






Augment Legal Efforts through Artificial Intelligence in Curtailing Economic Fraud in Nigeria: Issues and Challenges

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Abstract

The rise of economic fraud in Nigeria is one of the greatest threats to the financial stability of the nation, the governance systems, and socio-economic development. Though there are legal frameworks in curtailing economic fraud, there seem to be several challenges given the sophisticated economic frauds that have evolved. Therefore, this study aimed to examine AI as a transformative tool to supplement Nigeria's legal framework in its legal fight against economic fraud through facilitating the improvement of violation detection, automation of evidence gathering, and support of data-driven policymaking. It also enhances efficiency in law enforcement via predictive analytics and real-time monitoring systems. The study adopts a qualitative methodology, including an analysis of the legal framework and a literature review on AI in combating economic fraud. The findings show that despite some legal frameworks put in place for economic fraud, the legal mechanisms for the detection, prevention, and prosecution of economic fraud lack adequate capacity and nearly totally lack a procedural



perspective. Also, in the study, it was found that AI technologies such as machine learning and natural language processing can help in providing means for those datasets to find some patterns, improving forensic investigations and decision-making processes in fraud cases. Thus, it stipulates that integrating AI into Nigeria's Legal Framework is essential for combating economic fraud. Policy reforms, capacity-building programs, and investment in AI infrastructure have been recommended to facilitate its adoption.

Keywords

Artificial intelligence; Economic fraud; Economic crime; Nigeria.

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Introduction

The global economy has undoubtedly witnessed sporadic growth, given the high incidence of industrialization and improvement across various sectors of global affairs.¹ However, suffices to state that a major challenge that often affects and downplays the global economy is major fraud or economic crime being perpetuated by most individuals, governments, and companies.² Though several global laws and logistics have been put in place by the international community to curtail this incidence of global economic fraud. However, there seems to be an increase in the incidence of global economic crimes,³ given the method been employ to curb this incidence has become obsolete and insufficient as a result of the fact that economic crime has taken a sophisticated dimension. Hence, the available means to curtail economic crime are considered unreliable and ineffective.

It must be noted that Nigeria is a low-income country that has experienced an economic boom since 1970, during the military era, when there was an oil boom and flourishing in agriculture. However, institutional weaknesses during the military era made it easy for corruption and economic fraud to flourish. This military era laid the groundwork for the entrenchment of fraud in the public and private sectors long after the soldiers had headed for the barracks. As a result, the once-favorable boom era continues to shape present trends in economic crime and mismanagement in Nigeria. In this regard, as it concerns economic crime,

¹ Suzan Dsouza, Houshang Habibniya, and Rezart Demiraj, "AI, a Provenance or Solution for Financial Crime," *Management and Economics Research Journal* 7, no. 2 (June 2021): 1–5, <https://doi.org/10.18639/MERJ.2021.1423084>.

² Ranarosyidah Rihadatul'Asy, "Supervision of Village Fund Management by the Regional Inspectorate of Pamekasan Regency," *Decova Law Journal* 1, no. 1 (2025): 18–27.

³ Paul Atagamen Aidonojie, Toyin Afolabi Majekodunmi, and Omolola Janet Adeyemi-Balogun, "The Legal Issues Concerning the Operation of Fin-Tech in Nigeria," *Jurnal Media Hukum* 30, no. 2 (October 2023): 78–97, <https://doi.org/10.18196/jmh.v30i2.18337>.

Nigeria has had its fair share and has been the hub of fraudulent activities.⁴ However, economic fraud is prohibited by several laws such as the Nigerian Constitution, Anti Money Laundry Act, Economic and Financial Crimes Commission Act, Advance Fee Fraud and Other Fraud Related Offences Act, and Corrupt Practices and Other Related Offences Act. Several governmental institutions, such as the police, Economic and Financial Crime Commission, and ICPC, have also been set up to curtail the incidence of economic crime,⁵ however, there seems to be an increase in economic crimes over the years.⁶ For example, between 2019 and 2024, there has been a surge of economic crime, most especially within its financial sector. According to the Nigeria Inter-Bank Settlement System, the sector witnessed a 496.96% increase in economic fraud.⁷ Also, there have been reported cases of cybercrime, with fraudsters adopting new tactics. For example, sextortion scams were noted to be more prevalent, and several individuals were threatened that a compromising image would be released unless ransoms were paid. In this regard, Meta Platforms had to remove about 63,000 Nigerian Instagram accounts found indulging in such scams, primarily targeting adult men in the United States.⁸ Also, it has been recorded that several politicians, governors, and political stakeholders have been indulging in white-collar economic crime or fraud.⁹

⁴ Odetokun Olukayode Oladele Paul Atagamen Aidonojie, Oyenmwosa Anne Odojor, "An Empirical Study of the Relevance and Legal Challenges of an E-Contract of Agreement in Nigeria," *Cogito Multidisciplinary Research Journal* 12, no. 3 (2020): 181.

⁵ Paul Atagamen Aidonojie et al., "Legal and Socio-Economic Challenges of E-Commerce in Uganda: Balancing Growth and Regulation," *Trunojoyo Law Review* 7, no. 1 (January 2025): 1–32, <https://doi.org/10.21107/tlr.v7i1.27704>.

⁶ Godswill Owoche Antai et al., "Legal Framework and Mechanism for Combating International Crimes: A Comparative Analysis between Nigeria and Uganda," *NIU Journal of Social Sciences* 10, no. 3 (September 2024): 37–52, <https://doi.org/10.58709/niujs.v10i3.1978>.

⁷ Radhika Santhanam Nicholas Berente, Bin Gu, Jan Recker, "Managing Artificial Intelligence," *MIS Quarterly* 45, no. 3 (2021): 1433–50, <https://doi.org/https://doi.org/10.25300/MISQ/2021/16274>.

⁸ Steven David Brown, "Cryptocurrency and Criminality," *The Police Journal: Theory, Practice and Principles* 89, no. 4 (December 2016): 327–39, <https://doi.org/10.1177/0032258X16658927>.

⁹ Ken Pease John McDaniel, *Predictive Policing and Artificial Intelligence*, ed. John L.M. McDaniel and Ken G. Pease (London: Routledge, 2021), <https://doi.org/10.4324/9780429265365>.

The development of Artificial Intelligence (AI) systems and technologies in what has been referred to as the “4th Industrial Revolution” has ushered in new opportunities and threats to developing countries.¹⁰ AI provides opportunities for developing countries to leapfrog development and attain economic growth and prosperity. The Fourth Industrial Revolution, driven by Artificial Intelligence (AI), is projected to contribute over \$15 trillion to the global economy within the next decade.¹¹ However, without concerted efforts, strategic planning, and collaboration among stakeholders, developing countries risk being left behind, missing out on the benefits of this transformative shift.¹² In the current day, there have been five innovative platforms, like a public blockchain, energy storage, multiomic sequencing, and robotic and artificial intelligence, and these five innovations are changing growth dynamics that are highly catalyzed by artificial intelligence.¹³ With artificial intelligence like recommendation engines and predictive artificial intelligence, artificial intelligence has a clear tendency to generate enormous sustainable economic growth.¹⁴ Hence, given the potential of artificial intelligence, it has been proven over time that it could aid in economic crime detention.

