SECURING NIGERIA'S EXTRACTIVE VALUE CHAIN: FINANCIAL FORENSICS, INTERAGENCY FUSION, AND POLICY REFORMS TO COUNTER MINERAL SMUGGLING AND ILLICIT MINING FINANCING OF ASYMMETRIC THREATS

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ABSTRACT

Nigeria's deposits of gold, lithium, tantalite and other solid minerals present economic opportunity and security risk. Illicit mining and cross-border smuggling of extractive resources now finance asymmetric threats including banditry, kidnapping and terrorism. This position paper examines the nexus between economic and financial crimes in the solid minerals sector and national financial security, using the June 2026 interception of a ₦4 billion gold consignment at Aminu Kano International Airport as a case study. Drawing on the EFCC Act 2004, Money Laundering Act 2022, Terrorism Prevention and Prohibition Act 2022, NFIU Act 2018, Evidence Act 2011, and Minerals and Mining Act 2007, the paper argues that Nigeria's response remains fragmented due to weak interagency intelligence fusion, limited financial forensics capacity, poor performance culture, and porous port and airport surveillance. It proposes a five-pillar reform: 1) National Extractive Crimes Intelligence Fusion Centre led by NFIU with EFCC, NPF, DSS, NSCDC, Customs and Immigration; 2) Mandated use of artificial intelligence and blockchain analytics for mineral transaction tracing; 3) Amendment of the Minerals and Mining Act 2007 to require beneficial ownership disclosure and criminalize reckless mineral trading; 4) Joint EFCC-AVSEC port and airport operations protocols with drone and cargo scanner deployment; 5) Upgrade of EFCC and NPF forensic laboratories for mineral assay and standardization of chain-of-custody for mineral evidence. The paper concludes that cutting the financing of asymmetric threats requires treating mineral smuggling as a predicate financial crime and securing Nigeria's extractive value chain through law, technology, ethics and interagency partnership.

Keywords: Financial crimes, mineral smuggling, illicit mining, financial security, interagency collaboration, forensic investigation, asymmetric threats, extractive resources, performance culture, ethical standards, foreign involvement, school safety, disaster management

1. Introduction

Nigeria is endowed with over 44 solid minerals but contributes less than 1 percent of GDP from the sector. Regulatory weakness, porous borders and limited surveillance have enabled illicit mining and smuggling networks to thrive. Proceeds from illegal gold and lithium extraction increasingly finance banditry and kidnapping economies in the North-West and North-Central zones. Banditry and kidnapping directly target schools and students, creating a link between extractive crime financing and school safety. This paper addresses the gap between mining sector regulation, national security intelligence and protection of educational institutions. It adopts doctrinal legal analysis and case study analysis of the Kano Airport gold interdiction, June 2026, to evaluate Nigeria's capacity to secure the extractive value chain and protect vulnerable populations. The objective is to propose policy and operational reforms anchored on financial forensics, surveillance technology, performance culture, ethical standards, disaster management and interagency fusion.

2. Literature Review and Theoretical Framework

The "resource curse" and "conflict minerals" literature establish that unregulated extractive resources fuel armed conflict and organized crime. The Financial Action Task Force has identified gold smuggling and trade-based money laundering as priority typologies for Africa. Nigeria's legal framework includes the EFCC Act 2004, Money Laundering Act 2022, Terrorism Prevention and Prohibition Act 2022, NFIU Act 2018 and Minerals and Mining Act 2007. The "follow the money" theory requires financial investigators to trace, freeze and forfeit illicit proceeds.

Akinade (2007) provides the legal basis for security practitioners in evidence handling and statutory powers. Akinade (2008) frames corruption and economic crimes in business environments as predicate offenses for money laundering. Akinade (2017) demonstrates the link between ransom financing, hostage-taking and organized criminal logistics. Akinade (2018a) discusses education, training and manpower development as critical capacity factors for security and intelligence practice. Akinade (2018b) addresses managing hazards and disasters in school environments, emphasizing preparedness, early warning and emergency response protocols. Akinade (2019) emphasizes the role of legal records, data forensics and crime tracking systems in establishing evidential chains. Akinade (2020) outlines law enforcement strategies and tools for investigation and prevention. Akinade (2021a) addresses information security and facilities management in digital environments. Akinade (2021b) establishes performance culture benchmarks for security personnel and organizations. Akinade (2022) provides ethical standards and behavioural patterns required in law enforcement for accountability and public trust.

