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## **FUELLING THE VIOLENCE**

### **Non-State Armed Actors (Militia, Cults, and Gangs) in the Niger Delta**

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# **FUELLING THE VIOLENCE: NON-STATE ARMED ACTORS (MILITIA, CULTS AND GANGS) IN THE NIGER DELTA<sup>1</sup>**

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## **INTRODUCTION**

This working paper on the formation, organization, activities, rivalries and impact of non-state armed actors- militia, gangs and cult groups in the Niger Delta is intended to situate these groups in the intricate and often confusing canvass of factors that determine the increasingly upward spiral of violence in the Niger Delta. It will attempt a crude geographical mapping of these groups, locate their collective and individual origins as much as possible and highlight the factors that feed the growth of these groups. Finally the paper will make recommendations on how the activities of these groups may be contained and who needs to do what to that effect.

On the larger canvas of African oil security and a new scramble for the continent, the recent (2005-2006) events in Nigeria and the crisis in the oilfields of the Niger Delta are of enormous importance. In late 2005 and early 2006 there was a massive escalation in violent attacks on oil installations by ethnic militants (primarily Ijaw, the largest ethnic group in the oil producing region) including the taking of oil hostages by a largely unknown militant group MEND (the Movement for the Emancipation of the Niger Delta). Oil markets were as a result very jittery. But this is only the tip of a much larger phenomena in which non-state actors have transformed the previous political stability of the oil-producing region. Earlier in 2005, political representatives from the oil producing region walked out of a national confab on the distribution of oil revenues; a few months later the Obasanjo government arrested a Delta militant and insurgency leader on treason charges which prompted renewed political turbulence across the region. Since the late 1990s, there has been a very substantial escalation of violence across the delta oil fields,

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<sup>1</sup> This paper was produced in conjunction with the Niger Delta Peace and Security Project associated with Our Niger Delta (Port Harcourt) and Academic Associates Peace Works (Abuja). The author is grateful to information provided by Marcus Leton and Michael Watts.

accompanied by major attacks on oil facilities (it is estimated that more than one thousand people die each year from oil-related violence). A year before September 11<sup>th</sup> 2001, the US Department of State in its annual report on ‘global terrorism’ identified the Niger Delta as a volatile breeding ground for militant “impoverished ethnic groups” for whom terrorist acts (abduction, hostage taking, kidnapping and extra-judicial killings) were part of their stock in trade.

The Niger delta is other words a zone of insurrection in which various militias, gangs and cults are part of a complex mix of political forces across the oilfields. A report prepared for the national oil company, the Nigerian National Petroleum Company, and published in 2003 was entitled *Back from the Brink* and painted a gloomy “risk audit” for Big Oil. A leaked report by Shell in the same year explicitly stated that their “license to operate” in Nigeria was in question. And with good reason. Between 1998 and 2003, there were four hundred “vandalizations” on company facilities each year (581 between January and September 2004), and oil losses amounted to \$1 billion annually. The tactics and repertoires deployed against the companies have been various: demonstrations and blockades against oil facilities; occupations of flow stations and platforms; sabotage of pipelines; oil “bunkering,” or theft (from hot-tapping fuel lines to large-scale appropriation of crude from flow stations); litigation against the companies; hostage taking; and strikes.

Mounting communal violence in 2003 resulted in many mortalities and widespread community destruction and dislocation around the Warri petroleum complex. Seven oil company employees were killed in March 2003, prompting all the major oil companies to withdraw staff, close down operations, and reduce output by more than 750,000 barrels per day (40 percent of national output). This in turn provoked President Obasanjo to dispatch large troop deployment to the oil-producing creeks. Ijaw militants, struggling to get a cut of the illegal oil “bunkering” trade—some estimates suggest that this innovative form of oil theft siphons a staggering 15 percent of national production—threatened to destroy eleven captured oil installations. In April 2004, another wave of violence erupted around oil installations (at the end of April, Shell lost production of up to 370,000 barrels per day, largely in the western delta), this time amid the presence of armed insurgencies, specifically two ethnic militias led by Ateke Tom (the Niger Delta Vigilante) and Alhaji Asari (the Niger Delta People’s Volunteer Force), each driven, and partly funded, by oil monies. Ten years after the hanging of Ken Saro-Wiwa conditions in the oilfield remain abysmal. An Amnesty Report (2005) entitled “*Ten Years On: Injustice and Violence Haunt the oil Delta*” declared that

things remain the same, only worse. Security forces still operate with impunity, the government has failed to protect communities in oil producing areas while providing security to the oil industry, and the oil companies themselves bear a share of the responsibility for the appalling misery and the political instability across the region.

The most recent events in Nigeria nevertheless mark something of a watershed. Among MEND's demands were the release of two Ijaw leaders of note, the Ijaw being the largest and most militant minority group in the Nigerian Delta. On January 29<sup>th</sup> 2006 these hostages were released unharmed although the Ijaw leaders in question remained under arrest in Abuja, the Nigerian Capital. MEND stated that the release of the hostages was made on "purely humanitarian grounds" and were quoted as follows: "This release does not signify a ceasefire or softening of our position to destroy the oil export capability of the Nigerian government." By the first week in February MEND had contacted the Nigerian press directly, calling for the "international community to evacuate from the Niger Delta by February 12<sup>th</sup>, or "face violent attacks". Two weeks later MEND claimed responsibility for attacking a Federal naval vessel and for the kidnapping of 9 workers employed by the oil servicing company Willbros, apparently in retaliation for an attack by the Nigerian military on a community in the Western Delta. The Nigerian government claimed they had attacked barges involved in the contraband oil trade. The geography of the Nigerian Delta, a maze of creeks and swamps, and its marginalization from state transportation and communication infrastructure, make the region extremely difficult to police. This isolation amplifies the significance of MEND's threats to destroy facilities. Behind these threats is the prospect of attacks on the enormously expensive (and for the US strategically indispensable) liquefied natural gas plants in Bonny and Escravos<sup>2</sup>.

Since the 1980s violent conflict in the Niger Delta has assumed a more lethal dimension with the deployment of automatic weapons and employment of superior strategies and tactics using better training and organization. Increased investments in the mobilization and organization of violence has also stemmed from greater stakes and an increasingly conducive atmosphere for violence to thrive. The more common types of violent conflict in the Niger Delta include, intra and inter communal conflict (including what is commonly referred to as ethnic conflict where the communal conflict crosses ethnic boundaries), conflict between the oil companies and communities. These

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<sup>2</sup> In the days following the violence the prices of a barrel of oil increased by almost \$1.50 and Shell and Chevron indicated that their production in Nigeria had been cut by 15%.

conflicts cannot be properly deconstructed without a careful look at the activities of militia, cults and gangs. These groups, in most cases, form the vanguard in the violent conflicts outlined above.