Several studies in the existing literature highlight the increasing role of artificial intelligence in security, governance, and even the detection of fraud, with Nigeria receiving little attention concerning economy-related

¹⁰ Dafni Lina, “Could AI Agents Be Held Criminally Liable: Artificial Intelligence and the Challenges for Criminal Law,” *South Carolina Law Review* 69, no. 3 (2018): 677.

¹¹ Miles Brundage Thomas Metzinger, Peter J. Bentley, Olle Haggstrom, *Should We Fear Artificial Intelligence?* (Brussels: EPRS: European Parliamentary Research Service, 2018), <https://doi.org/10.2861/412165>.

¹² Fitriya Fauzi, Kenneth Szulczyk, and Abdul Basyith, “Moving in the Right Direction to Fight Financial Crime: Prevention and Detection,” *Journal of Financial Crime* 25, no. 2 (May 2018): 362–68, <https://doi.org/10.1108/JFC-06-2017-0060>.

¹³ Gianluca Gabrielli and Alice Medioli, “An Overview of Instruments and Tools to Detect Fraudulent Financial Statements,” *Universal Journal of Accounting and Finance* 7, no. 3 (September 2019): 76–82, <https://doi.org/10.13189/ujaf.2019.070302>.

¹⁴ Keith J. Hayward and Matthijs M. Maas, “Artificial Intelligence and Crime: A Primer for Criminologists,” *Crime, Media, Culture: An International Journal* 17, no. 2 (August 2021): 209–33, <https://doi.org/10.1177/1741659020917434>.

fraud challenges. Bor and Koech¹⁵ engage with AI as it relates to African border security and raise ethical issues while failing to consider internal economic governance or fraud. According to Dinah et al.¹⁶ AI has been efficacious in preventing financial crimes in Mauritius, but their study is limited only to accounting firms and does not relate to the broader legal context of Nigeria. Richard¹⁷ points out that there is no legal framework for AI in corporate governance in Nigeria, with no direct link to economic fraud control. Also, Raimi and Mutiu¹⁸ propose ICT-based policing to address crime in Nigeria, but do not dive into AI's unique focus on financial fraud prevention. Beyond that, Sharma, Mehta, and Sharma¹⁹ also recognize the potential for AI in fraud detection on a general scale, while not addressing Nigeria's particular regulatory and enforcement challenges. Indeed, these gaps show that more focused research is warranted on the ways by which AI can be effective in supplementing Nigeria's legal control over economic fraud, given its specific socio-economic and legal realities. Concerning the above, it suffices to state that this study makes a unique contribution by explicitly discussing artificial intelligence as a tool available to legal practitioners in the Nigerian context to mitigate economic fraud. Contrasting earlier studies discussing technology broadly and fraud detection, this research stands out with its concentration on AI functionalities with Nigeria's peculiar legal challenges, such as

¹⁵ Bor, Sherry, and Nicole Cheptoo Koech. "Balancing Human Rights and the Use of Artificial Intelligence in Border Security in Africa." *Journal of Intellectual Property & Information Technology Law* 3 (2023): 77.

¹⁶ Dinah, Zuleika Nooria Bibi, Kannan Asokan, and Meera Eeswaran. "A Quantitative Study on the Prevention and Detection of Financial Crimes Using Artificial Intelligence in Mauritius." *Journal of Intellectual Property Journal* 3, no. 2 (2024): 77.

¹⁷ Richard, Moses Peace. "Legal Perspective on the Use of Artificial Intelligence in Corporate Governance in Nigeria: Potentials and Challenges." *Journal of Legal Studies "Vasile Goldiş"* 34, no. 48 (2024): 97–118.

¹⁸ Raimi, Lukman, and Rufai Mohammed Mutiu. "Fortification of Policing in Nigeria Using ICT Backbone for Strategic Competitive Advantage: Trends, Challenges and Prospects." *Intel Review Journal* 41, no. 2 (2021): 67–85.

¹⁹ Sharma, Renuka, Kiran Mehta, and Poonam Sharma. "Role of Artificial Intelligence and Machine Learning in Fraud Detection and Prevention." In *Risks and Challenges of AI-Driven Finance: Bias, Ethics, and Security*, 90–120. 2024.

infrastructural deficits, gaps in regulations, and issues regarding data integrity. Therefore, proposes a framework for context-sensitive AI models that can be applied to Nigeria's particular legal and institutional realities, analyses AI's challenges in fraud litigation and investigations, and it also looks at policy and institutional reforms to create an enabling environment for maximizing AI's opportunities. Hence, the study not only fills an acute gap in scholarly works; it also requires immediate engagement with policymakers, attorneys, and technologists in Nigeria.

Method

The study focuses on curtailing economic fraud in Nigeria through AI, complementing the laws against economic fraud. Hence, it adopts the most suitable doctrinal study method.²⁰ In this regard, primary sources of research material such as the Nigerian constitution and various statutory laws as it concerns economic fraud and artificial intelligence. Furthermore, the study also relied on secondary sources such as legal and scholarly textbooks,²¹ literature in journal articles, commentaries, online articles, and other relevant research materials.²²

The methodology adopted for data analysis included both critical analytical and descriptive approaches. The statutory provisions and constitutional principles were then analyzed to determine the legal gaps and issues in integrating AI in anti-fraud efforts. The secondary data have been put plainly with the utmost ease of understanding, and statistical data

²⁰ Moh. Widadun Ni'am, Milasari Milasari, and Reni Prasetya Nurmawati, "Implementing Village Head Election in Madura: Balancing Democratization with Traditional Violence," *Journal of Indonesian Constitutional Law* 2, no. 1 (2025): 84–102, <https://doi.org/https://doi.org/10.71239/jicl.v2i1.41>.

²¹ Raden Bagus Mochammad Ramadhan Razief Hafid, Sahrudin, and Ahmad Farid, "Countermeasures for Environmental Damage Caused by Drilling Water Sources for The Mineral Water Industry," *Journal of Indonesian Constitutional Law* 1, no. 2 (2024): 140–50, <https://doi.org/https://doi.org/10.71239/jicl.v1i2.36>.

²² Firza Setiawan Putra et al., "Impeachment Mechanism for The President and/or Vice President of Indonesia and United States," *Journal of Indonesian Constitutional Law* 1, no. 2 (2024): 96–111, <https://doi.org/https://doi.org/10.71239/jicl.v1i2.4>.

primarily concerning fraud cases, AI adoption rates, and enforcement outcomes were organized and represented in graphical and tabular formats. This representation has enhanced the ease of interpreting trends, challenges, and opportunities regarding the application of AI against economic fraud in Nigeria. Hence, the doctrinal method nourished by critical analysis and thematic classification of both primary and secondary data forms the backbone of this research article. This methodological combination ensures an examination that is broad, structured, and scholarly in its consideration of the interconnection of AI, law, and economic fraud prevention in Nigeria.

