



THE PLAGUE OF ‘GHOST WORKERS’: INTERROGATING PAYROLL FRAUD AND EXECUTIVE-BUREAUCRATIC CONSPIRACY IN NIGERIA

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Abstract

Like all forms of corruption, ghost workers present a serious drain on state funds. The Nigerian government has tens of thousands of forged or imaginary names on its payroll. These people inhabit the ranks of Nigeria’s “ghost workers,” who receive pensions from the government without ever working a day. This essay examines the impact of *ghost workers* on the public wage bill and generally, high cost of governance in Nigeria. It interrogates the renewed efforts of governments at all levels in probing this pattern of fraud, particularly in a period of economic recession. It is submitted in this essay that in cases where payroll fraud has reached enormous proportions, it is not merely a corruption problem, but rather a development issue.

Keywords: Ghost Workers, Bureaucracy, Executive, Corruption, Payroll

INTRODUCTION

Payroll fraud is a problem for many countries around the world, especially the less developed ones. Salary leakages in the public services have become a major concern for most developing nations (Hossain, 2013). High among the problems bedeviling Nigeria’s public service is the scourge of ghost workers. The problem is now a national crisis and a huge drain on the national economy. In a nation where personnel costs represent forty percent of government’s total recurrent expenditure, bilking of government via ghost workers constitutes a chunky portion of recurrent expenses (Oseloka, 2016). The malaise has blossomed into a cankerworm of gargantuan proportions and has continued to constitute a terrible menace in all tiers of government over the years leading to huge leakages running into several billions of Naira monthly from the public coffers through salary payments to non-existing employees.

Put differently, for decades, payroll fraud has continued to drain incredible sums of money from the Nigerian civil service. Infamously known as ‘ghost workers’, various methods have been employed to check the syndrome, but those behind it continue to find new techniques. At all levels of government - federal and state - there is a renewed fervour to tackle the problem, especially since the coming of the President Muhammadu Buhari administration, the quest for transparency and the economic downturn (Gbemre, 2016). Faustinus (2013) observes that payroll fraud is as old as the civil service establishment in Nigeria. The trend has occupied the minds of policy planners at several tons of millions of tax payers fund are spent by government hunting fictitious names that are growing in number and notoriety. Despite claim efforts to flush out these names, the scenario consistently repeats itself.

Corruption and mismanagement have long stunted development in Africa’s biggest economy and top oil producer, and are now exacerbating the impact of a sharp fall in global crude prices. Since President Muhammadu Buhari took office last year vowing a crackdown on graft, the government has been working to cut the costs of running the government rather than slash jobs to help tackle Nigeria’s worst economic crisis in years (VOA, 2016). Billions of Naira is lost in the public

sector every year through fraudulent means. This represents only the amount that is ferreted out and made public. Indeed much more substantial or huge sums are lost in undetected. Like all forms of corruption, the issue of ghost workers in Nigeria presents a serious drain on state funds. It could be argued that in cases where it has reached enormous proportions, ghost workers are not merely a corruption problem, but rather a development issue.

The Concepts of *Ghost Workers* or Payroll Fraud

The term 'ghost worker' was born in reference to employees who convert salaries through false means, or where a fictitious person or a real worker simply did not work but got paid. This, of course, is perpetrated almost exclusively by civil servants within the civil service. The implementation of Biometric Verification Number (BVN), the Treasury Single Account (TSA) and the Integrated Payroll and Personnel Information System (IPPIS) are, among others, steps to check 'ghost workers' (Maliki, et al 2016). The World Bank (1999:7) described ghost workers in the civil service as Names on the payroll, receiving wages, but cannot be shown to exist physically. They are workers who have died, retired, or left the civil service but were never recorded as such. They are fictitious persons whose pay is claimed by others. They are variants on a name with one person receiving two or more salaries.

Simply enough, a ghost employee is someone on the payroll who doesn't actually work for a victim company. Through the falsification of personnel or payroll records a fraudster causes paychecks to be generated to a ghost. The fraudster or an accomplice then converts these paychecks. The ghost employee may be a fictitious person or a real individual who simply doesn't work for the victim employer. When the ghost is a real person, it's often a friend or relative of the perpetrator. In order for a ghost-employee scheme to work, four things must happen: (1) the ghost must be added to the payroll, (2) timekeeping and wage rate information must be collected, (3) a paycheck must be issued to the ghost, and (4) the check must be delivered to the perpetrator or an accomplice.