It is often difficult, as we will see later, to classify these groups in a strict manner without the risk of being too simplistic. However it is useful to classify them for the purposes of understanding how they work, their motives and other important factors such as who they may target and how they can be de-commissioned. These groups are now so powerful that in due course, if unchecked they are very likely, as they have already done in many cases, to infiltrate and take over legitimate, non-violent youth movements and steer them on to the path of violence. Indeed it can be argued that the infiltration and demobilization of youth movements such as the Ijaw Youth council etc and their subsequent inability to serve as a focal point for youth mobilization led to an increase in the influence of cults and militia as well as street gangs.

## **MERCHANTS OF VIOLENCE: A TYPOLOGY OF ACTORS**

What are militia groups, what are cult groups and what are gangs? How are they similar and what marks them apart from each other. We will rely here strictly on the construction of these groups in the minds of ordinary people in the Niger Delta.

Militias are at the top of the pecking order when viewed from key indices such as legitimacy with the grassroots, quality of training, weaponry, leadership and organization, and political savvy. Gangs tend to dominate particular neighborhoods, have high criminal content, may be associated with drugs, and with political participation limited to the rough side of things. A few gangs such as the ones in rural areas may play more prominent roles in the politics of their communities but lack the capacity to coordinate beyond their immediate constituencies.

Cult groups on the other hand are the fast recruiting, fast rising, brutal and secretive groups, which are now taking over whole communities, churches<sup>3</sup>, schools- universities<sup>4</sup>, secondary schools and even primary schools, government positions and political structures in the Niger Delta. Their influence also extends into militias and criminal cartels. Cult groups are marching in a hurry to be

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<sup>3</sup> Cults in church are more spiritual than violent-physical.

<sup>4</sup> Many of the higher institutions in the Niger Delta are under the strangle-hold of cult groups

the new ugly face of the Niger Delta. Cult groups count as loyalist people in high places and are often confident of release where they are detained for one reason or the other.

In what follows I shall examine the origin, character and activities of militia, cults and gangs. A few cases will be used to show how these groups interact with and influence society. Rivers State, particularly has been terribly affected by the activities of cults and militias. However many of the key actors are of Bayelsa State origin. Within Rivers State itself, the Ijaw areas, the Kalabari and Okrika especially, produce a large proportion of the cult elements.

A detailed but yet to be published study done by Marcus Leton for Our Niger Delta and the University of California Berkeley traces the origins of most of the cult groups, key figures and their impact on society. The study also details how they are organized and their spheres of influence. According to this study, the main centers of cult activities in Rivers State are Tombia, Bukuma, Buguma, Okrika, Port Harcourt and Ogbakiri. For the sake of brevity we will concern ourselves only with a few cases, namely Tombia, Bukuma and Ogbakiri in Rivers State and Yenagoa and Nembe in Bayelsa State. The activities of cult groups tend to be so closely associated with militia activity that we shall treat them as if they are one, making clear distinction were possible and necessary. Though cult, gang and militia activities definitely exist in Delta and Akwa Ibom states as well, this paper will not extend to them. It is hoped that as part of this project a more detailed and elaborate study can be carried out over a longer period of time<sup>5</sup>.

## **ORGANIZATIONAL FORMS**

Cult groups in common with gangs and militia are hierarchically organized but they are also designed to survive decapitations at the hierarchy. They are organized as if they were military forces so that it is possible for the top to pass orders down the line. It is always clear who is in charge and all others rigidly follow orders from the superior. In one of the groups (organization is almost identical) the top is referred to as Point 1.

The cell leaders in all their locations, organized in towns and communities are next in line. There are also the ‘decks’, which form an almost parallel layer of authority, also flowing from point 1.

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<sup>5</sup> All the cases draw from four days of field research and the author’s previous work and residual knowledge, as well as Leton’s work.

These decks are also called 'houses'. The decks are obviously patterned after sea-based confraternities such as the Vikings or the Pirates. The choice of words here and in other aspects of their organization and communication reveal a close affinity to the university cults from which they may perhaps be able to trace their origins or at the least draw inspiration. The use of words like 'house' on the other hand point to a traditional influence, as Ijaw communities are organized in 'houses'. Significantly, defense and warfare strategy also revolves around these houses. In this group, the House of Titan The Great or Titan the Giant is composed of the top men, clearly marking this house out as very important. The houses of the Baggers and the Klansmen on the other hand are composed of under-graduates who do not necessarily enter the fray in the streets but restrict themselves to campus fracas. The Titan the Great House or Deck is the umbrella or 'motherhouse' from within which the 26 other houses or decks are organized. Some of the other houses are white Chelsea 1-5, black banter 1,2,3 to 4; the Disciples, the duck pam, the outlaw(s), the Apostles, BS1, BS2, BS3, BS4.

Membership of a house or Deck does not depend on age or any special qualification, but on a member's bravery or brashness and his exploits or 'performance'. This system of promotion is typical of most of the cult groups and is partly responsible for the extreme cruelty sometimes exhibited by members.<sup>6</sup>

Militias are organized more according to the types of weapons they are trained to use, how they were recruited and how best the supreme commander wishes to deploy his forces. However they basically group themselves under a commander who in town owes allegiance to a supreme commander or leader. Sometimes militias are complemented by other loose forces who share a strategic or tactical interest with them. It is also not uncommon for different militias or bands to join forces or loan equipment and arms to each other.

The main sources of funds for non-state armed actors are drug running<sup>7</sup>, oil bunkering (see Appendix), petty crime<sup>8</sup>, political patronage, oil company pay-offs and stealing and robbery. Many

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<sup>6</sup> In one instance a member of the opposing cult group is said to have slaughtered a member of a rival cult into several body parts and bagged and transported the body over several hundred kilometers to present to his superior as proof of performance. In another instance the father of a cult leader was kidnapped and killed while he was in cell phone communication with his son, the object being for the son to hear the death-cry of the father.