Result and Discussion

A. Incidence of Economic Fraud in Nigeria

One of the prime systems of economic fraud in Nigeria is domestic nature and commonly endorses core institutions and practices. In this scenario, public-sector corruption can shine in the form of embezzlement: procurement fraud is performed when government officials inflate contracts to channel public funds into personal bank accounts.²³ This scenario also operates in the private sector, where corporate malpractices develop in the form of abuses, such as insider trading and making wrong financial representations, and in which economic progress and governance are always undermined by corruption and resources are channeled away from developmental programs, creating inequality.²⁴ In the wild world of Nigerian economic crimes, the most notable kind of fraud is cybercrime by

²³ Olmer Garcia-Bedoya, Oscar Granados, and José Cardozo Burgos, "AI against Money Laundering Networks: The Colombian Case," *Journal of Money Laundering Control* 24, no. 1 (May 2021): 49–62, <https://doi.org/10.1108/JMLC-04-2020-0033>.

²⁴ Thomas Barrabi, "Archegos Founder Bill Hwang Sentenced to 18 Years for Massive Fraud That Stunned Wall Street," New York, 2024.

far.²⁵ Whereas web access and digital banking led to fictitious cyber offenses to then exploit vulnerabilities in financial systems, today, the broad and diverse trends of subscribers through technology give a field for cybercriminal activities to flourish.²⁶ Criminologists and lawyers use malware to implement a series of fraud systems, viz., phishing, identity theft, and Business Email Compromise, where the fraudsters defraud corporate accounts in the business names of their officials.²⁷ It is reported by the Nigeria Electronic Fraud Forum (NeFF) that the rate of online fraud has shot up over the years, showing a change in the sophistication level of scammers and the use of technology.²⁸ This shows that economic crime in Nigeria has fundamental socio-economic implications. It erodes investor confidence and is a deterrent to foreign direct investment, putting undue pressure on the judicial and financial institutions of the country.²⁹ The loss in public finance because of fraud directly restricts the scope of basic³⁰ service delivery, health, education, and infrastructural development.³¹ The fact remains that economic fraud disparately affects the masses, especially

²⁵ Paul Atagamen Aidonojie et al., "Menace of Internet Fraud on Nigeria Youth : Lesson from the Indonesia Experience," *Jurnal Mengkaji Indonesia* 3, no. 2 (2024): 189–218, <https://doi.org/10.59066/jmi.v3i2.807>.

²⁶ M Adinbowale, O., Klingelhofer, H., & Zerihum, *Society 5.0*, ed. Aurona Gerber and Knut Hinkelmann, vol. 1477, Communications in Computer and Information Science (Cham: Springer International Publishing, 2021), <https://doi.org/10.1007/978-3-030-86761-4>.

²⁷ Naheeda Ali, "A Legal Assessment of the Current Situation with Artificial Intelligence and Economic Crime Policing," *Human Nature Journal of Social Sciences* 3, no. 3 (September 2022): 412–21, <https://doi.org/10.71016/hnjss/5wnpcr44>.

²⁸ Hannah Harris, "Financial Technology and the Law: Artificial Intelligence and Policing of Financial Crime: A Legal Analysis of the State of the Field," in *Combating Financial Crime*, 1st ed. (Australia: Springer Cham, 2022), 281–99, https://doi.org/10.1007/978-3-030-88036-1_12.

²⁹ Michael Levi, "Policing Financial Crimes," in *International Handbook of White-Collar and Corporate Crime* (Boston, MA: Springer US, 2007), 588–606, https://doi.org/10.1007/978-0-387-34111-8_30.

³⁰ Michael McGuire, *Technology, Crime and Justice*, 1st ed. (London: Willan, 2012), <https://doi.org/10.4324/9780203127681>.

³¹ Jennifer Peltz Michael R. Sisak, "US Charges Tycoon Gautam Adani with Defrauding Investors, Hiding Plan to Bribe Indian Officials," *Ap Sets The Standard For Political Reporting*, 2024, <https://apnews.com/article/gautam-adani-india-solar-energy-securities-fraud-bribery-9f4c7ff20e7a47ae560c2ad72f4dda44>.

those who rely heavily on public services and social programs that are greatly marred by financial mismanagement.

From 2019 to 2024, Nigeria has witnessed an increase in economic fraud, healthily within the sectors of the nation's economy.^{32,33,34} As per the Nigeria Inter-Bank Settlement System (NIBSS), the increase in fraud was noted to stand at 496.96% within the sector. In particular, bank customers registered a N59.33 billion loss, in the space of N2.96 billion in 2019 and thereon soared up to N17.67 billion by 2023.^{35,36,37} The upward trend was bound to spill over to 2024, with Nigerian banks declaring staggering loss figures. In the first quarter, banks lost a whopping N42.6 billion from frauds, outstripping the total loss amounting to N9.4 billion for the whole year of 2023. There was an 8,993% increase in loss compared to the N468.4 million made in the previous quarter of 2024.^{38,39,40} What transpired, however, was the widespread growth of cybercrime activities and tactics. The odd Sextortion Scam found considerable hold targeting a set of people too cowed to shrug off. To extort payments, culprits sought to intimidate targets with threats that they would release pornographic images. As a unique implication, Meta Platforms wiped out about sixty-three thousand Instagram accounts from Nigeria actively involved in such scams; specifically, they targeted USA adult males.^{41,42,43}

³² Ogaga Ariemu, "Sektor Keuangan Nigeria: Penipuan Meningkat 496% Dalam Lima Tahun," Daily Post, 2024.

³³ Damilola Aina, "Nigerian Banks Lost N42.6bn to Fraud in Three Months – Report," Punch, 2024.

³⁴ Reuters, "Meta Removes 63,000 Instagram Accounts in Nigeria over 'sextortion' Scams.," Reuters, 2024.

³⁵ Ogaga Ariemu, "Sektor Keuangan Nigeria: Penipuan Meningkat 496% Dalam Lima Tahun."

³⁶ Damilola Aina, "Nigerian Banks Lost N42.6bn to Fraud in Three Months – Report."

³⁷ Reuters, "Meta Removes 63,000 Instagram Accounts in Nigeria over 'sextortion' Scams."

³⁸ Ogaga Ariemu, "Sektor Keuangan Nigeria: Penipuan Meningkat 496% Dalam Lima Tahun."

³⁹ Damilola Aina, "Nigerian Banks Lost N42.6bn to Fraud in Three Months – Report."

⁴⁰ Reuters, "Meta Removes 63,000 Instagram Accounts in Nigeria over 'sextortion' Scams."

⁴¹ Ogaga Ariemu, "Sektor Keuangan Nigeria: Penipuan Meningkat 496% Dalam Lima Tahun."

⁴² Damilola Aina, "Nigerian Banks Lost N42.6bn to Fraud in Three Months – Report."