Ghost workers essentially represent dysfunctionality in governance. The ghost workers problem, which ought to be an aberration in any proper self-accounting and self-auditing bureaucratic system, is now a national scourge that warrants urgent remedial measures (Gbemre, 2016). Those who orchestrate ghost workers merely tap into the seemingly depthless resources of the government. Most State budgets like the federal budgets are frontloaded with recurrent expenditure. A huge subset of that fiscal burden is dedicated to personnel emolument; and a high percentage of the personnel emolument currently go to ghost workers (Gbemre, 2016). As noted by Osekola (2016):

Ghost workers exist because every bureaucracy creates its own weaknesses. This is not peculiar to Nigeria. Evidence points to high occurrence of ghost workers in Third World countries. In 2014, Kenya discovered 12,000 ghost workers on its payroll; mainly persons who continued to receive salaries after leaving government service. In 2015, Cameroon identified 10,000 ghost workers within its 220,000 civil service cadre that cost the government \$12 million monthly. In Yemen, using a biometric system, the government detected 5,875 ghost workers in a 485,818 work force. In Nigeria, ghost workers run into hundreds of thousands, because of willful and complicit phantom paymasters. What was once an aberration resulting from minor personnel or accounting errors is now a scam that exploits lax oversight and weak enforcement of extant public service rules and regulations.

Payroll fraud occurs when employees take money from an organization through the payroll unlawfully with the intention of appropriating those monies themselves ((Lekubu, 2013). Weak personnel database results in lack of control over staff due to the inability of government officials to effectively monitor the activities of employees. The problems of weak personnel database is prevalent in the education and health sectors in Africa because of the large numbers of employees in those sectors, coupled with ineffective supervision of staff by heads of government agencies (Dovlo, 2005 cited in Nyaledzigbor, 2015:12). The poor record management systems creates discrepancies between the number of public servants on the government payroll and the actual number of employees recorded on the staff rolls in the various agencies.

Between Politicians and Technocrats: The Conspiracy of Mutual Benefit

Prior to the passage of Nigeria's Freedom of Information Bill, anyone with connections to the government could get their name on the public dole and collect a salary. This was exacerbated by the fact that local officials gain a larger share of Nigeria's oil resources for higher worker counts, incentivizing distortion of population figures. Politicians will register migrant workers to vote, and in return for their vote, the migrant workers will be placed on the government payroll. The

diversion of government funds at the local level prevents important public services, such as road maintenance, public transportation, and garbage collection, from reaching the citizens.

Corruption thrives in Nigeria because of active connivance of administrative officers and corporate executives to undermine social progress by diverting public funds for their personal use. The net effect is that the state has been converted to personal estate of some people. They disburse financial resources with little or no restriction or obligations of accountability and with utter disregard of laid down financial regulations or budgetary controls, breeding in the process utter indiscipline in the expenditure of public funds and of course corruption (Kazeem, 2013:80). Thus, in Nigeria today, there is a problem of inequality in the distribution of wealth where only a few privileged members of society amass the wealth, leaving a greater percentage to scramble for the crumbs. As such, some civil servants turn to payroll fraud in attempts to achieve the objective of a better life. Over the years governments at all levels have unconsciously encouraged fraud because of the unwillingness of government to arrest and prosecute the syndicates involved in corrupt practices (Ukoko, 2014 cited in Adongoi and Victor, 2016:55). This fraudulent act allows corrupt civil servants to fill the wage bill with non-salary items and fictitious names only to go behind and collect the proceeds. Thus, it has become impossible to prosecute the perpetrators who are players themselves in the episodes.

The obsession of many public office holders with primitive private accumulation at the expense of the public means that they tend to divert resources earmarked for running and maintaining public institutions in their charge (institutions like hospitals, schools, universities, public utilities, the judiciary, the police and even the armed forces) to corrupt private purposes. By so doing, they subvert these institutions and their capacity to perform their assigned tasks efficiently, thereby damaging the substantive interests and endangering the lives of citizens whom these public institutions are meant to serve (Fatile, 2013). The economic situation in Nigeria is dire with very high unemployment and a very weak social safety net, which makes 'ghost worker' corruption an attractive option for many. In addition to average citizens profiting from corruption, government officials have collected deceased workers' pensions, accruing as much personal wealth as possible to maintain their lifestyles into retirement.

