

REPORT OF THE ADHOC COMMITTEE
ON
THE INVESTIGATION OF THE ALLEGED
FINANCIAL RECKLESSNESS IN THE NIGER
DELTA DEVELOPMENT COMMISSION (NDDC)

SUBMITTED TO THE SENATE

JULY, 2020

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Chapter One

Introduction

1.0 Introduction

The Senate at its sitting on **Tuesday, 5th May, 2020** considered a motion on "urgent need to investigate the Alleged Financial Recklessness in the Niger Delta Development Commission (NDDC)" Leading the debate, Senator George T. Sekibo said *"there has been loud accusation of misuse of funds by the previous management of the commission, which portrayed the Commission as a financial conduit pipe, especially when the aspiration of the founding fathers have been forsaken".*

The Senate at the end of its debate on the motion unanimously resolved to constitute an Adhoc Committee to:

- 1. Carry out a holistic investigation on all issues relating but not limited to the alleged misapplication and misappropriation of the sum of N40billion by the Commission;**
- 2. Review all procurement and financial transactions of the Commission in this fiscal year 2020; and**
- 3. Any other matter that is not in accordance with the provisions of NDDC establishment Act, 2000 or any extant law.**

The aim of the exercise is to block leakages of financial mismanagement as well as promote the effective utilization of the Commission resources for the overall development of the Niger Delta Region upon which the Commission was established.

The Niger Delta Development Commission (NDDC) was established by the NDDC Act 6 of 2000 with the sole mandate of ensuring and promoting the economic, environmental and infrastructural development of the Niger Delta region. Over several years of oil exploration and production, the region had suffered environmental degradation, lack of developmental infrastructure, potable water supply and insecurity among others. Despite its well-defined mandate, it is the belief of many stakeholders that the Commission had deviated from the implementation of its core mandate. There have been several reports of looting alleged by successive Management and their cohorts who siphon and divert funds meant for the development of the Niger Delta region and engage in the execution of projects that are not beneficial or of positive impact to the region.

The perpetual allegations of corruption and mismanagement against the Niger Delta Development Commission (NDDC) prompted the decision of Mr. President, Commander-in-Chief of the Armed Forces of the Federation to order a Forensic Audit of the Commission while also constituting an Interim Management Committee (IMC) to oversee the conduct of the Forensic Audit. The IMC is also mandated to steer the affairs of the Commission pending the conclusion of the audit. However, the Interim Management Committee (IMC) was recently levied with numerous allegations of financial mismanagement and recklessness, which necessitated the establishment of the adhoc committee.

1.1 Membership

- | | | |
|-------------------------------|---|---------------------------------|
| 1. Sen. Adetunmbi A. Olubunmi | - | Chairman |
| 2. Sen. Halliru Dauda Jika | - | Member |
| 3. Sen. Hassan I. Hadejia | - | Member |
| 4. Sen. Barinada Mpigi | - | Member |
| 5. Sen. Abdulfatai Buhari | - | Member |
| 6. Sen. Umaru T. Al-Makura | - | Member |
| 7. Sen. Chukwuka G. Utazi | - | Member |
| 8. Abdullahi El-Rasheed | - | Clerk to the Adhoc
Committee |

Chapter Two

Methodology

2.0 Methodology

After its inauguration by the President of the Senate, Sen. (Dr). Ahmad Ibrahim Lawan, Phd, CON on Tuesday, 13th May, 2020, the committee held its maiden meeting to deliberate on the modalities and approach to be adopted in ensuring that the investigation is conducted in a thorough, holistic, open and transparent manner which outcome will be unambiguous and based on verifiable evidence.

In order to ensure that the mandate of the Adhoc Committee is given an accelerated and expeditious consideration and the need for it to conduct an all-inclusive and wider investigation, it identified the following Stakeholders to provide written Memorandum for its work.

1. Federal Ministry of Niger Delta Affairs;
2. Federal Ministry of Finance, Budget & National Planning;
3. Office of the Accountant General of the Federation (OAGF);
4. Office of the Auditor General of the Federation;
5. Central Bank of Nigeria (CBN);
6. Bureau of Public Procurement (BPP);
7. Previous Board of the NDDC;
8. The previous Interim Management Committee (IMC) of the NDDC;
9. The current Interim Management Committee (IMC) of the NDDC;
10. Traditional Rulers of the Niger Delta Region;
11. Governors of the nine (9) member States of the NDDC;
12. Nigerian Financial Intelligence Unit (NFIU);
13. Security Agencies;
14. Contractors of the Niger Delta Development Commission (NDDC);
15. Civil Society Organizations (CSOs);
16. Non-Governmental Organizations (NGOs); and
17. Other Interested public.

2.1 Information Requested from Stakeholders

In order to guide the stakeholders to focus on the relevant information for its mandate, the committee provided additional clarifications to all categories of stakeholders. The details of the guidelines provided by the committee are as follows:

2.1.1 Federal Ministry of Niger Delta Affairs

1. Overview and Status Report of the on-going Forensic Audit of the NDDC;
2. Approvals granted to NDDC for projects executed from 2018, 2019 and 2020 with details of the level of work and expenditures on each project;
3. Details of emergency contracts executed by NDDC from 2018, 2019 and 2020 including type of contract, amount, beneficiary and level of implementation;
4. Requests from NDDC for execution of emergency contracts from 2018, 2019 and 2020 (if any) with specification on their nature and justification for such;
5. Details of certified contractors that were paid by NDDC from 2018, 2019 and 2020 including their addresses, amount paid, job executed and locations;
6. Governance structure and systems of the NDDC in the absence of a Statutory Board of Directors;
7. Process and Limits of Authorization of Contracts and payments during the tenure of the Interim Management Committee (IMC) and the Expanded Interim Management Committee (EIMC) of NDDC; and
8. Method of supervision and oversight of the activities of the Niger Delta Development Commission by the Ministry.

2.1.2 Federal Ministry of Finance, Budget and National Planning

1. Details of releases to NDDC from 2018, 2019 and 2020;
2. Detailed account statements of NDDC accounts from January 2019 to date capturing the lists, description and beneficiaries of payments, including Opening and Closing Balance and the Cumulative inflows and outflows into each account; and
3. Any other relevant information.

2.1.3 Central Bank of Nigeria (CBN)

1. Details of fund deposited and disbursed to NDDC from 2018, 2019 and 2020 for both Naira and Dollar accounts;
2. Details of information on Bank Accounts operated by NDDC;
3. Schedules of NDDC Accounts with Dates;
4. Detailed drilled down transaction of NDDC accounts with date showing; and
5. Any other relevant information.

2.1.4 Office of the Accountant General of the Federation (OAGF)

1. Details of releases to NDDC for 2018, 2019 and 2020 with copies of mandates/authorizations; and
2. Any other relevant information.

2.1.5 Office of the Auditor General of the Federation

1. Copies of each of the Auditor General's Report on the Account of the Federation for the years ended 31st December 2017 and 2018;
2. Extract of all Auditor General's comments on the account of the Niger Delta Development Commission (NDDC) from 2018 to date;
3. All Audit Report on the Niger Delta Development Commission (NDDC) payments to **Messrs Rodnab Construction Ltd**; and
4. Any Other relevant information.

2.1.6 Bureau for Public Procurement (BPP)

1. Guidelines for procurement process;
2. Details of approved projects and procurement processes to NDDC for 2018, 2019 and 2020;
3. Evidence of due process in all NDDC contracts during the period under review;
4. Certificate(s) of No Objection to NDDC during the period under review; and
5. Evidence of approval for emergency contracts to NDDC during the period under review.
6. Request for the status report of Certificate of No Objection on identified 129 projects/contract awarded by the Niger Delta Development Commission (NDDC).

2.1.7 Previous Board of the NDDC

1. Comprehensive list of all Contracts awarded and status of execution during the Board tenure;
2. Comprehensive record of Projects executed and status of their payments during the Board tenure; stewardship;
3. Approvals for Contracts payments during the Board tenure;
4. Details of Tax remittances (Value Added Tax & Withholding Tax);
5. Records of all Board Meetings;
6. Handing over Notes; and
7. Any Other Relevant Information.

2.1.8 Previous Interim Management of the NDDC

1. Comprehensive list of all Contracts awarded and status of execution during their stewardship;
2. Comprehensive record of Projects executed and status of payments for each project during their stewardship;
3. Handing over Notes; and
4. Any Other Relevant Information.

2.1.9 Current Interim Management of the NDDC

1. Details of the approved/executed projects including locations and completion level from 2018, 2019 and 2020;
2. Details of all payments made by the Commission from 2018, 2019 and 2020;
3. Details of all contractual obligations with financial consequences entered by the Commission from 2018, 2019 and 2020 indicating those under investigation and litigation;
4. Statements of the Commission's account for both Naira and Dollar accounts from 2018, 2019 and 2020 indicating remittance by International Oil Companies (IOCs) with certified copies attached;
5. Details of all consultancy contracts and payments entered both in Naira and Dollar by the Commission from 2018, 2019 and 2020
6. Details as regard to Personnel and Human Resources matters as follows:
 - A. Date that the current IMC assume duties;
 - B. Full list of personnel as at the date of assumption of duty of the current IMC;

7. Handover notes from the previous IMC, and
8. Any other relevant information.

2.1.10 Governors of the Nine (9) NDDC Member State

1. Details of all the NDDC projects executed in their States from 2018, 2019 and 2020;
2. Status of all identified NDDC projects in their State;
3. Brief appraisal on the overall performance of the NDDC in line with its mandate; and
4. Any other relevant information.

2.1.11 Nigeria Financial Intelligence Unit (NFIU)

1. Financial Records of the NDDC for 2018, 2019 and 2020 for both Naira and Dollar accounts; and
2. Any Other Relevant Information.

2.2 Public Hearing and Response from Stakeholders

The Adhoc Committee held series of meetings and conducted two (2) days Investigative Public Hearing on **Thursday, 9th and Friday, 10th July 2020** to listen to and discuss submissions from various stakeholders.

It is pertinent to state that some of the identified stakeholders whom the Adhoc Committee had requested information/documents from, did not respond to the request nor did they appear at the Investigative Public Hearing. The stakeholders that formally responded to the Committee's request are:

1. Central Bank of Nigeria (CBN);
2. Office of the Accountant General of the Federation (OAGF);
3. Office of the Auditor General of the Federation;
4. Bureau of Public Procurement (BPP);
5. Expanded Interim Management Committee (EIMC) of the NDDC;
6. Mr. Esima Udo Ekere (Former Managing Director, NDDC);
7. Mrs. Gbene Joi Nunieh (Former Acting Managing Director, IMC of NDDC); and
8. Federal Ministry of Niger Delta Affairs – though no formal meeting response was received, the minister – Senator Godswill Akpabio appeared on day 2 and undertook to respond immediately after the hearing. As at the time of this report, no written response was received.

The sequence of presentation at the two (2) days Investigative Public Hearing are as follows:

2.2.1. Day One, Thursday ,9th July 2020

1. The Accountant General of the Federation;
2. The Governor, Central Bank of Nigeria;
3. The Permanent Secretary, Ministry of Niger Delta Affairs;
4. The Acting Managing Director, Expanded Interim Management Committee of NDDC;
and
5. The Executive Director (Projects), Expanded Interim Management Committee of NDDC.

2.2.2 Day Two, Thursday ,10th July 2020

- a. Contractors Association of Niger Delta Development Commission – Joe Adia;
- b. Evangelist Mrs. Caroline Nagbo (Current EIMC Member);
- c. Citizens Quest for Truth Initiative - Francis Udofia Adimfoha;
- d. Centre for Social Justice -
- e. Act for Positive Transformation Initiatives - Kolawole Johnson;
- f. Tamunokuro George Olonki;
- g. Comr. Danielson Bamidele Akpan, GCNS (President, NANS);
- h. Comr. Victor Essien (NIDSUG);
- i. Amb. Daniel Obadini (President, Niger Delta Elite Forum);
- j. Dr. Chris Omimim;
- k. Comrade Opuama Joseph (National President, Youth for Peace & Development in Niger Delta);
- l. Safe Hands Initiatives;
- m. The Acting Managing Director, EIMC; and
- n. The Honorable Minister, Ministry of Niger Delta Affairs.

2.3 Summary of Submission and Presentation by Stakeholders

2.3.1 Central Bank of Nigeria (CBN)

The Central Bank of Nigeria (CBN) submitted copies of information/documents requested from it as mentioned above and made its presentation at the Investigative Public Hearing on Thursday, 9th July 2020 through Mrs. Catherine Igundunasse, a Deputy Director in the

Banking Services Department of the Apex Bank. Transaction details in the underlisted accounts were provided.

Table 1: NDDC Accounts Listing

S/No	Account Name	Account Number
1.	NIGER DELTA DEVELOPMENT COMMISSION	012017962013
2.	NDDC-LG PROJECT IMPLEMENTATION	0120179642021
3.	REVENUE e-COLLECTION NIGER DELTA DC	0120179661018
4.	REVENUE e-COLLECTION NDDC SPEC PROJ	0120179661026
5.	REVENUE e-COLLECTION PRES COM NDDC	0120179661034
6.	NIG DEL DEV IFAD FGN COMM BAS e-COL	0120179661042
7.	NIGER DELTA DEV COM IFAD FGN NDDC	0120179661058

The summary of the submission and highlight of the presentation are as follows:

- That the Niger Delta Development Commission (NDDC) operates seven (7) accounts domiciled in the Central Bank of Nigeria (CBN);
- That the Apex Bank provided the transaction details of all the seven (7) NDDC accounts capturing Opening and Closing Balances and the cumulative inflows and outflows into each account from Oct 2015 to May 2020.

2.3.2 Office of the Accountant General of the Federation (OAGF)

The Office of the Accountant General of the Federation (OAGF) was represented at the Investigative Public Hearing on Thursday, 9th July 2020 by Sylva Olojieaboh, Director and Coordinator, Treasury Single Account/e-Collection Department. He testified that the submission is the details of Statutory Transfer Releases to the Niger Delta Development Commission (NDDC) from 2018 to May 2020;

Year	Monthly	Annual
2018	N5,932,918,627.42	N71,195,023,529.04
2019	N5,932,918,627.00	N71,195,023,528.20
2020 (Jan – May)	N6,740,134,172.83	N33,700,670,864.15

2.3.3 Bureau of Public Procurement (BPP)

The Bureau of Public Procurement made submission to the Adhoc Committee and appeared at the Investigative Public Hearing on Thursday, 9th July 2020. The summary of the submission are as follows:

- That the Bureau of Public Procurement (BPP) had written to the Niger Delta Development Commission (NDDC) via a letter dated 22nd January 2019 and a letter of 21st February 2019 with reference "BPP/S.1/SP/19/Vol.I/108 drawing the attention of its Management on the need to strengthen the Procurement Practice in the Commission;
- That BPP observed that the Director of Administration in some instances sign the Commission's advertisement of contract and directing bidders to address their bids to the Director of Administration which is not in compliance with the Public Procurement Act, 2007 and extant Government Circulars.
- That the Circular of the Head of Civil Service of the Federation "HCSF/PSO/155/I/3" dated 31st March 2008 directed all Heads of Ministries, Departments and Agencies (MDAs) to establish the Procurement Department in their respective domain;
- That the Director of Procurement in MDAs is the statutory Head of the Procurement Department and the Secretary of the Tenders Board and as such, all procurement related activities in the Commission should be coordinated and supervised by the Director of Procurement and not by any other person;
- That the BPP Certificate of "No Objection" will only be issued to contract award and approved by the Federal Executive Council (FEC) in the sum of N100 million and above for Goods; N500 million and above for Works and N100 million and above for

Non-Consultant/Consultant Services as captured in the circular "SGF/OP/I/S.3/XI/84" issued by the Office of the Secretary to the Government of the Federation (OSGF) dated 14th January 2016;

- That the threshold for contract award/approval by Parastatal tenders Board of which Niger Delta Development Commission (NDDC) falls under is N250 million and above but less than N50 million for Goods; N5 million and above but less than N250 million for Works and N2.50 million and above but less than N50 million for Non-Consultant/Consultant Services as captured in the circular "SGF/OP/I/S.3/XI/84" issued by the Office of the Secretary to the Government of the Federation (OSGF) dated 14th January, 2016;
- That the approving authority for Director General/CEO of Government Parastatals of which the Niger Delta Development Commission (NDDC) falls under is less than N2.50 million for Goods; less than N50 million for Works and less than N2.50 million for Non-Consultant/Consultant Services as captured in the circular "SGF/OP/I/S.3/XI/84" issued by the Office of the Secretary to the Government of the Federation (OSGF) dated 14th January 2016.
- That the Bureau of Public Procurement (BPP) had made adjustments to the procurement guidelines to be adhered to by Ministries, Departments and Agencies (MDAs) for emergency procurement during the COVID-19 pandemic;
- That the existing procurement guidelines are to be adhered to during the COVID-19 pandemic except that all record of bureaucratic and procurement processes should be provided to the BPP after the cessation of the emergency contracts and that the procuring entities will conduct the evaluation of all bidding process and ensure that potential Contractors possess requisite technical and financial-capacities to undertake such projects and are eligible to do business with Government;
- That the presence of bidders or their representative shall not be required during Bid Opening rather it should be conducted through video conferencing and that the bidding periods for Open Competitive Bidding and Restricted Tendering should not be less than seven (7) days and three (3) days respectively.
- That the Bureau of Pubic Procurement (BPP) had forwarded to the Adhoc Committee a number of correspondences with the Niger Delta Development Commission (NDDC) on the latter's request for the issuance of "NO OBJECTION" Certificate for some of its procurement;

- That the request for Certificate of "NO OBJECTION" to adopt Restricted and Selective Method of Procurement for Quick Impact Project in the Niger Delta Region in March 2018 was granted but copy of the Certificate was not attached;
- That the request for "NO OBJECTION" for the Direct Procurement of the Commission's Agricultural Skill Development Programme (AGRIC ENTERPRISE IN CROPS, AQUACULTURE AND AGRO - PROCESSING – LOTS 1-13) in February 2019 was granted but copy of the Certificate was not provided;
- That the request for Certificate of "NO OBJECTION" for the replacement of the existing lift in the Commission's Headquarters with OTIS GEN 2 MACHINE ROOM LIFT in August 2019 was granted but copy of the Certificate was not provided;
- That the request for Certificate of "NO OBJECTION" for the procurement of operational vehicles through Restricted Tendering Method by the Commission in August 2019 was not granted but such Certificate can be issued if the procurement is done through Restricted Method of Procurement but BPP failed to provide whether the procurement was done and if any Certificate was issued to the Commission;
- That the request for Certificate of "NO OBJECTION" for the use of Restricted Tendering Method for the supply and installation of Security Equipment for the MD's Office in August 2019 was not granted to the Commission except if it will adopt Restricted/Selective Tendering Method of Procurement but BPP did not state whether the procurement was done and if any Certificate was issued to the Commission;
- That the request for Certificate of "NO OBJECTION" for the Supply and Distribution of 20,000 Units of BIOSUPR WOUND Gel in the Niger Delta Region by the Commission in March 2019 was not granted except if it's through the adoption of Direct Procurement Method in the sum of **N349,865,128.20** against the initial sum of **N597,674,070.00** but BPP failed to state whether the supply was done or not and if any Certificate was issued to the Commission;
- That the request for Certificate of "NO OBJECTION" for the Appointment of a Consultant to Recruit Forensic Auditors for the Commission in December 2019 through Direct Procurement Method was not granted except if certain conditions were met but BPP failed to state whether such conditions were met and if any Certificate was issued in that regard;
- That the request for Certificate of "NO OBJECTION" for the Award of Contract for the Appointment of the Lead Consultant to Recruit and Supervise Forensic Auditors by the Ministry of Niger Delta Affairs in January 2020 in the sum of **N335,601,562.50** was not granted except if it will be undertaken using the reviewed project cost by BPP in the

sum of **N318,903,750.90**. BPP did not state if any Certificate had been issued in that effect or not;

- That the request for Certificate of "NO OBJECTION" for the Award of Contract for the Engagement of a Consultant for the Design and Supervision of Shore Protection Works Agbere-Odoni in Sagbama LGA and Shore Protection Works at Amassoma in Southern Ijaw LGA, Bayelsa State in a total sum of **N175,710,000.00** in April 2020 was not granted except if it will be undertaken using the BPP Reviewed Project Cost in the total sum of **N134,594,600.00**. BPP did not state if any Certificate had been issued in that effect or not;
- That the request for Certificate of "NO OBJECTION" to Adopt Selective Tendering Process for the Consultancy Services on the Forensic Auditor of NDDC by the Ministry of Niger Delta Affairs in April 2020 will only be granted if certain important document are provided to the Bureau by the Ministry. BPP did not specify if such document were provided or not and if any Certificate had been issued in that effect or not; and
- That the request for Certificate of "NO OBJECTION" to Adopt Direct Procurement Method for the Supply of XEROX VERSALINK B7025 BLACK & WHITE MULTI-FUNCTIONAL PHOTOCOPYING MACHINE WITH DUPLEX AUTOMATIC DOCUMENT FEEDER, 3 TRAY STAND, UP TO 25PPM AND ACCSSORIES by the Commission in April, 2020 was granted but copy of the Certificate was not provided by the Bureau.

