



RIVERS STATE OF NIGERIA

**WHITE PAPER
ON
THE REPORT OF**

**THE JUDICIAL COMMISSION OF INQUIRY FOR THE
INVESTIGATION OF THE ADMINISTRATION OF GOVERNOR
CHIBUIKE ROTIMI AMAECHI ON THE SALE OF VALUED
ASSETS OF RIVERS STATE AND OTHER RELATED MATTERS
UNDER THE CHAIRMANSHIP OF
HONOURABLE JUSTICE GEORGE OTAKPO OMEREJI**

OCTOBER, 2015

PRICE ₦500.00

CONCLUSION OF THE GOVERNMENT OF RIVERS STATE ON THE REPORT OF THE JUDICIAL COMMISSION OF INQUIRY FOR THE INVESTIGATION OF THE ADMINISTRATION OF GOVERNOR CHIBUIKE ROTIMI AMAECHI ON THE SALE OF VALUED ASSETS AND OTHER RELATED MATTERS OF RIVERS STATE UNDER THE CHAIRMANSHIP OF HONOURABLE JUSTICE GEORGE OTAKPO OMEREJI

PREAMBLE

1. By an instrument issued under the hand of His Excellency, Chief Nyesom Ezenwo Wike, CON, the Governor of Rivers State, on the 18th June, 2015, pursuant to the provisions of Section 2(1) of the Commissions of Inquiry Law (Cap. 30, Laws of Rivers State of Nigeria, 1999), the Governor constituted a Judicial Commission of Inquiry to investigate the administration of former Governor Chibuike Rotimi Amaechi with respect to the sale of valued assets of Rivers State and other related matters.

The Commission comprised the following members:

(1)	Hon. Justice George O. Omereji	-	Chairman
(2)	Ignatius F. Piegbara	-	Member
(3)	Dr. (Mrs.) Edith Chukwu	-	“
(4)	Hon. Monday Ekekentah	-	“
(5)	Ven. Alex Usifoh	-	“
(6)	Dr. Zaccheaus Adangor	-	Counsel
(7)	Mrs. Florence Fiberesima (later replaced with Queen Godwill)	-	Secretary.

- 1.2 The Terms of Reference of the Commission were as follows:

- (1) To ascertain the circumstances of the sale of the Omoku 150 Mega Watts Gas Turbine, Afam 360 Mega Watts Gas Turbine, Trans-Amadi 136 Mega Watts Gas Turbine, and Eleme 75 Mega Watts Gas Turbine by the administration of former Governor Chibuike Rotimi Amaechi;
- (2) To identify the purchasers of the Gas Turbines, the total costs for which they were sold, and the whereabouts of the proceeds of the sale;
- (3) To ascertain whether the transaction was conducted with the requisite transparency and accountability in accordance with the provisions of extant laws enforced in Rivers State;

- (4) To determine if the Government and people have any equity left in the said Gas Turbines and the value of such equity;
- (5) To ascertain the Terms of Sale of Olympia Hotel, the price at which it was sold, and where the proceeds were domiciled;
- (6) To identify the person(s) to whom Olympia Hotel was sold;
- (7) To ascertain whether the sale of Olympia Hotel is in conformity with international best practices;
- (8) To ascertain the terms of the construction of the Mono-rail project;
- (9) To identify the contractor(s) engaged for the project;
- (10) To determine the cost of the Mono-rail project to date;
- (11) To determine whether the circumstances of the conception and construction of the mono-rail project were in conformity with international best practices with regards to conception and execution of Government projects;
- (12) To determine the cost and feasibility of the completion of the mono-rail project;
- (13) To ascertain the cost of the proposed Justice Adolphus Karibi-Whyte Specialist Hospital;
- (14) To determine whether any contract has been awarded in respect of the project;
- (15) To identify the terms of the contract, the identity of the Contractor and determine if any further amount of money was disbursed to the Contractor;
- (16) To evaluate the level of work done vis-à-vis the amount of money disbursed to the Contractor in respect of the contract;
- (17) To ascertain whether the sum of Two Billion Naira under the Agricultural Credit Guarantee Scheme was disbursed by the Rivers State Ministry of Agriculture in accordance with the terms of the Agricultural Credit Guarantee Loan Scheme;

TERM OF REFERENCE NO. 13

“Ascertain the cost of the proposed Justice Adolphus Karibi-Whyte Specialist Hospital”.