Through the use of biometrics, Nigerian civil service employees can be accurately identified. This has helped eliminate many duplicate registrations, removing ghost workers from the payroll. Previous governments have said so much about dubious payroll system and consequent ghost workers without dealing with the monster. Specifically, the Obasanjo administration began the much touted salary fraud stopper called Integrated Payroll and Personnel Information System (IPPIS) reform. From 2010 to the first quarter of 2015, the scheme detected 600,000 "ghost" workers on the payroll. The then Minister of Finance, Ngozi Okonjo-Iweala, reported that government had saved N160 billion yearly through the electronic detective (IPPIS) (The Guardian Editorial, 25 July 2016). In July 2000, the Federal Government of Nigeria directed the Office of the Head of Civil Service of the Federation, in conjunction with the Federal Ministry of Finance and the Office of the Accountant General of the Federation to conduct a manpower audit in the Federal Civil Service. It was discovered in the report that:

Traditional ghost workers exist, and the audit identified them, but there were other forms of payroll irregularity, which the consultants termed 'non-apparent ghosts'. Examples of this category were staff who had more than one job in the public sector, staff who enjoyed levels of pay or allowances greater than their entitlement, staff who might be on temporary absence (eg studying) yet continued to draw full salary, and staff who had been transferred or retired. There are also staff whose appointment documentation was incomplete, either because the proper processes were deliberately sidestepped, or because of slipshod paperwork. In certain departments where jobs command high control rents, the problem appeared not to be so much one of ghost workers, as impersonation or inheritance of posts. Finally, there were staff who had appointment letters, but for whom no real job existed because they had been recruited in contravention to position controls. It was clear that control systems had broken down in the last decade of military rule, encouraging collusion between hirer and employee (McCallum and Tyler, 2001:7).

According to Obinna (2013), the disturbing problem of payroll fraud in the Nigerian Civil Service is a difficult one because from all indications, it has features of organized crime, with insiders in government agencies as arrowheads. There is no doubt that the ghost workers racketeering is one of the most organised crimes in Nigeria and has been run by criminal rings that have permeated the public service and the banking sector. The symbiotic relationship existing between the workers in the Nigerian banks and the controllers of the salary process in the public service is now obvious and unless broken, there is no way of putting a stop to it. Absolutely nothing is left to speculation about it when the basic facts are

examined. According to Gbemre (2016), human resources managers at the federal, state and local government levels are mainly culpable; so too is the approving and accounting officers. These officials are not clueless of the origins of ghost workers and how to plug the loopholes. Rather, they willfully embrace such loopholes or in the least, pretend such loopholes do not exist, because they and their cohorts are the beneficiaries. Ironically, the ghost workers problem is far more rampant in the public service bureaucracy and less so, in the organized private sector. This fact alone, affirms ghost worker proliferation as a public policy failure, which solution lies in the realm of hard-headed problem solving.

In its report, the National Technical Working Group on Vision 2020 (2009:50) observes the general decline in Nigerian public officers' sense of duty, obligation to society, commitment to the workplace and duty and obligation on the job. According to the report, "absenteeism is rampant and very few, only a minority of public office holders, junior as well as senior, live upon the proceeds of their regular employment. Almost everybody is engaged in two or three other preoccupations including silent management of companies with which they abuse the public trust. The civil servant has the information power and often misinforms, deceives and corrupts the politicians. On the other hand, there is often pressure from the politician on the civil service. Both sides are culpable. Thus, while on paper civil servants appear professional, in practice, they are political. This is one of the major problems of this country".

Why Take-Home-Pay Does not Take Workers Home

Wages are the pecuniary reward to employees for their services to an organization or employer. In the classical sense wages are the emoluments paid for specific units of labour rendered, usually measured in hourly or daily rates and are applicable to blue-collar jobs. In the Nigerian public sector, wages in that strict sense have been generally non-applicable since the abolition of daily-paid employment in all establishments (Egbule, 2014). Wages in many global supply chains have come under pressure and at the same time we have seen sometimes dramatic efforts by workers to have their voice heard in demanding better wages. Despite widespread recognition of the need for a living wage, acceptance is more often in principle than in practice. Statements of desirability are much more common than action, which affects wages of large numbers of workers

Many countries have set a legal national minimum wage for workers. It is usually agreed through negotiations between government, industry and sometimes trade unions. However this mechanism does not always work as intended; there is sometimes no real representation of workers, or the mechanism is used only sporadically, or ignored in the reality of the workplace. Living wage proponents argue that making the minimum wage equivalent to the living wage means that companies would be paying in wages what the government has been paying in benefits. Some describe this as a 'living minimum wage'. There is widespread acceptance of the principle of living wage -the idea that fulltime workers and their families should earn enough to afford a basic acceptable living standard and so not have to live in poverty. Unfortunately, this principle is not implemented by many companies or NGOs, even those that accept the principle of a living wage (Anker, 2011:1). Indeed, the idea of a living wage is that workers and their families should be able to afford a basic, but decent, life style that is considered acceptable by society at its current level of economic development. Workers and their families should be able to live above the poverty level, and be able to participate in social and cultural life. Anker (2011:6) however, points out that what is considered an acceptable basic quality life is time- and place-specific. It differs across development levels and improves over time as a country develops.