⁴³ Reuters, "Meta Removes 63,000 Instagram Accounts in Nigeria over 'sextortion' Scams."

TABLE 1. A tabular representation of Nigeria's financial losses due to economic fraud from 2019-2024

Year	Economic Fraud Incidents	Financial Impact	Key Highlights
2019	The beginnings of an upsurge in economic fraud cases stretched to levels unimaginable.	Over time, the bank customers sustained losses in an unprecedented range of N2.96 billion.	Economic fraud cases increased and suggested an emerging trend for the rest of the period in the financial sector.
2020-2023	There was an incessant rise in fraud cases, with an improve and tactical cybercrime.	By 2013, the loss had ballooned to N17.67billion for the period, a skyrocketing 496.96%.	Cybercrime heightens with more prevalent phishing companies and sextortion schemes.
2024 (Q1)	The prevalence of economic fraud hit some of its highest peaks ever.	There were losses of N468.4 million in Q1.	Financial fraud cases surge as fraudsters switch to the use of more sophisticated stratagems.
2024 (Q2)	Significant rise in financial fraud.	The loss recorded was N42.6 billion from July to September 2022, an astronomical spike of 8,993%.	Nigeria recorded some of the highest quarterly bank losses in history.
2024 (Q3)	Fraudsters get to use sextortion scams and blackmailing, and releasing and	Another concrete example is when Meta Platforms Inc. removed 63,000 Instagram	Cybercriminal attacks primarily aim at international victims, especially

	exploiting imagery of the victims.	accounts linked to sextortion.	grown-up males in the U.S.
2024 (Q4)	Intensifying the fight and efforts to combat fraud by the relevant authority.	Not directly financial, however, there were intensified arrests and regulatory actions.	A total of 792 individuals were arrested in Lagos for romance and cryptocurrency scams run internationally.

Sources: (Ogaga Ariemu, 2024; Damilola Aina, 2024; Reuters, 2024)

Law enforcement agencies took various stringent measures as a countermeasure. An enforcement operation led by an Anti-Corruption agency saw 792 individuals from the city of Lagos arrested for romance and crypto fraud.^{44,45} Their victims spread across America, Canada, Mexico, and Europe through a variety of phishing schemes that made it home from a call center on Victoria Island. Various high-profile cases also demonstrate the category of economic fraud that took place. U.S.A. federal court lodged a fine of above 250 million dollars against the Nigerian businessman Dozy Mmobuosi, who had for years forged financial metrics of his companies, constituting fictitious assets and revenues.⁴⁶

⁴⁴ Nate Raymond, "US Charges 3 Companies, 15 People with Cryptocurrency Fraud," Reuters, 2024.

⁴⁵ James F. Gilsinan et al., "The Role of Private Sector Organizations in the Control and Policing of Serious Financial Crime and Abuse," *Journal of Financial Crime* 15, no. 2 (May 2008): 111–23, <https://doi.org/http://doi.org/10.1108/13590790810866854>.

⁴⁶ Zeinab Rouhollahi, "Towards Artificial Intelligence Enabled Financial Crime Detection," May 2021.

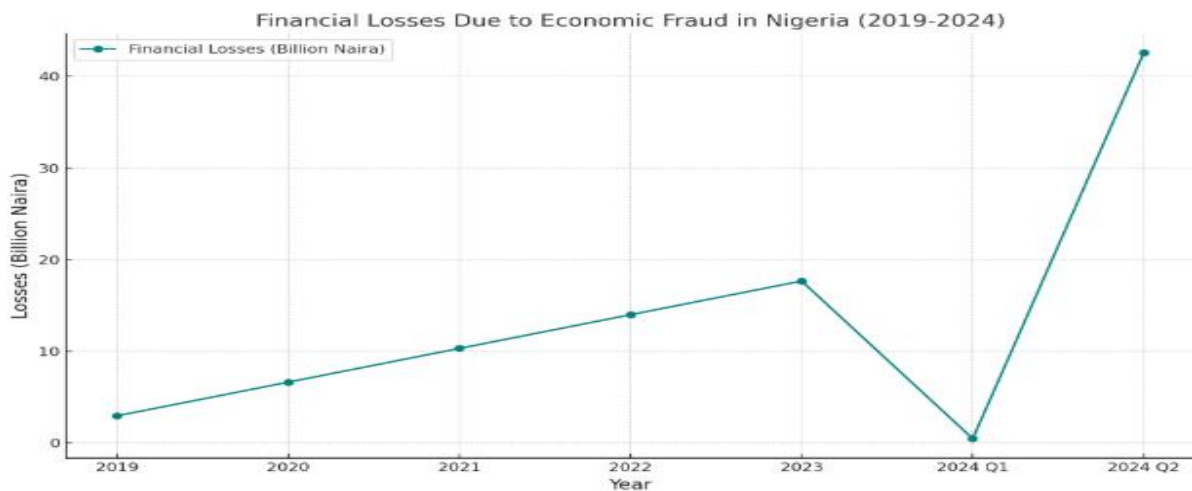


FIGURE 1. A graphical representation of Nigeria's financial losses due to economic fraud from 2019-2024

Sources: Ogaga Ariemu, 2024; Damilola Aina, 2024; Reuters, 2024.

The data in Table 1 and Figure 1 indicate that incidents of economic fraud and financial losses in Nigeria increased exponentially from 2019 to 2024, thus justifying the urgent need for legal and technological interventions. Losses escalated due to the complex scientific nature of fraud systems like cybercrime, phishing, sextortion, and cryptocurrency scams. The trend implies that traditional legal responses, being rather reactive than preventive, could not keep pace with the situation. Even though regulatory bodies strengthened their campaign in late 2024, with hundreds of arrests being reported, these efforts were a reaction to damage already done. Nigeria's burgeoning illegal e-fraud, which almost always targets foreign victims, is now posing greater challenges for its legal system, with crimes that encompass high technological advances and a transnational character. This calls for proffering AI tools that may not only proffer real-time surveillance, but also predictive analysis and early detection of fraud, thus buttressing extant legal frameworks. The implication for Nigeria's financial stability, international image, and internal security is very far-reaching. Without an intervening technology, the legal system will continuously lag

far behind, leaving an alarming front for the fraudster practice that continues to evolve in agility and innovation.⁴⁷ The opportunity lies in AI to close this gap where the prompt detection of fraud could be centralized, streamline the investigative process, and provide oversight for regulatory compliance. In addition, the incidence of sextortion scams corroborates that economic fraud is no longer simply financial fraud but also a serious question concerning personal security and human rights. Thus, bringing AI to Nigeria's anti-fraud efforts will support financial protection and ensure the digital identity and personal dignity of individuals. The data presented casts emphasis on the immediate need for Nigeria to supplement its legal approach with an AI-based solution in the fight against economic fraud to preserve its socio-economic prospects.