FINDINGS

The Commission finds that there was no engineering, drawings and designs, Bills of Quantities, Business and Feasibility Studies but the Ministry of Health led by the former Commissioner of Health, Dr. Sampson Parker and the former Governor of Rivers State Chibuike Rotimi Amaechi arbitrarily fixed the cost of execution of the Justice Adolphus Karibi-Whyte Specialist Hospital at \$98 Million.

That in order to execute the project the Government of Rivers State executed a Memorandum of Understanding with Clinotech Diagnostic and Pharmaceutical Inc. Canada, whereby both parties agreed to fund the project under a Public Private Partnership (PPP) arrangement, through a Special Purpose Vehicle (SPV) called Clinoriv Specialist Hospital & Leisure Limited.

RECOMMENDATION:

The Commission finds that Rivers State government was to hold a 40% equity while Clinotech Diagnostic and Pharmaceutical Inc. Canada was to hold 60% equity interest.

The Commission finds that pursuant to the Memorandum of Understanding, the Rivers State government paid the sum of \$39,200,000.00 representing 40% equity to the Special Purpose Vehicle through First Bank of Nigeria cheque dated 26th May 2008 for the sum of N4,633,440,000.00.

And that one Dr. Harrison Ofiyai received on behalf of Clinoriv Specialist Hospital & Leisure Limited the aforesaid payment.

The Commission also finds that Clinotech Diagnostic and Pharmaceutical Inc. Canada defaulted in payment of 60% equity contribution while retaining the money to the Special Purpose Vehicle by the Government of Rivers State.

2. Upon the conclusion of its assignment, the Commission submitted its Report to Government on the 7th October, 2015.
3. The conclusions of the Rivers State Government on the Findings and Recommendations of the Commission as contained in its Report are as set out below in accordance with the Commission's Terms of Reference.

TERM OF REFERENCE NO. I

“To Ascertain the circumstances of the sale of the Omoku 150 MW Gas Turbine, Afam 360 MW Gas Turbine, Trans-Amadi 136 MW Gas Turbine and Eleme 75 MW Gas Turbine by the administration of former Governor Chibuike Rotimi Amaechi”.

FINDINGS

The Commission finds that the sale of 70% equity of the First Independent Power Limited (FIPL) in Omoku Gas Turbine, Trans-Amadi Gas Turbine, Eleme Gas Turbine and Afam Phase I Gas Turbine is difficult to justify, considering the enormous investments made by the Rivers State Government in the construction of the four gas turbines and the very limited number of years the turbines have served the people of the state.

RECOMMENDATIONS

1. REVIEW OF SALE OF POWER ASSETS

The Commission recommends that having regard to the patent defects it has identified in the Share Sales Contract, the sale should be reviewed in order to give Rivers State Government and its people good value for their investment in the power sector.

Government accepts this recommendation

2. REFUND OF PROCEEDS BY CHIBUIKE AMAECHI, CHAMBERLAIN PETERSIDE, AND AUGUSTINE WOKOCHA

In furtherance of its findings that the sale of the four Gas turbines was unjustifiable and against the interest of the government and people of Rivers State, the Commission recommends that the former Governor of Rivers State, Chibuike Rotimi Amaechi, along

with his former Commissioners for Finance, and Power Dr. Chamberlain Peterside, and Sir Augustine Wokocha, respectively should be held to account for their roles in the sale of the power generation assets of First Independent Power Limited, and the disbursement of the proceeds therefrom.