The argument that adequate pay is crucial to sustaining motivation, performance and integrity of public servants has been widely accepted and documented (Kiragu and Mukandala, 2003:1). A World Bank survey focusing on African countries has observed that, "as government compensation falls, both in absolute terms and relative to alternative remunerative activities, civil servants adjust to the new situation. Turnover rates and absenteeism increase; moonlighting and daylighting become more frequent, and the latter, more blatant, recruitment and retention, especially of professionals, become more difficult. It has also been argued that petty corruption rises, including the sale of government services themselves, for example, under-the-table charges for livestock vaccinations or the extorting on payments by teachers to instruct schoolchildren" (Lindauer and Nunberg 1994).

In Nigeria today, there is a problem of inequality in the distribution of wealth where only a few privileged members of society amass the wealth, leaving a greater percentage to scramble for the crumbs. As such, some civil servants turn to payroll fraud in attempts to achieve the objective of a better life. Over the years governments at all levels have unconsciously encouraged fraud because of the unwillingness of government to arrest and prosecute the syndicates

involved in corrupt practices (Ukoko, 2014). As rightly observed by El-Rufai (2013): While most Nigerians are hardworking people, willing to work to earn legitimate livelihoods, the behaviour of public servants, especially politicians in power who misappropriate public funds to sustain their lifestyles of conspicuous consumption have led to growing socio-economic inequality in Nigeria. Of the over 100 million Nigerian poor, 80 million are dependents. This leaves approximately 20 million “working poor” with jobs but whose income is barely enough for a hand-to-mouth existence. Inadequacy of basic amenities like clean water, basic education, and health care which ought to be either accessible or practically free further compounds the situation.

The 2010 National Tripartite Committee on National Minimum Wage, headed by retired Justice Alfa Belgore (GCON), recommended that to avoid an ad hoc approach, the minimum wage should to be reviewed every five years against the backdrop of increasing costs of living and deepening poverty of working people. According to the former deputy vice president of the NLC, Comrade Issa Aremu: “The idea of periodic review is to avoid high increases that often characterised 10-year period of stagnation. In some countries, minimum wages are adjusted almost every year to reflect the cost of living. Some countries have wage indexation according to which minimum wages are adjusted automatically to the rate of inflation” (The Guardian, 2015). According to him, what happens to Nigeria’s 170 million human resources was as important as what happens to 2.5 million barrels per day, noting that it was scandalous that Nigeria loses as many as 900,000 barrels of crude oil to theft.

While the public service pay is low relative to the cost of living, the overall burden of payroll as a percentage of the budget is huge. In most states other than Lagos, Kano, Kaduna and Rivers States, an average of 50% of the budget goes towards the payment of salaries - to about 1% of their population - an unfair and unsustainable state of affairs! Out of the N2,425 billion included in the 2011 Budget for recurrent expenditure, between 73% and 84% for each MDA constitutes personnel cost by (El-Rufai, 2011). In fact, according to the Steve Oronsaye Committee Report (2012), it is estimated that allowances for federal civil servants cost the Federal Government N1.031 Trillion out of its N4.926 trillion budget. Finance experts have described this cost as debilitating and largely responsible for the slow pace of national development. The federal civil service has been criticized over the years for being grossly over-staffed and inefficient

Little wonder, with the economic recession in the country, the Nigerian Governors’ Forum (NGF) met in November 2015 and announced they could no longer pay the N18,000 national minimum wage. According to them, it was introduced when the price of crude oil was \$126 per barrel and when it plunged to about \$41 per barrel the states could no longer afford to pay. . In a sharp retort, the two factions of the Nigerian Labour Congress (NLC) led by Comrade Ayuba Wabba and Comrade Joe Ajaero respectively, struck a united chord and warned the governors to “prepare for war” (Vanguard, Nov 26, 2015), if they went ahead to implement their resolution. According to the Unions, the minimum wage, which comes to about \$3 a day, is already too low for such contemplation. Nigeria’s lowest paid workers already live below the poverty line by universal standards.

On a general note, the public service has been short-term in its vision, self-centered in policy formulation and corrupt in programme implementation. Instead, it has focused on taking care of itself and interests to the detriment of the nation and system which sustains it. The public service failed to reform itself between 2001 and 2005 when two successive Heads of Civil Service were tasked to do so. It was therefore, inevitable that driving the public service reforms of 2005-2007 had to be transferred to the economic team, with President Obasanjo leading the charge himself (ibid). As observed by the Oronsaye Committee Report (2012:7), the long-standing challenges that have beset the public sector, including the parastatals, have created a “single story” of inefficiency, corruption, poor work environment, low morale, ineffectiveness and poor productivity. These factors have established a perception of a dysfunctional, weak and unproductive public sector. The weaknesses in the “single story” have sometimes placed the public sector in a situation in which it is unable to perform its legitimate functions.