B. Concept of Artificial Intelligence and its Capabilities in Economic Crime Detention

The concept of Artificial Intelligence, which was historically coined in 1956, though a new concept to many, is not strange today.⁴⁸ It is one of the greatest technological revolutions that has happened in the world. Today, this concept holds a very prominent place in the learning industries globally.⁴⁹ Since its emergence, artificial intelligence has assumed a place that has threatened the skills and places that humans occupied in their various human endeavors.⁵⁰ For instance, the legal profession is being threatened today by robotic lawyers, which is a function of artificial intelligence created

⁴⁷ Frei Fitri Astuti and Laila Nur Jannah, "Flexibility in Accessing Legal Information through Social Media and Its Implications for Law Enforcement," *Journal of Indonesian Constitutional Law* 2, no. 1 (2025): 23–36, <https://doi.org/10.71239/jicl.v2i1.37>.

⁴⁸ Jack Nicholls, Aditya Kuppa, and Nhien-An Le-Khac, "Financial Cybercrime: A Comprehensive Survey of Deep Learning Approaches to Tackle the Evolving Financial Crime Landscape," *IEEE Access* 9 (2021): 163965–86, <https://doi.org/10.1109/ACCESS.2021.3134076>.

⁴⁹ Abd Wachid Habibullah et al., "Actualization of Public Service Principles by the Ombudsman of the Republic of Indonesia," *Journal of Indonesian Constitutional Law* 1, no. 2 (October 2024): 126–39, <https://doi.org/10.71239/jicl.v1i2.30>.

⁵⁰ Nicolas Petit, "Artificial Intelligence and Automated Law Enforcement: A Review Paper," *SSRN Electronic Journal* 7, no. 2 (2018): 44–56, <https://doi.org/http://doi.org/10.2139/ssrn.3145133>.

with so many skills and intelligence so much enough to enable them to carry out the functions of legal practitioners.⁵¹ Artificial Intelligence, commonly referred to as AI, is simply the intelligence of men, say scientists, in a display that culminated in the development of computer systems and their systematic programming to perform tasks that ordinarily are done by men.⁵² In other words, this is a revolution engineered by men to make use of machines to perform tasks that they ordinarily carry out. These tasks include but are not limited to the following: reception of data, understanding of data, analysis, learning, and problem-solving.⁵³ To this end, it is safe to conclude that the programming of machines to think and act like humans is Artificial Intelligence.

It has been discovered that Artificial Intelligence is divided into two categories, namely weak and strong Artificial Intelligence.⁵⁴ By way of explanation, a weak artificial intelligence is a set of artificial intelligence that is designed and programmed to carry out a defined and specified task without more. The implication, therefore, is that a weak artificial intelligence is limited in scope, and its functions and capacities do not include anything not specified for it to carry out.⁵⁵ Hence, they lack general intelligence as their boundary is defined, which means that they cannot operate outside their defined boundaries.⁵⁶ Meanwhile, strong artificial

⁵¹ Peter Yeoh, "Artificial Intelligence: Accelerator or Panacea for Financial Crime?," *Journal of Financial Crime* 26, no. 2 (April 2019): 634–46, <https://doi.org/10.1108/JFC-08-2018-0077>.

⁵² Yoshiyasu Takefuji, "Case Report on Enormous Economic Losses Caused by Fraud from Japan to the World," *Journal of Economic Criminology* 1 (September 2023): 100003, <https://doi.org/10.1016/j.jeconc.2023.100003>.

⁵³ Aidonojie, Majekodunmi, and Adeyemi-Balogun, "The Legal Issues Concerning the Operation of Fin-Tech in Nigeria."

⁵⁴ Paul Atagamen Aidonojie, Oyenmwosa Anne Odojor, "An Empirical Study of the Relevance and Legal Challenges of an E-Contract of Agreement in Nigeria."

⁵⁵ Paul Atagamen Aidonojie et al., "The Prospect and Legal Issues of Income Tax in the Nigerian Metaverse," *Trunojoyo Law Review* 6, no. 1 (February 2024): 17–50, <https://doi.org/10.21107/tlr.v6i1.23874>.

⁵⁶ Muhammad Dzikri Akbar Syafi'i, Firman Arif Pribadi, and Saiful Abdullah, "Criminal Conviction of Child Traffic Offenders Reviewed From The Juvenile Criminal Justice System," *Trunojoyo Law Review* 4, no. 1 (2022): 53–67, <https://doi.org/https://doi.org/10.21107/tlr.v4i1.16235>.

intelligence is crafted with general intelligence, which is argued to be in the exact magnitude of man's intelligence, and even more.⁵⁷ However, without wasting time and space to talk about general intelligence, it suffices to say that it is weak intelligence that is largely in use today, as strong intelligence is still in the developing stage and remains largely in theory.^{58,59}

However, the advantages of Artificial Intelligence in detecting economic crime cannot be overemphasised in the face of the daily increase in economic crime in our society.⁶⁰ Needless to say, criminals have invented sophisticated means of perpetrating financial crimes lately, thereby rendering the traditional means of investigating, detecting, countering, and preventing financial crime highly insufficient.^{61,62} The traditional method's insufficiency is the reason the importance of Artificial Intelligence is seen and appreciated. Today, therefore, artificial intelligence is indisputably the greatest tool for investigating, detecting, preventing, and combating financial crimes in the financial industry.⁶³ The advantages are numerous and include, but are not limited to, pattern recognition, automation, predictive analytics, behavioral analysis, natural language processing, real-time monitoring, and data analysis.⁶⁴

Furthermore, it suffices to state that Artificial Intelligence (AI) is fast becoming one of the most powerful, accurate, and effective mechanisms for

⁵⁷ Oluwatoyin Esther Akinbowale, Heinz Eckart Klingelhöfer, and Mulatu Fikadu Zerihun, "An Innovative Approach in Combating Economic Crime Using Forensic Accounting Techniques," *Journal of Financial Crime* 27, no. 4 (June 2020): 1253–71, <https://doi.org/10.1108/JFC-04-2020-0053>.

⁵⁸ Antai et al., "Legal Framework and Mechanism for Combating International Crimes: A Comparative Analysis between Nigeria and Uganda."

⁵⁹ Thomas Barrabi, "Archegos Founder Bill Hwang Sentenced to 18 Years for Massive Fraud That Stunned Wall Street."

⁶⁰ Rini Jarwati Indah N. C et al., "Freedom of Expression in the Spread of Hoax News on Social Media Between Indonesia and South Korea," *Journal of Indonesian Constitutional Law* 1, no. 3 (2024): 246–62, <https://doi.org/https://doi.org/10.71239/jicl.v1i3.12>.

⁶¹ Garcia-Bedoya, Granados, and Cardozo Burgos, "AI against Money Laundering Networks: The Colombian Case."

⁶² Thomas Metzinger, Peter J. Bentley, Olle Haggstrom, *Should We Fear Artificial Intelligence?*

⁶³ Nicholas Berente, Bin Gu, Jan Recker, "Managing Artificial Intelligence."