2.3.4 Submission from State Government

Only two states namely Edo and Akwa Ibom made submissions to the Ad-hoc Committee secretariat for the public hearing. The summary of details are as follows:

Edo State

According to the submission by Edo State Government, the total number of road projects embarked upon by the NDDC in Edo State from 2004 till 2018 is 231; comprising the following:

The number of projects completed is 68. (many of these roads have failed).

The number of projects on-going as at May 2018 is 145. Construction works have stalled for upward of two years in many of the projects tagged as on-going.

The number of projects not contained in the list forwarded to the committee but on-going is 10. The number of projects stalled is 13.

The number of projects awarded in which construction work is yet to commence is 87.

These figures were extracted from the lists forwarded by NDDC to the committee in March 2017 and May 2018. The list of projects submitted in March 2017 contained stalled, abandoned, yet to commence, completed, already in use, and awaiting commissioning projects with project requiring second phase.

Akwa Ibom State

The Chief of Staff to His Excellency, Governor Udom Emmanuel submitted to the secretariat a list of NDDC abandoned projects in Akwa Ibom State.

According to the list, there are 378 NDDC-abandoned projects spread across Akwa Ibom State and its Local Government Areas (LGA). Onna LGA has 23 abandoned projects and Nsit Ubium LGA has 22 abandoned projects. These 2 LGA's have the highest number of abandoned projects.

2.3.5 Mr Nsima Udo Ekere, Former Managing Director, NDDC

Mr. Nsima Udo Ekere, Former Acting Managing Director, NDDC made his submission to the Adhoc Committee through his Solicitors (J.S. Okutepe SAN and Co). The summary of the submission are as follows:

- That he held the position of the Managing Director of the Niger Delta Development Commission (NDDC) from **4th November 2016 to 25th January 2019**;
- That during his stewardship, he ensures the implementation of a more efficient budget allocation structure to facilitate completion of existing projects by allocating 70% of the Commission's resources to on-going projects and 30% to new projects in 2017 and subsequently 80:20 allocation for 2018 and beyond;
- That he prioritized the completion of existing projects during his stewardship with over 500 projects completed and 2,662 interim payment certificate worth **N380 Billion** were processed;
- That he ensured the success of the Commission's collaboration with the World Bank in initiating the NDDC-World Bank SEEFOR project, which aimed as of then to audit about 5,500 ongoing projects of the Commission to determine their viability and status;

- That he championed and promoted the agenda of reducing the contractual liabilities of the Commission by initiating the cancellation of over **600 projects** in two (2) phases after approval of such were given by the Commission's Management and its Board;
- That the Commission under his leadership recorded a monumental achievement while working closely with the National Assembly in expanding its revenue by amending relevant sections of existing statutes and making the NLNG to commence payment of its statutory contribution to the Commission for the first time in nineteen (19) years;
- That as of **28th January 2019** when he handed over the mantle of leadership, the Commission was having **N100,807,595,994.18** in its four (4) accounts which are broken down as below:

S/NO	ACCOUNT NAME	ACCOUNT NUMBER	US DOLLAR (\$)	NAIRA (N)
1	TSA Revenue Account, CBN	120179661018	—	517,678,978
2	TSA Main Account, CBN	120179642013		40,340,737
3	TSA JV Projects Account, CBN	120179661026		435,511,883
4	CBN Domiciliary Account	100367-UDSCLBANK-05	326,403,088	99,814,064,396
Total			326,403,088	100,807,595,994

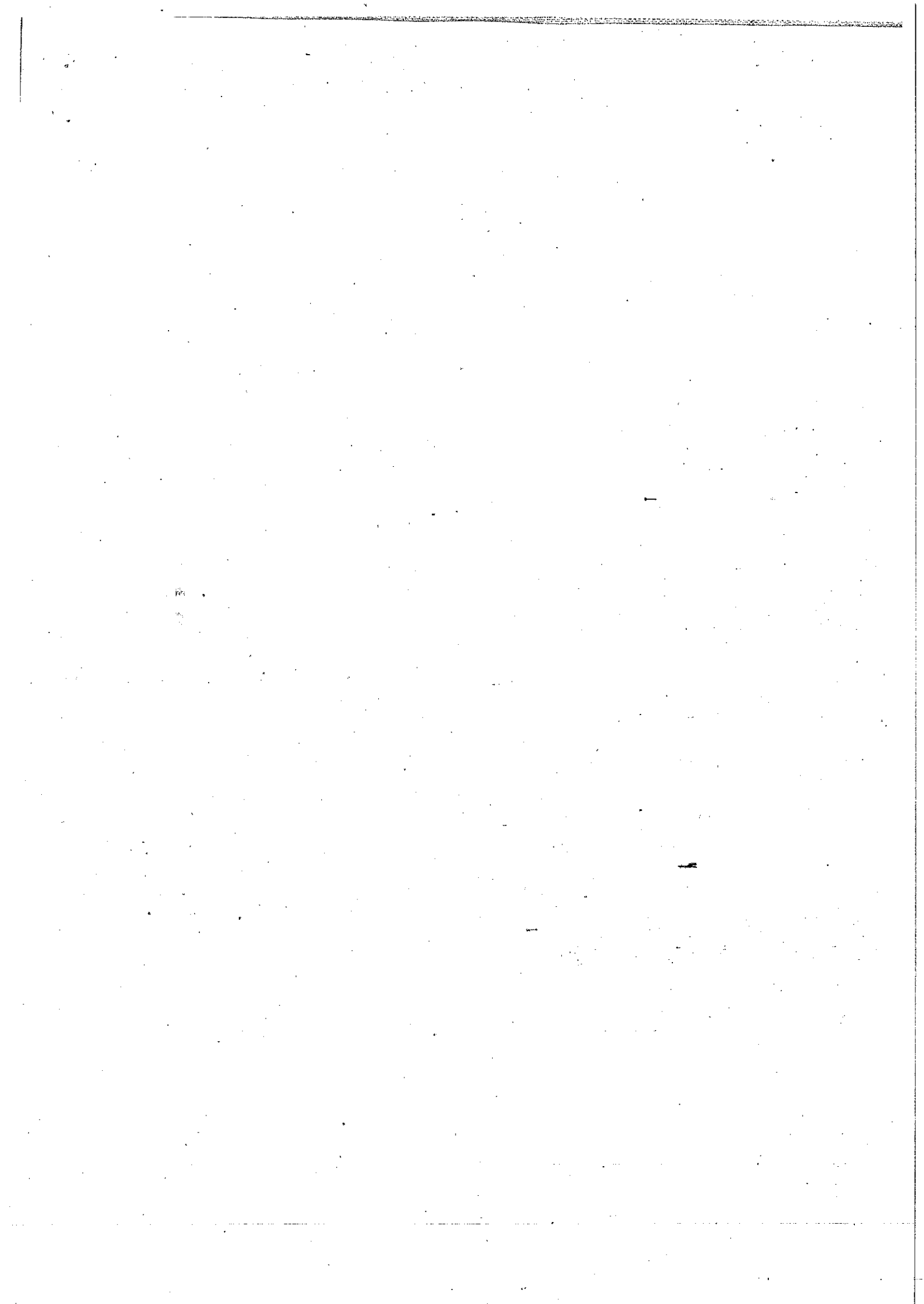
- That other information/documents requested by the Committee cannot be provided by him as they are in the possession of the Commission and he does not have access to them.

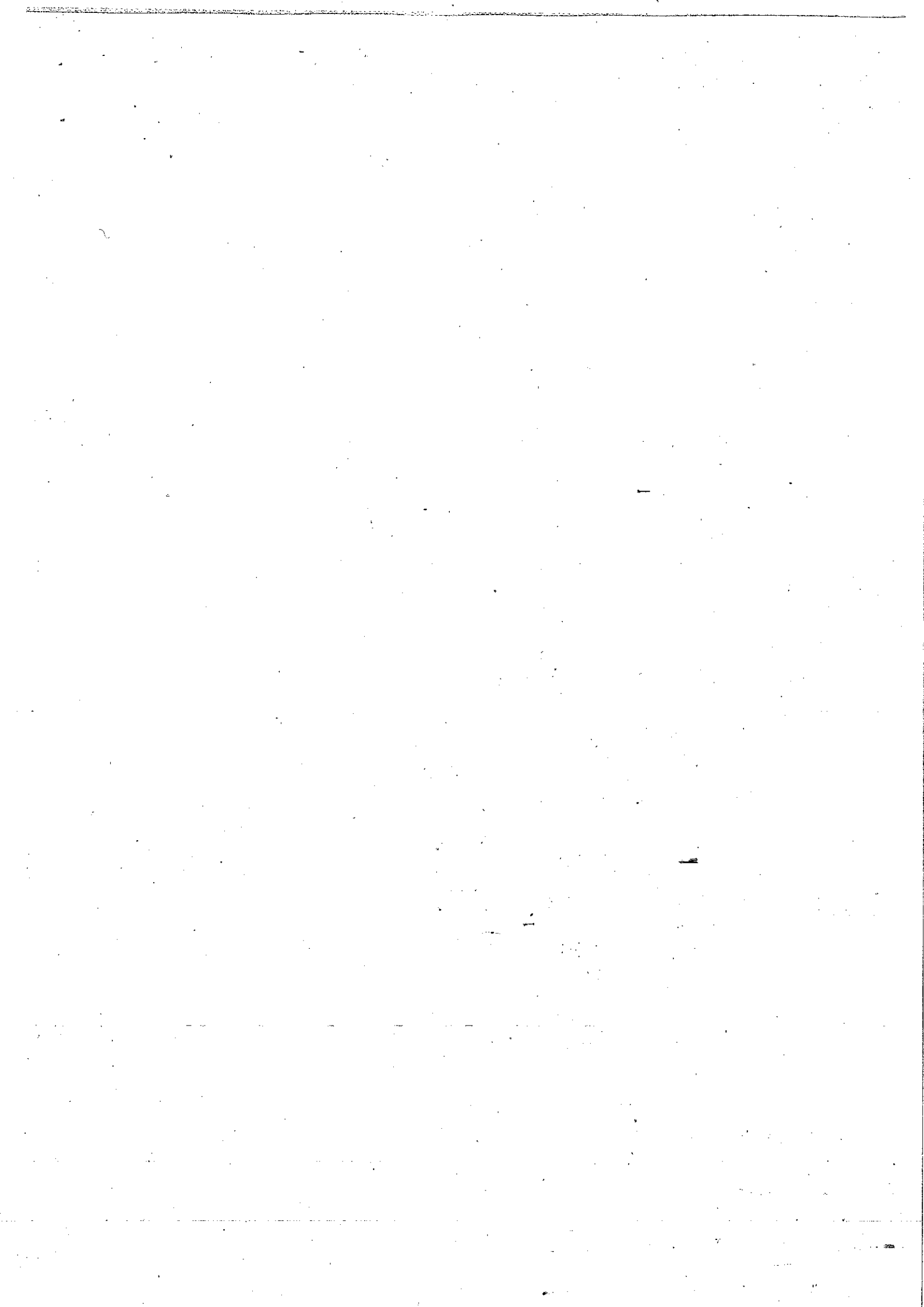
2.3.5 Expanded Interim Management Committee of NDDC

The Expanded Interim Management Committee (EIMC) of the Niger Delta Development Committee (NDDC) made written submission and appeared at the Investigative Public Hearing on Thursday, 9th July 2020 and Friday, 10th July 2020. The EIMC made its presentation through the Acting Managing Director, NDDC, Prof. Kemebradikumo Daniel Pondei and the Executive Director (Projects), Dr. Cairo Ojuogboh. The summary of the submission and highlight of the presentation are as follows:

- That it was the continuous series of allegations of corruption and unwholesome practices against the Commission that prompted the decision of Mr. President to order for the Forensic Audit of the Commission's operations from 2001;

- That Mr. President in exercising the powers conferred on him under Section 7 (3) of the NDDC Act, set up the Expanded Interim Management Committee (EIMC) on February 19, 2020 to oversee the affairs of the Commission for the duration of the Forensic Audit exercise;
- That N22,896,976,827.78 was the Commissions Bank Balance upon the inauguration of the Expanded IMC;
- That between November 2019 and February 2020, the Commissions Income was N37,201,834,515.66;
- That the total Expenditure of the Commission upon the assumption of the Expanded IMC was N21,580,074,643.58;
- That the Expanded IMC inherited a total of 12,384 projects at inception that made up of 9,840 Regular/Conventional projects and 2,544 Emergency projects;
- That upon the conclusion of the Contract Verification exercise in the nine (9) Niger Delta State; the EIMC embarked on physical verification of projects before payment were made;
- That a total of 1,357 outstanding Interim Payment Certificates have been processed for payment from inception of the Expanded IMC to May 12th, 2020;
- That since the inception of the Expanded IMC, a total of 219 Contractors and Service Providers were paid in the sum of N51,201,72,662.38 of which the sum of N15,854,039,751.81 was for Recurrent Expenditure while the sum of N35,353,932,910.54 was for Capital expenses;
- That the cash balance at the coffers of the Commission as at 18th May, 2020 was N27,684,773,460.20 in the Naira account and \$52,404,872.92 in the Dollar account;
- That the Commission received the sum of N71,195,023,528.62 in 2019 from the Federation Account as Statutory Transfers;
- That the Commission received the sum of N64,736,532,211.65 in 2019 as Oil Companies Contribution;
- That the Commission had received the total sum of N40,426,966,089.16 from 1st January to 15th May, 2020 out of which N26,960,536,691.32 is Statutory Allocation from the Federation Account and N13,466,419,397.84 as Oil Companies Contribution to the Commission;
- That there are Seven (7) pending Judgements Debts against the Commission;
- That the allegation of undue gross misconduct in fraudulent contract award without recourse to the Public Procurement Act, 2007 is not correct as the Expanded IMC has





not awarded any contract since inauguration apart from the Emergency Intervention on COVID-19 which was approved by Mr. President;

- That the Interim Management Committee (IMC) is trying to clear a backlog of contracts that were not paid but rather, they are being castigated;
- That the IMC published the N35.3 Billion contracts that were paid in newspapers;
- That no one kobo is misapplied in the NDDC since the coming of the Interim Management Committee (IMC);
- That the major problem of the Niger Delta Development Commission (NDDC) is its annual Budget and the implementation of same as there is personal interest attached to the Budget since inception of the Commission in 2001;
- That it was people, leaders and Governors of the Niger Delta region that requested the President to intervene by ordering a Forensic Audit of the Commission as they have seen nothing from the Commission since its establishment;
- That the various allegations against the Interim Management Committee (IMC) are orchestrated by individuals that are oppose to the IMC and do not want the Forensic Audit to continue as it will unravel their secrets;
- That the Interim Management Committee (IMC) verified all executed projects that have not been paid before making payment to the Contractors;
- That the total payments made by the Interim Management Committee (IMC) since inception is N51 Billion including recurrent and capital projects; and
- That the Interim Management Committee (IMC) did not sack, suspend or forcefully retire any staff of the Commission.

2.3.6 Mrs. Gbene Joi Nunieh, Former Ag Managing Director, IMC, NDDC

Mrs, Gbene Joi Nunieh, Former Acting Managing Director, Interim Management Committee (IMC) of the Niger Delta Development Commission (NDDC) made a written submission to the Adhoc Committee. The summary of the submission is as follows:

- Senator Akpabio made threatening statements as they drove to the IMC inauguration ceremony, saying 'MD, I want you to know that the same pen with which I signed your appointment letter, is the same pen I will use to sign for your removal if you don't cooperate with me or if you disobey my instruction';
- Sen. Akpabio instructed Dr Joi Nunieh to convert all the dollar balance in the NDDC domiciliary account to naira and await his instruction for disbursement as her first duty on resumption;

- Dr Joi Nunieh was not served with a letter of sack or issued any query throughout the duration of her service with the NDDC;
- Sen Akpabio's memo leading to the sack of Dr Nunieh did not follow the streamlined procedure for the removal of an MD. of a parastatal. It was also not referred to the Secretary to the Government of the Federation;
- Dr Nunieh was at no time given the privilege to defend herself or allowed to make any representation for all the allegations in the memo referred to in (4) above;
- Sen Akpabio accused Dr Nunieh of intentionally stalling the forensic audit in order to extend her tenure in office;
- That Sen Akpabio begged to be allowed to supervise the forensic through his ministry and later instructed the EDFA and the EDP to 'steal' contract files he had interest in;
- Dr Nunieh asserted that Sen Akpabio wanted to use the audit process to victimise perceived political enemies and cover up his fraudulent activities and non-executed contracts at the commission;
- Dr Nunieh alleged that Dr Cairo Ojougboh failed and refused to carry out project verification, a committee he chaired, instead he travelled abroad for 2 weeks,
- Senator Akpabio claimed in his memo that Dr Nunieh was frustrating the youths of the Niger Delta and that the Ijaw Youths were threatening to blow up pipelines, which lead to reprisals;
- Sen Akpabio made an attempt to appoint Mr Alfred Etuk as the SA Youths for Dr Nunieh, an appointment which Dr Nunieh refused;
- Sen Akpabio misled 'Mr President' and the FEC in the procurement of the consultant on Forensic audit, which she refused to be part of;
- Dr Nunieh alleged that 80% of correspondences to her from Sen Akpabio are instructions to pay contractors and emergency contracts with no Certificate of No Objection;
- The police security posted to Dr Nunieh were not staff of the NDDC, rather a private arrangement of Sen Akpabio and his former ADC- ACP Israel Okpono to monitor her daily schedules;
- Dr Nunieh alleges that she was kept under severe monitoring which was both domineering and undue thereby giving her a severe emotional stress leading to palpitation and irregular heartbeats;
- That Sen Akpabio requested Dr Nunieh to write a letter to Mr President implicating Senators Nwaoboshi and Olubunmi Ojo, saying that they both own several contracts at the NDDC based on 98 files she found;

- Sen Akpabio requested that contract be awarded for the procurement of relief materials, medical products for flood, for which she has no budget or waiver, also there were enough material in the warehouses, but the Senator insisted that the contract must be issued;
- That Sen Akpabio insisted that Dr Nunieh must come with him to swear an oath at Akwa Ibom state otherwise will not be appointed as a substantive MD of the NDDC;
- That Sen Akpabio directed that all directors who are not loyal to him must be sent on compulsory leave;
- That Sen Akpabio interferes in the day to day running of the NDDC, putting at least 15 calls to Dr Nunieh on daily basis;
- That the senator gave orders to Dr Cairo to hold press conferences on behalf of the NDDC, where he would make unfounded allegations against National Assembly members and
- That Sen Akpabio insisted that a project for the Refugee Commission be added on to the NDDC budget.