Economic Recession and Renewed Focus on Payroll System: Case Studies across the Federating States

It is worrisome that Nigeria’s financial condition has been so bad that salaries and allowances of federal workers can no longer be guaranteed regularly without recourse to credit facilities from the money market. Specifically, Minister of Finance, Mrs. Kemi Adeosun affirmed that with fast declining revenue, the Federal Government could be faced with the prospect of borrowing to meet the monthly civil service wage bill of N165 billion (The Guardian Editorial, 25 July 2016).

The Federal Government and 10 other states lost over N538bn to thousands of ghost workers in the last five years, investigations by our source have revealed. Of the amount, the Federal Government paid N220bn to 103,000 ghost workers between September 2013 and May 2015. The remaining N318bn was paid by 10 states of the federation. The states are Katsina, N30bn; Kano, N17bn; Rivers, N60; Benue, N10.2bn; Oyo, N18bn; Abia, N26.5bn; Adamawa, N20.4bn; Akwa-Ibom, N15bn; Bayelsa, N120bn and Ekiti, N1.2bn. A breakdown of the amount showed that the sum of N170bn involving 60,000 ghost workers was saved during the administration of former President Goodluck Jonathan, while the balance of N50bn, involving 43,000 ghost workers, was saved between February and May this year. The sum of N45bn was saved between September 2013 and May 2015 when Jonathan's administration implemented the Integrated Personnel Payroll and Information System (<http://www.onlinenigeria.com/latest-news/49475-fg-states-spent-n538bn-on-ghost-workers-in-five-years.html>).

Through the operation of the Treasury Single Account (TSA) into which all revenues accruable to the federal government are paid the federal government has saved about N3 trillion. The illegal collection of the salaries and allowances of 36,000 ghost workers in the federal public service by an illegal syndicate has been stopped. The introduction of BVN has stopped the operation of secret bank accounts by public officers. No doubt, the administration has recorded some success in the recovery efforts (Falana, 2016). The idea of treasury single account came into being when some agencies refused to declare and remit the 25 percent of their annual revenue they generated to the treasury as demanded by law. In 2012 about N120 billion was forcefully collected by government from MDAs being 25 percent of their gross revenue to the treasury with another N34 billion collected in 2013. Before then, most of the MDAs were reluctant to remit the requested amounts by law to the treasury (Daily Trust Editorial, 2015:16).

A committee set up by the Zamfara State Government in April 2012 to determine the authentic workforce of the state discovered that out of the 28,183 workers being paid salaries, only 21,067 were genuinely working for the state government. He pointed out that while a lot of workers were collecting salaries without place of posting, thousands of non-existing and redundant workers bloated the state civil service pay roll. The committee also discovered that some workers smuggled their way into the state civil service using forged certificates. The committee cited an example of the state female education board where 2,388 workers were on the payroll of the government, but surprisingly, could only capture 1,539 workers in the verification exercise (Premium Times, August 2, 2016)

In Imo State, the government uncovered a high level of fraud that has been on for many years in the state Pension Board. The fraud, the state said was allegedly perpetrated by highly placed officials in the Board in concert with some retired civil servants. According to the Chief of Staff, Government House, Owerri, Chief Uche Nwosu, the state government discovered the fraud following an audit panel it instituted adding that those indicted by the findings have been removed including the boss of the Board and an entirely new staff deployed to the Pension Board (Nweke, 2016). Similarly, the Kaduna State government identified over 13,000 suspected ghost workers in the state civil service. The Head of Service, Mrs Alisabatu Dada-Onazi explained that the ghost workers were uncovered after series of verification exercises were conducted to ascertain the actual number of genuine civil servants on the Kaduna State government payroll (Channels TV, June 24, 2016)

In Enugu State, a total of 3,916 ghost workers were discovered in Enugu State. The discovery followed a staff audit conducted in the 17 local government councils in the state. The audit verified the number of workers employed in all the councils, including teachers (Chiedozie, 2016). According to the panel, a total of One hundred and sixty one million, four hundred and ninety four thousand, five hundred and seventy naira (N161, 494, 570), found to be the difference in the wage bill after the exercise, has been saved (The Citizen, 2016). In Kaduna State, 2,087 'ghost workers' were discovered in 20 of the 23 local government areas through a staff audit by a committee set-up by Governor Nasir El-Rufai. The bulk of the phony names were from the Local Government Education Authority and traditional councils.