Government accepts this recommendation and directs the Office of the Honourable Attorney-General and Commissioner for Justice to promptly set in motion the appropriate machinery for the recovery of the proceeds of sale of the gas turbines from the former Governor Chibuike Rotimi Amaechi, and all other persons implicated in the dubious transaction leading to the sale of the turbines, including Sahara Energy Resources Limited, and NG Power-HPS Limited.

3. EXCLUSION OF MINISTRY OF FINANCE INCORPORATED (MOFI) FROM THE TRANSACTION

The Commission notes that Ministry of Finance Incorporated (MOFI) as the custodian of Rivers State government investment was deliberately excluded from the entire process leading to the sale of the 70% shares in the First Independent Power Limited; and accordingly recommends that all future divestment of Rivers State Government investments should pass through Ministry of Finance Incorporated, being the agency established for the purpose.

Government accepts this recommendation; and requests the Rivers State House of Assembly to enact appropriate legislation to provide the legal framework for Ministry of Finance Incorporated to reflect the peculiar realities of our State with a view to strengthening Ministry of Finance Incorporated to cope with contemporary challenges of economic development and investment growth in the State.

TERM OF REFERENCE NO. 2

“To identify the purchasers of the Gas Turbines, the total costs for which they were sold, and the whereabouts of the proceeds of the sale”

2.1 PURCHASERS OF THE GAS TURBINE: COST OF SALE AND WHEREABOUTS OF PROCEEDS OF SALE

FINDINGS

The Commission finds that the Rivers State Government Executive Council at its 19th Executive Council Meeting held on 15th and 16th August, 2012, approved the sale of 70%

equity of the State-owned First Independent Power Limited (FIPL) to NG Power-HPS Limited, comprising Omoku Gas Turbine (150 MW), Eleme Gas Turbine (75 MW), Trans-Amadi Gas Turbine (136 MW), and Afam Phase I (180 MW) Gas Turbine at the unit price of \$800,000.00 USD per megawatt which multiplied by 541 megawatt amount to \$432,800,000.00 USD; and 70% of which amounted to \$302,960,000.00 USD.

The Commission further finds that based on the above transaction, the Rivers State Government handed over the management of First Independent Power Limited to NG Power-HPS Limited; that so far only the sum of \$274,563,559.59 USD had been paid to the Rivers State Government by NG Power-HPS Limited leaving an outstanding balance of \$28.4 million USD; and that NG Power-HPS Limited is nothing but a subsidiary of Sahara Energy Resources Limited, one of whose Directors is one Tonye Cole.

Government accepts this finding but notes that the actual sum of money due and payable to the Government of Rivers State by NG Power-HPS Limited under the power sale contract is \$116,552,042.46 USD, made up as follows:

- \$63,456,440.41 USD being outstanding balance on the purchase price of \$302,960,000.00 USD;
- \$53,95,000,602.05 USD being monies transferred from Rivers State Government domiciliary account from the Access Bank to Sahara Energy Resources Limited as a purported repayment of a non-existing loan.

Accordingly government directs the Office of the Honourable Attorney-General & Commissioner for Justice to utilize the appropriate machinery for the recovery of these sums of money from Ng Power-HPS Limited, Sahara Energy Resources Limited, Tonye Cole, and all other persons involved in this fraudulent transaction.

TERM OF REFERENCE NO. 3

“To ascertain whether the transaction was conducted with the requisite transparency and accountability in accordance with the provisions of extant laws enforced in Rivers State”.

3.1. LACK OF TRANSPARENCY IN THE TRANSACTION

FINDINGS:

The Commission finds that the entire transaction for the sale of 70% equity of First Independent Power Limited by Rivers State Government under the former Governor

Chibuikwe Rotimi Amaechi to NG Power-HPS Limited not only lacked transparency but was actually carried out in flagrant violation of S.52 of the Rivers State Public Procurement Law No. 4 of 2008.