2.3.7 Evangelist Caroline Nagbo, Member of EIMC, NDDC

Evangelist Caroline Nagbo, current member of the Expanded Interim Management Committee of the Niger Delta Development Commission (NDDC) made written submission and appeared at the Investigative Public Hearing on Friday, 10th July 2020. The summary of her written submissions and highlight of her verbatim presentation are as follows:

- That she assumed duties upon their-inauguration by the Honourable Minister of Niger Delta Affairs, Sen. Godswill Akpabio on 20th February 2020.
- That she was assigned to head the Directorate of Women, Youth, Sports and Culture by the Honourable Minister of Niger Delta Affairs;
- That since her assumption of duty as the head of the Directorate of Women, Youth, Sports and Culture, the directorate had not received any approval of fund for the conduct of any event or empowerment;
- That on 22nd March 2020 with the approval of the Acting Managing Director of NDDC, she travelled to Abuja to bring back her children from the hostel whose schools were already closed due to COVID-19 but was cut off with the movement restriction and could not go back to Port-Harcourt;

- That as the head of Women, Youth, Sports and Culture Directorate, she wasn't aware of the Commission's plan to extend COVID-19 palliative to the Niger- Delta youth nor was she consulted;
- That upon her enquiry, she discovered that the Acting Managing Director of the Commission had mandated his Special Assistant on Youth Matters, Mr. Alfred Etuk to administer the funds for the palliative said to be in the region of **N270 million**;
- That she has no idea what exact figure was approved for the palliative, from which bank the payments were made through, what criteria was applied in the determination of beneficiaries of the palliative and who received what in reference to the Nine (9) states;
- That she was subjected to horrendous media onslaught and faced intense pressure from different stakeholders particularly, the youth for diverting funds approved by the Commission for the Niger Delta youth which she had no idea about;
- That she wrote to the Department of Security Services (DSS) for thorough investigation of the allegation of fund diversion by her and prevention of breakdown of Law and Order. The DSS swung into action and were able to arrive at the truth but the Commission did not deem it necessary to make official statement as to set the record straight and exonerate her from the falsehood thrown at the General Public;
- That she also read in the Newspapers with utter dismay of the constitution of another Committee by the Interim Management Committee (IMC) charged with the administration of a second round of COVID-19 palliatives; and
- That she has been officially relegated, side-lined and deprived of her rights in the Interim Management Committee (IMC) of the NDDC.

2.3.8 Senator Godswill Akpabio, Honourable Minister, Ministry of Niger Delta Affairs

The Honourable Minister of Niger Delta Affairs; Sen. Godswill Akpabio appeared before the Adhoc Committee at the Investigative Public Hearing on Friday, 10th July 2020 and made oral presentation. He pledged to forward written submission at a later time. The highlights of his presentation are as follows:

- That he assumed office as the Minister of Niger Delta Affairs on 21st August 2019 and that the Niger Delta Development Commission (NDDC) is the only Government parastatal under the supervision of the Ministry;
- That the Commission was taken out of the Ministry shortly after he became Minister;

- That the then Acting Managing Director of NDDC, Mrs. Akwagaga Anyia did not report to him as the Agency was not under the purview of the Ministry;
- That the President, Federal Republic of Nigeria graciously approved his request to return the Niger Delta Development Commission (NDDC) under the supervision of the Ministry;
- That after the return of the Commission to the Ministry, the then Acting Managing Director was still inaccessible as she informed him that the Commission only comes to the Minister when they need approval for anything that is above One Billion Naira which was affirmed at a meeting with the Commission Directors;
- That the Niger Delta Development Commission (NDDC) must be repositioned and the modus operandi of the Commission must change as there are too much excesses in the Commission;
- That as of September 2019 when the Commission was returned to the Ministry, there was no approved Budget for the Commission and that the then Management were only executing Emergency Projects across the region;
- That the threshold for contract approval by the Management of the Commission is N250 million after that, it goes all the way to N999 million under the Board and immediately it hits one billion naira, it goes to the Minister who will seek the approval of the Federal Executive Council (FEC);
- That since he became the Minister of Niger Delta Affairs supervising the NDDC, he only approved the COVID-19 contract by giving an interim approval due to the emergency nature of the request and later the emergency contract/intervention was graciously approved by Mr. President at the sum of N5.4 Billion and that it has undergone all the procedure for emergency procurement;
- That other contract approved and executed by the Commission were done without his knowledge as most of them were under the threshold of the Board which is now the Interim Management Committee (IMC);
- That apart from the intervention contract approved by him, the Management gave an assistance to the Governors of the nine (9) member states of the NDDC in the sum of one billion naira to set up isolation centers in their various states which does not require the approval of the Honourable Minister as it is not above the Board threshold;
- That on 20th October 2019, the Governors of the Niger Delta states came before Mr. President and demanded a forensic audit of the Commission which was approved by the President;

- That the Forensic Audit ordered by Mr. President is being frustrated by individuals that tremendously benefited from the Commission as it will expose all shady dealings and leakages perpetrated over the years; and
- That the Forensic Audit of the NDDC is ongoing and that the Federal Executive Council (FEC) has approved Messrs. Olumuyiwa Basheer & Co as the lead Forensic Auditors while another memo has been presented at the Federal Executive Council for other Forensic Auditors who are going to the States as the Audit has been divided into lots. **N.B.** As at the time of this report, the ministry is yet to provide written submission and has not responded to request for supplementary information by committee according to its letter of 14 July 2020.

2.3.9 Contractors Association of Niger Delta Development

The Chairman Contractors Association of Niger Delta Development Commission, Mr Joe Adia made written submission to the Adhoc Committee and appeared at the Investigative Public Hearing on Friday, 10th July 2020. The summary of the submission and highlights of the presentation are as follows:

- That the claim of the Interim Management Committee (IMC) of the NDDC of paying with less than N50 million is untrue as there are over 500 transformer installation and payments less than N4.5 million that have not been made for over eight (8) years;
- That the claim by the Interim Management Committee (IMC) and the Ministry of Niger Delta Affairs that the Headquarters of the Commission had been completed to 95% is untrue;
- That the new head of IMC – Prof Pondei and other members of IMC are now collecting 20%-30% of contract sums before contractors are paid.
- That the immediate Acting Managing Director of the Commission, Mrs. Gbene Joi Nunieh had stopped all contractors from accessing the Commission till the completion of the Forensic Audit and this makes it difficult for contractors to seek payment for projects they executed; and
- That the contractors that are paid were those having access to the Interim Management Committee (IMC) and known to them whereas the real contractors that did their job judiciously are not getting paid.

2.4.0 Act for Positive Transformation Initiative

Act for Positive Transformation Initiatives is a Civil Society Organization (CSO) that act as development activist. The CSO made submission to the Adhoc Committee and appeared at

the Investigative Public Hearing on Friday, 10th July 2020 and made its presentation through Mr. Kolawole Johnson, Director of Research. The summary of the submission and highlight of the presentation are as follows:

- That the claim by the Interim Management Committee (IMC) of the Niger Delta Development Commission (NDDC) of awarding the COVID-19 intervention contract after the approval of Mr. President is untrue;
- That the IMC had awarded the contracts prior to the presidential approval which is in total disregard of laid down procedures as the contract sum is above the Board threshold;
- That the presidential approval for the procurement of COVID-19 emergency contract was granted on 30th May, 2020 whereas the contract was given by the IMC long before the approval;
- That the COVID-19 emergency contracts were awarded in flagrant disobedience to extant laws particularly as regard to the Public Procurement Act, 2007;
- That most of the contract approval were done in shady manner and that some of the benefitting companies got 15% and above mobilization instantly after the approval of their contracts in less than 24 Hours;
- That an Engineering Company was awarded the contract of consultancy on the campaign of awareness on the prevention of spread of Coronavirus in the NDDC States which is in contravention of the Public Procurement law;
- That the Interim Management Committee (IMC) were illegally extending unexplainable allowance running into billions of naira to themselves and staff of the Commission, particularly in this COVID-19 era without recourse to the need of the Niger Delta region;
- That the Interim Management Committee (IMC) have grossly abused the Budget implementation process of the Commission and the emergency contract award procedures;
- That most of the consultancy contracts awarded by the Interim Management Committee were frivolous and simply meant to mop the fund of the Commission; and
- That the Interim Management Committee (IMC) had been illegally allocating scholarship fund meant for student on foreign scholarship to themselves and family members while students on scholarship abroad are being locked out of their respective schools for non-payment of fees.

2.4.1 Center for Social Justice

The Center for Social Justice is a Civil Society Organization (CSO) and had made written submission to the Adhoc Committee. The summary of the submission are as follows:

- That the Central challenge of the Niger Delta Development Commission (NDDC) is about accountability and transparency particularly as regards to the Commission's Budget;
- That the Commission have never published its Budget proposal in hard or electronic copy to be made available to the General Public;
- That the Commission had never published a Budget implementation report either on a quarterly, half yearly or yearly basis and made same available to Nigerians;
- That the financial transaction of the Commission are hidden away from the General Public and this provides the background for financial recklessness; and
- That the Bureau of Public Procurement (BPP) must be mandated to carryout procurement audit of the NDDC as they are to unravel the shady, over-price, duplicated and unexecuted contracts awarded by the Commission.

2.4.2 Citizens Quest for Truth Initiative

Citizens quest for truth initiative is an advocacy group and Non-Governmental Organization. The group made written submission to the Adhoc Committee and appeared at the Investigative Public Hearing on Friday, 10th July 2020. The group made its presentation through Christy Ndukwe Obiaroku and Francis Udoka Ndemkoha. The summary of the submission and highlight of the presentation are as follows:

- That some of the projects/contracts awarded by the Niger Delta Development Commission (NDDC) amount to financial recklessness as most of them are repeated yearly without implementation.

2.4.3 Niger Delta Elite Forum

The Niger Delta Elite Forum made its presentation at the Investigative Public Hearing on Friday, 10th July, 2020 through Ambassador Daniel Oba. The highlight of the presentation are as follows:

- That the group had been monitoring the activities of the NDDC as an intervention agency for some time and trend of recent unfolding events; and

- That the elites of the Niger Delta have gotten the whole information in respect of alleged financial recklessness by the NDDC through the media and that in due course, the group will forward relevant information/document that will support the Adhoc Committee's work.

2.4.4 Youth for Peace and Development in Niger Delta

Youth for Peace and Development in the Niger Delta, made its presentation at the Investigative Public Hearing on Friday, 10th July 2020 through Comrade Opuama Joseph its National President. The highlight of the Presentation are as follows:

- That the Niger Delta Development Commission (NDDC) was established to bring development closer to the people of Niger Delta;
- That the Commission since its establishment have nothing to show for the billions expended throughout the years; and
- That since the establishment of the Commission, this is the only time a technocrat assumed the position of the Acting Managing Director and as such there is need for all Stakeholders to support the Interim Management Committee (IMC) for the Commission to move ahead.

2.4.5 Gender Equity Support

The Gender Equity Support made its presentation at the Investigative Public Hearing on Friday, 10th July 2020 through Princess Nana Modupe Onwodi. The highlight of the presentation are as follows:

- That the Interim Management Committee (IMC) have nothing to show as regard to the COVID-19 palliative extended to the Niger Delta region by the Commission as it is only few individuals that have benefitted from it.

Chapter Three

Analysis of NDDC Financial Transactions: Projects and Programmes

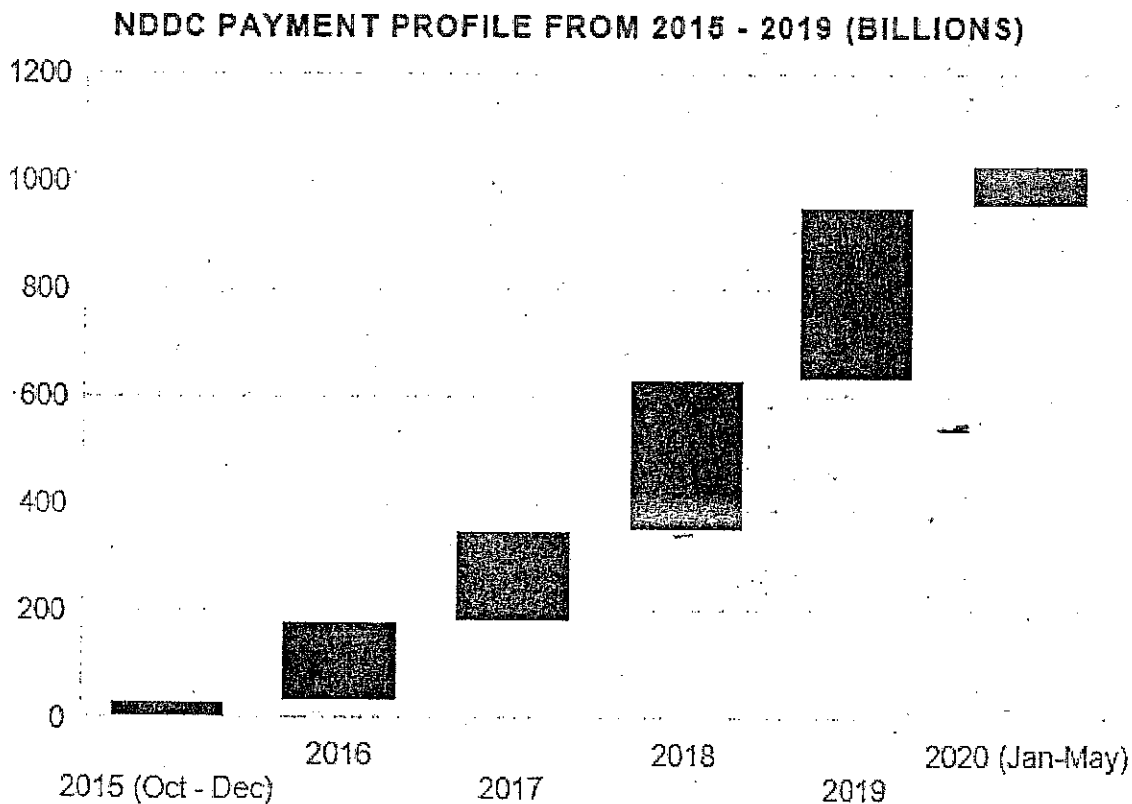
3.0 Overview of NDDC Finance

3.0.1 Gross Summary of NDDC expenditure from Oct 2015 and May 2020

The NDDC finance has grown in the last five years under the administration of President Muhammadu Buhari whose government was inaugurated on May 29th 2015. NDDC annual payment profile for its operations went from **N149 Billion in 2016 to N320 Billion in 2019**. The Jan – May 2020 witnessed another N81 Billion expenditure executed by the Interim Management Committees.

The waterfall diagram below shows the payment profile of the NDDC from Oct 2015 through to May 2020.

Figure 1: NDDC Payment profile from Oct 2015 to May 2019



3.0.2 Statement of Income of the NDDC from Oct 2019 to May 2020

The specific mandate given to the Senate Adhoc Committee was to investigate the alleged financial recklessness in the Niger Delta Development Commission during the tenure of the Interim Management Committee. Therefore, the adhoc Committee focussed on the operation of the NDDC within the first and the second Interim Management Committees, which span Oct 29, 2019 to May 31, 2020.

Table 2: NDDC Revenue Analysis between Oct 29, 2019 to May 31, 2020

NDDC Revenue Analysis between Oct 29, 2019 to May 31, 2020		
Classification	Purpose (Service Type)	Total
Oil Company Contribution	OIL COMPANIES CONTRIBUTION	9,970,986,380
	OIL COMPANIES CONTRIBUTION - Third party notification not required	11,024,302,998
	OIL COMPANIES STATUTORY CONTRIBUTION	6,448,204,489
	OIL COMPANIES STATUTORY CONTRIBUTION - Third party notification not required	2,442,116,400
Oil Company Contribution Total		29,885,610,267
Statutory Allocation	NDDC as Statutory Allocation for the month of October, 2019.	5,932,918,627
	NDDC as Statutory Allocation for the month of November, 2019.	5,932,918,627
	NDDC as Statutory Allocation for the month of December, 2019.	5,932,918,627
	NDDC as Statutory Allocation for the month of January, 2020.	6,740,134,173
	NDDC as Statutory Allocation for the month of February, 2020.	6,740,134,173
	NDDC as Statutory Allocation for the month of March, 2020.	6,740,134,173
	NDDC as Statutory Allocation for the month of April, 2020.	6,740,134,173
Statutory Allocation Total		44,759,292,574

NDDC Revenue Analysis between Oct 29, 2019 to May 31, 2020		
Tender-Bidding Fees	REGISTRATION FEE	4,660,000
	TENDER - BIDDING FEES	631,500
	TENDER - BIDDING FEES – Third party notification not required	10,000
Tender-Bidding Fees Total		5,301,500
Grand Total		74,655,505,840

The review of the NDDC and the Central Bank of Nigeria (CBN) financial reports showed that the Federal Government of Nigeria (FGN) fully complied with its statutory obligation in funding the NDDC. The FGN allocated the sum of N44,759,292,574 to the NDDC between Oct 2019 and May 2020.

In addition, the NDDC financial statements showed that both the oil and non-oil revenue were received in accordance with the statutory revenue alignment agreed in the enabling Act setting up the NDDC.

For the avoidance of doubt, the Senate Adhoc Committee's review was into the alleged financial recklessness in the Niger Delta Development Commission, dwelt on the use of funds and how well they have delivered the financial stewardship of the same.

3.0.3 Sources and Description of Financial Data

At the inception of the Adhoc Committee review, details of financial transactions of the NDDC were obtained from three sources namely –

1. The Central Bank of Nigeria (CBN)
2. The Office of the Accountant General of the Federation (AGF)
3. The Niger Delta Development Commission (NDDC)

Financial reports received from the three sources highlight details of income and expenditure during the period under review. In addition to soft copy submissions, the CBN provided a hard copy version. These data files were in excel format. Data from the CBN and AGF required substantial re-formatting for ease of analysis while the data provided by NDDC was easily usable in its submitted format.

A comprehensive detail of all data provided is further explained in the Appendix, showing the source of data, name of file, as presented, date covered, number of data line in excel and

where relevant the summation of data value and how the data were used in the course of the work of the committee.

