

**REPORT OF THE AD-HOC COMMITTEE
ON
MOUNTING HUMANITARIAN CRISIS
IN THE NORTH-EAST**

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1.0 INTRODUCTION:

The Senate at its sitting on Tuesday, 4th October, 2016, debated a motion on "The Mounting Humanitarian Crisis in the North East" sponsored by Senator Baba Kaka B. Garbai. The motion drew the attention of the Senate to the fact, that despite huge sums of monies being spent by the Federal Government to alleviate the pathetic plight of victims devastated by the Boko Haram Insurgency known as Internally Displaced Persons (IDPs), their condition is still grave with the risks of starvation and deaths.

The Senate, after deliberation on the matter, resolved and set up an Ad-hoc Committee with the mandate to:

- (i) Conduct a Public Hearing in order to ascertain how much has been released to the Presidential Initiative on the North East (PINE);
- (ii) Ascertain how these funds have been utilized from inception to date;

- (iii) Investigate the diversion of grains and other food items from the Strategic Grains Reserves, NEMA and other sources for the IDPs; and
- (iv) Investigate the insignificant presence of the Federal Ministry of Health officials at the IDPs Camps.

2.0 MEMBERSHIP:

- 1. Senator Shehu Sani - Chairman
- 2. Senator Mallam Ali Wakili, mni - Member
- 3. Senator Ben Murray- Bruce - Member
- 4. Senator Yahaya A. Abdullahi - Member
- 5. Senator Oluremi Tinubu - Member
- 6. Senator Donald O. Alasoadura - Member
- 7. Senator Solomon Adeola - Member
- 8. Senator Theodore Orji - Member
- 9. Senator Mohammed Hassan - Member

SECRETARIAT:

- 1. Lawal Barau Bungudu - Clerk to the Committee

3.0 **BACKGROUND:**

Since 2009, the Boko Haram terrorist group had launched violent attacks across the Country. These attacks occurred frequently and were mostly concentrated in the North East. At the height of the insurgency, the group held sway over swathes of territories in Borno, Yobe and Adamawa States where many residents fled from to escape the violence.

This gave rise to displaced persons moving or migrating to communities or areas considered as safe haven from the activities of the insurgents.

Thus, camps known as Internally Displaced Persons (IDPs) were created for these displaced persons to provide collective humanitarian services, relief support as well as medical and general assistance to these unfortunate citizens pending the time when it will be safe for them to return to their respective homes.

International and Local, Non-Governmental Organizations, State Governments, as well as well-meaning individuals responded by providing relief materials and services to these IDPs.

Your Excellency, Distinguished Colleagues, you may recall that the Federal Government earmarked Six billion (₦6,000,000,000.00) naira for the North East and this Distinguished Senate through its resolution increased it to Ten billion (₦10,000,000,000.00) naira in 2015 because of the difficult, desperate and pathetic conditions of these IDPs. The Presidency created the Presidential Initiative on the North East (PINE) through which government interventions aimed at ameliorating the plights of the IDPs will be channeled.

However, despite huge sums of monies being spent by the Federal Government to alleviate the pathetic plight of these victims, there have been reports of desperate conditions of those in the IDPs camps with little or no food, potable water, basic healthcare, education etc. International Organizations like the United Nations' Children Emergency Fund (UNICEF) have described the humanitarian situation in the North East as one of the worst in the world.

4.0 METHODOLOGY:

The Committee met on four occasions and resolved that the modalities for the assignment should be as follows:

1. Call for memoranda from selected Stakeholders including Government Agencies as well as International Organizations and Non-Governmental Organizations (NGOs);
2. Request for information on the companies that were awarded contracts in the region from the Corporate Affairs Commission (CAC), such as registration numbers, date of incorporation, names and amount of shares of directors etc;
3. Request for official bank statement of accounts of companies that were awarded contracts by the Presidential Initiatives for the North East (PINE);
4. Request from the Central Bank of Nigeria (CBN) for any information(s) on the account of the Presidential Initiative on the North East (PINE);
5. Obtain procurement processes adopted by PINE in awarding contract;
6. Conduct a 3 day Public Hearing for all stakeholders involved in the humanitarian services and relief operations in the North East such as:

INTERNATIONAL DONOR AGENCIES/NON-GOVERNMENTAL ORGANIZATIONS:

- United Nations International Children's Fund (UNICEF)
- United Nations Development Programme (UNDP)
- Department for International Development (DFID)
- United States Agency for International Development (USAID)
- European Union (EU)
- United Nations High Commission For Refugees (UNHCR)
- World Food Programme (WFP)
- Doctors Without Borders (MSF)
- World Health Organization (WHO)
- International Committee of the Red Cross (ICRC)
- International Rescue Committee (IRC)
- Dangote Group of Companies
- Nigerian Red Cross Society (NRCS)
- Non-Governmental Organizations (NGOs) dealing with the Humanitarian Crisis in the North Eastern States.
- Civil Society Organizations (CSOs)
- Internally Displaced Persons (IDPs) in Abuja

- INTERSOS
- COOPERAZIONE INTERNAZIONALE (COOPI)
- The United Nations Office for the Coordinator of Humanitarian Affairs (UN OCHA)
- PLAN International
- British High Commission
- Save The Children
- British Broadcasting Cooperation (BBC)
- Cable Network News (CNN)
- Al Jazeera International
- Agence France Presse (AFP)
- Associated Press (AP)
- Financial Times (FT)

GOVERNMENT AGENCIES:

- Governors of the North Eastern States
- Presidential Initiative on the North East (PINE)
- Secretary to the Government of the Federation (SGF)
- National Security Adviser (NSA)
- National Emergency Management Agency (NEMA)

- National Health Insurance Scheme (NHIS)
- State Emergency Management Agency (SEMA) for the North Eastern States, Borno, Yobe, Adamawa, Taraba, Bauchi and Gombe States
- Federal Ministry Of Health (FMH)
- Federal Ministry Of Women Affairs (FMWA)
- Central Bank Of Nigeria (CBN)
- National Commission For Refugees, Migrants and Internally Displaced Persons (NCFRMI)

7. Embark on oversight visits to the areas hardest hit by the violence to see firsthand the situation on the ground and hear from the victims/IDPs and caregivers on their experience and most importantly what their pressing needs are; and

8. Pay courtesy calls to State Governors and top traditional rulers of the affected states to intimate them of the Committee's assignment and to solicit for their support in terms of information etc.