In Benue State, the Special Adviser on Bureau for Local Government and Chieftaincy Affairs, (BLGCA), Mr. Titus Zam said they discovered about 4,000 ghost workers in a verification exercise of all 23 councils, and that the actual staff on its payroll currently stand at 24,900 against the 29,000 it inherited from the previous administration. Additionally, state governor Dr. Samuel Ortom said the state saved N2.8billion of the bailout funds, which could have been siphoned by so-called 'ghost workers' (Maliki, et al 2016). More intriguing is that of Katsina State where the government detected names of children and wives of some prominent persons on the payroll of local government councils in the state. According to the Governor, Aminu Masari, "It is unfortunate that these people have been on the list collecting salaries for over 20 years. It

is also disheartening to note that some people who do not live in the state are collecting salaries every month'' (The Nation, 2016).

In May 2016, the Bayelsa State government uncovered payroll fraud in the State Universal Basic Education Board (SUBEB), with the discovery of over 765 illegally employed teachers in the eight LGAs, including 50 dead persons in Ogbia Local Government Education Authority (LGEA). The discovery cuts across the eight local government areas with Ogbia Local Government Education Authority, (LGEA) leading with 230 illegal employees (Daily News, 2016). The Bauchi State Government also discovered 6,065 *ghost* workers on its payroll. The discovery followed the workers' verification the state government compelled all civil servants to do since January 2016 (Bakam, 2016). In Kano State, a total of 7,629 'ghost workers' were discovered on government's payroll recently. The State Head of Service, Malam Muhammad AuwalNa'iyah, who disclosed this said following the discovery, the state government would begin to save about N283million monthly. He said the discovery followed the introduction of the biometric capture exercise by the Abdullahi Ganduje-led administration. He explained that 17 staff were also discovered to be collecting double salary amounting to over N1 million per month (Adeyemi, 2016).

In 2015, the Kebbi State Government during its preliminary investigation into the state civil service system uncovered about 25,000 primary school teachers who do not exist, in essence 'ghost teachers', as well as 10,000 in secondary schools. The spokesperson of the committee set-up by the state government to check the trend, Alhaji Sani Dododo, said the committee also discovered over 200 'ghost schools', which were not only nonexistent, but with phantom staff included in government payroll (Maliki, et al 2016). Lagos State government also recovered N25 million being paid to ghost and dead workers at the local government level. The report said in January, 2016, about N4.649 million being paid to retirees and deceased local government staff was recovered, while in February 2016, N3.594 million was recovered (Okojie, 2016).

In Niger State, the government uncovered 7,000 ghost workers in the payroll of the 25 Local Governments Councils in the state. The government said that the ghost workers were discovered by a consultant it engaged to conduct staff verification in the councils (Premium Times, August 18, 2016). The 25 local government areas of Niger state staff strength now stands at 46,000 from the initial figure of 56,000 in 2011 before the verification exercise were carried out in the state an indication of about N1 billion stolen through ghost workers monthly in Niger state (Mustapha, 2016). In May 2016, a staff verification exercise in Plateau State traced 1,832 ghost teachers to a single individual who is not even a teacher, while many more beneficiaries of the syndrome abandoned their salaries in bank accounts. According to the state Governor, Simon Lalong, a self-confessed man who has lived in the United States of America (USA) for years but whose identity was yet to be determined, admitted to him on phone that he had been drawing salaries for himself and for many more ghosts to fund charity for widows and orphans (Joseph, 2016).

No fewer than 12, 915 ghost workers from across the 23 local governments areas of Sokoto state have been uncovered, commissioner for Local Government and Community Development, Alhaji Mohammed ManirDan'iyah confirmed. The commissioner, who divulged that the ghost workers were fished put after a verification exercise of junior staff by the ministry, added that, plans are on the way to conduct similar verification for senior staff as well (Emmanuel, 2016). The staff verification committee set up by the Adamawa State Government has identified over 12,000 'ghost workers' in the 21 local government areas of the state. The chairman of the committee, Maurice Vunobolki, gave the figure while presenting the committee's report to Governor Muhammadu Jibrilla in Yola. They also discovered 1,780 under-aged persons on the payroll, while 563 workers were identified as overdue for retirement. Government lost over N300million monthly across the local government areas.