Government accepts this finding and directs the Office of the Honourable Attorney-General & Commissioner for Justice to prosecute all persons who were involved in the transactions in violation of the provisions of the Public Procurement Law No. 4 of 2008, without complying with the requisite due process and global best practices with respect to the sale of such valued asset of government.

TERM OF REFERENCE NO. 4

“To determine if the Government and people have any equity left in the said Gas Turbines and the value of such equity”.

4.1 EQUITY OF RIVERS STATE GOVERNMENT AND PEOPLE IN THE GAS TURBINES AND THE VALUE THEREOF

FINDINGS:

The Commission finds that 30% of the shares in First Independent Power Limited totaling 3,000,000 ordinary shares are still vested in the Government of Rivers State; out of which 2,999,996 of the shares are held by Ministry of Finance Incorporated on behalf of the Rivers State Government, while the remaining 4 shares are held by nominees in the ratio of one share each, and which nominees are:

- Samuel Ijeoma (retired Permanent Secretary, Ministry of Power) - representing the Rivers State Government
- Mrs. Mina Benebo (retired Solicitor-General & Permanent Secretary, Ministry of Justice) - representing the Rivers State Government
- Minabelem Michael West (former Permanent Secretary, Ministry of Power) - representing the Rivers State Government
- Dr. Ernest Ibekwe Ekwe (a private individual) representing the Rivers State Government

Government directs that the four shares held by individual nominees should be recovered and replaced by Ministry of Finance and Incorporated, as two of the nominees are retired Permanent Secretaries, while the third is a serving Permanent Secretary and former Permanent Secretary of Ministry of Power, while the 4th nominee is a private individual.

TERM OF REFERENCE NO. 5

“Ascertain the terms of the sale of Olympia Hotel, the price at which it was sold, and where the proceeds of the sale were domiciled”.

5.1 SALE OF OLYMPIA HOTEL:

FINDINGS

The Commission finds that Olympia Hotel, a valuable asset of the Rivers State government was concessioned by the administration of Governor Chibuike Rotimi Amaechi to Centropsaroten Hotel Management Limited for a period of 40 years at a concession fee of \$1,000,000.00 USD (or the local currency equivalent of N155,750,000.00).

Additionally, the sum of \$2,450,000.00 is to be paid by the concessionaire as rent for the concession period of forty years. Cumulatively, the concession value is \$3,450,000.00 for the 40 years duration of the concession; which amounts to a return of the sum of \$86,250.00 only annually; and that the transaction did not follow best global practices, including the Public Procurement Law No. 4 of 2008.

RECOMMENDATIONS

The Commission recommends a review of the concession agreement especially as it relates to the value of land, deduction of the concession, employment of Rivers State indigenes and joint incorporation of a new Special Purpose Vehicle (SPV) by the parties.

Government accepts this recommendation.

5.2 WHERE PROCEEDS OF SALE WERE DOMICILLED

FINDINGS:

The Commission finds that the concession fee of N155,750,000.00 was paid by the

concessionaire and domiciled into Keystone Bank Account No. 1370012047 operated by the Ministry of Commerce & Industry.

The Commission further finds that this account was opened and operated by the Ministry of Commerce & Industry without the requisite authorization by the Accountant-General.

RECOMMENDATION

The Commission recommends appropriate disciplinary action against all Staff of the Rivers State Ministry of Commerce & Industry who were responsible for the opening of Account No. 1370012047 with Keystone Bank in violation of the extant directive of the Accountant-General against the opening of revenue accounts by Ministries, Departments and Agencies (MDAs) without his authorization.

Government accepts this recommendation and directs that both the Permanent Secretary, and the Director of Finance and Accounts who were signatories to the unauthorized account should face appropriate disciplinary action in accordance with Public Service Rules and appropriate Treasury Circulars.