The financial transactions files submitted were analysed with specific emphasis on the payment files, which present all payments made by NDDC from the perspective of the NDDC, the AGF and the CBN. The statements of accounts were comparatively analysed to determine areas of discrepancies. The Committee noticed substantial agreement, nonetheless there were several areas requiring extensive accounts reconciliation.

The analysis was first to reclassify the payments into broad categories of expenditure and later narrowed to specific categories in accordance with the nature of the expenditure. This analysis enabled a better sense-making of the data, thereby translating it into summary tables, which formed the basis of interactive engagement with the EIMC of the NDDC during the interactive sessions.

Analysis and Gross Summary of NDDC Expenditure

The analysis showed the following payments total from each of the three sources of data during the period October 29, 2019 to 31 May 2020:

- | | |
|--|------------------------|
| • The Central Bank of Nigeria (CBN) | N92,233,216,061 |
| • Accountant General of the Federation (AGF) | N82,495,259,314 |
| • Niger Delta Development Commission (NDDC) | N81,549,894,866 |

From the above, the AGF submission is closely related to the NDDC figures. There was a sharp difference of N10 Billion in the payments detail supplied by CBN. The area of difference was mainly in **Projects (N5.2B)**, **Medical Expenditure (N2.3B)** and **Finance Charges (N2.6B)** as highlighted in the table below.

- Further clarification of payment data was carried out to reflect the activities of the NDDC during the two tenures of the Interim Management Committee (IMC) of the NDDC. This was captioned as IMC-1 (Oct 29 2019 – Feb 18 2020) and IMC-2 (Feb 19 2020 – May 31 2020).
- The IMC-2 will henceforth be referred to as the extended Interim Management Committee (EIMC) throughout this report.
- The table below is the summary of expenditure as reported by the three sources for both IMC-1 and IMC 2. The sum of both IMCs reconciles back to the summary table shown above.

3.0.4 Tables and Summaries:

Table 3: NDDC Summary Expenditure Oct, 29, 2019 – May 31, 2020

Summary of Expenditure ¹			
Broad Category	AGF	NDDC	CBN
Accommodation	364,327,209	355,094,686	364,327,209
Admin	1,021,283,918	1,148,790,510	1,181,684,718
Audit	120,130,785	118,941,965	118,930,785
Community Relations	1,594,511,428	1,263,354,630	1,594,511,428
Condolences	119,044,411	126,942,783	126,936,533
Consultancy	80,843,705	83,811,455	83,811,455
Covid-19	3,175,608,550	3,140,434,998	3,175,608,550
Duty Tour Allowance	480,733,900	486,597,493	489,381,200
Education	350,225,949	347,938,790	350,225,949
Finance Charges	6,843,643,156	5,602,047,383	8,219,347,133
HSE	11,426,033	11,443,556	11,426,033
Imprest	733,719,020	790,936,935	856,259,020
Lassa Fever	1,956,581,825	1,956,593,435	1,956,581,825
Legal	908,617,835	906,637,260	933,367,835
Logistics	61,127,950	61,030,950	61,127,950
Maintenance	358,165,928	220,327,288	358,165,928
Medical	4,892,100,621	2,586,033,337	4,895,188,388
Meeting	2,077,500	2,077,500	2,077,500
Other Costs	24,498,271	46,692,533	50,223,271
Overseas Travel	85,646,083	85,646,083	118,583,583
Project	38,308,619,591	38,568,741,596	43,708,030,740
Public Communication	2,126,720,426	1,121,157,264	2,075,471,318
Security	730,307,200	744,169,390	783,809,600
Staff	17,309,317,568	20,898,807,825	19,878,914,958
Stakeholder Engagement	248,835,551	248,835,551	248,835,551
Training	570,591,268	570,286,953	570,591,268
Travel	16,553,634	56,522,719	19,796,334

¹ Sorted by IMC 1 and IMC 2

Grand Total	82,495,259,314	81,549,894,866	92,233,216,061
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Table 4: Summary Expenditure Breakdown by IMCs

Oct 29, 2019 – Feb 18, 2020 (IMC-1) and Feb 19 - May 31, 2020 (IMC-2)

Source of information	IMC-1 (N)	IMC-2 (N)	Total (N)
AGF	12,949,967,255	69,545,292,059	82,495,259,314
NDDC	22,474,339,256	59,075,555,610	81,549,894,866
CBN	22,661,068,464	69,572,147,597	92,233,216,061

3.1 Summary by Expenditure Categories

This section deals with expenditure breakdown by category. It covers series of reports that show the granular details of transactions in selected expenditure categories for which the committee sought additional clarification during public hearing.

3.1.1 Projects

The table below is a summary of payments on projects located in the nine states of the NDDC between Oct 29 2019 and May 31 2020. It must be emphasized that the Extended Interim Management Committee in their report confirmed that they did not award any contract except for the Covid-19 contracts that would be discussed later in this report. A more detailed project overview by contractor can be found in Appendix, which is a breakdown of projects into various sub categories such as Road repair, Road Construction, etc.

The Committee's finding is that myriad of projects awarded by the NDDC has no record of presentation at the Bureau of Public Procurement (BPP), either for the issuance of a certificate of no objection or otherwise.

The Senate Committee is unable to verify if due process were followed in the bid/tender for projects at NDDC, hence a sample of 129 NDDC projects were presented to the BPP and NDDC. Three (3) of the projects were granted process waiver according to the NDDC while BPP requested for more time to respond to this enquiry. The three projects granted process waiver are listed below, the full report is listed in the Appendix.

21-May-2020	Osmoserve Global Ltd	EMERGENCY SUPPLY AND DELIVERY OF MEDICAL EQUIPMENT AND CONSUMABLES TO NDDC WAREHOUSE AT OROWUROKWU IN PORT HARCOURT CITY LGA VARIOUS LGA	Medical Supply	2,269,645,000
4-May-2020	Osmoserve Global Ltd	EMERGENCY SUPPLY AND DELIVERY OF MEDICAL EQUIPMENT AND CONSUMABLES TO NDDC WAREHOUSE AT OROWUROKWU IN PORT HARCOURT CITY LGA VARIOUS LGA	Medical Supply	1,646,271,969
20-Apr-2020	Osmoserve Global Ltd	EMERGENCY SUPPLY AND DELIVERY OF MEDICAL EQUIPMENT AND CONSUMABLES TO NDDC WAREHOUSE AT OROWUROKWU IN PORT HARCOURT CITY LGA VARIOUS LGA	Medical Supply	638,052,745

An Overview of Projects Awarded to NDDC States

Table 5: NDDC Project Payments in States by Year of Contract Award

State	Year of Award	AGF		NDDC	CBN
		Number of Payments	Amount	Amount	Amount
ABIA	2013	1	37,195,679	37,195,679	37,195,679
	2014	1	46,958,654		46,958,654
	2015	2	72,260,501	72,260,501	72,260,501
	2017	2	77,934,480	77,934,480	58,343,258
	2018	1	366,365,498	366,365,498	
	Others ²				
Sub Total		7	600,714,813	553,756,158	1,163,797,619
AKWA IBOM	2010	3	86,477,895	86,477,895	76,490,602
	2011	2	107,728,268	107,728,268	25,483,223
	2013	1	1,300,765	1,300,765	1,300,765

² Others refer to those project payments for which information concerning date of award was not provided.

State	Year of Award	AGF		NDDC	CBN
		Number of Payments	Amount	Amount	Amount
	2014	2	91,209,670	90,754,670	
	2015	6	247,706,657	247,706,657	46,489,039
	2017	4	384,732,504	196,611,304	367,562,204
	2020	2	22,360,652	22,360,652	4,648,644
	Others	12	695,241,725	1,140,927,992	1,624,663,739
Sub Total		32	1,636,758,136	1,893,868,202	2,146,638,216
BAYELSA	2004	1	57,826,389		57,826,389
	2005	2	59,292,043	59,292,043	59,292,043
	2006	2	43,901,750	43,901,750	
	2011	4	131,487,309	131,487,309	22,971,395
	2012	2	35,079,736	35,079,736	35,079,736
	2013	1	22,980,550	22,980,550	22,980,550
	2014	1	16,083,010	16,083,010	
	2015	4	53,337,070	53,337,070	7,548,920
	2016	1	175,240,267	175,240,267	
	2017	1	98,370,360	98,370,360	98,370,360
	2018	3	576,600,465	148,746,153	148,746,153
	2019	8	2,825,773,264	2,516,609,960	2,825,773,264
	Others	11	875,560,989	856,443,175	1,402,418,255
Sub Total		41	4,971,533,203	4,157,571,383	4,681,007,066
CROSS RIVER	2013				14,400,000
	2015	2	100,122,592	64,019,012	100,122,592
	2017	2	38,436,843	38,436,843	38,436,843
	Others	4	65,937,381	65,937,381	20,880,682
Sub Total		8	204,496,816	168,393,236	173,840,117
DELTA	2010	1	15,410,097	15,410,097	15,410,097
	2011	1	4,579,501	4,579,501	4,579,501
	2012	2	49,811,325	49,811,325	49,811,325
	2013	3	139,189,115	139,189,115	12,445,852
	2014	8	494,073,015	421,687,967	458,532,797
	2015	6	187,424,137	187,424,137	187,424,137

State	Year of Award	AGF		NDDC	CBN
		Number of Payments	Amount	Amount	Amount
	2017	7	754,890,991	754,890,991	754,890,991
	2018	1	228,766,294	228,766,294	228,766,294
	2019	1	518,993,710	518,993,710	
	2020	1	6,398,464	6,398,464	
	Others	23	3,904,350,624	2,663,591,264	5,783,185,644
Sub Total		54	6,303,887,274	4,990,742,866	7,495,046,640
EDO	2004	1	2,594,854	2,594,854	2,594,854
	2011	3	190,013,731	190,013,731	190,013,731
	2012	2	42,956,383	42,956,383	36,132,889
	2014	2	269,848,138	269,848,138	269,848,138
	2015	1	14,787,228	14,787,228	14,787,228
	2016	2	17,397,998	17,397,998	15,491,514
	2017	1	17,074,117	17,074,117	
	2019	10	4,217,362,639	4,217,362,639	2,182,006,816
	Others	11	3,325,422,846	2,376,406,940	5,759,386,302
Sub Total		33	8,097,457,934	7,148,442,028	8,470,261,473
IMO	2011	1	1,965,302	1,965,302	1,965,302
	2012	2	22,211,200	22,211,200	22,211,200
	2013	1	57,847,317	57,847,317	57,847,317
	2014	4	222,016,142	222,016,142	214,650,016
	2017	2	1,038,359,038	1,038,359,038	1,038,359,038
	2018	5	2,424,102,065	2,424,102,065	531,150,414
	2019	1	555,807,243	555,807,243	
		Others	4	537,840,814	537,840,814
Sub Total		20	4,860,149,121	4,860,149,121	4,123,083,486
ONDO	2010	2	18,951,537	18,951,537	18,951,537
	2011	2	94,300,559	94,300,559	15,458,372
	2012	3	19,349,624	19,349,624	12,614,732
	2014	1	11,718,123	11,718,123	
	2015	2	18,535,982	18,535,982	18,535,982
	2016	1	4,350,928	4,350,928	4,350,928

State	Year of Award	AGF		NDDC	CBN
		Number of Payments	Amount	Amount	Amount
	2017	3	54,711,197	54,711,197	54,711,197
	2019	6	22,561,320	22,561,320	22,542,367
	Others	9	1,101,376,009	1,101,376,009	780,883,377
Sub Total		29	1,345,855,279	1,345,855,279	928,048,492
RIVERS	2009	1	344,565,837	344,565,837	344,565,837
	2010	3	28,228,178	28,228,178	
	2011	12	349,298,839	349,298,839	342,235,373
	2012	5	115,294,380	115,294,380	115,294,380
	2013	1	14,488,099	14,488,099	14,488,099
	2014	8	431,142,898	431,142,898	295,131,046
	2015	5	182,128,146	182,128,146	177,302,707
	2016	1	122,732,614	122,732,614	
	2017	2	1,682,422,456	3,789,966,970	3,193,955,849
	2018	4	1,252,633,955	1,252,633,955	1,252,633,955
	2019	3	1,303,247,874	1,303,247,874	1,303,247,874
	Others	30	3,442,907,323	3,123,114,074	5,946,978,883
Sub Total		75	9,269,090,598	11,056,841,862	12,985,834,005
Others	Others	142	1,018,676,416	2,393,121,460	1,540,473,626
Sub Total		142	1,018,676,416	2,393,121,460	1,540,473,626
Grand Total		441	38,308,619,591	38,568,741,596	43,708,030,740

- The Chairman of the Association of NDDC Contractors – Mr Joe Adia appeared and made presentation at the public hearing accused the NDDC management of fraud, alleging that contractors were asked for a percentage of their invoice value as an advance to facilitate timely approval and payment of milestones due to them. When asked to provide names of contractors who has paid this fee, Mr Adia declined to give names in public, however he offered to provide more information to the committee in private and stating that the evidence of these deductions could be seen in contractor's bank statement.

- These fees can range as high as 20%-30% of contract sum. This allegation was verbally refuted by the Interim MD/CEO – Prof. Pondei Kemebradikumo in his testimony under oath at the public hearing.
- At the point of writing this report, no concrete evidence has been provided on the allegation of fraudulent deduction from contractor's payments.

3.1.2 Medical

The cost incurred on Medical Supplies represents N2.59 Billion, a single contractor (Osmoserve Global Limited) took the lion share of the total expenditure – almost 88% of the cost (N2.28 Billion). The Committee sought assurance from the Bureau of Public Procurement on this contract and found that clearance was obtained by the NDDC management under the emergency procurement procedures. Detailed enquiry made on contract can be found in the Appendix

Table 6: NDDC: Oct 29, 2019 - May 31, 2020 Medical Cost Report

Paid in favour of	Purpose	Amount
Osmoserve Global Ltd	Emergency Supply and Delivery of Medical Equipment and Consumable to NDDC Warehouse at Orowurokwu in Port Harcourt LGA Various LGA	1,646,271,969
Osmoserve Global Ltd	Emergency Supply and Delivery of Medical Equipment Consumables to the NDDC Warehouse at Orowurokwu in Ph	638,052,745
Immanuel Life Dialysis Centre	Engagement as Partner for Treatment of Referral Cases	100,000,000
Galaxy Specialist Hospital	Engagement as Partner for Treatment of Referral Cases Consultancy	25,000,000
Radiant Hospital	Engagement as Partner for Treatment of Referral Cases	25,000,000
Rehoboth Specialist Hospital	Engagement as Partner for Treatment of Referral Cases	25,000,000
Ibitiru Mary	Medical Assistance	18,000,000
Radiant Hospital	Engagement as Partner for Treatment of Referral Cases Consultancy Fee	17,500,000
Galaxy Specialist Hospital	Engagement as Partner for Treatment of Referral Cases Consultancy	17,500,000
Immanuel Life Dialysis Centre	Engagement as Partner for Treatment of Referral Cases	17,500,000
Rehoboth Specialist Hospital	Engagement as Partner for treatment of Referral Cases	17,500,000
Thankgod Eyidia	Medical Assistance for his son's surgery	5,654,956

Akopunwanne Stanley	Medical Assistance for his spouse	5,000,000
Okoro Chukwuemeka	Medical Assistance for his daughters Surgery	4,567,400
Rehoboth Specialist Hospital	Hip replacement for Miembrafa Isaac Okodi	4,500,000
Ahunwa Sylvia	Medical Assistance for her spouse	4,216,113
Immanuel Life Dialysis Centre	Payment for special Medical assistance Blessing Elem	4,000,000
Patrick Usanga	Financial Assistance for Spouse to undertake surgery in Dubai	3,689,949
Memfys & Co		3,087,767
Memeys and Co Ikpendu Nicholas	Medical assistance	2,492,438
Terry Kwada	Financial assistance on Medical Treatment Iro fatal accident	1,500,000
Total		2,586,033,337

Further enquiries were made at the public hearing about the essence of this large procurement, especially because of the risk involved i.e. being a large sum committed to a single contractor.

The IMC members indicated that the medical equipment was bought to be distributed to the nine NDDC locations, this is to help those regions cope with the incidence of Covid-19. This gesture is expected to go a long way to help boost the state government's effort in the nine (9) NDDC states to effectively manage the pandemic.

The EIMC member further confirmed that equipment supplied are safely kept in the NDDC warehouse, some of the equipment have been delivered to some states already and further distribution will be undertaken for the other states soon.

3.1.3 Lassa Fever

- Lassa Fever Kits

The total expenditure on Lassa Fever is N1.96 Billion, this amount covers the procurement of the Lassa Fever Kit (N1.895 Billion) and the cost of distributing the kits (N61.07 Million).

The procurement of the kits was undertaken by the NDDC management under the IMC-1 while the distribution of kits was implemented under the EIMC. On checking with BPP, this procurement did not passed through the BPP compliance process and therefore must be refunded.

Table 7: Expenditure on Supply of Lassa Fever Protective Kits (Oct. 29, 2019 – May 31, 2020)

Paid In favour of	Purpose	Amount
Cremes Ltd	Supply of 21000 Lassa Fever Protective Kits in the Niger Delta Region - TSA/PRG/20/01/0006	857,850,000
Bukadi Global Services	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Signora Concept Services Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Chloe Capital & Busi Support	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Madinagreen Nig Nltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Duxter Services Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Ceeone Pharmacy Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Pearl Medical Support Services	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Guaco Light Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Falconwood Nig Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Lloyds Capital & Busi Support Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
A & G Integrated Nig Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Dutu Solution Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Otams Services Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Pearl Clinics & Maternity Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Manson Global Healthcare Serv	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788

Paid in favour of	Purpose	Amount
Cremes Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Jeog Logistics Nig Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Master Builder Nig Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Switch Original Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Path Stones & Logistics Nig Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Squarepyram ID Ltd	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Deltafric Concepts	Supply of 100 Lassa Fever Kits in the ND Region -TSA/PROJ20/01/0004	47,166,788
Total		1,895,519,325

The distribution of the kit was a major concern to the Senate Adhoc committee. Given that NDDC staff were used as proxy for the delivery of the kits. As shown on the table below, two NDDC staff were paid a total of N55 million for the delivery of the kits to 185 Local Government Areas (LGA) of the Niger Delta States. The Committee was not presented with any concrete evidence why the NDDC engaged staff as logistic contractors.

Paid in favour of	Purpose	Amount
Afiong Ekong	Distribution of LASSA fever personal protective kits to the 185 LGAs of the Niger Delta states.	36,759,945
Adebayo Adetimehin	Distribution of LASSA fever personal protective kits to the 185-LGAs of the Niger Delta states.	18,338,225
Abraham Derefaka	Monitoring of emergency response programme on LASSA fever outbreak	5,975,940
Total		61,074,110

The risk inherent in this arrangement is considered enormous as the management cannot guarantee the safe delivery of these items to its end users and the EIMC did not present any verifiable means for proof of delivery of the items to the end-users.

At the public hearing, the Executive Director of Projects of the NDDC verbally confirmed that staff were used for the delivery of the items.

3.1.4 Covid-19 Expenditure

NDDC spent a substantial amount of money (**N3.175 Billion**) on the Covid-19 incidence in the Niger Delta region **within two (2) months – April and May 2020**. The breakdown of the expenditure is shown in the next Table.

The explanations of the MD/CEO, the Executive Director, Project and the Director of Finance showed that the entire sum described above were a form of cash palliative distributed by the EIMC for sharing among staff, the police, the youth and the communities in the states.