The Kogi State Government lost N213 billion to 18, 211 ghost workers within 13 years According to the state Auditor-General, Mr Okala Yusuf, the ghost workers were discovered in Ministries, Departments, Agencies (MDAs) and in the 21 local government councils in the state. He said that 7, 606 of the ghost workers were discovered in the work force of local councils, 5,872 were discovered in the state work force while pensioners account for 1,040 of the ghost workers. The AG said the exercise had reduced the joint workforce of the state and local governments from 88, 973 to 63, 870. He added that the monthly wage bill had also been reduced from N5.8 billion to N4.6 billion (Azania, 2016). Also, in Nasarawa State, a total of over 1,600 were discovered in the final report submitted of the BVN exercise conducted by the state government in collaboration with Skye Bank, whose Executive Director North, Idris Yakubu, made known to newsmen shortly after presenting the final report of the exercise to Governor Umaru Tanko Al-Makura. He said the report, if properly implemented, would enable the government save N83million monthly and about N990million annually (Ahmed, 2016).

In May 2016, the Oyo State government temporarily expunged the names of 16, 532 workers and pensioners from its payroll following their alleged involvement in collection of multiple salaries, elongation of retirement age and other infractions. Those affected were drawn from a total 100,259 workers and pensioners screened from the ministries, departments and parastatals, as well as the teaching service, local government, Broadcasting Service of Oyo State, judiciary, Water Corporation and tertiary institutions. The Secretary to the State Government, Olalekan Alli listed revelations from the audit exercise to include multiple salary payments into single account, multiple salary payment to single name, employees that have passed retirement age, invalid BVN, invalid bank accounts and name details and employees with mismatched names (Daily Post, 2016).

It is a truism that the current global socio-economic challenges have rendered inevitable, drastic cuts in the cost of governance while propelling concerted efforts at ensuring accountability. Many governments in Africa have at some stage in recent years attempted to suspend bank-based payroll payments and adopt cash payment with the aim of identifying “ghost employees”. However, in every instance, this approach has failed because it was difficult to organise and administrate it effectively. In a number of occasions the cash was in fact lost. Furthermore, with cash payments, cases of fraud with scattered payroll, increase. One observable trend regarding the foregoing cases/revelations is that the exercises took place between July 2015 and June 2016- a period when the harsh economic reality in the country became daunting for the states. In fact, 27 out of the 36 States could not (still cannot) pay their workers’ salaries.

Sustaining the Trend: Some Considered Policy Options

Apparently missing in the redemptive template right from the previous administration till now, is the determination to prosecute the masterminds defrauding government of over N300 billion annually through this loophole (The Punch, 2016). Uncovering the number of the ghosts is a commendable feat. It is, however, a healthier and more positive development indicator to uncover and punish those who create the ghosts, for what they are -economic saboteurs. When there is no commensurate punishment for wrong doing, there exists no worthwhile incentive to remain on the right side of the law. The best that has ever happened in the system has been to retire such culprits from service. Sustaining the tempo therefore, would demand that all other federating units, particularly the state governments, put in place, pro-active legislations/measures that can checkmate payroll fraud. A comprehensive civil service reform is also required in this regard. As posited by Ribadu (2010:21) a reform of civil service include computerized payroll to eliminate ghost workers, monetized benefits, and the introduction of a pension scheme to provide civil servants with a more secure future and therefore, remove an incentive for corruption. It is contended that the deep involvement of Nigerian banks in ghost workers racketeering must be thoroughly investigated and decisively dealt with if the government is indeed serious about rooting out ghost workers from the payrolls and fighting corruption (<http://authorityngr.com/2016/04/Who-are-the-ghost-workers-racketeers-/>). All perpetrators of corrupt practices, when caught, should be promptly brought to book to serve as deterrent to other potential offenders.

In line with this submission, Smith (2007 cited in Egbule, 2014) argues that “corruption in the civil service in Nigeria is ripe and attractive because the possibility of being caught or punished is remote as there is no risk of deterrent, essentially because the institutions and commissions established to curb crime and abuse of office are feeble, which makes it difficult to hold public officers and other privileged Nigerian to any maximum level of conduct”. In addition, the size of government at all levels should be cut down to an economically prudent and manageable size. In other words, the number of MDAs duplicating functions, and their manning levels must be reviewed downwards to enable the country afford the higher pay that its public servants deserve. This in effect means that political offices and holders of such offices should be reduced to the size the available funds could accommodate. As pointed out in The Punch Editorial (2016):