⁶⁴ Brown, "Cryptocurrency and Criminality."

forestalling economic crime globally.⁶⁵ This is no surprise because of the abilities built into them to define, collate, and analyze data on a large scale. Moreso, artificial intelligence possesses the ability of the Artificial intelligence to identify patterns, and detect and prevent crimes has given it this prominent place in the economic crime combating space.⁶⁶ Artificial Intelligence is revolutionizing the way individuals, businesses, organizations, governments, and industries fight economic crime globally. Today, therefore, there are many examples of case studies that showcase the success of Artificial Intelligence in combating economic crime globally, most especially in a technologically advanced environment.⁶⁷

Furthermore, artificial Intelligence occupies a prominent place in combating economic crime in banking and finance in different parts of the world.⁶⁸ The record has shown that both banks and financial institutions are beneficiaries of the significant benevolence that Artificial Intelligence has introduced into the marketplace to combat economic crimes. Artificial intelligence-powered crime detection in banks and financial institutions has practically demonstrated its superiority and accuracy over other methods known to man. This is because it is a sophisticated means to prevent crime takeover, and speedily detect unauthorised transactions of any kind and loan applications that are fraudulent.^{69,70} Additionally, Artificial intelligence allows banks to analyse a huge number of transactions each time they are

⁶⁵ Dsouza, Habibniya, and Demiraj, "AI, a Provenance or Solution for Financial Crime."

⁶⁶ Jacek Dworzecki and Izabela Nowicka, "Artificial Intelligence (AI) and ICT-Enhanced Solutions in the Activities of Police Formations in Poland," in *Artificial Intelligence and Its Contexts* (Cham: Springer, Cham, 2021), 161–81, https://doi.org/http://doi.org/10.1007/978-3-030-88972-2_11.

⁶⁷ Hayward and Maas, "Artificial Intelligence and Crime: A Primer for Criminologists."

⁶⁸ Fauzi, Szulczyk, and Basyith, "Moving in the Right Direction to Fight Financial Crime: Prevention and Detection."

⁶⁹ Halimi Halimi, "Notary Responsibility For Third Party Losses Due To The Issuance Of The Deed Of Binding Of Land Purchase Agreement," *Trunojoyo Law Review* 5, no. 2 (August 29, 2023): 101–28, <https://doi.org/10.21107/tlr.v5i2.21163>.

⁷⁰ Novi Eka Syarifatul Laila and Nuruz Zaman, "Community Participation In The Formation Of Regional Regulations In Bangkalan Regency In The Field Of Tourism Based On Sustainable Tourism," *Trunojoyo Law Review* 5, no. 1 (March 20, 2023): 56–68, <https://doi.org/10.21107/tlr.v5i1.19412>.

carried out and detect fraudulent behavior patterns which in the past would have gone unnoticed.^{71,72} For instance, at the time this research is carried out, Mastercard's Decision Intelligence takes advantage of the artificial intelligence mechanics to analyse its cardholder spending behavior. It also makes artificial intelligence determine and evaluate vis-à-vis the risk of fraud practically, thereby enabling it to identify and, if need be, block suspicious transactions before they are authorized.⁷³

One leading successful use of artificial intelligence is credited to United Overseas Bank (UOB). This bank is said to be a leading bank in Asia with a global network of more than 500 offices and territories in Asia Pacific, Europe, and North America. Having understood the place of artificial intelligence in economic crime prevention, it set an accelerator called the FinLab. This was done to promote and accelerate the growth of the best and most efficient financial technology establishment, as well as innovators in her terrain. With FinLab, the Bank was able to partner with a Singapore regulatory technology start-up called Tookitaki to develop a machine learning solution that was invented by their collaborative effort. This machine enables the compliance team to conduct analyses at a deeper and broader level as a way of combating economic crime. The Bank has taken advantage of this machine to advance its precious means of combating economic crime, thereby making it easier to identify and prevent economic crimes, namely illicit money flows. Additionally, the bank has, together with Tookitaki, developed a fit-for-purpose artificial intelligence-driven AML technology, together with the relevant tools and systems in one.

⁷¹ Habibullah et al., "Actualization of Public Service Principles by the Ombudsman of the Republic of Indonesia."

⁷² Berlian Three et al., "A Comparison of Religious Freedom Guarantees for Adherents of Local Religions Between Indonesia and Japan," *Journal of Indonesian Constitutional Law* 1, no. 1 (2024): 15–28, <https://doi.org/https://doi.org/10.71239/jicl.v1i1.5>.

⁷³ Yunita Fenditia Astiti and Riesta Yogahastama, "Protection Of Sustainable Food Agricultural Land Against The Conversion Of Agricultural Land To Non-Agricultural (Study In Bangkalan)," *Trunojoyo Law Review* 4, no. 1 (August 8, 2022): 19–35, <https://doi.org/10.21107/tlr.v4i1.16236>.

Also, Electronic Commerce, commonly referred to as an E-commerce company, is another set of companies that has demonstrated huge success in preventing economic crime using artificial intelligence.^{74,75} In the past, this set of companies has faced many challenges in the area of combating economic crime. Artificial Intelligence is, therefore, a welcome and celebrated development in e-commerce. For instance, since its emergence, artificial intelligence has aided e-commerce to analyse their customer (buyer) behavior, and device usage patterns, formulate transaction records, and together with all the relevant information, effectively and efficiently identify suspicious orders on their respective websites and prevent fraud.⁷⁶ Moreover, Artificial intelligence also helps this set of companies to trace and analyse past transactional records, and that light proceeds to identify patterns of fraudulent transactions to prevent their subsequent occurrence.⁷⁷ Furthermore, artificial intelligence has been demonstrative useful online and electronic transportation industry. Artificial Intelligence could be used to identify fake drivers and riders of any kind.^{78,79} This is done by analysing their location, booking methods, payment methods, etc. to identify the genuineness of their drivers or riders.^{80,81} The implication is that things such as ghost riders or drivers, fake riders, or fake reviews can be easily identified and prevented with the use of Artificial intelligence.

⁷⁴ Moh Syaifur Rijal, "The Legal Entity Of Baitul Maal Wat Tamwil (Bmt) As A Micro Financial Institution In Indonesia," *Trunojoyo Law Review* 2, no. 2 (August 1, 2020): 140–50, <https://doi.org/10.21107/tlr.v2i2.9502>.

⁷⁵ Gabrielli and Medioli, "An Overview of Instruments and Tools to Detect Fraudulent Financial Statements."

⁷⁶ I. O. Haruna, P. A. Aidonojie, and O. J. Beida, "Prospects and Issues Concerning the Regulatory Regime of E-Payment System in Nigeria," *Journal of Digital Technologies and Law* 2, no. 2 (July 2024): 372–93, <https://doi.org/10.21202/jdtl.2024.19>.

⁷⁷ Levi, "Policing Financial Crimes."

⁷⁸ Dafni Lina, "Could AI Agents Be Held Criminally Liable: Artificial Intelligence and the Challenges for Criminal Law."