5.0 **PUBLIC HEARING:**

The Committee organized and conducted a 3 day Public hearing between Tuesday, 6th December to Thursday, 8th December, 2016.

Letters of invitation/Newspaper advertisement were used to reach out to the stakeholders, ministries, department and agencies(MDAs), Companies, Office of the Secretary to the Government of the Federation and the General Public. The first and second days of the Public Hearing were allotted to all stakeholders, Government Ministries, Department, Agencies (MDAs); Companies that were awarded contracts by Presidential Initiative on the North East (PINE); and the General Public, while the third day was allotted to the Office of the Secretary to the Government of the Federation (SGF).

The under listed stakeholders attended the Public Hearing

- i. Presidential Initiatives for the North East (PINE) - Made presentation
- ii. Federal Ministry of Health (FMH); - Made presentation
- iii. Yobe State; - Made presentation
- iv. Bureau of Public Procurement (BPP) - Made presentation
- v. Federal Ministry of Information and Culture(FMIC); - No Presentation
- vi. Social Welfare Network Initiative (SWNI) - No Presentation
- vii. International Committee of

- the Red Cross (ICRC); - Made presentation
- viii. HOSCON; - No Presentation
- ix. ISYOURS Investment Limited; - Made presentation
- x. SIGL; - No Presentation
- xi. Josmon Technology Limited; - Made presentation
- xii. Primecost and Engineering
Consultancy Limited; and -Made presentation
- xiii. Dantex Nigeria Limited - Made presentation

However, the following key government establishments critical to the management of Humanitarian Crisis were invited but did not honour the Committee's invitation. Similarly, the Secretary to the Government of the Federation, Engr. Babachir David Lawal who oversees the activities of the Presidential Initiative on the North-East (PINE), refused to appear despite the three invitations by the Committee.

- i. National Emergency Management Agency (NEMA);
- ii. National Commission for Refugees, Migrants and Internally Displaced Persons;
- iii. Adamawa, Taraba, Gombe and Bauchi State Governments;
- iv. Federal Ministry of Women Affairs; and

(v) Secretary to the Government of the Federation, Engr. Babachir David Lawal

6.0 OBSERVATIONS:

In the course of the investigation, the Committee observes the following:

- i. The World Bank reported that there is a direct correlation between poverty and violence and added that until issues of destitution affecting the less privileged are addressed, the Boko Haram crisis will not be defeated;
- ii. That some unscrupulous individuals and Non-Governmental Organizations (NGOs) have taken undue advantage of the plight of the Internally Displaced Persons (IDPs) by turning their misfortune into money making ventures;
- iii. That there is a moral obligation to improve on girl-child education in the entire North Eastern Region of Nigeria;
- iv. That the intervention of the Federal Government in the course of IDPs in the North East during the last administration was very discouraging. For example, the federal government supported the

Borno State with two hundred million (₦200,000,000.00) naira only and that the state received three hundred and fifty million (₦350,000,000.00) naira only from other sources while the state government spends six hundred million (₦600,000,000.00) naira only monthly from its meager resources;

v. That the Borno State Government has received donations both in cash and material worth over Two Billion Naira (₦2,000,000,000.00) only from Alhaji Aliko Dangote.

vi. That during the height of the sustained violence in the region, no government official/representative was sent by the last administration to identify and condole with the government and people of the region;

vii. That there is serious humanitarian crisis in the North East as evidenced by the plight of the Internally Displaced Persons both in camps and within the host communities. There is hunger, disease, squalor, deprivation and want amongst the IDPs. This observation is corroborated by a statement credited to the United Nations' Deputy Coordinator of the Office for the Co-ordination of Humanitarian Affairs (OCHA), Mr. Peter Lundberg to the effect that "a projected

5.1 million people will face serious food shortages as the (Boko Haram) conflict and risk of unexploded improvised devices prevented farmers planting for a third year in a row, causing a major food crisis in the North East”.

viii. That the following Local and International Donor Agencies were present in most of the IDP camps visited by the Committee rendering critical humanitarian services:

- (i) World Food Program
- (ii) International Committee of the Red Cross (ICRC)
- (iii) United Nations Children’s Fund (UNICEF)
- (iv) Doctors without Borders
- (v) Dangote group
- (vi) International Medical Corps

ix. That there was vivid absence of the Federal Ministry of Health in all camps visited, however, while the few critical government agencies like National Emergency Management Agency (NEMA) as well as States Emergency Management Agency (SEMA) were noticed, but without synergy with other agencies. Moreover, the Nigerian Air force

medical team was found rendering medical services to the IDPs with the little equipment at their disposal.

x. That despite the claim by some Federal government agencies to the effect that huge sum of money is being spent on IDPs in the North East, what is on the ground as seen by the Committee does not justify/reflect the claims. For example:

- (a) Over **70%** of displaced children both in camps and with host communities were out of schools due to lack of classroom infrastructures, inadequate teaching materials and even teachers. They were also seen loitering in the camps malnourished, sickly, and poorly dressed;
- (b) Generally, there was acute shortage of food amongst the IDPs, as observed in one of the IDPs visited, **three (3) bags** of rice of **50kg** each, a bag of beans of **50kg** and a **4 liter** of palm oil were given to 30 people for 15 days. This ration was considered too insufficient as confirmed by many IDPs that interacted with the Committee.