Besides fishing out fraudsters from the system, the country needs a civil service that works – one that drives the implementation of government policies and programmes. Therefore, the Bureau of Public Service Reforms under Joe Abah as the Director-General has to initiate a raft of efficiency-driven mechanisms to achieve this goal. We strongly believe heads of Ministries, Departments and Agencies should take an active interest in fraud risks within their organisation and should be held liable for payroll fraud under their watch Tackling problem source, according to Osekola (2016) requires 1) Periodic review of hiring and firing policies and ensuring that they comply with actions, establishment and appropriated recruitment figures. 2) Periodic census of public service personnel and the maintenance of records of all official and natural personnel actions including sacks, retirements and deaths. 3) Maintaining an organogram of every Ministry Departments and Agencies, MDAs that reflects approved staff strength. 4) Identifying the accounting officers, mostly in

the Offices of the Heads of Service responsible for monitoring establishment quotas, and handling public service recruitment and separations and approving salary vouchers sent to banks. 5) Installing fail-safe redundancies in electronic information technology platforms that check overrides and inputs into the system used for preparing payrolls. 7) Ensuring that personnel and supernumeraries brought in by political appointees also department with their principals. 8) Working with labour unions concerned to ensure that innocent civil servants, with incomplete documentation, but not necessarily ghost workers will not be disenfranchised. 9) Strong internal controls that dispense with all forms of cash payment for emoluments. 10) Adequate monitoring of banks and other financial institutions including micro-finance banks used for payment of salaries.

Since 1999, the Federal Government has set up several committees to address the issues of cost of governance. These committees have submitted their reports and most of the recommendations revolve around elimination of ghost workers, reduction of recurrent expenditure, proper project management (of contracts), restructuring of the public service, etc (Igbuzor, 2015). Other measures include public service reform (monetization to reduce waste and reduction or over-bloated personnel, reform of public procurement); establishment of anti craft agencies such as the Economic and Financial Crime Commission (EFCC), and Independent Corruption and other Practices Commission (ICPC).

Interestingly, some measures have also been put in place by the Buhari administration to checkmate corrupt practices in the system. For instance, the Federal Government started the implementation of Treasury Single Account (TSA) with the e-payment component since 2012, while the e-collections components of commenced in January 2015. Larson (2007 cited in Ocheni, 2016) explains that TSA is bound to improve transparency and accountability in Public Financial Management. First, it will remove organisational/MDA secrecy around the management of public finances. The second is that revenue generating agencies that have been depriving the Treasury of due revenue through a plethora of bank accounts under their purview unknown to the authorities will no longer be able to defraud government since all funds will be swept into the TSA. However, it should be noted that the effective implementation of these policies in Nigeria is yet to happen until recently.

Other reforms aimed at improving the quality of the nation's Public Financial Management (PFM) systems are Government Integrated Financial Management Information System (GIFMIS); Automated Accounting Transaction Recording and Reporting System (ATRRS); Integrated Payroll and Personnel Information System (IPPIS); and International Public Sector Accounting Standard (IPSAS). Also, President Muhammadu Buhari has requested the National Assembly to consider two executive bills as part of improved legal framework to fight corruption. The bills are Money Laundering Prevention and Prohibition Bill 2016 and the Criminal Matters Bill 2016. The bills are believed to be part of the enhanced legal approach to Buhari's anti-corruption war.

The IPPIS scheme is one of the Federal Government's initiatives designed to undertake human resource management activities from recruitment to separation, including payroll and pension processing. It also facilitates planning, aids budgeting, monitors monthly payment of staff emoluments against what was provided for in the budget; ensures database integrity; facilitates easy storage; updating and retrieval of personnel records for administrative and pension processes.

Through the operation of the Treasury Single Account (TSA) into which all revenues accruable to the federal government are paid the federal government has saved about N3 trillion. The illegal collection of the salaries and allowances of 36,000 ghost workers in the federal public service by an illegal syndicate has been stopped. The introduction of BVN has stopped the operation of secret bank accounts by public officers. No doubt, the administration has recorded some success in the recovery efforts. The EFCC has so far recovered the sum of \$3.2 billion and over N30 billion which has been paid into a special dedicated account in the Central Bank. The government has ordered an audit of the payroll of the entire armed forces following the disclosure in a criminal trial that a particular military officer was stealing N558 million from the salary account of the Nigerian Air Force on a monthly basis (Falana, 2016).

CONCLUSION

It is a fact that if the government eliminates ghost workers from its payroll, it could save public funds for investments in education, health, and also enhance the salaries paid to public servants (Thurston, 2012). However, it is observed in this paper that public officials who embezzle money commit such offence because of their need to survive and provide for their families. In order to reduce corruption therefore, the Nigerian government needs to better attend to the needs of its

employees so that they do not resort to corrupt means to provide for their families and future generation. Also, “introducing a public policy that seriously punishes people caught in the act can serve as a deterrent to public servants, making corrupt acts both risky and unattractive” (Ameh, 2000). Finally, there is no more escaping the need to totally restructure the fiscal regime which the military left behind, whereby the entire nation leaves the management of the national economy in the hands of the Federal Government to spoon-feed the lower tiers. The time has come for full fiscal federalism. It is only when the federating units are given the powers to harness their resources that the economy can be effectively diversified.

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