⁷⁹ John McDaniel, *Predictive Policing and Artificial Intelligence*.

⁸⁰ McGuire, *Technology, Crime and Justice*.

⁸¹ Michael R. Sisak, "US Charges Tycoon Gautam Adani with Defrauding Investors, Hiding Plan to Bribe Indian Officials."

C. The Legal Analysis of Laws Preventing Economics Fraud in Nigeria

The government has made serious efforts to curtail Financial Crime and, in this vein, various legislation and the Constitution are made to fight against economic fraud. Among this legislation first of which is the Constitution which is the *grundnorm*⁸² that is the Supreme law of Nigeria,⁸³ had a provision geared towards fighting against financial and economic crimes taking into cognizance the provision provided under the Chapter 2 of the Constitution centered on economic objectives of the state which entails the harnessing of the country's resources to ensure the promotion of national prosperity and an efficient sustainable economy. The government has been empowered to guarantee the welfare, happiness, and freedom of every citizen on the platform of social justice and equality of status and opportunity in Nigeria through an ample provision of Section 16 of the Constitution. This section is set to achieve reducing the likelihood of economic and financial crime, through the need to reduce the tendency of over-concentration of means of production and wealth in the hands of a few persons or groups. Also, another law enacted to curb economic and financial crime is the Economic and Financial Crimes Act. This law, to curb financial and economic fraud, established a Commission called the Economic and Financial Crime Commission. The law provides a working definition of financial and economic fraud in its interpretation section which is the provision of Section 47 of the Act to mean Criminal activities engaged by persons either individually or in groups to amass wealth done in such a way amounting to a violation of an existing law made by the

⁸² Herbert Küpper, "The 2020 Amendments of Russia's 1993 Constitution: A Post-Colonial Interpretation," *Journal of Indonesian Constitutional Law* 2, no. 1 (2025): 37–59, <https://doi.org/10.71239/jicl.v2i1.46>.

⁸³ Saminu Abacha Wakili et al., "Legal Framework and Challenges Concerning Forensic Evidence in Nigeria," *Trunojoyo Law Review* 7, no. 1 (January 2025): 33–64, <https://doi.org/10.21107/tlr.v7i1.28599>.

government to prevent economic fraud. For instance, what is termed an economic and financial Crime includes theft of intellectual property, money laundering, and any form of corrupt malpractices.

The commission established by the Act, through a unit called the Financial Intelligence Unit, helps to prosecute persons found guilty of economic Fraud. The responsibility of the commission also includes coordinating various institutions that work to curb economic fraud, like money laundering, as well as the enforcement of all laws dealing with economic fraud in Nigeria, which is contained in Section 1 of the Act. The commission, amongst others, is responsible through the provision of Section 6 of the Act to investigate all economic fraud like money laundering, theft of intellectual property, and contract scams and it is also responsible for adopting an effective scheme geared towards the eradication of economic fraud, schemes like strategic preventive and regulatory actions. This also includes the initiation of investigative and control techniques for the prevention of economic fraud and other similar crimes. The Act enjoins the commission in a bid to curtail economic fraud to work with government institutions, either within or outside Nigeria, that carry out similar functions with the commission concerning the responsibility of identification and determination of the whereabouts and as well as activities of individuals or groups suspected of being involved in economic fraud.

Moreover, the Advance Fee Fraud and Other Fraud Related Offences Act also provides a legal framework to curb economic fraud in Nigeria. The Act tagged and criminalised any form of economic and financial crimes, which include laundering of funds obtained through illegal activities, conspiracy to commit fraud, and obtaining property by pretense. The act criminalizes various forms of economic and financial fraud, including obtaining property by pretense, laundering funds obtained through illegal activities, and as well as conspiracy to commit fraud. Section 1 of the Act states that anybody who through pretense and to defraud

happens to obtain from someone within or outside Nigeria either for the benefit of himself or anyone else; or anybody who cajoles any other person within or outside Nigeria, to deliver to anyone, any property, whether or not the property is obtained through the mode of a contract induced by the pretense, is guilty of an offence. This section aims to prevent individuals from using deceitful means to acquire property or money.⁸⁴ The Act provides for very harsh punishments for any person or corporate body found guilty and convicted of economic fraud and the provision of Section 7 is illustrative here which states that anybody found guilty and convicted of economic fraud under this Act which includes laundering funds obtained through illicit activities will be guilty to serve a jail term of imprisonment for a period not less than 10 years without the option of a fine. Additionally, the Act provides in Section 10 that where a body corporate is found guilty and convicted of an offence of economic fraud, the court may pass a sentence by ordering that the body corporate shall be wound up and to have its assets and properties shall be forfeited to the government. These penalties aim to deter individuals and corporate bodies from engaging in economic and financial fraud.

Furthermore, the Money Laundering (Prevention and Prohibition) Act, 2022, works towards preventing and prohibiting economic and financial crimes through money laundering by making serious efforts through the imposition of very stringent regulations and parameters on financial transactions and in this vein the provision of Section 2(1) provides that an individual or body except through a financial institution person or corporate body can make or even receive a cash payment of the sum exceeding five million or its equivalent for a person or in the case of body

⁸⁴ Risyard Fadhilah Ahmad, "Criminal Acts for Event Organizers Online Game Tournament Organizers Who Receive Sponsorship from Online Gambling Sites Based on Indonesian Criminal Law," *Trunojoyo Law Review* 5, no. 2 (August 2023): 161–74, <https://doi.org/10.21107/tlr.v5i2.20942>.

corporate not exceeding ten million naira or its equivalent.⁸⁵ This provision helps to track large cash transactions and prevent their use for illegal activities. By virtue of the provision of Section 4 of the act both non-financial institutions, financial institutions and professionals are expected to report any suspicious transactions to an appropriate authority upon discovery after conducting a customer due diligence and in the same vein Sections 7 of the Act any frequent but unjustifiable and unreasonable transactions that look very unusual and appear to lack lawful economic justification and in fact so inconsistent with usual line of account transaction or business relationship or in the opinion of both non-financial and financial institution and profession involves the process of unlawful and criminal activities such transactions will be termed suspicious the ground upon which either non-financial business or financial business and profession involved in the transaction shall report to an appropriate authority for an appropriate action and failure will be followed by a Sanction which allows the forfeiture of the proceeds of the crime as captured in the provision of Section 6 of the Act. These provisions demonstrate the Act's commitment to curtailing economic fraud in Nigeria.