7.0 FINDINGS:

(a) The Committee found that as at 1st December, 2015, the sum of **Three Hundred and Fifty Two Million, Eight Hundred and Sixty Five Thousand, Five Hundred and Eighty Seven Naira and Forty Two Kobo (N352,865,587.42)** only was the balance amount mopped-up from funds released for PINE in 2014.

(b) Between 16th November, 2015 to July 18th, 2016, the sum of **Eight Billion (N8billion) naira** was further released to PINE, bringing the total released to **Eight Billion, Three Hundred and Fifty Two Million, Eight Hundred and Sixty Five Thousand, Five Hundred and Eighty Seven Naira, and Forty Two Kobo (N8,352,865,587:42)** only.

(c) During the period under review the Presidential Initiative on the North East (PINE) has expended the sum of **Six Billion, Eight Hundred and Eighteen Million, Seven Hundred and Forty Eight Thousand, Seven Hundred and Seventy Six Naira, and Thirty Four Kobo (N6,818,748,776:34)** only has been expended in three phases projects leaving a balance of **Two Billion, Twenty**

**Six Million, Ten Thousand, Nine Hundred and Seventy Naira,
and Eighty Eight Kobo (N2,026,010,870:88) only.**

7.1 Below is a summary of the Income and Expenditure Account of PINE: Completed and Ongoing projects for the North East from 08TH March, 2016 to 08TH September, 2016.

RECIEPTS FROM 2014, 2015 AND 2016 "APPROPRIATION ACT"

i.	2015 1 st Quarter Released 16 th November, 2015	- N2,500,000,000:00
ii.	Balance of 2014 Mopped-up Funds Released 1 st December, 2015	- N352,865,587:42
iii.	2015 2 nd quarter Released 19 th April, 2016	- N2,500,000,000:00
iv.	2016 1 st Quarter Released 18 th July, 2016.	- <u>N3,000,000,000:00</u>
v.	BALANCE OF 2014, TOTAL 2015 AND 1ST Quarter,	
vi.	2016 RELEASES	N8,352,865,587:42

2.0. LESS EXPENDITURE:-

S/N	PROJECTS	PROJECT COSTS	AMOUNT PAID	AMOUNT OUTSTANDING	
1.	PHASE I	N3,069,953,529:63	N2,742,980,772:20	N303,387,637:41	
2.	PHASE II	N1,050,505,548:51	N1,011,697,503:14	N38,808,045:37	
3.	PHASE III	N2,698,289,698:20	N2,572,176,341:20	N126,113,357:00	
	TOTAL	N6,818,748,776:34	N6,326,854,616:54	N468,309,039:78	N6,326,854,616:54
	BALANCE				N2,026,010,970:88

3.0 LESS: -

i.	OUTSTANDING LIABILITIES	N468,309,039:78
ii.	RECURRENT EXPENDITURES (M & E, PROJECT VEHICLES AND PCNI CONFERENCES SUPPORT)	<u>N231,575,821:23</u>
	BALANCE	N1,326,126,109:87

8.0 CONTRACTS AWARD:

The Presidential Initiative on the North East have awarded thirty-nine (39) contracts to various companies to carry out the removal of invasive species plants, rehabilitations/renovations works, food supplies, consultancy services, and provision of shelter (supply of tarpaulin cabins), etc.

(a) However, the Committee discovered that all contracts from the Presidential Initiative on North East (PINE) were awarded under the principle of emergency Procurement as stipulated in **Section 43 (i) & (ii)** but with absolute disregard to **Sub-section (iii) & (iv)** of the same **Section 43** of the Public Procurement Act, 2007 which states that:

"(i) All procurements made under emergencies shall be handled with explanation but along principles of accountability, due consideration being given to the gravity of each emergency.

(ii) Immediately after the cessation of the situation warranting any emergency procurement, the procuring entity shall file a detailed report thereof with the Bureau which shall verify same and appropriate issue a Certificate of 'No Objection'."

(b) The Committee observed that PINE awarded these contracts with absolute disregard to the Bureau of Public Procurement advice, in a

letter dated February 3rd, 2016, where BPP categorically stated that "PINE should forward the outcome of the Emergency Tendering Procedure including the Technical and Financial Proposals to the Bureau for Due Process Review **before contract award**". (See **annexure 1**).

(c) Similarly, the Committee also found out that the entire procurement activities carried out by Presidential Initiative on North East (PINE) in the North East contravenes Federal Government's Financial Rules and Regulations, number **2948** which states that:

"(iii) Under emergency situation, a procuring entity may engage in direct or single source procurement of goods, works, or services.

*(iv) Further to **sub-section (i)**, procurement shall be made expeditiously, without losing sight of the principles of accountability and transparency.*

(v) On cessation of emergency situation warranting

Procurement under this method, the procuring entity shall file records of procurement proceeding with a view to obtaining Certificate of 'No Objection' if necessary from Bureau of Public Procurement".

(d) Further analysis of procurement records and documents presented to the Committee by the Presidential Initiative for North East (PINE) and Bureau of Public Procurement (BPP) shows that, all the contracts awarded negate the provisions of the Public Procurement Act, 2007 and the provisions of the Federal Government Financial Regulations quoted above:

(e) That, none of the bidders of all the contracts awarded by PINE possess the mandatory requirements stipulated in **Section 16 of the Public Procurement Act, 2007** and were therefore not eligible to participate in the procurement processes (**see table below**).

