of illicit financial flows out of Nigeria, which experts conservatively estimated to total \$178 billion from 2004 to 2013.<sup>147</sup>

At times, those outflows have spiked; for example, in late 2014, \$22.1 billion was transferred out of the country as foreign investors soured on Nigeria's flagging economy and wealthy Nigerians sought to protect their assets from currency devaluation.<sup>148</sup> This dealt a blow to Africa's largest economy from which it has yet to fully recover, thrusting Nigeria into a lengthy recession followed by a period of economic stagnation. Recently named the "poverty capital of the world" by the World Poverty Clock, an estimated 110 million Nigerians will live in extreme poverty by 2030.<sup>149</sup>

Taking these conclusions into account, what steps can Western policymakers—or indeed their Nigerian and Emirati counterparts—take to deter Nigerian PEPs from using Dubai property to stash unexplained wealth?

Western governments are constrained by their complex and cozy relationships with the UAE. The United States, United Kingdom, and many European governments enjoy close ties to Emirati leaders, underpinned by decades of close diplomatic and military cooperation. Strong financial and institutional links—not to mention robust defense equipment sales—have also helped cement ties. Compared to its neighbors, the UAE is a relatively stable and reliable Western partner in the Gulf region. Constrained by its own strategic imperatives, the international community lacks leverage—or even backroom influence—over Emirati decisionmaking. This makes it difficult to apply coordinated and sustained pressure on Emirati officials on sensitive issues like Dubai's role in facilitating illicit financial flows.

Given these constraints, Western governments, the United Nations, other international organizations, and civil society groups must tread carefully when advocating reforms that target Dubai's corruption-prone property market. Emirati decisionmakers reflexively bristle at foreign critiques and would be correct to point out that PEPs from Nigeria and other high-risk jurisdictions routinely use property in the United Kingdom and United States to stash and launder money. Indeed, the UAE government could justifiably argue that Western countries and international financial regulators should address their own systemic shortcomings rather than specifically target purchases in Dubai.

Unlikely to embrace one-sided reforms that hurt their global competitiveness, Emirati authorities may be instead be willing to buy into broader international fixes that impact all jurisdictions equally. For example, the UAE appears amenable to international efforts to increase transparency surrounding beneficial ownership (in other words, disclosing the real individuals who ultimately own, control, or benefit from a company and the income it generates). In 2019, Dubai also increased beneficial ownership transparency somewhat by requiring firms registered with the Dubai International Financial Center to submit information on its ultimate beneficial owners.<sup>150</sup>

The UAE also says it is open to greater law enforcement cooperation with foreign counterparts.<sup>151</sup> Although still somewhat nascent, this collaboration could deepen over time. In 2018, Nigeria and the UAE ratified bilateral agreements increasing judicial and law enforcement cooperation on criminal and asset recovery cases.<sup>152</sup> Although Nigeria's anticorruption agencies have been disappointed with the level of information sharing and investigative help they have received from the UAE to date, they hope cooperation will improve.<sup>153</sup>

For Nigeria's part, law enforcement agencies could redirect their attention toward deterring PEPs' illicit acquisition of Dubai property. The Central Bank and Nigerian Financial Intelligence Unit could inaugurate an interagency investigative "tiger team" tasked with scrutinizing the last ten years' worth of financial transfers between Nigeria and Dubai, flagging suspicious transactions that may have been ignored or previously overlooked. As Nigeria's banking regulator, the Central Bank could also increase scrutiny and fines for banks and currency exchanges failing to report transactions involving PEPs, as required by law. The EFCC could focus greater investigative time and resources on individuals and companies operating in Nigeria that facilitate PEPs' Dubai property purchases or play a middleman role in executing transactions.

Emirati authorities arguably have the greatest responsibility and strong incentives for preventing Nigerian PEPs from laundering money through the Dubai real estate market. Though turning a blind eye to it drives short-term growth, it carries longer-term reputational and financial risks. As a desert enclave primarily accessible by air, Dubai's future prosperity is predicated on ensuring that the rule of law and respect for global norms—not just the free flow of capital—underpin its global appeal. If it becomes a central port and haven for the world's kleptocrats, its attractiveness to mainstream investors could fade over the long term, bringing with it financial consequences. Reputational concerns sometimes spark policy changes: in 2017, Switzerland began collecting and sharing financial information on foreign holders of Swiss bank accounts in order to shed its image as a secretive tax haven.<sup>154</sup>



To burnish their reputation as a norm-abiding international financial center, Emirati policymakers could ratchet up restrictions on suspicious transactions emanating from corruption-prone jurisdictions like Nigeria. Dubai authorities could begin by scheduling quarterly meetings with Nigerian anticorruption officials to proactively share financial intelligence, accept and respond to information requests, discuss imposing visa sanctions on individuals of mutual concern, and facilitate the forfeiture of assets that Nigerian PEPs are unable to financially justify. Likewise, the UAE Financial Intelligence Unit could negotiate a memorandum of understanding with the Nigerian Financial Intelligence Unit—similar to the one the UAE signed with Saudi Arabia in August 2019.<sup>155</sup>

Regardless of which tactics Emirati, Nigerian, or international policymakers employ, they need to embrace the strategic logic that the misuse of Dubai property by politically exposed Nigerians is a serious concern rather than a nuisance or victimless crime.

## About the Author

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