Okoli and Orinya (2013) document the link between illegal mining and banditry in Zamfara. Ajibewa and Shittu (2020) analyze weak governance in Nigeria's solid minerals sector. Collier and Hoeffler (2004) model economic incentives for civil conflict. Global Witness (2022) and FATF (2023) report on gold smuggling routes from West Africa to the Middle East. Le Billon (2001) discusses resource governance and conflict. Adiele (2026) argues that perceived state policies of pardoning and rehabilitating terrorists and bandits create a moral hazard that undermines deterrence and public trust. This literature reveals a gap: limited integration of mining regulation, financial intelligence, performance culture, ethical standards, disaster management and school safety measures in security operations.

3. Case Study Analysis: Kano Airport Gold Interdiction, June 2026

In June 2026, the Economic and Financial Crimes Commission intercepted 15 suitcases containing gold bars valued at approximately ₦4 billion at Aminu Kano International Airport. The consignment was being loaded onto cargo for international shipment. Three suspects were arrested, including an airport security officer. According to EFCC official statements, preliminary investigations indicated the gold originated from illegal mining operations in Zamfara, Kaduna and Kebbi States. The modus operandi involved aggregation at informal mining sites, transportation to urban aggregation points, and concealment in cargo for export. Financial security implications include use of physical gold as a value store and trade-based money laundering. Interagency response involved EFCC operatives and airport security personnel. The case highlights the effectiveness of cargo surveillance and the need for pre-flight intelligence fusion between EFCC, DSS, Nigeria Immigration Service, Customs and airport authorities. Akinade (2017) notes that disrupting kidnap and ransom economies requires targeting financial logistics, of which mineral smuggling is a core component.

4. Mineral Resources as Drivers of Insecurity in Northern Nigeria: Expert Opinions and Exposition Analysis

Security experts and scholars consistently identify unregulated mineral resources as a central factor in the escalation of insecurity across northern Nigerian states, particularly Zamfara, Kaduna, Kebbi, Niger and Katsina.

4.1 Expert Perspectives

Dr. Murtala Ahmed Rufai, a security researcher at Usmanu Danfodiyo University, argues that gold deposits in Zamfara created a "criminal economy" where bandit groups tax miners, control mining sites, and trade gold for arms and ammunition. International Crisis Group (2020) reports that illegal mining provided armed groups with estimated millions of dollars annually. Major General Hassan Umar, rtd, states that absence of state presence at mining sites allowed non-state actors to become de facto regulators. UNODC (2022) notes that extractive resources in the Sahel serve as "conflict commodities" because they are high-value, portable, and difficult to trace.

4.2 Policy and Public Perception on Counter-Terrorism Approaches

Public commentary and policy discourse have raised concerns about the impact of rehabilitation and reintegration programmes for captured terrorists and bandits. Adiele (2026) argues that pardoning and rehabilitating terrorists and bandits creates a "legitimizing" effect that may erode deterrence and public confidence in the justice system. This perspective highlights a critical tension between counter-radicalization objectives and the need for credible deterrence under the Terrorism Prevention and Prohibition Act 2022. Rehabilitation programmes must be paired with strict accountability, intelligence debriefing, and financial crime investigation to ensure that mineral-smuggling networks are not reconstituted post-release. Akinade (2022) emphasizes that ethical standards and behavioural accountability must guide all security responses.

4.3 Roles of Foreign Nationals in Illicit Extractive Activities

Security experts highlight involvement of foreign nationals in financing, equipment supply, aggregation and export logistics. International Crisis Group (2020) and Global Witness (2022) report that foreign actors provide mining equipment and financing to artisanal miners, creating dependency relationships. FATF

(2023) identifies cross-border mineral trading as high-risk for money laundering when beneficial ownership is concealed. Akinade (2022) stresses that ethical standards and accountability must apply equally to all actors in the extractive chain.

4.4 Exposition Analysis: How Minerals Drive Insecurity

Economic Incentive and Armed Group Financing: Gold and lithium have high value-to-weight ratios. Bandit groups tax miners and fund arms purchases. Collier and Hoeffler (2004) describe this as “lootable resources” that lower the cost of rebellion.

Territorial Control and State Erosion: Mining sites become strategic assets where armed groups displace legitimate miners and establish parallel governance. Akinade (2017) identifies loss of territorial control as a precursor to asymmetric attacks.

Community Conflict and Social Disruption: Competition over mineral sites generates inter-communal violence between farmers and miners.

Transnational Smuggling Networks: Minerals are smuggled through porous borders to Niger, Mali and then to international markets via airports, internationalizing local conflicts.

Corruption and State Capture: Weak regulation creates opportunities for corruption among officials and security personnel. Akinade (2008) explains that corruption converts public resources into criminal capital.

5. School Safety, Disaster Management and Protection of Educational Institutions

Proceeds from mineral smuggling directly finance kidnapping and attacks on schools in northern Nigeria. Protecting schools requires hazard identification, disaster preparedness and rapid reporting. Akinade (2018b) emphasizes that managing hazards and disasters in school environments requires risk assessment, emergency planning and community participation.