8.1 Summary of BPP's Review

S/N	COMPANY'S NAME	CAC	TAX	PENCOM CERTIFICATE	VAT	ITF	BPP REGISTRATION	REMARK
1.	Fassociate Nigeria Limited	Yes	Yes	Nil	Yes	Nil	Nil	Not-Responsive
2.	Josmon Technologies Limited	Yes	Yes	Nil	Yes	Yes	Yes	Not-Responsive
3.	D & A Facilities Manager & Properties	Yes	Yes	Fake	Yes	Expired	Yes	Not-Responsive
4.	Hercules & Associates Limited	Yes	Expired	Nil	Nil	Nil	Nil	Not-Responsive
5.	Ham-Halim Co. Ltd.		Yes	Fake	Yes	Yes	Yes	Not-Responsive

6.	Yuby Ventures Nig. Ltd.	Yes	Yes	Nil	Yes	Yes	Yes	Not-Responsive
7.	Green Circle Continental Ltd.	Yes	Yes	Nil	Yes	Yes	Nil	Not-Responsive
8.	Adamawa Borehole & Drilling	Yes	Yes	Nil	Yes	Yes	Nil	Not-Responsive
9.	Khad-Bell Recourses Ltd.	Yes	Yes	Nil	Yes	Yes	Nil	Not-Responsive
10.	Techno-Kat Global Consult	Yes	Yes	Fake	Nil	Yes	Nil	Not-Responsive
11.	Trutech Engineering Consult & Services	Yes	Yes	Nil	Yes	Yes	Yes	Not-Responsive
12.	Nbinah Services Nig. Ltd.	Yes	Yes	Nil	Yes	Yes	Nil	Not-Responsive
13.	Kwaila Ventures Nigeria Limited	Yes	Expired	Nil	Yes	Nil	Nil	Not-Responsive
14.	Zigifto Ventures Nig. Limited	Yes	Yes	Fake	Yes	Yes	Nil	Not-Responsive
15.	Kalagu Dynasty Nig. Ltd.	Yes	Yes	Fake	Yes	Yes	Nil	Not-Responsive
16.	Salama Systems Ltd Limited	Yes	Expired	Nil	Yes	Expired	Nil	Not-Responsive
17.	Rholavision Engineering Ltd.	Yes	Yes	Nil	Yes	Nil	Nil	Not-Responsive
18.	Aperion Nigeria Limited	Yes	Yes	Nil	yes	Nil	Nil	Not-Responsive
19.	Sahel Associates Consulting	Yes	Yes	Invalid	Nil	Nil	Nil	Not-Responsive

	Engineers							
20.	Oakcrest Nig.Ltd	Yes	Yes	Nil	Nil	Nil	Nil	Not Responsive
21.	Danmairo Nig. Ltd.	Yes	Yes	Nil	Nil	Nil	Nil	Not Responsive
22.	Umrouq Nig. Ltd	Yes	Yes	Yes	Nil	Nil	Nil	Not Responsive
23.	Lintex International Ltd.	Yes	Yes	Nil	Nil	Nil	Nil	Not Responsive
24.	Dantex Nig. Ltd.	Yes	Yes	Nil	Nil	Nil	Nil	Not Responsive
25.	Raz & Hams Motors	Yes	Yes	Nil	Nil	Nil	Nil	Not Responsive
26.	Emmanuel Global Enterprises	Yes	Yes	Yes	Nil	Nil	Nil	Not Responsive
27.	Prime Cost Engineering Consultants Ltd	Yes	Yes	Nil	Yes	Yes	Yes.	Not Responsive

(f) From the above, the Technical Evaluation analysis shows that, all the companies that were awarded contracts were technically not qualified going by the **six (6) pre-qualification criteria** set out by the Bureau of Public Procurement (BPP). This suggests that, some of the companies were only incorporated for the sake of these contracts.

(g) That the Evaluation conducted by PINE appeared flawed and showed that the Evaluation Committee either did not fully understand the process of Bid Evaluation or they did it on purpose, for example, the Chairman of the Evaluation Committee is an Assistant Director

(Administration). This is contrary to **Section 22 (5) of the PPA, 2007**, which clearly states that, *"the Chairman of the Evaluation Committee should be Secretary of the Tenders Board who incidentally is the Head of the Procurement Unit and ought to be an Officer in the Procurement Cadre."* This is in line with the office of The Head of Service of the Federation **Circular rep. no. HCSF/PSO/155/1/3 of 31st March, 2008** which established the Procurement Cadre to implement Procurement processes in Ministries, Departments and Agencies.

(h) The Constitution of the Evaluation Committee did not comply with **Section 22 (4)** which stipulates that, Professional Staff of a Procurement Entity should be included in the Evaluation Sub-Committee; For example in the case of Rehabilitations/Renovations of schools and Removal of Invasive Plants Species and Mini Irrigation Projects should not have been treated under Emergency Procurement Arrangement; and,

(i) That further scrutiny of the documents revealed that, there were:

- i. No evidence of advertisement for all rehabilitation contracts carried out;
- ii. No evidence of submission of bidders register;
- iii. No evidence of bid return sheets at the bid opening exercise to authenticate those that participated in the bidding process (it

was not a coincidence that each of the contract awarded was bided by only three (3) companies interchangeably) (see annexure 2);

iv. Contracts awarded by PINE were split to favour companies owned by cronies and friends by awarding them more than one contract. A forensic analysis of the Statement of accounts of most of these companies shows various transfer of funds amongst them. See Table Below:

COMPANIES THAT WERE AWARDED MORE THAN ONE (1) CONTRACT BY THE PRESIDENTIAL INITIATIVE ON THE NORTH EAST

S/NO	NAME OF COMPANIES	NO. OF CONTRACTS AWARDED	CONTRACT SUM N
1.	M/S PRIMECOST AND ENG. CONSULTANTS LIMITED	2	21,776,956:00 4,784,320:02
	TOTAL		26,561,276:02
2.	M/S JOSMON TECHNOLOGIES LIMITE	2	272,524,356:02 258,132,735:00
	TOTAL		530,657,091.02
3.	M/S DANTEX NIGERIA LIMITED	2	286,750,800:00 422,170,000:00
	TOTAL		708,920,800:00
4.	M/S ISYOURS INVESTMENT LIMITED	7	52,946,600:00 39,742,000:00 52,946,600:00 39,742,000:00 39,742,000:00 9,845,000:00 99,482,400:00
	TOTAL		334,446,600:00
5.	M/S GREENSTONE GENERAL ENTERPRISES		7,482,871:48 33,561,089:57