<sup>7</sup> Drugs are now a very serious problem in the Niger Delta. The trade in drug constitutes a reason for inter-cult or inter-gang violence. This is particularly common in Port Harcourt. The drugs in town are used to prepare gangs and cults for violent activities including for electoral violence

<sup>8</sup> The old Port Harcourt township- locally known as 'Town' - is virtually ceded to criminals

of the cult leaders are associates of government officials and politicians. This is a key area for money and influence.<sup>9</sup>

Sometimes only a thin line divides cult members from militia members. For instance at the peak of the rivalry between the Niger Delta Vigilante (NDV)<sup>10</sup> and the Niger Delta Peoples Volunteer Force (NDPVF), the Icelanders and the Deywell joined forces with the NDV while the Deybam fought side by side with the NDPVF.<sup>11</sup> While the leader of the NDV is generally considered a cult member, the same is not said of his NDPVF counterpart.

Cult groups, in common with militia and gangs have a strong traditional spiritual element, mainly based on the revival and strong influence of the Egbesu deity in Ijaw communities. Many cultists will easily identify themselves as Christians but continue to rely on Egbesu for protection. Among adherents of Egbesu, it is believed that when fortified metal objects such as knives, machetes and bullets will have no effect on them. This belief is widespread even among those who are not so fortified.

There is however a price. Initiates are seriously cautioned against stealing, the penalty for which is the automatic withdrawal of spiritual cover for the offender. The repercussion is the same for those who eat food cooked by a woman. There are several militia groups in the Niger Delta, among the most interesting being the Niger Delta Vigilante, the Niger Delta Peoples Volunteers Force, the Isein, and the Warri based Ijaw militia.

The Niger Delta Vigilante emerged from the Okrika Vigilante which helped to restore order in Okrika at a time when there were several armed gangs terrorizing the Okrika community. Several gangs had laid siege on the Okrika community, levying market women, mourners at funerals, oil bunkerers, petroleum products distributors, commercial motorcyclist and all manner of businesses, legitimate and illegitimate. Often all the numerous armed gangs in the community will levy these people. The rise of the Niger Delta Vigilante above all these gangs therefore brought joy to the people of Okrika who saw in the group.

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<sup>9</sup> For instance one state government has been increasingly targeted with accusations that many of the top members of government, at cabinet and other levels, are associates of cult members.

<sup>10</sup> The Niger Delta Vigilante, which metamorphosed from the Okrika Vigilante is led by Ateke Tom

<sup>11</sup> The Niger Delta Peoples Volunteer Force is led by Alhaji Majaheed Asari Dokubo, a former President of the Ijaw Youth Council



## **FUELLING VIOLENCE: CASE STUDIES OF Oil-BASED CONFLICT AND NON-STATE ACTORS.**

Militias, gangs and cult groups now pose a threat to the continued existence of society, as we know it in the Niger Delta. In many of the communities teenagers and others in these armed groups have silenced chiefs, highly placed professionals and prominent citizens. The sad stories of the following communities illustrate the collapse of traditional authority structures and the triumph of anarchy and mob rule in the Niger Delta.

### **I. Tombia**

Tombia is in Degema Local Government Area of Rivers State and was a major theatre of violence during the conflict that took place in Rivers State between 2003 and 2004. As at September 2004 when Stephen Davies of the Coventry Cathedral and this author visited Tombia, the community was in ruins and only the oldest of people who had no where to go were still in the community<sup>12</sup>. Apart from these few people all others present were members of the Tombia Youth Organization which was the public face of the “DEEBAM” cult group affiliated to the Alhaji Asari led Niger Delta peoples volunteer Force (NDPVF) militia group. Later in time, as it became difficult for Alhaji Dokubo to control or condone the excesses the Deebam members there and in other parts of Rivers State he had distanced himself from them.<sup>13</sup>

The “DEEWELL” cult group, allied to Ateke Tom’s Niger Delta Vigilante<sup>14</sup> also has an interest if not a presence in Tombia, but they are presently out of the community. Their determination to return to the community is however a constant source of tension. Onengieofori Terika (alias “Occasion Boy”) is reported to have formed the Deebam group in Port Harcourt in 1991 shortly after his secondary education. A certain Owei, originally associated with Ateke Tom’s Niger Delta Vigilante is credited with the successful hit of Mr. Terika when he visited Tombia in continuation of his expansionary activities. As at July 2005, the community was yet to recover from the shock of the tragedy and people still fear to visit. Neither the authority of the government nor that of the traditional authorities has been restored and no plan in sight in this regard. Tombia remains a cult bastion and the Deybam is in charge.

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<sup>12</sup> The town was destroyed between the army and the battle for supremacy between Deybam and Deywell as allied with the Niger Delta Peoples Volunteer Force and the Niger Delta Vigilante.

<sup>13</sup> Personal discussion with Asari Dokubo

<sup>14</sup> Ateke Tom and Asari Dokubo are the two main militia leaders in Rivers State.

## II. Ogbakiri

Ogbakiri is a group of six communities in Emuhua Local Government Area of Rivers State. The community is about twenty minutes south-west of the University of Port Harcourt. It is close to Tombia, which is five minutes by boat to the south-west. As in Tombia the Deybam reigns supreme here, although the Deywell is continually struggling for space. Cultism was introduced into Ogbakiri from Tombia, for which Ogbakiri serves as a transit point. The inability of the security forces to protect the people of Ogbakiri from the antics of the Ateke allied cult group opened vulnerable and gang prone members of the Ogbakiri community to join the rival cult group in order to protect themselves. Since then however the Deywell group has also exploited cleavages within the Ogbakiri community to establish itself as strong rivals. As in Tombia, the community chairman is the doubles as the leader of the Deybam. Membership of the Deybam cult in Ogbakiri is said to be very high, though no exact figures or estimate is available<sup>15</sup>.

A claim by cultists in both Tombia and Ogbakiri to have cordial relations with the general public is a serious cause for concern. It is among others an indication that society is increasingly becoming resigned to the reality of cultism. The cult groups in Ogbakiri as in most other parts of the Niger Delta have a working relationship with the chiefs and other traditional and social institutions, including the women groups and the C.D.C of the 6 communities who have all come to recognize the influence and power of the cult groups. According to the leader of the most prominent cult group in the community, the main issues that create conflict in the area are chieftaincy disputes and issues pertaining to the embezzlement of community money, and for all other matters, “we know exactly how to handle such other issues”<sup>16</sup>.

After the October 2004 cease-fire agreement signed between Asari and Ateke, the Ogbakiri based cult groups claim to have handed in their weapons but claim that they “have nothing to fall back on because Government has not empowered us.”<sup>17</sup> They claim that they are ready to start a new life and even willing to sign an undertaking to be of good behavior and to be meaningfully engaged. They further recommend that Government should “visit the communities, ask the youths what they want to do and empower them”, and that the current practice of government sharing money to

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<sup>15</sup> About 30 persons (names undisclosed) are reported to have so far renounced membership of the cult at the Oduoha “Onyikwu Ogbakiri shrine” which shrine is said to be where people go to in order to clear their conscience.