Government further directs the Office of the Honourable Attorney-General & commissioner for Justice to prosecute all the persons including the former Governor, and the Commissioner for Commerce who are culpable in the transaction and the lodgment of the proceeds in the unauthorized account.

TERM OF REFERENCE NO. 6

“To identify the person(s) to whom Olympia Hotel was sold”

IDENTITY OF PURCHASERS OF OLYMPIA HOTEL

FINDINGS:

The Commission finds that the Olympia Hotel was concessioned by the past administration to Centropsaroten Hotel Management Limited, a subsidiary and affiliate of Sahara Energy Resources Limited of which Tonye Cole is one of the Directors; the same company involved in the sale of the Rivers State government Gas turbines.

TERM OF REFERENCE NO. 7

To ascertain whether the sale of Olympia Hotel is in conformity with international best practices;

FINDINGS:

The Commission finds that the entire processes and terms of concession of Olympia Hotel did not follow best global practices including the Public Procurement Law of Rivers State (No. 4 of 2008).

TERM OF REFERENCE NO. 8

“Ascertain the terms of the construction of the Monorail project”.

8.1. ORIGINAL CONCEPT OF THE MONORAIL PROJECT

FINDINGS

The Commission finds that the Monorail project was originally conceived as a Public Private Partnership (PPP) between the Rivers State Government and TSI Limited, with an agreement to incorporate a Special Purpose Vehicle (SPV) known as Rivers Monorail Company Limited. By the agreement, the Rivers State government was to invest 20% equity in the total cost of the project, while TSI Limited was to invest 80% in the project.

The Commission further finds that while Rivers State government paid its agreed 20% equity, and paid an additional sum of N1,000,000,000.00 towards the execution of the project, TSI Limited on the other hand, defaulted in contributing its own equity but curiously retained management control of the Special Purpose Vehicle for the project Rivers State Monorail Company Limited after the Rivers State government has invested a whopping sum of N35,108,316,295.65 into the project, out of which N11,000,000,000.00 was paid to Rivers State Monorail Company Limited which was solely managed by TSI Limited, represented by Brigadier General Anthony Ukpo.

RECOMMENDATIONS:

The Commission recommends the recovery of the total sum of N35,108,316,295.65 from Brigadier-General Anthony Ukpo, TSI Limited, former Governor Chibuike Rotimi Amaechi, and George Tolofari for being the masterminds behind the failed Monorail project.

Government accepts this recommendation, and further directs the Office of the Honourable Attorney-General & Commissioner for Justice to take appropriate steps for the recovery of the above sum of money from all who were concerned with the failed project.

TERM OF REFERENCE NO. 9

“To identify the contractor(s) engaged for the project”.

9.1 CONTRACTORS ENGAGED FOR THE PROJECT

FINDINGS

The Commission finds that after the failure of Public Private Partnership (PPP) owing to the default of TSI Limited, Arcus Gibb Limited was appointed the Sole Project Consultant under a Project Consultancy agreement to provide Engineering Supervision on site on behalf of the Rivers State government; and in the process was made to manage the following Rivers State Ministry of Transport's Account Nos:

- Access Bank Plc. Account No. 0059934262, and
- First Bank of Nigeria Plc. Account No. 2108457106

By this phoney arrangement where a private company was engaged to manage a government account, the sum of N22.9 Billion was disbursed by Arcus Gibb Limited for the purported construction of the Monorail project.

The Commission further finds that for its controversial management consultancy services, Arcus Gibbs Limited was paid for the stupendous consultancy fee of N696,300,000.00.

RECOMMENDATIONS:

The Commission recommends that former Governor Amaechi, George Tolofari and Arcus Gibbs and all other persons who were privy to the needless appointment of Arcus Gibbs Limited as Management Consultant with the attendant payment of the unjustified fees of N696,300,000.00 in violation of the requirement of due process under the Public Procurement Law of Rivers State, should be held accountable for the refund of the money.