Table 8: Covid-19 Expenses of IMC 2

Item	Category Amount (AG)	Count (AG)	Gross Amount (AG)	Comments
Training Consultancy	35,238,164	1	35,238,164	Refresher Training on Covid-19, something new to the world?
Sub-Total Training Consultancy		1	35,238,164	
State Support	100,000,000	4	400,000,000	Emergency support for the Nine Niger Delta State Governments for the containment of the spread of Covid-19 In the Niger Delta Region of which four States, Akwa Ibom, Bayelsa, Delta, Rivers got N100 million each while Abia, Cross Rivers, Edo, Imo and Ondo got N75 million each.
State Support	75,000,000	5	375,000,000	
Sub-Total State Support		9	775,000,000	
Covid-19 Publicity	98,358,386	1	98,358,386	Consultancy for the provision of Publicity on the Prevention of Spread of Corona Virus in the 185 LGAs in Nine NDDC States awarded to Julius Dinga Nig Ltd
Covid-19 Publicity (Julius Dinga Nig Ltd)		1	98,358,386	
Covid-19 Police	475,000,000	1	475,000,000	Supply of Face Masks and Hand Sanitizers PPEs for Nigeria Police awarded to Hera Hospitality Ltd
Sub-Total Covid-19 Police		1	475,000,000	
Covid-19 Committee	10,000,000	1	10,000,000	Funds to mobilise the NDDC Covid 19 Palliative Committee
Sub-Total Covid-19 Committee		1	10,000,000	

Item	Category Amount (AG)	Count (AG)	Gross Amount (AG)	Comments
Covid-19 Welfare Youth	46,000,000	3	138,000,000	N46m each paid to Mercy Mbat, Michael Uto, Offiong Ephraim for youths in Bayelsa and Rivers States.
Covid-19 Welfare Youth	23,000,000	3	69,000,000	N23m each paid to Alex Diffa, Nnamdi Okoroji, Ofonime Bassey for youths in Bayelsa and Rivers States
Covid-19 Welfare Youth	20,250,000	3	60,750,000	N20.25m each paid to Anozie Susan, Beauty Ovie, Nwaoha Beatrice for youths in Bayelsa and Rivers States
Sub-Total Covid-19 Welfare Youth		9	267,750,000	Paid through staff as noted above
Covid-19 Relief	10,000,000	1	10,000,000	
Covid-19 Relief	7,000,000	2	14,000,000	
Covid-19 Relief	5,000,000	2	10,000,000	
Covid-19 Relief	3,000,000	148	444,000,000	
Covid-19 Relief	1,500,000	157	235,500,000	
Covid-19 Relief	1,000,000	497	497,000,000	
Covid-19 Relief	600,000	464	278,400,000	
Covid-19 Relief (to Staff)		1271	1,488,900,000	
Covid-19 DTA	1,670,000	1	1,670,000	
Covid-19 DTA	1,480,000	4	5,920,000	
Covid-19 DTA	1,470,000	1	1,470,000	
Covid-19 DTA	710,000	2	1,420,000	
Staff DTA for the Distribution of Covid 19 Social Relief Packs for the Vulnerable in the Nine States of the Niger Delta States. Details of Payments per Staff contained in the source documents.				

Item	Category Amount (AG)	Count (AG)	Gross Amount (AG)	Comments
Covid-19 DTA	655,000	1	655,000	
Covid-19 DTA	485,000	1	485,000	
Covid-19 DTA	445,000	1	445,000	
Covid-19 DTA	435,000	1	435,000	
Covid-19 DTA	425,000	1	425,000	
Covid-19 DTA	410,000	1	410,000	
Covid-19 DTA	400,000	1	400,000	
Covid-19 DTA	380,000	4	1,520,000	
Covid-19 DTA	360,000	1	360,000	
Covid-19 DTA	340,000	1	340,000	
Covid-19 DTA	310,000	1	310,000	
Covid-19 DTA	300,000	1	300,000	
Covid-19 DTA	285,000	1	285,000	
Covid-19 DTA	270,000	2	540,000	
Covid-19 DTA	265,000	1	265,000	
Covid-19 DTA	215,000	1	215,000	
Covid-19 DTA	205,000	2	410,000	
Covid-19 DTA	195,000	9	1,755,000	
Covid-19 DTA	185,000	8	1,480,000	

Item	Category Amount (AG)	Count (AG)	Gross Amount (AG)	Comments
Covid-19 DTA	180,000	1	180,000	
Covid-19 DTA	175,000	1	175,000	
Covid-19 DTA	170,000	4	680,000	
Covid-19 DTA	165,000	3	495,000	
Covid-19 DTA	160,000	2	320,000	
Covid-19 DTA	155,000	1	155,000	
Covid-19 DTA	151,000	2	302,000	
Covid-19 DTA	150,000	2	300,000	
Covid-19 DTA	140,000	4	560,000	
Covid-19 DTA	115,000	5	575,000	
Covid-19 DTA	15,000	7	105,000	
Sub-Total Covid-19 DTA		79	25,362,000	
Grand Total		1372	3,175,608,550	

The EIMC explained that these payments were in form of '**cash distribution**' to all parties involved. The IMC also submitted the approval letter given by the Office of the Minister, Ministry of Niger Delta, authorizing the expenditure (Copy of this approval is in the Appendix).

The Senate Adhoc Committee sought to fully understand the basis for this enormous cash distribution, the MD/CEO explained that the **Covid-19 Relief** (N1.489Billion) was a cash incentive paid to staff in addition to their statutory entitlement as staff '*to take care of themselves*'. The breakdown of the Covid-19 Relief payment to categories of staff is provided below:

- MD/CEO confirmed that he received the sum of **N10 Million**;
- 2 Executive Directors got **N7 Million** each (Mr Luke Ibanga and Dr. Cairo Ojuogboh);
- 2 staff took **N5 Million** each;
- 148 Staff took **N3 Million** each;
- 157 Staff took **N1.5 Million** each;
- 497 staff took **N1Million** each;
- 464 staff took **N600,000** each.

The **Covid-19 Committee** was also advanced to the tune of **N10 million** paid in favour of **Mr Luke Ibanga**. It is unclear what this cash payment was designated for.

The MD/CEO in his oral testimony further attested to the fact that a sum of **N475 Million** (in cash) was "*paid to the Police High Command for the procurement of hand sanitizers, facemasks and Personal Protective Equipment (PPE)*".

The Director of Finance – Peter Oghenero while corroborating the Ag MD/CEO, maintained that the sum of over **N267 Million** was paid to the young people in the state – he didn't indicate which state – In order to keep them busy – '*we want to make sure that youths do not carry arms again*'

Also, the MD/CEO stated that - "*NDDC as an intervention agency, decided to intervene..... We gave a total of N775,000 to the nine states; they did not receive the same amount of money because everything done in NDDC is also based on quantum of oil production*"

Covid-19 contracts, though alleged to have been given Presidential and Ministerial approval, nonetheless the emergency procurement procedure that were followed was not made crystal clear by the EIMC.

3.1.5 Public Communication

NDDC incurred about N1.121 Billion on public communication. It must be noted that expenditure record for this heading is about N2.1 Billion in the reports of the Accountant General of the Federation and the Central Bank of Nigeria, showing an under declaration in the NDDC figure. The management under IMC-1 spent **N17 Million** on media outreach while the EIMC spent a more significant amount – **N1.1 Billion**.

Table 9: Public Communication Expenditure Details

Paid in favour of	Purpose	Amount
Advocate Broadcasting Network	Payment on retainership passion 94.5 FM to develop, produce, syndicate two radio programmes	35,000,000
African Independent Television AIT	Payment for media consultancy for Jan to June 2018	14,000,000
Akpesiri Otis	Sponsorship of campaign against electoral violence voter's awareness of not too young to run act for the Niger Delta Region	46,557,525
Chijioke N. Amu-Nnadi	Request for funds to place advert on NDDC contracts verification	6,547,759
Clearpoint Communication Ltd	Re: Immediate campaign to save lives and livelihood in ND region	536,149,215
Clearpoint Communication Ltd	Media consultancy service for int'l reputation mgmt for NDDC and Niger Delta brand	34,000,000
Clearpoint Communication Ltd	Engagement to organise the Niger Delta Development forum in Washington United States	34,000,000
Clearpoint Communication Ltd	Special summit on NDDC and Investment Opportunities Dorchester Hotel London	32,937,500
Dreams Pointer Intl Ltd	TSA/REC/20/01/0014 - Publication of NDDC advertisement green chamber	10,500,000
Ezeribe Moses C	Out of pocket expenditure for sponsorship of campaign against electoral violence, voters' awareness and awareness of no too young to run	20,000,000
Magnus Isaac Solon	Coverage of MD CEOs events	23,000
Miembrafa Isaac Okodi	Rehabilitation coverage	1,000,000

Paid in favour of	Purpose	Amount
Odili Charles Obi	TSA/REC/20/010083 - Fund to place advert for the continuation of verification exercise	9,621,246
Odili Charles Obi	TSA/REC/20/01/0031 - request for the approval of funds to print NDDC newsletter magazine	4,525,500
Okarevu Davies	Out of pocket expenditure for sponsorship of campaign against electoral violence, voters' awareness and awareness of no too young to run	13,000,000
Oleka Nkwachukwu Amara	Out of pocket expenditure for sponsorship of campaign against electoral violence, voters' awareness and awareness of no too young to run	10,000,000
Patrick Oke and Associates	Payment for media consultancy for 4th quarter 2019	297,500,000
Searchlight Ogboka	Production of hard and soft copies synthetic photo book and canvass enlargement	6,380,000
Searchlight Ogboka	Production of hard and soft copies synthetic photo book and canvass enlargement	4,850,000
Searchlight Ogboka	Production of official portrait of KEMEBRADIKUMO PONDEI	2,714,000
Ughakpoteni Pius	Media coverage of project insp in Ondo State by Ag. MD/CEO	1,705,000
Vivien Braide	TSA/REC/20/01/0039 - Payment to Rhythm 93.7 for services to the commission	146,520
Total		1,121,157,264

The analysis of this expenditure heading found that almost 55% of the NDDC disbursement on public communication was to a company called '**Clear Point Communication**', the next 27% to **Patrick Oke and Associate** being a quarterly instalment of contract due.

The Senate Adhoc Committee requested clarification from the NDDC management on the specific nature of work being done by these two organisations and the major differences in the consultancy works. The response from the Executive Director, Project (EDP) did not particularly address the question, rather he explained that the contract existed before they took over from the IMC-1, he also explained that these payments were historical debt owed to the companies who are on the verge of taking a legal action against the NDDC. The EDP also alluded that the expenditure covered a particular television programme, which is aimed at

promoting the activities of the NDDC. The Senate Committee's view is that this expenditure is extra budgetary and therefore must be refunded.

Mr. Kolawole Johnson, the Director of Research for a non-governmental organization – 'Act for Positive Transformation Initiatives' presenting at the public hearing alleged fraudulent transactions involving Mr. Charles Odili (The Director of Corporate Affairs at NDDC) who received monies to the tune of N1.15 Million on 25th March 2020 directly into his Union Bank Account from Clear Point Communications Limited and several other questionable payments from contractors to staff of NDDC all within 21st – 26th May 2020.

The huge contracts seen on Public Communication cannot be justified as value for money. The allegation made by some activists also suggests a likely case of over-bloated invoicing. These contracts are highly recommended to be reviewed further for intent and performance. In addition, the contracts must be subjected to comparative industry standards to justify the pricing.

3.1.6 Education

The account showed that a number of NDDC staff were awarded varying sums of money as foreign postgraduate scholarship second trip 2020 abroad. Within the period under review the organization spent N347 Million on Education Grants and Scholarship.

Table 10: Education Expenditure Report

Paid in favour of	Purpose	Amount
Adie Jeremiah	Payment of takeoff grant allowance for 2019Scholarship beneficiaries	12,502,903
Aigbe Eric Osaikhuemen	Payment of takeoff grant allowance for 2019Scholarship beneficiaries	94,899,888
Atei Beredugo	Financial assistance as educational grant	12,000,000
Benson Dumka Nekabari	TSA/REC/19/01 -Payment on research report by lecturer on sabbatical leave	4,500,000
Bowoto Fola	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Charles Zuafa	Foreign Post Graduate Scholarship second trip 2020	5,198,000

Paid in favour of	Purpose	Amount
Chimnumezi Richard	Take off Grant allowance for 2018Scholarship beneficiaries	4,500,000
Chinem E Uriah	Education grant to study in UK	8,000,000
Dr Cairo Ojougboh	Foreign Post Graduate Scholarship second trip 2020	5,650,000
Edgar Okpozo	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Egi Faith Chinonso	Financial assistance as educational grant	2,000,000
Ezugu Patience N	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Henry Effiong	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Hon Bernard Mikko	Foreign Post Graduate Scholarship second trip 2020	5,198,000
Ibanga Ibanga Etang	Foreign Post Graduate Scholarship second trip 2020	5,198,000
Irene Okezie	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Iroko E Yarhere	Education grant to study in Israel.	5,000,000
Joseph Kinanee	TSA/REC/20/01/0028 - Sabbatical allowance on research	5,000,000
Kemebradikumo Pondel	Foreign Post Graduate Scholarship second trip 2020	5,650,000
Kubiat Etang	Foreign Post Graduate Scholarship second trip 2020	5,198,000
Luke Ibanga	Foreign Post Graduate Scholarship second trip 2020	5,198,000
Luke Ibanga	Foreign Post Graduate Scholarship second trip 2020	3,758,000
Madume Chinyere	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Marg Consultant	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Marg Consultant	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Marg Educational Intl Ltd	2019 NDDC Foreign postgraduate scheme and data infrastructure scheme and admin.cost	106,200,000

Paid in favour of	Purpose	Amount
Oleka Nwachukwu	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Prof Onyewuchi Nduwuishi Oguoma	Research project for lecturer on sabbatical leave	5,000,000
Prof. Alafuro Epelle	TSA/REC/19/01 - Release of Research grant	5,000,000
Seledi Wakama	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Seledi Wakama	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Umezurike Anthony	Foreign Post Graduate Scholarship second trip 2020	3,524,000
Total		347,938,790

Marg Educational International Limited was paid the sum of N106 Million for foreign postgraduate scheme, covering infrastructure and admin cost, it is unclear what services this organization rendered to NDDC, however the character of the transaction suggests that Marg International is a 'middle-man' or an agent for foreign postgraduate admission. The justification of this expenditure is questionable, especially when prospective student can directly approach any institution of their choice; and particularly so when current scholarship holders are yet to be paid their allowances.

The MD/CEO drew attention to the fact that NDDC is currently owing to students that are studying abroad, he asserted that *".... now NDDC has a lot of students abroad and they are being owed fees from 2016, 2017, 2018, 2019 and 2020. Right now, we are clearing the backlog and we just want to clear everything and remove ourselves from the stigma"*.

Looking through the account shown above, it was unclear if these education grants were actually being paid to staff who are stranded abroad as portrayed by the Interim MD/CEO. The names of beneficiaries on the account featured the Interim MD/CEO – Kemebradikumo Pondel, the ED, Project – Cairo Ojuogboh and other notable Directors such as Luke Ibanga. Infact Luke Ibanga got the payment twice.

From the public hearing, the interim MD/CEO stated that he is currently not studying being a professor already, therefore seeing his name on the list as a beneficiary of a scholarship grant is totally unexpected.

3.1.7 Training

For the period under review, NDDC spent a total of N570 Million on Training. The breakdown of this amount is as follows:

- a. **N143 Million** was paid to individual members of staff on April 1, 2020 to attend a budget participatory conference, Incidentally this period happen to be during the Covid-19 lockdown, it is obvious that the conference was not attended as the country was on absolute lockdown. **This sum must therefore be refunded by staff concerned. This payment was made to 5 staff averaging almost N28 Million per person.**
- b. **N171 Million** to train over 300 drivers, Individual staff were paid in cash for this training on February 3, 2020 to attend the driver training course. Making cash payments to individual staff seems to be a standard practice at NDDC. This custom is not only unethical, it lacks transparency and accountability. **NDDC must do away with this practice as a way of improving its duty of stewardship.**
- c. N150 Million to sponsor Union Executive Members to attend a training in Turin, Italy. (Please see Training Table 3.11) These sums were paid to Union members on April 3, 2020 to attend an International Labour Organization Conference in Turin, Italy, incidentally this period also happens to be during the Covid-19 lockdown, it is obvious that the beneficiaries of these payments could not travel out of the country as a result of the Covid-19 travel restriction, hence this sum must be refunded by the Union members concerned. Please refer to the Appendix for Training breakdown.

The quantum of these cost suggests that it might be cheaper to bring the training consultants to Nigeria or from wherever within the country to deliver these courses, which would no doubt bring about a substantial cost savings for the organization. On another note, the relevance of some of these trainings and trips abroad to the operation of the NDDC is questionable in view of their expensive nature.

Generally, the pricing of these NDDC trainings and foreign trips lend itself to stern questions around NDDC's procurement process. The NDDC's Executive Director, Project indicated severally that bloated contract sums in NDDC is a major corruption fight on their hands. Perhaps the training budget exhibits the same trait.

3.1.8 Overseas Travel

The above account shows a one-off travel expenditure with the description tagged '**Delegate to attend graduation ceremony of NDDC scholars in the United Kingdom in June 2020**'. The total cost of this trip is N85.6 million, covering 14 staff to travel to the United Kingdom. The composition of the travelers includes the MD/CEO – Prof Pondel, the EDP – Dr. Cairo Ojuogboh and another Director – Mr. Luke Ibanga. These payments demonstrate a form of internal control failure in the NDDC, especially with the management's choice to subject such transactions as cash payments to individual staff.

Table 11: Overseas Travel Expenditure

Paid in favour of	Purpose	Amount
Seledi Thompson Wakama	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	33,352,050
Ekpebu Lawrence E	Participation at Intl Labour and Employment Relations Association in South Korea 2018	4,642,308
Prof Kemebradikumo Pondel	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	4,574,300
Bassey Etang	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	4,574,300
Dr Cairo Ojuogboh	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	4,574,300
Agbongiasede Nosa Sunday Idjedje	TSA/REC/19/01/03797 - Attending 2019 Association of Certified Fraud in Texas	3,659,188
Luke Ibanga	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	3,554,500
Nimite Ray Sam Ateki	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	3,193,500
Allwell Hanachor O	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	3,193,500
Chinyere Madume	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	3,027,150
Marg Consultant	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	2,975,237
Irene Okezie	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	2,865,150
Clara Braide	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	2,865,150
Bestman Nnwoka	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	2,865,150

Paid in favour of	Purpose	Amount
Omoren Usenobong	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	2,865,150
Kubiat Bassey	DeLegate to attend graduation ceremony of NDDC scholars in United Kingdom June 2020	2,865,150
Total		85,646,083

The corporate affairs department in collaboration with the Human Resource Department should have been responsible for direct payments for visas to the relevant embassies and airlines etc. This direct cash payment to staff could be abused.

It is also curious that these payments were made on the 17 April 2020 at the height of the Covid-19 lockdown for a June 2020 trip. Obviously, monies had been paid to the 14-staff involved. There was no evidence that these trips took place as Nigeria and the United Kingdom were on lockdown during this period with all international flights and consular services by UK High Commission suspended.