<sup>16</sup> Interview conducted by Marcus Leton, June 2005

<sup>17</sup> Interview conducted by Marcus Leton, June 2005

youths will not solve the problem. As in Tombia the cults are in charge but waiting to be demobilized.

### **III. Bukuma**

Bukuma Community in Degema Local Government Area, Rivers state was also a major theatre of crisis during the 2003 – 2004 conflicts in Rivers state. It is not to be confused with Buguma, a much larger and famous community which has itself suffered the fate of Tombia and Bukuma. Again here the two main cult groups that exist are the Deybam and the Deywell. The Agun Youths Association of Bukuma (AYAB) on the other hand was specifically established at about 1999/2000 to check the excesses of Mr. Terika and his Deybam cult group. According to community members interviewed by Marcus Leton, what is today the Deybam cult group in Bukuma came under the guise or auspices of an organization called “OKOMERA” which later became what is now known as Deybam. The Okomera group is said to have been founded around 1999/2000 by Terika alias Occasion Boy who thus became its first leader.

The cult group was formed, to the delight of the Bukuma community in order to counter the strangulating hold of a certain lawyer working in concert with Shell. This lawyer managed to become both the accredited community representative with a power of Attorney in his favor (with respect to oil royalties and compensation claims from SPDC) as well as the Community Liaison Officer for the oil company. With these two positions he was said to divert community resources to himself and to hound all opposition into hiding, submission or destruction. Occasion Boy was able to wrest control from the cabal. When he subsequently kidnapped an NLNG staff in June 1999 and many youths saw him as their “messiah” and someone who could advance their cause and fight for their right and so quickly rallied support round him. By November 1999, occasion boy had become very popular and successful in bringing more youths to his camp. A series of meetings were held according to sources in the community and in Port Harcourt.

Supported by Shell, another the company’s beneficiaries is said to have formed a new gang called the “Port Harcourt boys” in 2001 to check occasion boy’s activities and his excesses. Shell is alleged to have supported the initiative because the governing cult group threatened its work in the area. Attacks and counter-attacks by these groups on each other resulted in several deaths and the complete destruction of any community spirit within Bukuma. Today the community remains a

Deybam stronghold as economic and social activities remain grounded. As there is no educational activity going on, the next generation of cultists and gangsters are steadily being groomed.

#### **IV. Yenagoa**

Yenagoa is the capital of Bayelsa State. Although youths from Bayelsa State are involved in cult activities in Rivers State, they have not managed to over run Yenagoa and show the kind of force they exhibit in Port Harcourt. The dominant cult group in Bayelsa State is the Greenlanders; allied to the Deywell in Port Harcourt. Some insiders claim that the leadership of the Greenlanders, by whatever name called, within the Niger Delta lies with the Imiringi cell, which is the headquarters of cult activities in the state. The community is about fifteen minutes drive, east of Yenagoa city center. From this base cult groups seek to influence the activities of youth groups such as the Movement for the Survival of the Ijaw Ethnic Nationality in the Niger Delta (MOSIEND) and the Ijaw Youth Council. They have recorded limited success with the Yenagoa branch of MOSIEND but the IYC has remained impervious to their attempts.

The Greenlanders in Yenagoa mainly control the growing drug market in Yenagoa and neighboring communities. The group also provides services to private individuals who may have scores to settle with business partners or neighbors. The organization of the group, which is headed by a certain Cockman is very similar to the Deywell and Deybam cells as they draw historical knowledge and inspiration from the same sea based brotherhoods.

The activities of the cults in Yenagoa have not at any time attained the dimension of their Rivers State based counterparts but on a few occasions fighting in Port Harcourt had spilled over to Yenagoa as affiliate groups send hit men into Yenagoa in search of targets. The Yenagoa cultists appear to adopt classical Mafiosi style in carrying out their hits. Emphasis is not on large-scale action accompanied by burning of houses but rather on neutralizing specific targets. This method appears to have shielded Yenagoa from the general insecurity, which the activities of their Port Harcourt based counterparts have imposed on their base.

However whenever these ‘hits’ are carried out, the mood of the entire city palls. The activities of the cult groups in Yenagoa have made Yenagoa one of the most hostile business environments in

the Niger Delta. An example of this is the decision by Daewoo to site its base at Mbiama, just outside the boundary between Bayelsa and Rivers State, in an attempt to escape harassment from the cult groups. Also, property developers in Yenagoa have had to bring their materials in late in the night to avoid being ‘taxed’ by the boys, most of whom are from within the ranks of cultists. Their influence continues to grow and if unchecked will certainly overrun the state capital

## **V. Nembe<sup>18</sup>**

Nembe and Pereamabiri are in Nembe and Southern Ijaw Local Governments respectively, all in Bayelsa State. In the case of Nembe the Isongofuro group was locked in battle with the Agbaraforu and later the Isein group. The Isongofuro were able to dislodge the Nembe Council of Chiefs to become the de facto rulers of the community and to in addition control party and oil politics for almost ten years. The Agbaraforu group fought unsuccessfully to unseat the Isongofuro. That led to several deaths and a brief takeover of the community by the Mobile Police under the auspices of the Nembe Council of Chiefs. In no time the withdrawal of the Mobile Police opened the way for the Isongofuro to re-establish its suzerainty on the community. In 2001 they over-reached themselves when they chased Nembe chiefs out of Shell premises to prevent the chiefs from meeting with Shell. This enabled the Isein group to ride on popular disaffection to organize a violent take over. The leaders of Isongofuro were sent on exile and many are still unable to return to that community. The Isein group today has members not only in Nembe community but also as far as Odioma, Bille and other communities in Degema, Brass, and Nembe local government areas of Rivers and Bayelsa States.

The Isein group, which now qualifies as a militia, is also at the center of the Odioma debacle. The group is suspected to be behind the killing of twelve persons, mostly local government officials who were traveling to Odioma to hold peace meetings to prevent a war between Odioma and Bassambiri communities. The government then called in soldiers who though were unable to arrest any of the suspected Isein members managed to destroy the whole community. While soldiers still occupy the Odioma community the Isein members have simply shifted to other locations and continue to strengthen the group with further recruitment and arms.