Government accepts this recommendation, and further directs the Office of the Honourable Attorney-General & Commissioner of Justice to take appropriate steps to prosecute all concerned in accordance with the provisions of the Public Procurement Law of Rivers State No. 4 of 2008.

TERM OF REFERENCE NOS. 10 & 12

“To determine the cost of the Mono-rail project to date and the feasibility of its conception”

COST OF COMPLETING THE PROJECT

FINDINGS

The Commission finds that the amount so far spent on the failed Monorail project is N35,108,316,295.65 , and that a further sum of N6,000,000,000.00 may be required to complete Phase IA of the project.

RECOMMENDATION

The Commission recommends that subject to availability of funds the Rivers State government may wish to complete Phase 1A of the project estimated to cover a track length of 22.6 km.

Government notes this recommendation.

TERM OF REFERENCE NO. 11

“To determine whether the circumstances of the conception and construction of the mono-rail project were in conformity with international best practices with regards to conception and execution of Government projects”

FINDINGS:

The Commission finds that the entire circumstances of the conception and construction of the mono-rail project were not in conformity with international best practices with regards to conception and execution of Government projects and violated the provisions of the Rivers State Public Procurement Law of Rivers State No.4 of 2008.

TERM OF REFERENCE NO. 13

“Ascertain the cost of the proposed Justice Adolphus Karibi-Whyte Specialist Hospital”.

FINDINGS

The Commission finds that there was no engineering, drawings and designs, Bills of Quantities, Business and Feasibility Studies but the Ministry of Health led by the former Commissioner of Health, Dr. Sampson Parker and the former Governor of Rivers State Chibuike Rotimi Amaechi arbitrarily fixed the cost of execution of the Justice Adolphus Karibi-Whyte Specialist Hospital at \$98 Million.

That in order to execute the project the Government of Rivers State executed a Memorandum of Understanding with Clinotech Diagnostic and Pharmaceutical Inc. Canada, whereby both parties agreed to fund the project under a Public Private Partnership (PPP) arrangement, through a Special Purpose Vehicle (SPV) called Clinoriv Specialist Hospital & Leisure Limited.

RECOMMENDATION:

The Commission finds that Rivers State government was to hold a 40% equity while Clinotech Diagnostic and Pharmaceutical Inc. Canada was to hold 60% equity interest.

The Commission finds that pursuant to the Memorandum of Understanding, the Rivers State government paid the sum of \$39,200,000.00 representing 40% equity to the Special Purpose Vehicle through First Bank of Nigeria cheque dated 26th May 2008 for the sum of N4,633,440,000.00.

And that one Dr. Harrison Ofiyai received on behalf of Clinoriv Specialist Hospital & Leisure Limited the aforesaid payment.

The Commission also finds that Clinotech Diagnostic and Pharmaceutical Inc. Canada defaulted in payment of 60% equity contribution while retaining the money to the Special Purpose Vehicle by the Government of Rivers State.

RECOMMENDATION

The Commission recommends that former Governor of Rivers State, Chibuike Rotimi Amaechi, Dr. Sampson Parker and Clinotech companies should be held to account for the sum of N4,633,440,000.00 paid to Clinotech under the failed Public Private Partnership.

Government accepts this recommendation and further directs the Office of the Honourable Attorney-General & Commissioner for Justice to take appropriate legal steps to recover the said amount of money.

TERM OF REFERENCE NO. 14, 15 & 16

“Determine whether any contract has been awarded in respect of the project”.

“Identify the terms of the contract, the identity of the contractor and determine if any further amount of money was disbursed to the contractor.

FINDINGS

The Commission finds that following the failure of the Public Private Partnership (PPP) arrangement, with Clinotech Diagnostic and Pharmaceutical Inc. Canada, the Rivers State government awarded a new Turnkey contract to Clinotech Turnkey & Management Limited for the sum of \$150,000,000 to be funded fully by Rivers State government.