The EIMC team explained that the trip was planned to take place in June and September without any consideration for the Covid-19 pandemic, therefore an early disbursement of fund (Covid-19 was already here in April!) was made to enable staff make timely visa arrangements, **however since the trip is no longer going to hold, everyone paid must refund the monies paid to them for the trip.**

Other issues that came up from various activist group emphasized the gruesome condition of students under NDDC scholarship abroad. NDDC is known to be owing so much money to the students abroad.

3.1.9 Security Expenditure

NDDC spent about N543 Million within six months on Police and Security. This includes payment for retained services of private security firms. The management of the NDDC elaborated the substantial risk to life surrounding working for the NDDC, thereby justifying the quantum of payments made in this area.

Table 12: Security Expenditure Report

Paid in favour of	Purpose	Amount
Hope Kalio	TSA/REC/19/01/03799 - Tour Allowance for ten police officers on official trip with AG.MD/CEO to Ondo State	400,000
Anyaogu Queen	Three months outstanding allowance for the officers attached to the former Executives	38,228,628
Abdulahim Maijama	Pymt of Police Allowance for the month of April 2020	69,575,673
Anthony Afraimu	Pymt of Police Allowance for the month of April 2020	170,000
Vincent Anene C.	Pymt of Police Allowance for the month of March 2020	1,400,000
Vincent Anene C.	Pymt of Police Allowance for the month of March 2020	1,400,000
Abdulahim Maijama	Pymt of Police Allowance for the month of March 2020	43,511,353
Isah Katun	Two months January and February Allowance for Officers attached to Ag MD CEO EDP	340,000
Abdulahim Maijama	Two months January and February allowance for officers attached to Ag Md CEO EDP	35,069,670
Mohamed Yakubu Admin	Pymt of Police Allowance for the month of February 2020	6,438,000
Alphonsus Monday	TSA/REC/20/0012 -Failed Pymt of Police Allowance for the month of January 2020	170,000
Otu Elias	TSA/REC/20/0012 -Failed Pymt of Police Allowance for the month of January 2020	93,000
Sunday Okoko	TSA/REC/20/0012 -Failed Pymt of Police Allowance for the month of January 2020	93,000
Atiku Abubakar	TSA/REC/20/01/0063 -Pymt of Police Allowance for the month of January 2020	5,598,205
Abubakar Abdulmumini	TSA/REC/20/01/0063 -Pymt of Police Allowance for the month of January 2020	50,272,198
Thompson S J Lebari	Payment for security operative allowance for October 2019 to February 2020	150,000
Sj Lebari	TSA/REC/20/01/0058 - Payment for security operative lift for June - September 2019	120,000
Dial 247 Security Intl Ltd	Payment for security consultancy fee for the month pf September 2019 Memo of 24th February 2020	148,516,340

Paid in favour of	Purpose	Amount
Dial 247 Security Intl Ltd	Payment for security consultancy fee for the month of January 2020 memo of 12TH February 2020	37,125,000
Action Security Nig Ltd	Security Companies salary for the month of March 2019	24,735,118
Action Security Nig Ltd	Security Companies salary for the month of March 2020	26,557,833
Action Security Nig Ltd	Security Companies salary for the month of Feb 2020	26,557,833
Action Security Nig Ltd	TSA/REC/20/01/0015 - Security Companies Salaries for the month of January 2020	26,557,833
Total		543,079,680

Again why are huge payments being made to individual accounts? (For example 'Abubakar Abdulmumuni' was paid the sum of N50 Million in one sweep) The Committee also noted that security risk has been the singular justification for huge cash outflows made on stakeholder's engagement, community relations and distribution of relief. When these costs are pooled, they represent a substantial piece of the Niger Delta commonwealth, which may have been dissipated into questionable purposes.

3.1.10 Stakeholder Engagement

For the period under review, NDDC spent a total of N248.3 Million on Stakeholder Engagement. Conflict resolution took about N148 Million, another N99 Million was spent on emergency dialogue with the leadership of ex agitators. These are substantial cash outflows, with questionable actual implementation and value addition.

Table 13: Stakeholder Engagement Expenditure Report

Paid in favour of	Purpose	Amount
Oputu Tonye Frank	Conflict Resolution and Stakeholders Consultative meeting in various LGA Delta State	29,350,000
Ogon Patterson	Conflict Resolution and Stakeholders Consultative meeting in various LGA Delta State	29,350,000
Nosiri Uzochukwu Godwin	Conflict Resolution and Stakeholders Consultative meeting in various LGA Delta State	29,350,000
Oleka Nkwachukwu	Conflict Resolution and Stakeholders Consultative meeting in various LGA Delta State	20,000,000

Paid in favour of	Purpose	Amount
Joseph Cole	Conflict Resolution and Stakeholders Consultative meeting in various LGA Delta State	20,000,000
Alake Festus Kayode	Conflict Resolution and Stakeholders Consultative meeting in various LGA Delta State	20,000,000
Sub-Total		148,050,000
Offiong Ephraim	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Akwa Ibom	20,000,000
Alex Diffa	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Delta part of Bayelsa	15,000,000
Ofonime Bassey	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Cross River part of Bayelsa	15,000,000
Jessica Tagbatsemi	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Rivers State	10,000,000
Nwaoha Beatrice	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Ondo State	10,000,000
Beauty Ovie	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Imo State	10,000,000
Anozie Susan	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Edo State	10,000,000
Vincent Ndukwe	Emergency Dialogue with the Leadership of Ex Agitators of the Niger Delta Region Venue Decoration etc	9,000,000
Sub-Total		99,000,000
Sokari Ogaree	Tripartite Reconciliation meeting NEITI 2018 Oi & Gas Industry Dec 2019	390,551
Iyala Essien Abasi	Tripartite Reconciliation meeting NEITI 2018 Oi & Gas Industry Dec 2019	345,000
Ekelechukwu Ehudu	Tripartite Reconciliation meeting NEITI 2018 Oi & Gas Industry Dec 2019	345,000
Chioma Patrick	Tripartite Reconciliation meeting NEITI 2018 Oi & Gas Industry Dec 2019	345,000
Anita Edogun	Tripartite Reconciliation meeting NEITI 2018 Oi & Gas Industry Dec 2019	310,000
Iyobu Fyeface	TSA/REC/20/01/0038 - DTA to end flagrant misuse of authority that can cause communal problem of Tombiri Sandfilling project	50,000
Sub-Total		1,785,551
Total		248,835,551

It is important to note also that these cash payments were made through named staff of the NDDC, which makes the transparency aspect of the expenditure more questionable. Further investigation must be done to ensure that these usual payments through staff reach their final destinations and achieve the desired impact.

Although, the EIMC raised grave concern around safety and security of staff and executive management around the Niger Delta area and the need to 'settle' agitators around the region, in spite of huge payments incurred on policing and security. It must be appreciated that the cash fête witnessed here is not solving the problem, rather it has created a new normal of expectations and entitlement by staff and some external collaborators that see NDDC as a source of funding for non-NDDC mission activities.

It may be useful and highly recommended for the NDDC to undertake a community needs assessment and risk review in order to fully understand what and how to cater for a lasting community peace rather than frittering cash into private pockets.

3.1.11 Community Relations

Expenditure on Community Relations around the Niger Delta region amounts to about N1.26 Billion during the period under review. the procurement of Maternal Delivery Kit represents almost 85% of the expenditure during the period. As seen in the distribution of maternal kits and Lassa fever relief materials, the NDDC relied on its own staff to carry out the job of distribution of these kits, in this case, about N24 Million was paid to a single individual to facilitate the delivery of materials worth about N1,072 Billion. No accountability or systematic delivery mechanism was put in place to ensure a fit for purpose logistic management for distribution of the items.

The account further showed that NDDC paid the sum of N2,25 Million for the entertainment of Niger Delta Youth and another N1Million sponsorship to organize a Christian Fellowship Celebration. Arguably, the Commission is supporting the Community, however is this value for money?

Table 14: Community Relations Expenditure Report

Paid in favour of	Purpose	Category	Amount (AG)
AHR Global Standard Services Ltd	Emergency Procurement of Social relief packs for distressed and vulnerable people across the nine NDDC states.	Community Support Social Relief Packs	163,583,260
Afiong Ekong	Emergency distribution of Maternal Delivery Kits to 56 flooded communities in Bayelsa, Delta and Rivers state	Community Support Maternal Kit	24,208,870
Ogbuji Lucky	Refreshment for Niger Delta youth movement	Fin Support Entertainment	2,250,000
Benson Nwogu	Sponsorship to organise NDDC Christian Fellowship celebration	Fin Support Christian Fellowship	1,000,000
Sub-Total			191,042,130.31
T & N Ltd	Supply of 175000 Maternal Delivery Kits	Community Support Maternal Kit	357,437,500
Signora Concept Services Ltd	Supply of 175000 Maternal Delivery Kits	Community Support Maternal Kit	357,437,500
Pear Medical Support Services	Supply of 175000 Maternal Delivery Kits	Community Support Maternal Kit	357,437,500
Sub-Total			1,072,312,500
Total			1,263,354,630

The account also showed that contract payments were made in March, April and May 2020 at the thick of the Covid-19 lockdown

3.1.12 Imprest Expenditure

Expenditure from the Imprest account amounts to **N330 million** within a six months period. Specific imprests represents N182 Million while 'other Imprest' accounts for N608 million. The full imprest account is listed in appendix XXX. The scale of expenditure from imprest appears alarming when put into period perspective, knowing that the nation is on a Covid-19 Pandemic lockdown where offices are shut, yet imprest expenditure at NDDC is on the rise. The character presented in the use of imprest suggests huge recklessness where staff are used as a proxy for fraudulent withdrawals.

Table 15: Imprest (Oct 29, 2019 to May 23, 2020)

- based on NDDC record

Location/Officer	Amount (IMC 1)	Amount (EIMC)	Total
MD/CEO	154,800,000.00	179,800,000.00	334,600,000.00
ED Finance & Admin	90,000,000.00	61,403,700.00	151,403,700.00
ED Projects	36,000,000.00	54,000,000.00	90,000,000.00
Imo State Office	71,308,592.50	16,221,525.00	87,530,117.50
Edo Office	18,000,000.00	4,680,000.00	22,680,000.00
Security	1,800,000.00	20,163,117.50	21,963,117.50
Interim Management Committee	-	20,000,000.00	20,000,000.00
Corporate Affairs	720,000.00	10,000,000.00	10,720,000.00
Delta Office	-	7,560,000.00	7,560,000.00
Abuja Office	-	7,200,000.00	7,200,000.00
Akwa Ibom Office	-	6,480,000.00	6,480,000.00
Bayelsa Office	-	6,480,000.00	6,480,000.00
Ondo Office	6,480,000.00	-	6,480,000.00
Rivers State Office	-	6,480,000.00	6,480,000.00
Abia Office	-	5,040,000.00	5,040,000.00
Cross River Office	4,680,000.00	-	4,680,000.00
Special Duties	2,900,000.00	-	2,900,000.00
Admin	1,800,000.00	-	1,800,000.00
Legal	1,440,000.00	-	1,440,000.00
Finance & Supply	1,080,000.00	-	1,080,000.00
Planning, Research & Statistics	1,080,000.00	-	1,080,000.00
Projects Monitoring and Supervision	1,080,000.00	-	1,080,000.00
Agric	900,000.00	-	900,000.00
Commercial & Industrial Development	-	900,000.00	900,000.00
Community and Rural Development	900,000.00	-	900,000.00
Education, Health and Social Services	900,000.00	-	900,000.00
Environmental Protection and Control	900,000.00	-	900,000.00

Location/Officer	Amount (IMC 1)	Amount (EIMC)	Total
Utilities Infrastructural Development and Waterways	900,000.00	-	900,000.00
Youth Women	900,000.00	-	900,000.00
Audit	720,000.00	-	720,000.00
PMD	720,000.00	-	720,000.00
IT	-	540,000.00	540,000.00
PPP	540,000.00	-	540,000.00
ACTU	360,000.00	-	360,000.00
Design	360,000.00	-	360,000.00
Due Process	360,000.00	-	360,000.00
Servicom	360,000.00	-	360,000.00
Headquarters	-	-	0.00
Total	401,988,592.50	406,948,342.50	808,936,935.00

Imprest accruing to the office of the MD/CEO alone amount to **N103.2 million** in December 2019, the EDFA is **N36 Million** and the EDP **N18 Million**. When asked what the huge imprest payments were used for, the EDP explained that it is used to cover travel cost, where in some case they hire boats to get across the creeks. In spite of that, the cost still leaves a substantial gap. The question is how much is the boat itself, if N330 Million is used to hire a boat.

Generally, the use of imprest is for small expenditure in well-disciplined financial environment, the amount collected consistently at NDDC for imprest is actually extreme, it may be useful to carry out an audit of the imprest account on its own, with focus on its use, management and internal control processes, especially being a transit account that must be retired periodically.

Notable members of staff with high incidence of imprest collection includes:

Table 16: Staff with High Imprest Incidence

Name of Staff	Amount (N)	Period
Justina Oweifie	178,800,000	March & April 2020
Eno Ekpe	108,000,000	Dec 2019, Jan, Feb & Mar 2020
Isaac dada Ulebor	108,000,000	Nov & Dec 2019, Jan, Feb & Mar 2020

Dan Albert Selina E	103,200,000	Feb 2020
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At the public hearing, Mr Kolawole Johnson of the Act for Positive Transformation Initiatives also queried the abuse of the imprest account.

Chapter Four

Analysis of Financial Transactions of NDDC: Staffing

This chapter covers payments that were made directly to staff as salary and allowances or as payment for services carried out by the staff on behalf of NDDC. The figures referenced do not amount to benefits to staff as contained in the global analysis of the accounts. For example, deductions for pension are staff benefits which are not paid directly to staff. Also, money paid to medical outlets for retainership is benefit to staff but is not paid directly to staff.

Table 4.1 shows the summary of all payments made to and through staff from October 29, 2019 to May 23, 2020. Based on data from the Office of the Accountant General of the Federation, 24% of the N82.5 billion disbursement was to and through staff. Based on NDDC own record, 26% (or N20.8 billion of N81.5 billion) was to and through staff. Statutory payment to staff (salaries and allowances) was N14 billion while the rest was additional benefit to staff as well as proxy payments made through staff.

4.1 Individual Staff Payments

In the period under consideration, a total of 16,968 transactions were carried out with staff. Statutory payments (Salaries and Allowances) cover Salary (N3.05 billion), Medical Checkup which was introduced by the current Interim Management Committee (N4.9 billion), Housing allowance (N3.12 billion), Housing Grant (N344 million), Recreation allowance (N805 million), Furniture allowance (N967 million), Rent Furniture and Recreation (N80 million), Severance benefits (N514 million), Cost of Living Adjustment (N204 million) and Board allowances (N90 million).

Apart from direct payroll related payments, most of the proxy payments were found in activities related to Covid-19 (N1.8 billion), Lassa Fever (N61 million), Public Communication (N157 million), Stakeholders Engagement (N280 million) and others which totaled N5 billion to N6 billion depending on which record is used. Some of these items are now reviewed.

Table 17: Summary of salary, allowances and other payments made through staff

Summary of Payments made to or through Staff and other individuals						
Item	IMC 1		IMC 2		Summary	
	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)
Medical Checkup	-	-	4,934,000,000.00	4,922,944,307.50	4,934,000,000.00	4,922,944,307.50
Housing Allowance	3,103,177,086.11	-	5,653,704.45	3,753,486.07	3,108,830,790.56	3,753,486.07
Salary	1,025,245,789.75	2,468,775,702.01	2,023,441,935.70	540,089,843.14	3,048,687,725.45	3,008,865,545.15
Furniture Allowance	966,891,596.74	-	581,243.27	-	967,472,840.01	-
Recreation Allowance	600,000.00	-	804,850,351.22	805,594,616.22	805,450,351.22	805,594,616.22
Severance Benefits	-	688,120,080.37	513,591,235.67	91,680,769.95	513,591,235.67	779,800,850.32
Housing Grant	21,000,000.00	21,000,000.00	323,500,000.00	323,539,667.50	344,500,000.00	344,539,667.50
Cost of Living Adjustment	-	-	204,073,182.21	204,208,309.71	204,073,182.21	204,208,309.71
Board Allowance	-	-	90,000,000.00	90,000,000.00	90,000,000.00	90,000,000.00
Rent Furniture Recreation Allowance	-	4,521,905,766.30	80,303,706.87	-	80,303,706.87	4,521,905,766.30
Sub-Total (Salary & Allowances)	5,116,914,472.60	7,699,801,548.68	8,979,995,359.39	6,981,811,000.09	14,096,909,831.99	14,681,612,548.77
Covid-19	1,000,000.00	-	1,791,012,000.00	1,756,838,447.50	1,792,012,000.00	1,756,838,447.50
Imprest	289,720,160.00	401,988,592.50	443,998,860.00	406,948,342.50	733,719,020.00	808,936,935.00
Duty Tour Allowance	166,684,700.00	184,104,110.00	314,049,200.00	302,493,382.50	480,733,900.00	486,597,492.50

Summary of Payments made to or through Staff and other individuals						
Item	IMC 1		IMC 2		Summary	
	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)
Stakeholder Engagement	-	-	280,075,551.00	251,085,551.00	280,075,551.00	251,085,551.00
Overseas Travel	-	-	249,878,593.00	249,878,593.00	249,878,593.00	249,878,593.00
Monitoring & Evaluation	6,850,000.00	106,850,000.00	176,625,000.00	176,636,610.00	183,475,000.00	283,486,610.00
Public Communication	6,547,759.05	6,547,759.05	150,265,265.55	120,522,790.55	156,813,024.60	127,070,549.60
Conference	-	-	147,425,000.00	147,425,000.00	147,425,000.00	147,425,000.00
Condolences	57,271,376.59	65,167,384.17	61,773,033.96	61,775,398.96	119,044,410.55	126,942,783.13
Supplementary Medical	-	-	114,985,000.00	126,676,017.50	114,985,000.00	126,676,017.50
Professional Support	89,150.00	89,150.00	108,085,000.00	108,089,085.00	108,174,150.00	108,178,235.00
Scholarship	-	-	105,500,000.00	111,902,790.00	105,500,000.00	111,902,790.00
Overseas Scholarship	-	-	96,336,000.00	96,336,000.00	96,336,000.00	96,336,000.00
Audit	23,500,000.00	23,500,000.00	51,187,000.00	49,998,180.00	74,687,000.00	73,498,180.00
Printing	-	-	70,350,000.00	70,350,000.00	70,350,000.00	70,350,000.00
Project	60,695,200.00	60,695,200.00	3,650,000.00	-	64,345,200.00	60,695,200.00
Lassa Fever	-	-	61,062,500.00	61,074,110.00	61,062,500.00	61,074,110.00
Maintenance	42,518,300.00	42,518,300.00	12,519,177.84	10,548,372.84	55,037,477.84	53,066,672.84
Sponsorship	21,638,468.00	19,438,468.00	31,430,000.00	26,430,000.00	53,068,468.00	45,868,468.00
Training	46,165,000.00	79,185,685.00	3,166,223.00	2,841,223.00	49,331,223.00	82,026,908.00

Summary of Payments made to or through Staff and other individuals						
Item	IMC 1		IMC 2		Summary	
	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)
Legal	27,000,000.00	-	17,690,000.00	190,000.00	44,690,000.00	190,000.00
Vehicle Hire	11,700,000.00	11,700,000.00	31,070,000.00	20,430,000.00	42,770,000.00	32,130,000.00
HSE	23,656,785.00	23,656,785.00	16,226,033.25	11,443,555.75	39,882,818.25	35,100,340.75
Security	39,100,000.00	39,100,000.00	670,000.00	670,000.00	39,770,000.00	39,770,000.00
Deliverables Enhancement	-	-	39,100,000.00	52,892,202.50	39,100,000.00	52,892,202.50
Education Grant	-	-	37,189,949.20	37,189,949.20	37,189,949.20	37,189,949.20
Transfer	2,162,900.41	13,109,964.76	32,363,844.78	32,367,607.28	34,526,745.19	45,477,572.04
Payment in lieu Hotel	-	-	32,900,000.00	13,300,000.00	32,900,000.00	13,300,000.00
Long Service Award	-	-	32,840,000.00	421,945,510.72	32,840,000.00	421,945,510.72
Maternal Delivery Kits	-	-	24,205,000.00	24,208,870.00	24,205,000.00	24,208,870.00
Other Costs	11,505,659.10	11,505,659.10	6,908,970.00	6,811,970.00	18,414,629.10	18,317,629.10
Travel	1,866,500.00	29,701,500.00	14,687,134.00	26,821,219.00	16,553,634.00	56,522,719.00
Utility Bill	-	-	4,693,563.48	4,693,563.48	4,693,563.48	4,693,563.48
Budget Defence at NASS	-	25,725,000.00	-	-	-	25,725,000.00
Power Inconvenience Allowance	-	139,018,795.00	-	-	-	139,018,795.00
Sub-Total (Others)	839,671,958.15	1,283,602,352.58	4,563,917,899.06	4,790,814,342.28	5,403,589,857.21	6,074,416,694.86

Summary of Payments made to or through Staff and other individuals

Item	IMC 1		IMC 2		Summary	
	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)	Amount (AG)	Amount (NDDC)
Total Payments	5,956,586,430.75	8,983,403,901.26	13,543,913,258.45	11,772,625,342.37	19,500,499,689.20	20,756,029,243.63

4.2 Medical Checkup

Payments under this category totaling N4.9 billion (AG record) was made under the tenure of IMC 2. Although no such payments took place during IMC 1, nonetheless, available data show that this allowance had been in existence even though it appears no specific policy underpins it. It was discovered that N4.44 billion was paid out in 2018 while N4.5 billion was paid out in 2019.