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<sup>18</sup> In 2003, the Berkeley Workshop on Environmental Politics published my Working Paper titled “Communal conflicts in the Niger Delta: Petro-weapon or Policy Failure?” The paper used case studies of Nembe, Peremabiri and Ke V. Bille to highlight the impact of oil politics on communities in the Niger Delta. The Nembe and Pereamabiri sections of that report particularly illustrated how cult groups fought for control over the communities in order to have access to the leadership of the communities and by extension negotiating rights with Shell.

Before the Odioma incident the group was largely influential in the ascendancy of key politicians in the Brass senatorial districts. This influence on local politics is not limited to groups like the Isein. Many other groups exist with like powers but limited visibility. The planned establishment of the Brass LNG will be yet another opportunity for the group to consolidate itself by drawing resources from employment and contract rackets. Must militia, gangs and cult groups are able to do this so this is not at all limited to the Isein.

## CONCLUSION

From the case studies above it is obvious that militia, cult groups and gangs are on the rise despite several half-hearted attempts by government and communities to curtail the activities and powers of these groups. Most of the groups are formed as a result of attempts to rescue the society from the perceived excesses of community leaders, traditional authorities, oil companies or governments. This informs the initial positive response they almost always receive from the people, the Niger Delta Vigilante of Ateke Tom and the Okumera of Occasion Boy being examples.

Alhaji Asari's Niger Delta Peoples' Volunteer Force remains popular today because he has been able to combine political and media savvy with his activities in the creeks. As there is not much space for civil political opposition as a means of changing or influencing society, groups like Asari's will continue to recruit with ease from the ranks of the disaffected.

The ease with which arms flow into the delta and the use of these groups as political enforcers has created a culture of impunity in which these groups understand that they have government backing or could acquire same with time. The oil companies have also contributed significantly to the build up of armed groups in the delta. This is illustrated here by the cases of Nembe, Bukuma, and Odioma where groups were either sponsored by shell or arose out of discontent with the system that Shell uses to maintain control of communities. Examples like these abound allover the Niger Delta. The oil industry must go beyond change in rhetoric to repair this grave damage they have done to community spirit and governance, and do things properly in the future.

The economy in the Niger Delta states is not expanding. Jobs are not being created, the people are still educationally disadvantaged and an army of youths are simply gathering every day on the streets or at the jetties waiting for something to do. Unfortunately, what they are offered these days is membership of an armed group. Some join to improve their self- image, as a response to perceived injustice or simply to survive.

In the Niger Delta, election is a violent activity. It is not something you prepare for by campaigning or producing manifestos. You prepare for elections by assembling guns, drugs and thugs. For many of the delta's men of violence election violence provides their first taste of blood. Non-state armed actors will continue to grow in size and influence unless there is scope for civil opposition, elections are a free, fair and non violent activity and government at the federal, state and level deliver on good governance and intensify development efforts targeting infrastructure development and boosting the economy and creating jobs and capacity through education and human capital development.

## APPENDIX

### A NOTE ON OIL BUNKERING<sup>19</sup>

Nigeria is Africa's leading oil producer, and the world's seventh largest exporter of crude oil, shipping nearly 2.5 million barrels a day. The Nigerian economy is dependent on the exploitation of oil and the nation's future is very much tied to crude oil. However, with an estimated population of almost 130 million people and a political system struggling to establish a democracy after decades of military rule, Nigeria has been plagued with widespread corruption closely associated with the bunkering of crude oil.

"Bunkering" is a term used to describe the process of filling a ship with oil (or coal). "Illegal bunkering" as used in respect to oil is a euphemism for oil theft. Large-scale illegal oil bunkering has become an increasingly significant issue over the last six years. In 2000, it was reported that 140,000 barrels of crude oil was stolen each day. In 2001, the reported figure had dramatically risen to 724,171 barrels per day. The average daily figure from January to October 2002 was 699,763 barrels.<sup>20</sup> In 2003 it had fallen to around 200,000 barrels and in 2004 risen to around 300,000 barrels per day. The significant drop in the amounts stolen between 2002 and 2003 may be associated with the strong claims that the amount stolen is considerably under-reported.

Governor James Ibori of Delta State blamed the highly publicized 2003 conflict in Warri, the state capital, on the activities of an oil bunkering syndicate that collaborates with foreigners to fuel the civil unrest with a view to creating room to enable them to engage "in their illegal oil deals in the creeks."<sup>21</sup> In 2003 Kenneth Ehigiator commented in Vanguard that, "The oil under the Niger Delta, which is the mainstay of the Nigerian economy as a whole, has proved a curse for those trying to bring peace and development to the warring communities around Warri. There is simply too much money at stake."<sup>22</sup> That same year, Brigadier-General Elias Zamani, then commanding a Delta peacekeeping force, was asked whether oil was being stolen by local people, the security forces, government officials or an international element. His reply was, "All."<sup>23</sup>

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<sup>19</sup> This is taken from a report co-authored by Von Kemedi, conducted as part of the Peace and Security Project. See 'Illegal Oil Bunkering in the Niger Delta', Niger Delta Peace and Security Strategy Working papers, Porty Harcourt, 2005, authored by Von Kemedi, Stephen Davies and Mark Drennan.

<sup>20</sup> Vanguard, 24 December 2002

<sup>21</sup> Governor Ibori, 24 August, 2003

<sup>22</sup> Vanguard, "Oil smugglers accused of fueling Warri crisis", 21 August, 2003,

<sup>23</sup> Cited in Michael Peel, "Crisis in the Niger Delta", July 2005



In the Niger Delta illegal bunkering is rife in places like Port Harcourt, Warri, Okrika, Bonny, Akassa and Soku. These are major loading points for the international market. There are many other key sites for illegal bunkering in the more remote areas of the swamp such as Jones Creek and Cawthorne Channel. The pipeline vandalization and other activities associated with illegal oil bunkering take place in far more diverse areas throughout the Niger Delta. The vast majority of the oil bunkered illegally is destined for the international market but other products such as condensate<sup>24</sup> and refined petroleum can be sold locally. Some direct uses for crude in local industry have been identified, ensuring the existence of a local market, but this cannot utilize the vast amount of crude oil stolen daily and hence the key to the operation is export. The poor state of Nigeria's oil refineries ensures that a significant amount of the exported oil is then imported back into Nigeria, at considerable cost to the country.