5.1 Nigeria Police Schools Protection Squad 24/7 Emergency Reporting

The Nigeria Police Force Schools Protection Squad Command and Control Centre, Force Headquarters, Abuja, operates a 24-hour emergency reporting channel for school-related threats and emergencies across Nigeria.

Scope of Reports: Attacks on schools, attacks on student hostels on or off campus, bullying, molestation, harassment, student kidnapping or abduction, suspicious movements around school areas, and suspicious persons seen on the way to or from school.

Reporting Channel: Parents, students, teachers, school administrators, community leaders, and members of the public are encouraged to report early whenever they notice a threat around any school environment. The Schools Protection Squad can be reached by call or WhatsApp on 0807 735 7777. The service is active 24 hours daily to receive SOS reports. The SPS is also available through the Police VGS app.

Policy Principle: School safety is a shared responsibility. Early reporting can help prevent danger and protect children. “If you see something, say something.” Akinade (2018b) recommends that schools integrate such reporting channels into their disaster and emergency management plans.

Integration of this channel with the proposed National Extractive Crimes Intelligence Fusion Centre will ensure that intelligence on financing of school attacks from illicit mining is captured, analyzed and acted upon in real time.

6. Roles and Responsibilities of Security Agencies, Immigration Authorities, Customs Services and Related Agencies

Effective control of mineral smuggling and protection of schools requires clear role delineation and coordinated execution by all statutory agencies.

6.1 Economic and Financial Crimes Commission (EFCC)

Mandate: Investigate and prosecute economic and financial crimes including money laundering, illegal mining financing, and smuggling under the EFCC Act 2004 and Money Laundering Act 2022.
Responsibilities: Conduct financial intelligence, trace proceeds of mineral crimes, freeze and forfeit assets, and prosecute offenders. Maintain legal records and crime tracking systems per Akinade (2019). Coordinate with NFIU on suspicious transaction reports.

6.2 Nigeria Financial Intelligence Unit (NFIU)

Mandate: Central repository for financial intelligence under NFIU Act 2018.
Responsibilities: Receive, analyze and disseminate financial intelligence. Lead the National Extractive Crimes Intelligence Fusion Centre. Secure information systems tracking illicit financial flows per Akinade (2021a).

6.3 Nigeria Police Force (NPF)

Mandate: Maintain law and order and investigate general crimes under the Police Act 2020.
Responsibilities: Secure mining sites, arrest illegal miners and smugglers, preserve crime scenes. Operate the Schools Protection Squad 24/7 emergency channel for school safety. NPF Special Fraud Unit should handle complex financial aspects. Apply crime investigation techniques per Akinade (2020).

6.4 Department of State Services (DSS)

Mandate: Domestic intelligence and counter-subversion under the National Security Agencies Act 1986.
Responsibilities: Gather intelligence on armed groups financing through minerals, monitor transnational networks, provide threat assessments.

6.5 Nigeria Immigration Service (NIS)

Mandate: Control entry and exit of persons under the Immigration Act 2015.
Responsibilities: Verify travel documents, monitor movement of foreign nationals in mining, detect use of false identities or business visas for illicit mineral trading. Share passenger manifests with EFCC and Customs. Uphold ethical standards per Akinade (2022).

6.6 Nigeria Customs Service (NCS)

Mandate: Revenue collection, trade facilitation and border enforcement under the Customs and Excise Management Act.

Responsibilities: Inspect cargo, verify export permits from Ministry of Mines, detect concealment of minerals, enforce rules on movement of high-value goods. Deploy non-intrusive scanners and coordinate with AVSEC.

6.7 Airport Security / Aviation Security (AVSEC)

Mandate: Protect civil aviation under NCAA regulations.

Responsibilities: Screen cargo and baggage, monitor restricted areas, prevent unauthorized access to aircraft. Maintain performance culture and ethical conduct per Akinade (2021b) and Akinade (2022).

6.8 Nigeria Security and Civil Defence Corps (NSCDC)

Mandate: Protection of critical national infrastructure under NSCDC Act 2007.

Responsibilities: Secure mining sites, enforce mining laws through Mining Marshals, protect licensed operations from bandit attacks.

6.9 Ministry of Solid Minerals Development / Mining Cadastre Office

Mandate: Regulate mining licenses and compliance under Minerals and Mining Act 2007.

Responsibilities: Maintain register of licensed miners, verify export permits, share licensing data with security agencies, implement beneficial ownership disclosure.