Additionally, the Corrupt Practices and Other Related Offences Act, the objectives of this Act are prevention and Prohibition of any form of corruption that hinders economic progression, and the provisions of Section 2 of the Act define corruption to include bribery, fraud, and other related offenses. This provision helps to prevent bribery and other forms of corruption that can lead to economic fraud. The Act also prohibits any form of corrupt demands and other forms of economic fraud. Anybody either by himself or agrees with another person or attempts to ask, receive, or obtain any property or benefit for himself or to any other person is guilty

⁸⁵ Paul Atagamen Aidonojie et al., "International Legal Framework in Curtailing Hazardous Covid-19 Medical Waste: Issues and Challenges," *Decova Law Journal* 1, no. 1 (2025): 1–17.

of an offence of official corruption and shall on conviction be liable to suffer a jail term of seven years which is captured in the provision of Section 10 of the Act. This provision helps to prevent persons and organizations from making false claims or presenting false documents to obtain economic benefits. Also, Section 17 provides for the punishment of any person who aids or abets the commission of an offence under the Act. The Act provides for the investigation and prosecution of cases of economic fraud and in this light Section 24 went as far as empowering the Economic and Financial Crimes Commission (EFCC) to pursue the investigation and prosecution of cases of economic and financial crimes under this Act, meanwhile the provision of Section 30 states that any property or asset acquired through corrupt practices shall be forfeited to the Federal Government. This provision ensures that nobody can benefit from the proceeds of economic fraud.

However, concerning the above, it suffices to state that in Nigerian legislatures under the leadership of the Speaker of the House of Representatives, Rt. Hon. Tajudeen Abba is making a move to provide a legal framework for Artificial Intelligence in the country so that an assimilation of artificial into the country will be under regulation and this is geared towards ensuring an optimal mix of labor-capital ratio in the country's sustainability economic development process and to key into taking advantages of the global advancement in artificial intelligence.⁸⁶ The legal framework will help to address the way artificial intelligence is put into use, for instance, the regulations on personal data protection, privacy, as well as security, and also it will provide a guideline for the ethical use of Artificial Intelligence. The National recognizes the use of Artificial Intelligence in a sustainable economy and the importance of Artificial Intelligence in maximizing human capital development. They

⁸⁶ Muwaffiq Jufri et al., "The Legal Issues Concerning Nigerian's Student Education Loan Act: A Lesson from Uganda Perspective," *Jurnal Hukum Novelty* 16, no. 1 (2025): 101–19, <https://doi.org/https://doi.org/10.26555/jhn.v16i1.29327>.

are committed to providing a supportive environment for their growth. Currently, in Nigeria, there is no specific law or regulation that directly regulates artificial intelligence in the country. However, some laws like the Nigerian Data Protection Act, the Cybercrimes Act, and the Exchange Commission Rules affect the development and use of Artificial Intelligence in the country. The proposed legal framework will likely build upon these existing laws and regulations to provide a robust and cohesive approach to artificial intelligence governance in Nigeria, geared towards sustainable economic growth.

D. Challenges and Ethical Issues of Artificial Intelligence for Detecting and Countering Economic Crime

According to several research studies conducted concerning the challenges and artificial issues associated with artificial intelligence, several issues were identified.⁸⁷ Some of these include harm and physical integrity, lack of access to public services, security problems, cost of innovation, problems of honesty and integrity in the use of AI, privacy issues, and several others.⁸⁸ In this regard, it is apt to state that while these identified challenges are considered peculiar to Nigeria's circumstances, when incorporating the use of artificial intelligence in curtailing economic crime. However, other challenges include corruption, politicking the use of this digital technology against opposition to the government or those who country the system, illiteracy, and poor internet services that may result from AI not functioning effectively.

⁸⁷ Dyah Ochtorina Susanti, A'an Efendi, and Nuzulia Kumala Sari, "The Model of Legal Protection For Products of Genetic Engineering in Agricultural Technology," *Trunojoyo Law Review* 1, no. 1 (February 2019): 30–45, <https://doi.org/10.21107/tlr.v1i1.5255>.

⁸⁸ Bhismoadi Tri Wahyu Faizal, "Building Social Capital After the Ratification of The Job Creation Law in The Economic Framework of Mutual Cooperation," *Trunojoyo Law Review* 4, no. 2 (2022): 124–33, <https://doi.org/https://doi.org/10.21107/tlr.v4i2.18115>.

Furthermore, it must be noted that AI is a developing and trending digital technology. A review of Nigeria's various laws regarding constitutional and legislative enactment seems to be inadequate in regulating the adoption and use of artificial intelligence to curtail the incidence of economic crime.⁸⁹ Hence, this may pose legal and technical gridlock in utilizing AI as a sophisticated tool in combating financial crime. Although it may be argued that Nigeria is a signatory to several international laws that tend to provide for the regulation of digital technology and trending artificial intelligence, the Nigeria constitution, as stipulated in section 12, provides that no international laws shall affect Nigeria unless they have been ratified and domesticated through the legislative law-making body of Nigeria.⁹⁰ Hence, this also challenges the use of international laws as a potential means of regulating the use of AI in Nigeria to combat economic crime.

In this regard, it suffices to state that while artificial intelligence's place in detecting and preventing crime is celebrated, several challenges and ethical issues may limit its viability and reliance.⁹¹ Thus, in their bid to combat crime, data safety and security must be ensured. Regulatory compliance must also be ensured when using AI to detect and combat economic fraud in Nigeria.

⁸⁹ Kingsley K. Arthur et al., "Financial Crimes in Africa and Economic Growth: Implications for Achieving Sustainable Development Goals (SDGs)," *Journal of Economic Surveys*, 2024, 1–40, <https://doi.org/https://doi.org/10.1111/joes.12652>.

⁹⁰ Paul Atagamen Aidonojie et al., "Advancing Gender's Balance Rights Through Constitutional and Legal Reforms: A Comparative Study of Nigeria and Uganda," *Journal of Indonesian Constitutional Law* 2, no. 1 (2025): 60–83, <https://doi.org/https://doi.org/10.71239/jiclv2i1.47>.

⁹¹ Lastuti Abubakar and Tri Handayani, "Investor Protection Through Exchange Transaction Settlement Guarantee and Investor Protection Fund," *Trunojoyo Law Review* 1, no. 1 (February 2019): 46–60, <https://doi.org/10.21107/tlr.v1i1.5256>.

Conclusion

This research set out to examine how artificial intelligence can augment legal efforts in curtailing economic fraud in Nigeria. In this regard, the study reveals that AI holds some potential for strengthening the fight against financial crimes through enhanced detection, enforcement, and preventive measures. The study further illustrated that, if properly embedded, AI could help to achieve sustainable economic growth, enhance economic security, and engender trust in the country's financial systems. However, for the deployment of AI to be successful and just, it must operate under a strong legal framework that guarantees fairness, accountability, transparency, and the minimization of risks related to bias and misuse. Hence, resolving the regulatory challenges surrounding AI is crucial to maximizing its potential against economic fraud. All of these necessitate conscious efforts from Nigerian authorities to either promulgate new legislation or amend existing digital technology laws to comprehensively cover AI ethics codes and procedural laws in economic crime prevention. Success in this endeavor would call for collaboration beyond national borders to include governments, private entities, academia, and civil society collective drive that holds the greatest promise for establishing a credible and effective AI mechanism in response to economic fraud. The integration of AI with such legal and ethical backing must be paramount for reviving Nigeria's economy as well as securing its financial future.

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