Illegal bunkering of oil in the Niger Delta is widespread and conducted in a surprisingly open manner. Asari Dokubo, leader of the Niger Delta People's Volunteer Force (NDPVF), is often linked with illegal oil bunkering. He claims that there is nothing wrong with him or other Ijaw people carrying out the business of illegal bunkering because the oil belongs to the Ijaw people. He contends that it is in fact those who are awarded oil lifting licenses that are illegitimate dealers because of what he describes as the climate of conspiracy and corruption surrounding the whole business.<sup>25</sup> With arguments like this illegal oil bunkerers try to rationalize their involvement in a clearly criminal activity.

The process of legal bunkering in Nigeria has, over a succession of federal administrations, been highly political. Licenses to "lift" crude oil (take from the terminal and sell) are not awarded under clear and transparent rules and are often used to gratify political cohorts and friends and associates of leading politicians. The Nigerian National Petroleum Company (NNPC) receives an average of 57 percent of crude oil produced in Nigeria. It has a right to dispose of crude as it wishes. The Government appoints agents to sell its crude oil. These agents are awarded a license to "lift" a defined volume of oil per month and sell it.

Illegal oil bunkering is not always totally unrelated to the daily process of lifting legally bunkered oil. There is a strong suggestion that some of the legally approved oil lifters are also involved in

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<sup>24</sup> Condensate is the very flammable oil left once gas has been extracted from crude.

<sup>25</sup> Personal communication with militia leader, 2004

illegal oil bunkering. It has long been suspected that legally approved oil lifters take more than their official allocation via a corrupt process that can ‘carry along’ regulators. By this means they are able to lift beyond the approved quantity allocated to them. In 2003 a motion sponsored by the Chairman of the House Committee on Petroleum, Hon. Halims Agoda and eight other members, noted that the Federal Government of Nigeria may be losing over N(naira)100 billion (US\$770 million) annually to large-scale fraud and illegal bunkering by oil servicing companies.<sup>26</sup> This is an aspect of illegal oil bunkering that is often ignored by policy makers and analysts who most often concentrate on that aspect of illegal oil bunkering that features the use of small vessels to transport oil from vandalized facilities. However, the form of illegal oil bunkering referred to in the Members’ motion put before the House accounts for a significant percentage of the losses the country suffers through this illicit activity.

There are therefore three main aspects of illegal bunkering. First, the small scale pilfering of condensate and petroleum product destined for the local market. Second, the large scale theft of crude oil involving international maritime tanker transport for refining outside Nigeria. Third, the excess lifting of crude oil beyond the licensed amount.

### **Small Scale Oil Theft**

Small scale illegal bunkering is most profitable when petroleum product or condensate rather than crude oil is stolen. Product and condensate can be used immediately whereas crude requires refining. The sale of product and condensate on the local market yields a quick return with minimal and simple transaction arrangements.

Small scale illegal oil bunkering or pilfering starts with a prospective middle level operator making contact with, or being contacted by an influential operator who must have the right contacts in politics and the military. The middle level operative then registers with a militia, cult or community based gang. Such a group must be willing and able to provide the workforce and/or the immediate security cover to protect the business. The ability of the militia or the protection force to provide that service is as important as their willingness, because such a group must be able to establish habitual obedience to its will throughout the transport corridor. It is not uncommon for groups to fight over control of these transport corridors. In the Okrika transport corridor many

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<sup>26</sup> *This Day*, “Oil Bunkering: Nigeria Loses N100bn Annually”, 27 February 2003. This may be conservative when one considers that at the time this claim was made oil was \$31 per barrel.

young men have lost their lives in battles for control. Establishing control over a defined territory has become an increasingly strong feature of militia activity in the Niger Delta in recent years, and is sometimes known as “bunkering turf”<sup>27</sup>.

Having established contact with a suitable and stable labour and protection force, the middle level operator is now able to assign the responsibility of lifting crude to low-level operatives, who are predominantly youths from the Niger Delta. Small crafts are then hired to load the crude oil from points of access. An informant from within the oil company will assist in providing the details of patrol efforts, schedules, types of surveillance; as well as giving technical training in “hot tapping”<sup>28</sup>. A technically proficient person is then needed to carry out the processes of hot-tapping the oil from the pipeline. One source claimed that the security forces are heavily rewarded in order to gain their cooperation.<sup>29</sup> Another source, a high-ranking military officer, fears he will soon be transferred out of Port Harcourt because that is a fate that awaits any officer who refuses to facilitate the illegal bunkering activities. The major bunkering financier provides the expensive barges needed to take the crude to waters close to the high seas from where the tankers leave for their final destinations. All these activities take place under the watch and sometimes protection of security agents.

### **Large Scale Oil Theft**

Given the finite number of locations where bunkering can easily be conducted on a large scale, and the competition between groups involved, the illegal oil bunkering process that has been operating in the Niger Delta in recent years is well organised.

Criminals mostly tap into oil pipelines through “hot tapping”. This is usually done at night when oil companies and most security organisations have embargoes on staff field movement. These embargoes are imposed primarily due to the security risk to company personnel. There are many variations on this technique; manifolds are a popular target as are well-heads and any area where a pipeline emerges from the swamp, for example at a river crossing or junction point. In the most

<sup>27</sup> Etannibi E.O. Alemika in UNODC, “Transnational organized crime in the West African region”, Jan 2005

<sup>28</sup> This involves piercing trunk pipelines bringing oil from beyond the swamps to the firms’ export terminals, and fitting valves of their own, diverting tonnes of crude into their boat. This is a dangerous procedure that routinely cost lives due to accidental outbreak of fires during the bunkering process. Photographs of incidents of hot tapping are available on the Legal Oil website, [www.legaloil.com](http://www.legaloil.com).

<sup>29</sup> There is a widespread belief that many Nigerian navy personnel are willing and able to do business with oil bunkerers.

straightforward operation, crude oil is piped into river barges and transported to ships offshore for sale and refining in other countries. Barges are carefully sequenced with an empty barge coming in when a full one is ready to move to offshore tankers. Barges and tugboats can be hired independently. Illegal bunkering groups need to ensure that the tapped pipelines are in constant use in order to avoid detection, which may result from registering a change of pressure on the gauges at the flow station. The oil thieves ensure the tapping points are protected during night hours to prevent other illegal bunkering groups from taking over.

The bunkered pipe location has to be controlled by “settling” local communities and through superiority of force. In addition to controlling the bunkering location, “passage communities” (on the route to the off-shore tankers) and the navy must be settled. Not only are key people from nearby villages settled, but the thieves must hire boys from the local villages to do the bunkering work. In some cases this may also include hiring local armed boys to provide “security”. More often, the security is provided by militia and agreed well before the proposed operation. Militia security will chase away anyone that attempts to illegally bunker oil without first settling the militia.