The Commission also finds that 20% of the Contract sum that is N4,340,743,574 was paid by the Rivers State government to Clinotech Turnkey & Management Limited as mobilization fee.

The Commission finds that the Technical Committee on the Justice Karibi-Whyte Special Hospital had found that Clinotech Turnkey and Management Limited had received excess from the Rivers State government to the tune of N272,130,631.51. However a visit to the project site by the Commission revealed that no appreciable work had been done on the project site by the contractor having regard to the huge payments already made.

The Commission recommends that a new Technical Committee should be appointed to re-evaluate the actual level of work done by Clinotech Turnkey & Management Limited.

Government accepts the recommendation and directs the Office of the Honourable Attorney-General & Commissioner for Justice to liaise with the Technical Committee to recover any sum of money due to the Rivers State government.

TERM OF REFERENCE NO. 17 & 18

“Ascertain whether the sum of N2 billion under the Agriculture Credit Guarantee Scheme was disbursed by the Rivers State Ministry of Agriculture in accordance with the terms of the Agricultural Credit Guaranteed Loan Scheme.

- (i) Ascertain the identity of the Co-operatives Societies or other beneficiaries to whom monies were disbursed under the aforesaid scheme.
- (ii) Establish the identity of all persons and companies involved in the matter; and
- (iv) Make appropriate recommendations for the recovery of the sum of N billion improperly and unlawfully disbursed and the Agricultural Credit Guarantee Scheme.

FINDINGS

The Commission finds that:

- (1) The State Government in June, 2014 accessed the sum of N4 billion facility under the Commercial Agricultural Credit Scheme (CACs) from the Central Bank of Nigeria for onward lending to farmers in the State. The fund was accessed through a joint application with Zenith Bank Plc.
- (2) That the State government rather than disburse the sum as loans, unlawfully disbursed over N3 billion as grants to spurious Co-operatives numbering 380.
- (3) That the 342 Co-operative were hurriedly registered with the Ministry of Commerce and Industry in the month of February 2014, and indeed 38 of the Co-operatives were never registered at all.
- (4) That the officers of the Co-operatives were mostly Chairmen of Local Government Authority Areas, and other persons who were neither farmers nor involved in any agricultural business or activity.

RECOMMENDATIONS:

Further to the above findings, the Commission recommends as follows:

- (i) That the Principal Officers of all the benefiting Co-operative Societies should be made to account for the grants received, failing which they should be prosecuted

by the State in the appropriate Courts.

- (ii) In respect of the thirty-eight (38) unregistered Co-operative Societies that benefited from the agricultural grants, the former Rivers State Commissioner for Agriculture, Hon. Emmanuel Chindah, who compiled the list of the benefiting Co-operative Societies, should be made to refund all grants so disbursed and should also be prosecuted for defrauding the government and people of Rivers State. The Permanent Secretary and all members of the Disbursement Committee should be made to face disciplinary action for not following the guidelines of the Loan before recommending disbursement to the Co-operatives.
- (iii) The former Governor of Rivers State, Rt. Hon. Chibuike Rotimi Amaechi who gave approval for the disbursement of the sum of N3 billion obtained under the agricultural loan scheme without regard to the Guidelines issued by the Central Bank of Nigeria should be held to account for the diversion of the agricultural loan for purposes other than the development of agriculture and agro-allied activities in Rivers State.

Government accepts this recommendation.

TERM OF REFERENCE NO. 19, 20, 21, & 22

RESERVE FUND

“Ascertain the total accrued sum of money withdrawn from the mandatory contribution of One Billion Naira by the Rivers state Government into the Rivers State Reserve Fund, pursuant to the Rivers State Reserve Fund Law No. 2 of 2008.