The three members of the Interim Management Committee received the highest amount of N14.2 million each. Two other people, namely Evan Caroline Nagbo and Ms Cecilia Akintomide took N12,387,500 each while Peter Uwa Edieya was paid N10,340,000. Payment to all the 1,401 staff who received the allowance was made on 16 March 2020.

Table 4.2 shows the details of the category of payments of the Medical Checkup allowance and the corresponding number of staff that got paid. The distribution of the payment category and number of staff did not suggest a regular hierarchical pattern (see Chart 4.1). This may suggest an absence of clear policy and raises the suspicion of arbitrariness.

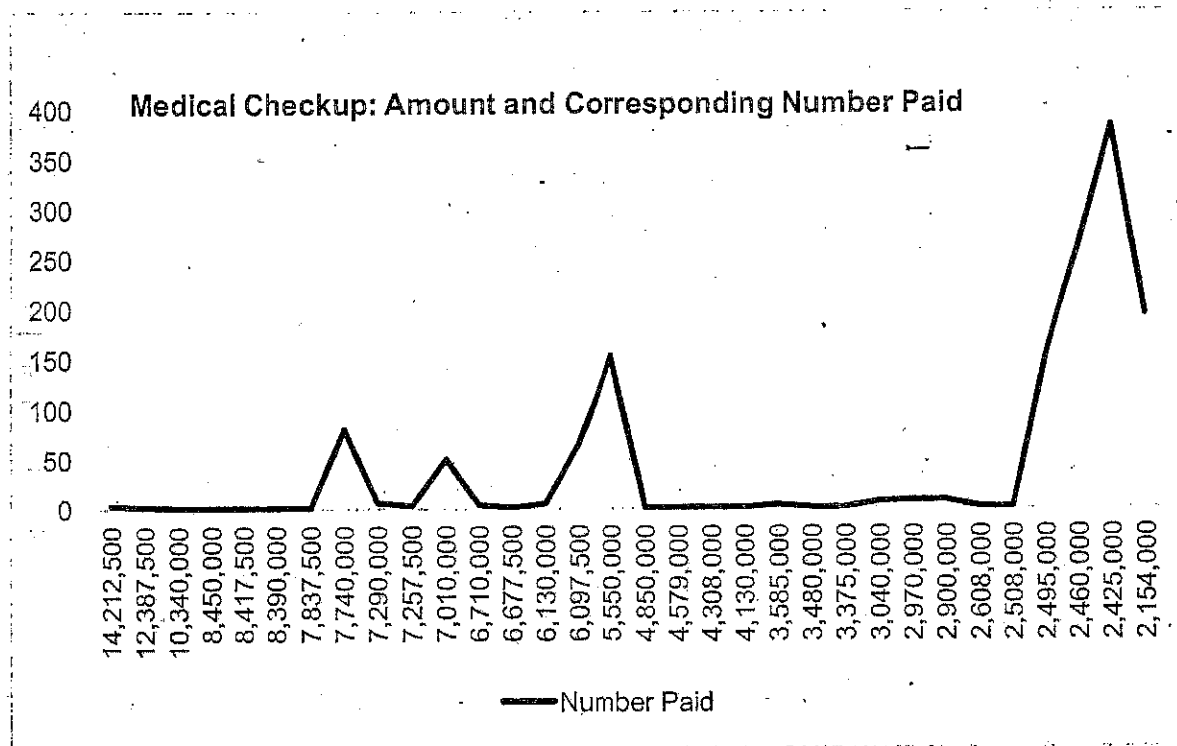
Table 18: Medical Checkup payments by amount categories

Frequency Count of Medical Checkup Payments on 16 March, 2020		
Amount Category	Number Paid	Total in Category
14,212,500	3	42,637,500
12,387,500	2	24,775,000
10,340,000	1	10,340,000
8,450,000	1	8,450,000
8,417,500	1	8,417,500
8,390,000	1	8,390,000
7,837,500	1	7,837,500
7,740,000	80	619,200,000
7,290,000	6	43,740,000

Frequency Count of Medical Checkup Payments on 16 March, 2020		
Amount Category	Number Paid	Total in Category
7,257,500	3	21,772,500
7,010,000	50	350,500,000
6,710,000	4	26,840,000
6,677,500	1	6,677,500
6,130,000	5	30,650,000
6,097,500	65	396,337,500
5,550,000	153	849,150,000
4,850,000	1	4,850,000
4,579,000	1	4,579,000
4,308,000	1	4,308,000
4,130,000	1	4,130,000
3,585,000	4	14,340,000
3,480,000	1	3,480,000
3,375,000	1	3,375,000
3,040,000	7	21,280,000
2,970,000	8	23,760,000
2,900,000	8	23,200,000
2,608,000	1	2,608,000
2,508,000	1	2,508,000
2,495,000	153	381,735,000
2,460,000	261	642,060,000
2,425,000	382	926,350,000

Frequency Count of Medical Checkup Payments on 16 March, 2020		
Amount Category	Number Paid	Total in Category
2,154,000	193	415,722,000
Total	1401	4,934,000,000

Figure 2: Medical Checkup payments by categories



But it should be observed here that even when a policy exists, in most conventional and professional human resource practice, this type of allowance is not paid directly to staff. The more likely and transparent practice would be for the commission to select a number of competent Medical facilities that would carry out the check up on the staff and are paid directly. When staff are paid as is the practice here, there is no accountability and no guarantee that the services were procured and paid for. The current mode employed involving direct payment to staff raises the challenge of possible diversion and the question of value received for money.

There is an issue about the Medical Checkup payment to staff that raises suspicion on the integrity of the financial system in NDDC. A few examples are herein used to illustrate as contained in Table 4.3 below.

Table 19: Use of proxy accounts for Medical Checkup payments

S/N	Paid in favour of	Bank Account Holder	Amount (AG)	Date Paid	Bank
1	Usen Anietie E.	Ebekahwoite Meg Ushurhe	7,740,000	28-Feb-2020	ECOBANK
2	Chijioke N. Amu-Nnadi	Famuagun Cecilia Yetunde	7,010,000	22-Apr-2020	GTB
3	Aomreore Felix	Ezurike Chibuiké Franklin	6,097,500	28-Feb-2020	ACCESS
4	Birawin Lugbe	Aomreore Efe Felix	6,097,500	46-Mar-2020	FCMB
5	Akpan Grace Macaulay	Asuquo Edet	5,550,000	16-Mar-2020	UBN
6	Osuji Elizabeth Ijeoma	Ipenko Rita Adebisi	5,550,000	1-May-2020	GTB
7	Ambakederemo Edmund Plus	Samuel Tom Samuel Hukwu	2,460,000	3-Feb-2020	FBN
8	Uduakobong Cletus Ukpong S.	Enang Uduak Emmanuel	2,460,000	30-Jan-2020	FBN
9	Umoette Essien A.	Umukoro Peter	2,460,000	22-Apr-2020	UBA
10	Affiah Maurice John	Obot Nsemeke	2,425,000	24-Mar-2020	UBN
11	Effiong Nyong Malachy	Florence Wodu	2,425,000	9-Apr-2020	FBN
12	Enamuotor Matthew O.	John Affiah	2,425,000	22-May-2020	STANBIC
13	Okefe Andrew	Skinn Kingsley O	2,425,000	22-Apr-2020	ZENITH
14	Osuobeni Morris	Billy Osuobeni	2,425,000	18-Mar-2020	ZENITH
15	Osuobeni Billy	Billy Osuobeni	2,425,000	3-Apr-2020	FBN
16	Polycarp Jennifer Ijeoma	Edem Mr Joseph	2,425,000	17-Jan-2020	UBN
17	Uranta Vivian	Etim Imaobong Etim Akpan	2,425,000	22-Apr-2020	ECOBANK
18	Akudo Nelly Wolugbor	Ejobogan Uzezi Favour	2,154,000	17-Jan-2020	FBN
19	Emmanuel Edith Nwiniaka	Atamuno Okujagu	2,154,000	2-Jan-2020	ZENITH
20	Ejobogan Uzezi	Alozie Chinyere Stella	2,425,000	2-Apr-2020	UBN

This list is by no means exhaustive but is indicative of some sort of proxy payment. The account through which the Medical Checkup payment is processed is not the account of the beneficiary as can be seen in the table above. Interestingly, these beneficiaries have their own account through which their salaries and allowances are processed. It therefore raises suspicion requiring explanations why proxies were used to pay this allowance while salaries were paid directly to beneficiaries. This obviously is a strong basis for forensic investigation, meanwhile all payments by proxy must be refunded.

4.3 Supplementary Medical

Table 4.4 indicates another payment made to 26 staff simply called "Supplementary Medical". It carries no further description. The amount seems so regular it appears to be an extension of the Medical Checkup payment.

Table 20: Categories and Summary of Supplementary Medical Payment

Amount Category	No of Staff Paid	Total
7,010,000	15	105,150,000
5,245,000	1	5,245,000
550,000	1	550,000
480,000	4	1,920,000
445,000	3	1,335,000
410,000	1	410,000
375,000	1	375,000
Total	26	114,985,000

In human resource practice of normal corporate organisations, this type of payment is bound to raise suspicion as it seems outside the regular staff allowances and therefore should have been better explained. The Supplementary Medical payments were made mostly on 27 March 2020 while four of them were made the following day March 28, 2020.

4.4 Condolences

These are payments made in respect of bereavement and it does not seem to be based on a consistent policy given the degree of variation in value and distribution of payments in similar

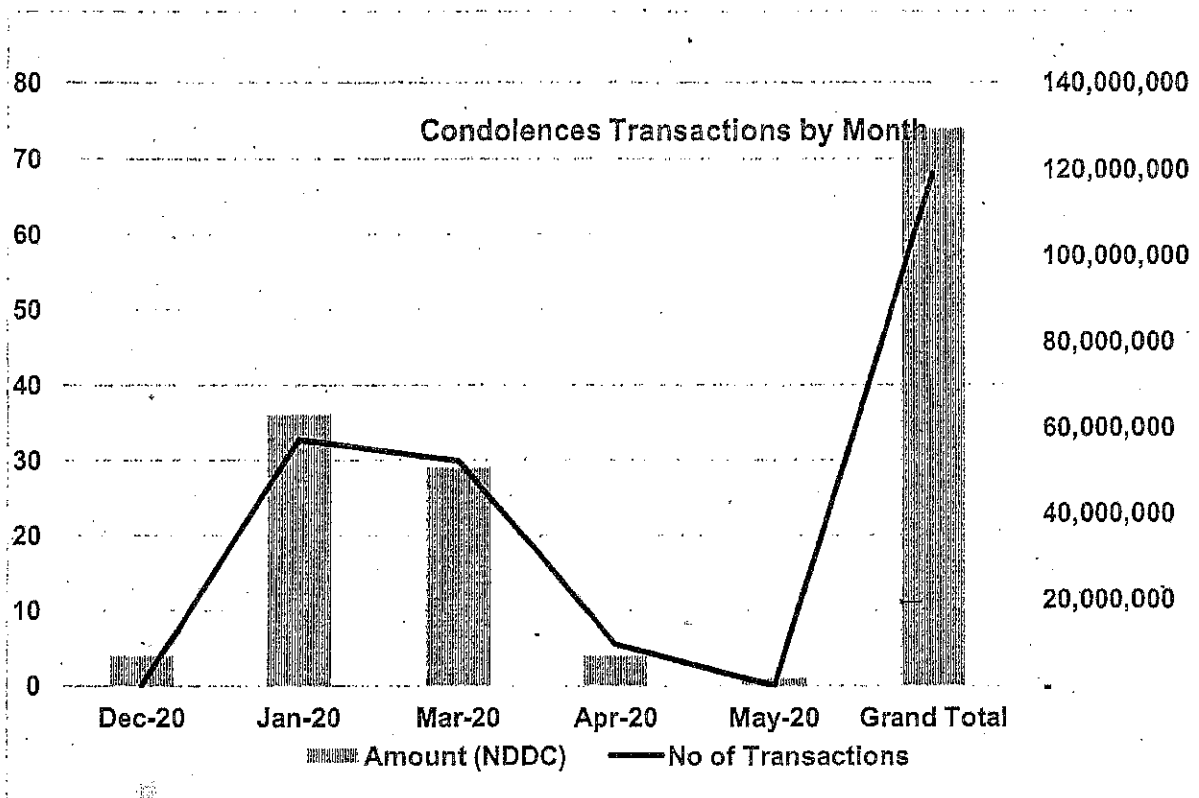
circumstances. For the same type of bereavement e.g. father, employees are paid different amounts regardless of employee's grade.

Table 21: Summary of payments on Condolences

Summary of Payments made on condolences						
Category	IMC 1		IMC 2		Summary	
	Amount (NDDC)	No of Payments	Amount (NDDC)	No of Payments	Amount (NDDC)	No of Payments
Burial Ekaette	2,675,000	11	-	-	2,675,000	11
Burial Eguru	-	-	88,000	3	88,000	3
Facilitator	300,000	3	1,400,000	8	1,700,000	11
Staff	7,735,043	6	1,087,948	1	8,822,991	7
Father	14,537,793	8	15,333,872	8	29,871,664	16
Mother	30,638,157	9	35,771,277	10	66,409,434	19
Husband	-	-	3,359,022	1	3,359,022	1
Wife	6,281,192	1	4,047,915	2	10,329,107	3
Daughter	-	-	687,365	1	687,365	1
Visit	3,000,200	2	-	-	3,000,200	2
Total	65,167,384	40	61,775,399	34	126,942,783	74

A periodic analysis of the time of payment during the period is illustrated graphically below (see Chart 4.2). Curiously, most payments were made in January 2020 (36) and March 2020 (29). It might be necessary to find out why this was so. Table 4.5 show details of payments made on condolences.

Figure 3: Payments on Condolences by month



What is of interest here to the Committee is the existence of a human resource personnel, Mr. Walter Ibarakubuaye Innocent, an Assistant Manager in Human Resources on level 10, who gets paid amounts ranging from N100,000 to N1.5 million for facilitation each time there is a bereavement of interest to NDDC (see table 4.6).

Table 22: Payments to Walter Innocent for burial facilitation

Payment to Mr. Walter Innocent for Burial Facilitation					
S/N	Paid in favour of	Purpose	Date	Amount (AG)	Amount (NDDC)
1	Walter Innocent	Burial facilitator	12-Dec-2019	-	200,000
2	Walter Innocent	Facilitator for the burial	18-Jan-2020	100,000	100,000
3	Walter Innocent	Facilitator for 15 condolences - TSA/19/01/037104	21-Jan-2020	1,500,000	-
4	Walter Innocent	Facilitating Staff Movement	6-Mar-2020	100,000	100,000

Payment to Mr. Walter Innocent for Burial Facilitation					
S/N	Paid in favour of	Purpose	Date	Amount (AG)	Amount (NDDC)
5	Walter Innocent	Facilitator for the burial	6-Mar-2020	200,000	200,000
6	Walter Innocent	TSA/REC/20/01/0055 - Facilitator	14-Mar-2020	100,000	100,000
7	Walter Innocent	Facilitating Staff Movement	17-Mar-2020	200,000	200,000
8	Walter Innocent	Facilitating Staff Movement	17-Mar-2020	500,000	500,000
9	Walter Innocent	Facilitator for the burial	27-Mar-2020	400,000	-
10	Walter Innocent	TSA/REC/20/01/0027 - Facilitating Staff movement	3-Apr-2020	100,000	100,000
11	Walter Innocent	TSA/REC/20/01/0057 - Facilitator	22-Apr-2020	200,000	200,000
Total				3,400,000	1,700,000

4.5 Lassa Fever

53 staff were used in the task of "Distribution of Lassa Fever Personal Protective Kits to the 185 LGAs of the Niger Delta States" all of whom were paid various amounts ranging from N300,000 to N6,845,000 on 15 April 2020. Total amount used for the distribution is N55,090,000. 29 employees were engaged in "Monitoring of the Emergency Response Programme on Lassa Fever Outbreak" at a cost of N5,972,500. The items were purchased via a contract to Cremes Limited for the "Supply of 21,000 Lassa Fever Protective Kits in the Niger Delta Region – TSA/PRG/20/01/0006" for which an amount of N857,850,000 was paid on 22 January 2020. There is no record to show the procurement went through Due Process.

It is observed that almost all cadres of employees were involved in the distribution and monitoring exercise. NDDC did not provide any returns on the end-user beneficiaries which would have helped in evaluating the accountability and transparency of the programme. There was also no mention of the original target beneficiaries.

NDDC Management did not provide details of allocation of the Lassa fever Protective Kits per each State and LGA and how the distributors were assigned as well as the collated report on the distribution exercise. In the same token, the staff who were engaged with the monitoring exercise should have been made to provide an assessment of the impact of their monitoring exercise to justify the huge amount of money allocated for the exercise. Who covered which state and exactly when was the monitoring exercise carried out given that the most of the payments were made in the very days of complete national lockdown? This is report NDDC failed to provide. Table in the Appendix provides details of the payments made for the distribution and monitoring exercise.