Illegal bunkerers must be union members. To become a union member a potential bunkerer must pay a fee which, in effect, gives the member access to oil theft opportunities. The navy will only allow union members to bunker illegally. The illegal bunkerers negotiate with the navy a date for the operation. The agreed date must also be acceptable to the villages in close proximity to the operations. The navy then ensures that there will be no naval presence in the area during the operation. If, by some chance, a naval vessel appears in the area during the operation, such vessels have been known to receive orders to make steam away from the intruders.

Crude oil tapped from the wellhead or from the main line before it passes through the meters is pumped into the barges that then make their way down stream and thence off shore to bunker into a waiting tanker. In some cases the tankers are small enough to come inshore and the crude oil is pumped direct from the wellhead or manifold to the tanker.

Governor Ibori has suggested that large-scale illegal bunkering operations have become so sophisticated that the involvement of oil company staff has become less important. He believes that the bunkerers are now capable of operating the necessary equipment at wellheads and allowing

access without the help of staff.<sup>30</sup> Involvement of oil company staff in this vein is still reported however, and in some cases it seems they are also settled in advance to ensure there will be no company inspection of the manifolds at the time of the operation. When asked about the complicity of his staff in illegal bunkering, Chevron's managing director, Jay Pryor responded saying, "That one's a hard one. I can't say."<sup>31</sup>

## **Organization of the Trade**

Local youths headed by a local boss are employed to assist the operation, mainly through provision of labour. Some are used to provide close security and will be hired at a higher price if they have their own automatic weapons. Alternatively, they can be hired at a lower rate and provided with weapons and ammunition. Local bosses rarely know the identity of the patron, who often has close relationships with government and the military. Security deals with militia do not provide for close protection. Rather, militia payments provide area protection and a right to bunker. Cash, drugs and weapons are exchanged for oil. In some cases the crude oil is sent out to the waiting tanker, and the barge returns, with an earlier agreed payment package of cash and weapons. The weapons are new and generally AK47s.

In order to control locations, illegal bunkering groups will actively support sympathetic community leaders with cash and thugs – and oppose or kill resisting leaders. Local favour is often fostered by allowing 'scoopers' from neighbouring communities to fill up jerry-cans (as part of settling communities) for sale in the towns.

Militias that provide security services to illegal bunkerers have identified senior state and federal politicians and businessmen associated with the oil theft operations. Some of those identified are sponsors and pay the militia security fees; others provide the barges as their part of the operation, or hire them to the cartel that is running the operation. A barge costs between six and ten million Naira (US\$45-74,000). The larger barges carry up to 5,000 barrels.

As in legal bunkering, illegal oil bunkering is a multinational business. There is speculation that several Eastern European, British, Australian and Lebanese businessmen are involved in the provision of finance and tankers for exporting the oil to refineries in Ivory Coast, Senegal and The

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<sup>30</sup> Human Rights Watch, "The Warri Crisis: Fueling Violence", December 2003

<sup>31</sup> Michael Peel, "Crisis in the Niger Delta", July 2005

Gambia. It is suspected that certain West African oil refineries rely almost solely on stolen Nigerian crude.<sup>32</sup> Moroccan, Venezuelan, French and Russian involvement has also been suggested.<sup>33</sup> The Nigerian Government moved to close off the Ivory Coast refining of crude oil, stolen from Nigeria, by putting in place a contract for supply of oil to the state owned refinery. One widely discussed money trail goes from Senegal and Ivory Coast through French banks and French credit agencies thence to Syria and Lebanon. Stolen Nigerian crude is also reaching the Rotterdam spot market.

### **Magnitude of Oil Theft**

In 2000, the total number of barrels reported stolen was 50,869,300. In 2001, the amount of oil reported stolen rose to 264,322,734 barrels. The figure from January to October 2002 was 255,413,770.<sup>34</sup> In January 2003 Shell Petroleum Development Company of Nigeria (SPDC) stated it was losing about 100,000 barrels of crude per day due to the activities of illegal oil bunkerers. Other companies were also believed to be losing about 150,000 barrels of crude oil in a similar manner, making a conservative total of 250,000 barrels lost daily.

An escalation in conflict fosters a climate favourable to oil theft. In short, widespread conflict masks the conduct of illegal bunkering. It is not surprising then that the Niger Delta conflict of early 2003 also coincided with a sharp rise in the amount of oil stolen. Unsurprisingly, the vast majority of the oil stolen was sourced from areas of conflict. When production in areas such as Jones Creek are shut-in due to conflict, and company staff withdrawn due to the risk to life, illegal bunkerers are free to steal oil without the company knowing how much is stolen. In short, the oil is stolen at the well-head, before it passes through a meter and therein the theft will go largely undetected, unless suggested by oil spills that may occur during the illegal bunkering operation. In such cases the amount illegally bunkered daily can exceed the daily oil production of some nations such as Equatorial Guinea (249,000 barrels), Gabon (240,000 barrels), Italy (107,000 barrels), Denmark (368,000 barrels), Romania (123,000 barrels), Peru (192,000 barrels), and Thailand (217,000 barrels).<sup>35</sup>

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<sup>32</sup> [www.gasandoil.com](http://www.gasandoil.com), "Nigerian oil theft is an international enterprise", 5 March 2004

<sup>33</sup> UNODC, "Transnational organized crime in West African region", Jan 2005

<sup>34</sup> *Vanguard*, "Opinion", 24 December, 2002

<sup>35</sup> Oil production in barrels per day in year 2003, Statistical Review of World Energy, <http://www.oilcrisis.com/bp>

The governor of Nigeria's oil-rich Delta state, James Ibori, has said thieves are stealing 300,000 barrels of Nigerian crude oil each day. Governor Ibori's figure is much higher than many oil industry estimates, which suggested at that time that 200,000 barrels a day were stolen. On 1 August 2003 Governor Ibori told the BBC Network Africa programme that the theft was costing the country around US\$3.5 billion a year in lost revenue. At the same time Frank Efeduma, Shell's External Relations Manager in the Western Niger Delta, estimated oil theft at, "around 70,000 to 100,000 barrels per day in the western region,"<sup>36</sup> of Shell Nigeria's operations in the Niger Delta. In the Niger Delta as a whole, theft accounts for up to 150,000 barrels per day, he added, with most of it ending up smuggled to unscrupulous refineries outside Nigeria by international syndicates.<sup>37</sup> In March 2004 Government officials estimated that at some points in 2003, 10 to 15 percent of Nigeria's two million barrels per day oil output was being siphoned off illegally by bunkering gangs for sale overseas.<sup>38</sup> One year later the government estimated that as much as 300,000 barrels of Nigerian crude oil is illegally bunkered (freighted) out of the country each day. This was estimated at the time to represent a loss "equivalent to US\$8.5 million per day".<sup>39</sup> During that period the average price of crude oil had gone from US\$31 per barrel (2003) to US\$41 per barrel (2004)<sup>40</sup> bringing the total annual value of stolen oil in 2004 to \$4.49 billion.