FINDINGS

The Commission finds that:

- (i) The total Capital contribution made by the Rivers State Government to the Fund pursuant to the provision of the Rivers State Reserve Fund Law No. 2 of 2008 was N38,532,137,993.32.
- (ii) That through investment by the professional parties, the Fund grew to about N55 Billion in 2014.
- (iii) That on 13/2/2014, the Rivers State House of Assembly passed the Rivers State Reserve Fund (Amendment) Bill 2014 which was introduced as an Executive Bill

to amend section 4 of the Principal Law to remove the requirement of the existence of a state of emergency as the only pre-condition for withdrawal from the Fund.

- (iv) From the Hansard of the Rivers State House of Assembly of the proceedings 13/2/2014, that immediately after the passage of the amendment bill, and before its assent by the former Governor of Rivers State, the House of Assembly approve the request of the former Governor of Rivers State to withdraw the sum of N30 billion Naira from the Fund without any legal backing.
- (v) Based on the Rivers State Reserve Fund (Amendment) Law No. 1 of 2014, the administration of Chibuike Rotimi Amaechi withdrew the sum of N53,936,000,000.00 between February 2014 and January 2015 leaving a balance of N1,276,389,208.70.
- (vi) Finds that in the process of these withdrawals the government failed to attach the list of approve items of expenditure until FBN Trustees protested the non-compliance with the provisions of the law.
- (vii) Finds as a fact that the withdrawal of N30 billion Naira on 13/2/2014 was illegal and unlawful since there was no Reserved Fund (Amendment) Law in existence at the time the House of Assembly approved the withdrawal.
- (viii) That the last attempt made by the Chibuike Rotimi Amaechi administration to withdraw the sum of N1 billion Naira was frustrated by FBN Trustees which insisted that the request and resolution of the Rivers State House of Assembly did not comply with the law.

RECOMMENDATIONS:

Further to the above findings, the Commission recommends as follows:

- (i) Considering the illegality surrounding the withdrawals, the former Governor of Rivers State Chibuike Rotimi Amaechi should be held to account for the withdrawals and default thereof, the Office of the Honourable Attorney-General should take appropriate legal steps to recover the sums of money withdrawn from the Fund.
- (ii) That the former Secretary to the Rivers State Government Mr. George Feyii should be made to refund the following sums:

- (a) N4 billion (Four Billion Naira) unlawfully withdrawn from the Rivers State Reserve Fund on the 20th of February, 2014 for the purpose of “settlement of various outstanding obligations relating to security issues in SSG's Office”.
 - (b) N400,000,000.00 (Four Hundred Million Naira) unlawfully withdrawn from the Rivers State Reserve Fund on the 21st of March 2014 “for the purpose of staff armored vehicles”.
 - (c) N117,000,000.00 (One Hundred and Seventeen Million Naira) withdrawn from the Rivers State Reserve Fund on the 25th day of March 2014 for “revalidation and renewal of lease on the property at F29 Sani-Abacha Road GRA Phase II, Port Harcourt”.
 - (d) N447,200,000.00 (Four Hundred and Forty-Seven Million, Two Hundred Thousand Naira) withdrawn from the Rivers State Reserve fund “for the payment of 2012 and 2013 Premier League Session Sign-On Fees for the (3) three Football Clubs in Rivers State”.
- (iii) Similarly the owners of Orosi House at No. 28 Forces Avenue Old GRA, Port Harcourt should refund to the Government of Rivers State the sum of N300,000,000.00 (Three Hundred Million Naira) which they received from the Government of Rivers State as five years rent for the lease of the complex (as SUBEB- Ministry of Education Office) knowing full well that the property had been destroyed by fire in 2007.
- (iv) That the Principal Officers of the Rivers State House of Assembly at the material time, who facilitated the adoption of the House Resolution on 13/2/2014 authorizing the former Governor of Rivers State to withdraw the sum of N30 billion as afore-stated should be prosecuted for authorizing the illegal withdrawal from the Fund.

Government accepts the above recommendations.

Dated this 8th day of October 2015