		6	13,761,309:85 33,561,089:57 25,864,954:29 25,864,954:29
	TOTAL		140,096,269:05
6	M/S JMT GLOBAL TECHNOLOGY	8	14,284,948:39 16,223,813:60 33,561,089:57 25,864,954:29 29,176,900:96 25,864,954:29 27,059,650:33 27,364,902:23
	TOTAL		199,401,213:66
7.	M/S HORIZON INTERLINKS GLOBAL RESOURCES LIMITED	13	15,087,429:00 15,087,429:00 15,087,429:00 15,087,429:00 15,087,429:00 17,788,470:00 25,632,243:00 15,087,429:00 17,652,810:00 15,087,429:00 15,087,429:00 15,087,429:00 15,087,429:00
	TOTAL		211,947,813:00
8.	M/S UMRUOQ NIGERIA LIMITED	2	56,120,400:00 41,688,000:00
	TOTAL		97,808,400:00
10.	M/S TRUE-TECH ENGINEERING	2	18,100,000:00

	LIMITED		29,830,962:00
	TOTAL		47,930,962:00
11.	M/S EMHAMU GLOBAL ENTERPRISES LIMITED	4	22,083,534:00 42,538,744:05 67,963,000:00 95,059,000:00
	TOTAL		227,644,278:05
12.	M/S SAHEL ASSOCIATE CONSULT ENGINEERS	2	15,567,747:00 8,087,694:25
	TOTAL		23,655,441:25
13.	M/S OAK CREST NIGERIA LIMITED	2	56,120,400:00 49,772,800:00
	TOTAL		105,893,200:00
14.	M/S DANMAIRO NIGERIA LIMITED	2	56,120,400:00 49,772,800:00
	TOTAL		105,893,200:00
15.	M/S PEAK PROPERTIES AND INVESTMENT NIGERIA LIMITED	2	49,772,800:00 53,373,000:00
	TOTAL		103,145,800:00
16.	MESSER BARDE BROTHERS MULTI SERVICES LIMITED	7	17,275,956:08 16,864,996:13 15,605,936:48 15,124,831:99 25,864,954:29 27,350,139:33 27,564,952:74
	TOTAL		145,601,767:04
17	M/S ASSOCIATES DESIGN PRACTICES	2	9,352,240:13 3,796,709:72
	TOTAL		13,148,949:85
18.	M/S BRAVURA TECHNOLOGY LIMITED	4	37,872,500:00 30,852,500:00 99,866,970:00 88,715,000:00
	TOTAL		257,306,970:00

19.	M/S YAKUBEN NIGERIA LIMITED	2	35,014,665:00 15,087,429:00
	TOTAL		50,102,094:00
21.	M/S BRIGHT VIEW CAPITAL ALLIANCE LIMITED	2	25,632,243:00 15,087,429:00
	TOTAL		40,719,672:00
22.	MESSER ZANTAMMA NIGERIA LIMITED	4	15,087,429:00 15,087,429:00 17,788,470:00 15,087,429:00
	TOTAL		63,050,757:00
23.	M/S A.B.K SONS NIGERIA LIMITED	2	15,087,429:00 17,652,810:00
	TOTAL		32,740,239:00
24.	M/S TIPA ENERGY LIMITED	2	34,859,200:00 34,859,200:00
	TOTAL		69,718,400:00
25	M/S A & YZ INTERGRADED LIMITED	3	28,420,000:00 49,830,300:00 49,830,300:00
	TOTAL		127,080,600:00
26.	M/S BIMAZ ENGINEERING CONSTRUCTION CO. LIMITED	2	49,910,000:00 49,910,000:00
	TOTAL		99,820,000:00
27.	M/S ACE GLOBAL SERVICES LIMITED	2	49,910,000:00 49,910,000:00
	TOTAL		69,718,400:00
28.	M/S APEIRON NIGERIA LIMITED	2	149,043,148:00 150,798,220:00
	TOTAL		299,841,368:00
29.	MESSERS SAMBALKO ENTERPRISES CO LIMITED	2	23,987,000:00 48,815,000:00
	TOTAL		72,802,000:00
30	MESSERS ZYMARZ NIGERIA	2	35,525,000:00

	LIMITED		21,315,000:00
	TOTAL		56,840,00:00
31	M/S HERCULES AND ASSOCIATES LIMITED	2	48,324,108:00 83,306,250:00
	TOTAL		131,630,358:00

(j) The Committee further found out that all the Bills of Quantities for rehabilitation works presented to the Committee by PINE were all blank thereby making it difficult to ascertain the true cost of the projects. Other anomalies include:

- i. That only **Eight (8)** award letters were sighted out of the **Thirty - Nine 39** contracts approved by The Ministerial Tenders Board under the Presidential Initiative for North East (PINE);
- ii. It was observed that, the attendance sheet for PINE Procurement Planning Committee meeting of **Friday, 12th February, 2016** was attended by five (5) officers; three (3) of them signed on the day of the meeting (**12/2/16**), while the remaining two (2) officers signed the sheet five days after (**17/2/16**);

- iii. There were inconsistencies in the dates on the Attendants Sheet for Bidders;
- iv. The appointment of Consultants for the rehabilitation of schools; and the removal of invasive plant species along river channels in Yobe state under the Presidential Initiative for North East (PINE) were shrouded with fraud as there was no record of process of how the Consultants were engaged. This is a clear violation of Section 44 of the Public Procurement Act, 2007 which states that:

"Where a procuring entity wishes to procure services for its needs which are precise and ascertainable:

(a) it shall solicit for expressions of interests or applications to pre-qualify to provide the services by publishing a notice to that effect in at least two (2) National Newspapers and the Procurement Journal,

*(b) where the value of the services to be procured is less than **One Million (N1,000,000.00)** naira, or with the approval of the Bureau, of such a low value that only national consultants*

would be interested, the procuring entity may without placing any notice request at least 3 and not more than 10 consultants or service providers to make proposals for the provision of the services in a format stipulated:

(b-i) a statement of qualifications of the consultant to provide the service;

(b-ii) a statement of understanding of the procuring entity's needs;

(b-iii) the methodology for providing the service;

(b-iv) the time frame for providing the service; and

(b-v) the cost or fee for the service";

(k) The Committee could not sight any document conveying Federal Executive Council approval on all the contracts above N50,000,000.00 as required by the Public Procurement Act, 2007;

(l) That most of the contracts awarded by PINE have no direct bearing/impact to the lives of the displaced persons apparently languishing in hunger/starvation, disease, squalor and other deplorable conditions in all the IDPs but based on pecuniary interests of the officials. The contracts under reference include:

- (i) PINE contributions to two (2) conferences on Rebuilding the North East at **Fifty Million naira each (N50m)** on 1st June, 2016; and
- (ii) The purported payment of **Five Hundred and Thirty Million, Six Hundred and Fifty Seven Thousand, Ninety One Naira, and two kobo (N530,657,091.02)** to JOSMON Technologies Limited in two tranches (**N272,524,356.02 & N258,132,735.00**) for the removal of invasive plant species Komadugu, Yobe Water Channels;
- (iii) That the Presidential Initiative on North East (PINE) took undue advantage of the provision of emergency situation contract award in the Public Procurement Act, 2007 to inflate contracts. Also, contracts were awarded to companies belonging to top government officials' cronies and close associates. For example, **Rholavision Engineering Limited** Incorporated in **1990** with **RC No. 159855** at the Corporate Affairs Commission Abuja, to carry out Information and Communication Technology (ICT) services, anchored by Engr. Babachir David Lawal, **the suspended Secretary to the Government of the Federation**, was awarded consultancy contract for the removal of the invasive plant species in Yobe state on 8th March, 2016. The Technical Evaluation submitted to the

Committee by PINE shows that, the Company has only **three (3)** out of the **six (6)** Pre- qualification criteria of BPP (no evidence of PENCOM, no evidence of ITF, no financial form, no evidence of financial capability, no relevant technical staff, and no equipment lease and proof of ownership), thus making it technically unqualified to be awarded any contract as required by **Section 16(6) of the Public Procurement Act 2007**. It was also discovered that, **although Engr. Babachir David Lawal resigned the directorship of the said company in September, 2016, Central Bank of Nigeria (CBN) has confirmed to the Committee that he is still the signatory to accounts of the company as at Wednesday, 15th February 2017 which shares the same Bank Verification Number (BVN) with his personal account and thirteen other accounts in Commercial Banks (see annexure 3) (BVN attached to the copy laid).**

- (m) In the course of its investigation, the Committee observed that Rholavision Engineering Limited has become a destination pool for companies that were awarded contracts by PINE and other

government agencies to make payments into its (Rholavision) account no. 0182001809 with ECOBANK Plc as follows:

- (i) **JOSMON TECHONOLOGIES LIMITED:** The company was awarded two contracts for the removal of invasive plant species by PINE at the Contracts sums (a) **Two Hundred and Seventy Two Million, Five Hundred and Twenty Four Thousand, Three Hundred and Fifty Six Naira, and Two Kobo (N272,524,356:02)** only;
- (ii) **Two Hundred and Fifty Eight Million, One Hundred and Thirty Two Thousand, Seven Hundred and Thirty Five Naira (N258,132,735:00)** only. The two totaling **Five Hundred and Thirty Million, Six Hundred and Fifty Seven Thousand, Ninety One Naira, and two kobo (N530,657,091:02)** Josmon Technologies Limited then made the following payments to Rholavision Engineering Limited account as follows:

On 29/03/2016, Eight transfers were made:

a. N10,000,000.00

b. N10,000,000.00

c. N10,000,000.00

d. N10,000,000.00

e. N10,000,000.00

f. N10,000,000.00

g. N10,000,000.00

h. N10,000,000.00

On 30/03/2016, Two transfers were made:

a. N10,000,000.00

b. N10,000,000.00

On 31/03/2016, Two transfers were made:

a. N10,000,000.00

b. N10,000,000.00

On 1/04/2016, Five transfers were made:

a. N10,000,000.00

b. N10,000,000.00

c. N10,000,000.00

d. N10,000,000.00

e. N10,000,000.00

On 4/04/2016, Three transfers were made:

a. N10,000,000.00

b. N10,000,000.00

c. 5,000,000.00

On 8/04/2016, Two transfers were made:

a. N10,000,000.00

b. N10,000,000.00

On 9/04/2016, One transfers were made:

N55,000,000.00

On 20/04/2016, One transfers were made:

N47,000,000.00

Josmon Technologies Limited as specified above transferred over N317m to Rholavision Engineering Ltd. See bank statement of account please.

(iii) **JMT GLOBAL TECHNOLOGIES LTD:** The company was awarded eight (8) contracts for Rehabilitations/Renovations in Adamawa State for the sum of **One Hundred and Ninety Nine Million, Four Hundred and One Thousand, Two Hundred and Thirteen Naira, and Sixty Six kobo (N199,401,213:66)** only. On 22/08/16, the company then made a payment of **Thirty Million (N30,000,000)** from Zenith bank account no. 114357188 into Rholavision Engineering Ltd account with ECO Bank Plc.