Addressing the Conference of Security in the Gulf of Guinea in July 2005, the Nigerian Vice President Atiku Abubakar put the amount of oil theft between 80,000 and 300,000 barrels a day, widely varying figures which highlight the lack of clarity there is regarding the statistics in question. At the 18<sup>th</sup> World Petroleum Congress in Johannesburg in September 2005, the Group Managing Director of NNPC, claimed that crude oil was currently being stolen at a rate of just 30,000 barrels a day. He stated that this was a 70 percent drop from the previous year's recorded total of 100,000 barrels per day. He went on to argue that this improved situation was largely due to the benefits brought to the socio-economic environment in the Niger Delta, by a move from community "assistance" to community "development" on the part of the Federal Government and its Joint Venture Partners. This proposed decline is perhaps backed up by Governor Victor Attah's statement in October 2005 that there were no reported cases of illegal bunkering or pipeline vandalism in Akwa Ibom State.<sup>41</sup> Governor Attah claimed that Navy activity had put an end to the

<sup>36</sup> *Vanguard*, "Oil smugglers accused of fueling Warri crisis", 21 August, 2003

<sup>37</sup> *Ibid*

<sup>38</sup> IRIN, "13 Russians charged and remanded for oil smuggling", 3 Mar 2004

<sup>39</sup> Dr. Edmund Daukoru, Presidential Adviser on Petroleum and Energy, "Niger Delta Community Crisis – Agenda for Sustainable Peace", 16 April, 2004.

<sup>40</sup> Prices for West Texas Intermediate sourced from the US Energy Information Administration.

<sup>41</sup> *This Day*, "Attah Commends Navy", 6 October, 2005

crime. Such statements have to be seen as extremely conservative estimates, particularly given the status of those who have been arrested as part of the Joint Military Task Force's "Operation Restore Hope". All too often these suspects can be described in terms used by the Operation's Public Relations Officer, Major Said Hammed, when referring to five men arrested at the Warri Refinery in October 2005 - "mere pawns and expendables in the illegal operation."<sup>42</sup>

It is not clear as to precisely how much Nigeria loses from oil bunkering since like in any other illegal activity it is difficult to measure the volume of oil sold through this process. What is clear is that the value of the stolen oil and the impact are enormous. With the price of Bonny Light crude oil continuing to rise, averaging US\$55.67 per barrel in 2005, US\$17.40 more than its 2004 average of US\$38.27, the effort to curtail increasingly profitable illegal activities needs to be seriously escalated. The average Bonny Light price for the last quarter of 2005 was in fact US\$58.61<sup>43</sup> and in January 2006 it rose again, this time to US\$63.80<sup>44</sup>.

<b>Price Summary (Averages)<sup>45</sup></b>							
	<b>Year</b>						
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Bonny Light Crude (\$/barrel)</b>	<b>18.07</b>	<b>28.49</b>	<b>24.50</b>	<b>25.15</b>	<b>28.76</b>	<b>38.27</b>	<b>55.67<sup>46</sup></b>

Taking into account the available government and oil company sources, conservatively between 100 million and 250 million barrels of crude oil are stolen each year without taking into consideration excess lifting by licensed lifters and oil servicing companies. This conservatively represents an income to the thieves of between \$1.5 billion and \$4 billion, averaging a black market price of \$15/b in 2003; \$2 billion and \$5 billion, averaging a black market price of \$20/b in 2004; and \$2.5 billion and \$6.25 billion, averaging a black market price of \$25/b in 2005. This represents a loss to the Nigerian Government of between \$1.48 billion and \$3.72 billion at \$20/b, and \$2.5 billion and \$6.2 billion at \$30/b; and a loss to the oil producing companies of between \$113 million and \$282 million at \$20/b, and \$121million and \$302 million at \$30/b, which approximates the

<sup>42</sup> *This Day*, "Task Force Arrest 5 Pipeline Vandals", 8 October 2005

<sup>43</sup> OPEC Monthly Oil Market Reports, December 2005 & January 2006

<sup>44</sup> OPEC Monthly Oil Market Report, February 2006

<sup>45</sup> OPEC Annual Statistical Bulletin 2004 and Platts

<sup>46</sup> Year-to-date average 2005, OPEC Monthly Oil Market Report, January 2006



average crude price in 2003.<sup>47</sup> At the 2004 and 2005 average prices of \$38/b and \$56/b respectively the loss to the Nigerian Government and the loss to the oil producing companies is not known as the official Government percentage of the barrel take of each party at the higher barrel prices is the result of a sliding formula and not accessible. According to SPDC, at the price of \$50 for each barrel of crude oil the Government receives \$44.13 (88%) and the oil company \$1.87 (3.7%). \$4 from each barrel goes to covering technical costs. These figures would suggest that in a year which sees 100 million to 250 million barrels of crude oil stolen at a value of \$50 per barrel, the government would loose between \$4.4 billion and \$11 billion and SPDC would lose between \$187 million and \$467.5 million.<sup>48</sup> At the time of writing this paper the average price of crude is higher (\$58/b) than is catered for in SPDC's suggested figures and almost double the base for the percentage take for each of the parties shown here for 2003. The recalculation of the current value of the illegally bunkered oil is sobering.

Given that 'host communities', passage communities, militia and the military have to be settled, net profits are reduced but still very rewarding, particularly with higher oil prices in 2005 and 2006.

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<sup>47</sup> At a selling price of \$20 per barrel, the Nigerian Federal Government receives (74.4%)\$14.88, costs are (20%) \$4 and the producers get (5.6%) \$1.13. At \$30/b government gets (86.2%) \$24.79, costs are (13.3%) \$4 and the producers get (4.1%) \$1.21.

<sup>48</sup> Basil Omiyi, "Overview of SPDC Operations in the Niger Delta", cited in All Party Parliamentary Group on the Niger Delta's, "Delegation to the Niger Delta", December 2005