6.10 Interagency Coordination Imperative

Akinade (2018a) emphasizes that education, training and manpower development are essential for interagency coordination. Akinade (2018b) adds that disaster management in schools must be integrated with national security response. Akinade (2020) and Akinade (2021b) argue that no single agency can secure the extractive chain or protect schools alone. The Fusion Centre at NFIU must institutionalize joint operations, shared databases, and standardized operating procedures with performance metrics and ethical audits across all agencies. The Schools Protection Squad emergency channel should feed real-time data into this Centre.

7. Findings and Discussion

7.1 Scale and Financing Impact

Illicit mining in North-West Nigeria generates billions of naira annually. Proceeds fund arms purchases, kidnapping operations and attacks on schools. This aligns with Akinade (2008) on economic crimes as predicate offenses.

7.2 Technical and Forensic Gaps

Nigeria lacks real-time mineral traceability and integration of BVN/NIN data for miners. Akinade (2019) stresses that weak crime tracking systems undermine prosecution. Forensic gaps include limited assay laboratories and inconsistent chain-of-custody.

7.3 Legal and Regulatory Gaps

The Minerals and Mining Act 2007 does not mandate beneficial ownership disclosure. Penalties for smuggling remain weak. Akinade (2007) argues for stronger statutory powers for security practitioners. Public concerns raised by Adiele (2026) about consistency in prosecution and deterrence underscore the need for uniform application of the Terrorism Prevention and Prohibition Act 2022.

7.4 Capacity, Performance and Disaster Management Gaps

Akinade (2018a) identifies gaps in education, training and manpower development as constraints on effective security and intelligence practice. Akinade (2018b) notes that many schools lack hazard and disaster management plans, increasing vulnerability to attacks financed by mineral crimes. No standing fusion desk exists at airports for high-value cargo. Intelligence sharing between EFCC, DSS, NPF, Customs and Immigration remains ad hoc. Akinade (2021a) identifies poor information security. Akinade (2021b) notes weak performance culture. Akinade (2022) emphasizes absence of ethical accountability.

8. Recommendations: Five-Pillar Security Reform

8.1 Institutional Pillar

Establish a National Extractive Crimes Intelligence Fusion Centre at NFIU integrating EFCC, NPF-SCID, DSS, NSCDC, Customs, NIS and Mining Cadastre. Link the NPF Schools Protection Squad 24/7 emergency reporting channel to the Centre for real-time intelligence sharing on school attacks financed by mineral crimes.

8.2 Technology Pillar

Mandate AI and blockchain analytics for mineral provenance tracking. Deploy cargo scanners and drones at priority airports. Apply modern investigative tools and information security per Akinade (2020) and Akinade (2021a). Integrate the Police VGS app data with the Fusion Centre.

8.3 Legal Pillar

Amend Minerals and Mining Act 2007 to criminalize reckless mineral trading and mandate beneficial ownership registers. Strengthen penalties and forfeiture provisions. Ensure consistent application of the Terrorism Prevention and Prohibition Act 2022 to address concerns about deterrence and public confidence.

8.4 Operational, Performance, Capacity and Disaster Management Pillar

Develop joint EFCC-AVSEC-Customs-NIS-NPF protocols for high-value cargo and school protection. Institutionalize performance metrics for all security personnel per Akinade (2021b). Invest in education, training and manpower development for security and intelligence practitioners per Akinade (2018a). Require all schools to adopt hazard and disaster management plans per Akinade (2018b), including use of the 0807 735 7777 emergency channel. Conduct regular joint training and simulation exercises. Publicize the Schools Protection Squad number nationwide.

8.5 Ethical and Forensic Pillar

Codify ethical standards for all personnel involved in extractive crimes investigation and school protection as per Akinade (2022). Upgrade EFCC and NPF forensic laboratories for mineral assay. Standardize chain-of-custody under Evidence Act 2011.

9. Conclusion

Mineral smuggling finances asymmetric threats against the Nigerian state, including attacks on schools and abduction of students. Expert analysis confirms unregulated minerals in northern states drive banditry and kidnapping. Public discourse on counter-terrorism policy, including concerns about rehabilitation versus deterrence raised by Adiele (2026), must inform reforms to strengthen accountability and public trust. Roles of security agencies, Immigration, Customs, NPF Schools Protection Squad and related bodies must be clearly defined and jointly executed through a Fusion Centre. Capacity building in education, training and disaster management per Akinade (2018a) and Akinade (2018b) is critical. The involvement of foreign nationals adds a transnational dimension requiring stronger cooperation. Through financial forensics, technology, legal reform, performance culture, ethical standards, disaster management, interagency fusion and accessible emergency reporting for schools, Nigeria can secure its extractive value chain and cut off financing for insecurity.

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