(iv) **MESSERS ADAMAWA BOREHOLES AND DRILLING COMPANIES LTD:** This company was awarded contract to renovate 7 nos. of 18 classrooms at Yeskule Girls Secondary School, Michika, Adamawa State at the sum of **Fifty – Four Million, Eighty Hundred and Fifty Thousand (N54,850,000:00)** naira, it was observed that on 21/9/2016, the company transferred the sum of **Eighteen Million, Three**

Hundred and Ninety – Two Thousand (N18,392,000:00) naira from its Diamond bank account to the same Rholavision Engineering account.

(v) **YUBY VENTURES LIMITED:** Yuby ventures was awarded a contract of 5 nos. of 15 classroom buildings at Hausari Primary school, Michika LGA, Adamawa State at the contract sum of **Twenty – Nine Million, Four Hundred and Seventy – Nine Thousand, Nine Hundred and Ninety – Nine (N29,479,999)** naira. The investigation reveal that between 5/4/2016 – 9/5/2016 there were transfer transactions of **Fifty-Eight Million (N58,000,000:00)** naira between the Company and **Rholavision Engineering Ltd** account with Eco Bank Plc. (See **Annexure 5**).

(vi) That **Barde Brothers Multi-Services Limited** was awarded seven contracts for renovation of classrooms in Adamawa State for the sum of **One Hundred and Forty-Five Million, Six Hundred and One Thousand, Seven Hundred and Seventy-Six Naira, four kobo Only (N145,601,776.04)** had made three transferred of the sum of **Seventy-One Million, Two Hundred Fifty Thousand, Naira only (12/7/2016 -N26,000,000.00), (13/10/2016 - N22,250,000.00), and (28/10/2016 - N23,000,000.00)** from its Diamond Bank account

into the company account No. 0001813382 of **Badau Agricultural Services Ltd. with JAIZ Bank Plc;**

(vii) The same **Barde Brothers Multi-Services Limited** also made three transfers amounting to **Thirteen Million Naira only (N13,000,000.00)** into the **Diamond Bank** personal account of **Engr. Babachir David Lawal No. 0003004417** as follows:

- on 16/7/2016 = N5,000,000.00
- On 25/8/2016 = N3,000,000.00
- On 9/9/2016 = N5,000,000.00

(viii) That contrary to provision of **Section 35 of the Public Procurement Act 2007, 95% to 100%** payments of all contracts awarded by PINE have been paid for even as some contracts are yet to be fully executed, e.g., two separate payments of **Two Hundred and Eighty Six Million, Seven Hundred and Fifty Thousand, Eight Hundred Naira (N286,750,800:00)** only; and **Three Hundred and Fifty Eight Million, Eight Hundred Forty Four Thousand, Five Hundred Naira (N358,844,500:00)** only for the supply of **2300 units** of temporary tarpaulin carbines at **Three Hundred and Two Thousand Naira (N302,000:00)** per unit, were made to **Dantex Nigeria Limited** despite

the fact that **135** units valued at **N37.7m** were yet to be supplied. However, the contractor has written to the Committee on 15th December, 2016 after appearing before the Committee indicating that, the **135** units under question were set aside for period of emergency which could arise from bomb attacks and returnees that would warrant the contractor to build spontaneously. He stated that, as at the date of the letter, One Hundred (100) units had already been deployed. **(see annexure 5).**

9.0 **DIVERSION OF GRAINS:**

(a) The Committee discovered, from both the Economic and Financial Crime Commission (EFCC) and the Food and Strategic Reserve Department (FSRD) under the Federal Ministry of Agriculture and Rural Development that, Mr. President approved the release of **10,000MT (333 trucks)** of maize to the Internally Displaced Persons (IDPs) in the North Eastern States of Borno, Yobe, Gombe, Adamawa, Taraba and Bauchi. The distribution of the commodities to each state is as follows:

- i. Borno (113 trucks)
- ii. Yobe (70 trucks)
- iii. Adamawa (70 trucks)

- iv. Gombe (25 trucks)
- v. Taraba (30 trucks)
- vi. Bauchi (25 trucks)

(b) The Federal Ministry of Agriculture and Rural Development delivered **293** trucks out of the 333 trucks, and there was a case of Conspiracy, Criminal Breach of Trust due to the diversion of 40 trucks (meant for Borno state IDPs) by one of the transporters engaged to make the delivery. The case was referred to The Economic and Financial Crimes Commission (EFCC) and the following findings came to fore;

- (i) Mars Multi-concepts Limited was awarded a contract by Federal Ministry of Agriculture and Rural Development for the transportation of Ten Thousand (10,000MT) Metric Tonnes (**333** trucks) of maize to internally Displaced Persons (IDPs) camps in the North Eastern States of Borno, Yobe, Adamawa, Gombe, Bauchi and Taraba.
- (ii) The grains were to be lifted from Federal Government Silo complexes in Jos, Plateau State, Minna, Niger State and Birnin-Kebbi in Kebbi State respectively.
- (iii) Mars Multi- concepts Limited engaged the services of Elephant Group Ideas Nigeria Limited (with Alhaji Adamu Bombay as Managing

Director) for the transportation of the 10,000MT (**333** Trucks) of maize to IDPs camps in the North East.

- (iv) A total of **249** trucks of maize were released to Alhaji Adamu Ado Bombay of Elephant Group Ideas Nigeria Limited from the Federal Silos in Jos, Minna and Birnin Kebbi.
- (v) A total of **65** trucks out of the **249** trucks loaded from Silos were diverted and did not reach their intended destination.
- (vi) In the course of our investigation, **₦6,500,000.00** (cash), **₦2,300,000.00** (draft) were recovered as proceeds of crime.
- (vii) A total of **53**, out of the **65** diverted trucks of grains have been recovered from suspects and delivered to the National Emergency Management Agency's warehouses in the affected states.

However, on 12th January, 2017, the Federal Ministry of Agriculture and Rural Development confirmed that with the intervention of EFCC, all the Forty (**40**) trucks have been recovered and delivered. (**See annexure 6**).

10. RECOMMENDATIONS:

From the findings of the investigation, the Committee hereby recommends as follows:

- (1) That since there is evidence of malnutrition, hunger and starvation among the Internally Displaced Persons (IDPs), the Federal Government and States in the North East should as a matter of urgency see that food items, shelter and other essentials are adequately and promptly provided to the IDPs in order to address the prevailing malnutrition observed amongst them;
- (2) That the issue of many out-of-school children in the IDPs as result of poor educational facilities necessitates that concerted effort should be made by both the Federal and State Governments of the North East to provide conducive learning atmosphere for the children of the IDPs;
- (3) That the complete absence of personnel of the Federal Ministry of Health in the IDP camps leaves much to be desired, hence the ministry should be compelled to immediately deploy its

personnel to all the IDPs Camp to support the efforts of the International Humanitarian Crisis Managers and the Nigerian Air force medical team in providing the necessary medical assistance so as to avert possible outbreak of communicable diseases like cholera, measles, and diarrhea etc;

- (4) That the Senate do condemn the failure of the National Emergency Management Agency (NEMA) and the National Commission for Refugees, Migrants, and Internally Displaced Persons (NCFRMI) that are critical to the emergency management, to appear before the Committee despite several invitations;
- (5) That since it was established that PINE was paying less attentions to the critical needs of the IDPs in the form of housing, the bulk of the resources were used for issues that were not addressing the immediate needs of the IDPs, but rather wasted resources on issues that merely address the pecuniary needs/interest of the officials and associates therefore, the Committee recommends that there is the need for concerted effort to reorient the intervention effort to

address the immediate needs such as health, education, rebuilding of homes, infrastructure and a secured environment;

(6) That since one of the issues hindering the management of emergency situation in the IDPs is the lack of synergy and proper coordination among all humanitarian crisis managers in the IDPs, the Committee recommends that the newly constituted Presidential Committee on the North East Initiative (PCNI) should ensure that there is proper synergy and coordination and government should ensure that PCNI be manned by people of high integrity; and inclusive enough to accommodate the leaders of the various communities that are involved;

(7) That since all the contracts awarded by PINE were awarded under the principle of emergency situation, PINE should forward a detailed report of all contracts awarded by it to the Bureau of Public Procurement (BPP) in accordance with **Section 43 (iv)** of the Public Procurement Act, 2007;

(8) That since it was observed that there was no bill of quantities on most of the contracts awarded by PINE under the

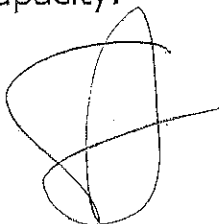
emergency situation, the Bureau of Public Procurement (BPP) should undertake a revaluation of all such contracts to recover any proceeds from over-inflated contracts;

- (9) That the relevant Agencies should ensure that contracts partially executed but fully paid for must be completed by the concerned contractors, or asked to refund the equivalent money of outstanding jobs to the government treasury;
- (10) That all resources that seem to have been misapplied or stolen by public officials should be retrieved and anybody found culpable of contravening any of the provisions of the Public Procurement Act, 2007 and the Federal Government Financial Rules and Regulations pertaining to the award of these contracts should be duly prosecuted by the relevant authorities;
- (11) That the Banks transactions of Rholavision Engineering Limited and the confirmation by the Central Bank of Nigeria that the Bank Verification Number of Engr. Babachir David Lawal is still the signatory to Rholavision Engineering Limited accounts and thirteen (13) other accounts, some with different names; the Committee is of the opinion that Engr. Babachir David Lawal

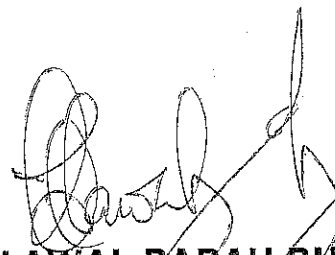
has contravened the provision of Part 1 of the Fifth Schedule of the 1999 Constitution (As amended); the Public Procurement Act 2007 and breach the Oaths of Office as Secretary to the Government of the Federation should be disciplined by the relevant authorities; and

- (12) That the Committee also recommend further investigation by relevant Agencies of Government as to why contract benefitting companies paid over five hundred million (₦500,000,000.00) naira into Rholavision Engineering Limited, a company in which Engr. Babachir David Lawal has interest.

Mr. Senate President, distinguished colleagues, on behalf of other members of the Ad-Hoc Committee, I wish to thank you for the opportunity given to present this main report on the Mounting Humanitarian Crisis in the North East. I wish to also extend our profound gratitude to the leadership of the Senate and to our colleagues for the confidence reposed on us to serve in this capacity.

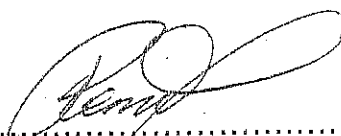


SENATOR SHEHU SANI
Chairman

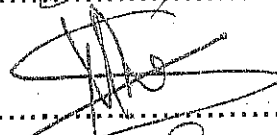


LAWAL BARAU BUNGUDU
Clerk to the Committee

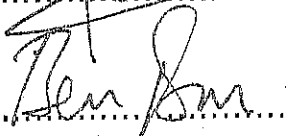
SENATOR OLUREMI TINUBU



SENATOR MALAM ALI WAKILI *mni*



SENATOR BEN MURRAY – BRUCE



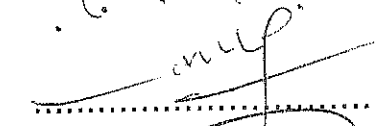
SENATOR MOHAMMED HASSAN

SENATOR ADEOLA OLAMILEKAN

SENATOR TAYO ALASOADURA



SENATOR THEODORE A. ORJI



SENATOR YAHAYA A. ABDULLAHI