4.6 Imprest

By its own record, NDDC spent N808,936,935 as imprest between October 29, 2019 and May 23, 2020. This covers a period of seven months during most of which the nation was on lockdown! Given that significant amount was also expended on Travels, Duty Tour Allowance during this period, payment of bills, it is difficult to justify this huge amount as imprest necessary for the services of the commission. Table 4.7 shows the breakdown of the imprest disbursement.

Table 23: Imprest payment distribution

Imprest (Oct 29,2019 to May 23, 2020) - based on NDDC record			
Location/Officer	IMC 1	IMC 2	Total
	Amount	Amount	Amount
MD/CEO	154,800,000.00	179,800,000.00	334,600,000.00
ED Finance & Admin	90,000,000.00	61,403,700.00	151,403,700.00
ED Projects	36,000,000.00	54,000,000.00	90,000,000.00
Imo State Office	71,308,592.50	16,221,525.00	87,530,117.50
Edo State Office	18,000,000.00	4,680,000.00	22,680,000.00
Security	1,800,000.00	20,163,117.50	21,963,117.50
Interim Management Committee	-	20,000,000.00	20,000,000.00
Corporate Affairs	720,000.00	10,000,000.00	10,720,000.00
Delta State Office	-	7,560,000.00	7,560,000.00
Abuja Liaison Office	-	7,200,000.00	7,200,000.00

Imprest (Oct 29,2019 to May 23, 2020) - based on NDDC record			
Location/Officer	IMC 1	IMC 2	Total
	Amount	Amount	Amount
Akwa Ibom State Office	-	6,480,000.00	6,480,000.00
Bayelsa State Office	-	6,480,000.00	6,480,000.00
Ondo State Office	6,480,000.00	-	6,480,000.00
Rivers State Office	-	6,480,000.00	6,480,000.00
Abia State Office	-	5,040,000.00	5,040,000.00
Cross River State Office	4,680,000.00	-	4,680,000.00
Special Duties	2,900,000.00	-	2,900,000.00
Admin	1,800,000.00	-	1,800,000.00
Legal	1,440,000.00	-	1,440,000.00
Finance & Supply	1,080,000.00	-	1,080,000.00
Planning, Research & Statistics	1,080,000.00	-	1,080,000.00
Projects Monitoring and Supervision	1,080,000.00	-	1,080,000.00
Agric	900,000.00	-	900,000.00
Commercial & Industrial Development	-	900,000.00	900,000.00
Community and Rural Development	900,000.00	-	900,000.00
Education, Health and Social Services	900,000.00	-	900,000.00
Environmental Protection and Control	900,000.00	-	900,000.00
Utilities Infrastructural Development and Waterways	900,000.00	-	900,000.00
Youth Women	900,000.00	-	900,000.00
Audit	720,000.00	-	720,000.00
PMD	720,000.00	-	720,000.00
IT	-	540,000.00	540,000.00
PPP	540,000.00	-	540,000.00
ACTU	360,000.00	-	360,000.00
Design	360,000.00	-	360,000.00
Due Process	360,000.00	-	360,000.00

Imprest (Oct 29,2019 to May 23, 2020) - based on NDDC record			
Location/Officer	IMC 1	IMC 2	Total
	Amount	Amount	Amount
Servicom	360,000.00	-	360,000.00
Headquarters	-	-	0.00
Total	401,988,592.50	406,948,342.50	808,936,935.00

The Acting MD/CEO collects N51.6 million every month as Imprest while the Acting Executive Directors (Projects, Finance & Admin) each collects N18 million per month. This is quite substantial and cannot be justified by operational exigencies especially during the period of national lockdown. It should be noted that this has always been the practice in the Commission. Table 4.8 shows the historical pattern of imprest disbursement in the early months of 2019.

The Committee was not provided any information or indication on the mode of retirement of the imprest. The usual corporate practice is to withhold an Imprest until the previous Imprest is satisfactorily retired.

Table 24: Historical pattern of Imprest disbursement in NDDC

Historical Pattern of Imprest Disbursement in NDDC	
DESCRIPTION OF PAYMENT	AMOUNT
Board Member Imprest for the month of Jan 2019	140,415,015.00
Ag MD/CEO Project Monitoring Imprest for Feb 2019	42,000,000.00
Ag MD/CEO Project Monitoring Imprest for March 2019	42,000,000.00
Ag EDP Project Imprest for Feb 2019	18,000,000.00
Monthly Imprest for Ag EDFA Security Project Monitoring and Touring for The Month of February 2019	18,000,000.00
Ag EDP Office and Project Monitoring Imprest for The Month of March 2019	18,000,000.00
Imprest for Strategic Committee in January 2019	10,000,000.00
Ag MD/CEO Project Monitoring Imprest for Feb 2019	3,600,000.00

4.7 Overseas Scholarship

Table 4.9 shows the summary of disbursement under Overseas Scholarship. Total Amount disbursed over four days is N96,336,000.

As is shown in Table 4.8 above, two of the recipients are not on the nominal roll. Eighteen of the remaining recipients are members of staff of NDDC including the Ag MD and also the Executive Directors. Marg Consultant was paid twice, N3,524,000 each time, on the same day. Two of the disbursements are educational grants for study in UK (N8 million) and Israel (N5 million). The remaining disbursements to Staff and Marg Consultant was for "Foreign Post Graduate Scholarship Second Trip 2020".

Table 25: Scholarship Disbursement in NDDC

Payment in respect of Overseas Scholarship

Payment Category	Education Grant ³	Foreign PG Scholarship Trip	Total Amount paid
8,000,000	1	-	8,000,000
5,650,000	-	2	11,300,000
5,198,000	-	5	25,990,000
5,000,000	1	-	5,000,000
3,758,000	-	1	3,758,000
3,524,000	-	12	42,288,000
Total	2	20	96,336,000

It is curious to note that all the payments were made in April between April 10 and April 18, 2020. There is a lot about these payments that make them questionable. As at 15 April 2020 and even up till now, there is restriction on international flights into and out of Nigeria. So how did all these people plan to travel? Why were some paid twice on the same day? Why would the Principal officers be paid as well as their aides? Where

³ The Education Grants were paid to two recipients who were not members of staff among the 22 beneficiaries of the scholarship fund.

was their destination? If this trip were possible at all, what would it have been intended to achieve? It is obvious that these payments were an extreme case of mismanagement of public funds by the Interim Management Committee.

The Committee recommends that in the absence of concrete justification, all beneficiaries should refund what they were paid. This implies that the entire N96,336,000 should be returned to where it was taken from.

4.8 Public Communication

From NDDC's own returns, IMC 1 spent a total of N36 million on Public Communication while IMC 2 spent a total of N1.1 billion for a combined total of N1.14 billion.

Of the amount under IMC 2, N156,813,025 was disbursed through staff of the commission. The breakdown is shown in the Table 4.10 below.

Table 26: Transactions on Public Communication

Item	No	Amount (AG)	Amount (NDDC)
Advert	2	16,169,004	16,169,004
Anti-Electoral Violence & Not too Young to Run Campaign	41	89,550,000	89,557,525
Programme Sponsorship	1	146,520	146,520
Publicity	8	50,947,500	21,197,500
Grand	52	156,813,025	127,070,550

The expenditure of N89.5 million on "Sponsorship of campaign against electoral violence voter's awareness of not too young to run act for the Niger Delta Region" took place on 14 May 2020 when no election was scheduled in the Niger Delta region. "Not-too-young-to-run" issue occurred in the build up towards the Presidential election in early 2019 and was never an issue in 2020. This was also not a case of settlement of arrears.

Broadly, NDDC is charged with infrastructural development, ecological and environmental issues. Nothing in its mandate (Part III of the Establishment Act) authorizes it to engage in political campaign as indicated in the expenditure of N89 million on the "Not-too-young-to-run" campaign. It should be noted that the "Not-too-young-to-run" issue was a national campaign

and the President signed it into law in May 2018. It certainly was not an issue peculiar only to the Niger Delta.

This further shows the disbursement as another clear example of gross abuse and misappropriation of public funds. It is even doubtful if this campaign ever took place especially at the height of a national lockdown due to Covid-19 when the payment was made. It is the view of the Committee that all the 41 members of staff who partook in this gross abuse should refund in full the amount each received. In addition, Table 4.11 below shows what is clearly another example of spurious payments bordering on financial recklessness of IMC 2.

Table 27: Payments on publicity

Questionable Payments on Publicity by IMC 2				
S/N	Paid in favour of	Purpose	Amount (AG)	Date
1	Odili Charles Obi	TSA/REC/20/01/0031 - Request for the approval of funds to print NDDC Newsletter Magazine	4,525,500	14-Mar-2020
2	Searchlight Ogboka	Production of Hard and Soft Copies Synthetic Photo Book and Canvass Enlargement	6,380,000	1-Apr-2020
3	Searchlight Ogboka	Production of Hard and Soft Copies Synthetic Photo Book and Canvass Enlargement	4,850,000	30-Apr-2020
4	Luke Ibanga Benedict	Advance for flag off ceremony warehouse storage Labour Packaging Publicity for one week	29,750,000.00	21-May-2020

Mr. Searchlight Ogboka was paid twice (total N11,230,000) for "Production of Hard and Soft Copies Synthetic Photo Book and Canvass Enlargement". Of what value is this really to the infrastructural needs of the Niger Delta region.

Mr. Luke Benedict Ibanga, Director, EHSS was paid N29,7 million on 21 May 2020 for "Advance for flag off ceremony warehouse storage Labour Packaging Publicity for one week". This payment took place at a time the IMC was under multiple investigations for financial recklessness. This is another example of a proclivity for questionable expenditure and financial recklessness. A more circumspect, discerning and prudent management would have exercised caution and avoid this kind of disbursement.

The view of the Committee is that all the three members of staff should provide further justification for these expenses or refund what they received.

4.9 Duty Tour Allowance

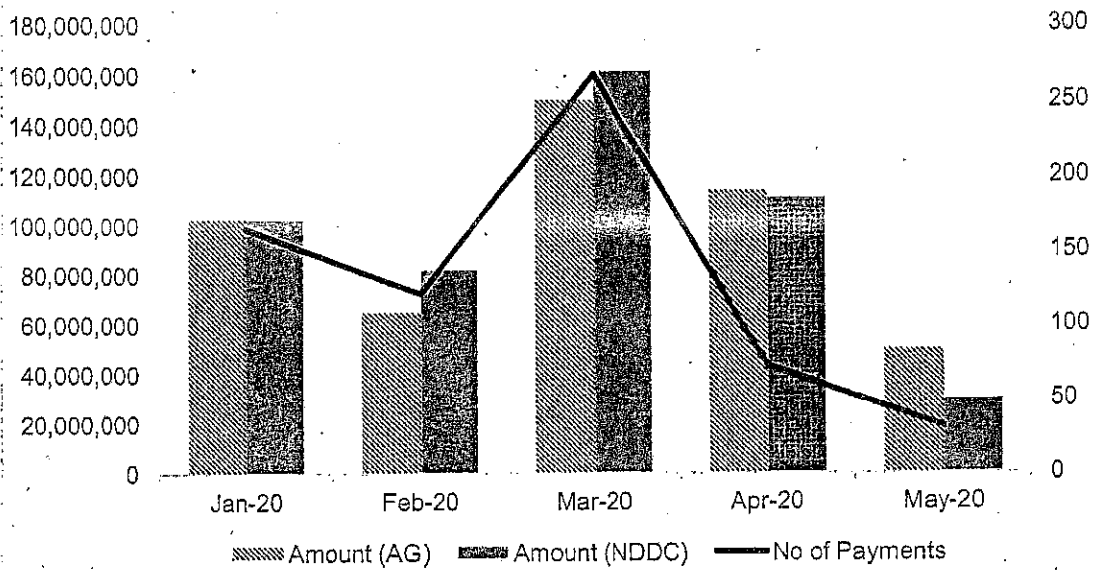
The Duty Tour Allowances disbursed by the two Interim Management Committees are indicated in the Table 4.12 below.

Table 28: Duty Tour Allowance

Duty Tour Allowances disbursed to Staff			
Month	No of Payments	Amount (AG)	Amount (NDDC)
Jan-20	165	102,392,700	102,554,645
Feb-20	121	64,864,600	82,122,065
Mar-20	267	149,923,000	161,255,143
Apr-20	72	113,819,600	111,098,415
May-20	31	49,734,000	29,567,225
Total	656	480,733,900	486,597,493

It is also illustrated in the Chart 4.3 below including the number of times the disbursements took place. There appears to be some slowing down in the movements expectedly due to the national lockdown.

Figure 4: Frequency of disbursement of Duty Tour Allowance



4.10 Stakeholders Engagement

The Table below shows the distribution of the disbursements on engagements with stakeholders by the staff of the commission. N29 million was used by six members of staff for what they called “community fueling” in Uyo. On 14 May 2020, alone, N16,200,000.00 was used for such purpose. The money was paid to one Goddy Ayewumi, Assistant Director in the Ag EDP office. It is instructive to note that the community relation engagement was not carried out through the Public Relations department of NDDC.

It is also interesting to note that all the community fueling activity was carried out in Uyo and in no other community. To put this in perspective: at a moderate fill-up capacity of N4,000 per vehicle for pms, at least 4,000 vehicles would have been filled up in Uyo on that day!

In the aspect of conflict resolution where N148 million was disbursed through six members of staff on April 2nd, 2020, it would appear that there is no coherent policy in NDDC guiding engagement with stakeholders. Staff from various units of NDDC including Management Information System were engaged in this task. The amount disbursed to each operative appears to be status based and not community or content based. This raises some doubt on the reality of this expenditure. The Committee wish to recommend that the expenditure be further looked into in the pending forensic exercise.

Table 29: Disbursements in Stakeholders Engagement

Item	No of Staff Involved	Amount	Total Amount Received from NDDC by the staff involved during the period
Community Fueling ⁴	6	28,990,000	393,669,200
Conflict Resolution	6	148,050,000	332,392,940
Emergency Dialogue	8	99,000,000	304,056,978
NEITI 2018	5	1,735,551	72,637,325
Youth Relations	1	2,250,000	22,769,556
Grand Total	26	280,025,551	1,125,525,999

Another aspect of this expenditure is what they called "Emergency Dialogue with the Leadership of ex-Agitators of the Niger Delta Region" which was conducted in some parts of the Niger Delta and which disbursement went through eight members of staff. Curiously, they were all paid on 23 April 2020. This also requires an in-depth forensic review.

4.11 Conferences

A total of N143,550,000 was paid to five staff of the Planning, Research & Statistics as "Advance for 2020 Budget Participatory Conference". The payments were made on 17 March 2020. There is no evidence that such conference took place and none is scheduled for anytime soon. It is therefore the Committee's recommendation that this money be refunded immediately by the recipients.

Table 30: Payment on Conferences

⁴The six members of staff engaged with community fueling also received N393,669,200 during the period.

Payment for Conferences					
S/N	Paid in favour of	Position	Date	Purpose	Amount (AG)
1	Moses C Ezeribe	Director, PRS/MIS	17-Mar-2020	Adv for 2020 Budget Participatory Conference	33,550,000.00
2	Efejuku Kenneth	Principal Manager, PRS/MIS	17-Mar-2020	Adv for 2020 Budget Participatory Conference	30,000,000.00
3	Osiri Uzochukwu Godwin	Deputy Director, PRS/MIS	17-Mar-2020	Adv for 2020 Budget Participatory Conference	30,000,000.00
4	Avies Okarevu	Assistant Director, Ondo State Office	17-Mar-2020	Adv for 2020 Budget Participatory Conference	30,000,000.00
5	Ileka Nkwachukwu Amara	Senior Manager, PRS/MIS	17-Mar-2020	Adv for 2020 Budget Participatory Conference	20,000,000.00
Sub-Total (Budget Participatory Conference)					143,550,000.00

4.12 Key Issues observed

The following are issues that clearly emerge from the analysis of how the staff in NDDC are deployed also impression gathered during the public hearing.

(i). Organisation Structure

There does not appear to be an effective organization structure in place in NDDC that clearly defines the function of each staff, provide job description and performance evaluation criteria. The random use of staff for non-core assignments is very rampant and cannot make performance evaluation an easy task. A well-run corporate entity would have in place job description, tasks and targets and performance evaluation and reporting. It is by these that meaningful career planning for staff, synchronization and harmonization of organizational and individual goals can take place and corporate goals achieved. As it were, it seems obvious that NDDC has lost touch with the essence of its establishment.

(ii). Corporate culture

The most important defence offered by the management of NDDC for the very evident financial excesses is the "need to appease the militants and have peace". This is more like a blackmail of the people of the region and a weak excuse for corporate failure. Management of NDDC has responsibility to promote a corporate culture that is performance oriented and is constantly focused on addressing the infrastructural needs of the region, ecological control, environmental management and oversight of the oil producing companies in the region for compliance with national ethos. The corporate culture that is being projected continues to be that of a company operating under siege in a very hostile environment. Ironically, a key reason for the establishment of NDDC was to engender a more friendly environment where good business can prosper.

(iii). Staff Training

N523 million was spent on training during the period under review. It is quite disheartening that none of these training programmes involved any of the core functions for which NDDC was established. This is really not surprising given the absence of performance appraisal, goals and targets and robust focus on career development. All these are critical input into training needs analysis that could have shaped the training programme of the commission. The training of interest to the current seems to be that which provides opportunity for foreign travel instead of training that could address the specific needs of staff in aid of enhanced job performance.

(iv). Systems and Processes

Every successful corporate organization has systems and processes that are well documented and which guide organizational relationships in the corporate setting and ensure that staff are properly deployed in a way that achieves organizational goals and ensure organizational effectiveness. The evidence available seems to suggest that this may be missing in NDDC.

4.13 Summary on Staff

A number of conclusions can be drawn from the way members of staff were used to move funds out of the Commission. The first is the obvious excuse on militancy which the IMC 2 used as alibi for making payments to staff as pass-through to current of ex-militants. One of the defences offered by the Ag MD/CEO on why he collects N51 million per month as Imprest is the "cost of hiring boats". The same excuse was given on the huge expenditure on Covid-19 intervention. Fear of militancy is the often-cited need for unverifiable expenses. This cannot

be acceptable as it is also a convenient mechanism to divert funds meant for the development of the region into private pockets of management and members of staff.

Another issue is the indication of the absence of any robust human resource management policy as well as finance management system within the commission. A well-established corporation would be expected to have human resource manual in place, and also have well documented systems and procedures. There is no evidence to suggest this is in place or being followed if it is available in NDDC. The operational hazardness and the inconsistent mode of staff deployment is real cause for concern and require very urgent review.

Chapter Five

Identification of Key Issues

This chapter is presented in 3 sections, dealing with legal and enabling Act of the NDDC; projects and financial activities and staff related expenditures. Chapters 3 provided evidence based analysis of paid project transactions under review, similar analysis for payments made to and through staff is presented in Chapter 4. From the two chapters, critical issues bothering on infractions and inconsistencies were identified. These issues emanated from various interpretations of the Committee and identified gaps with respect to projects, programme and staff. The summary of these issues are herein presented.

5.0 Legal and Enabling Law

5.1 Non-Compliance with the provisions of the NDDC Act

5.1.1 Major Functions of NDDC as prescribed in Section 7 (1) of the Act

- Tackle ecological and environmental problems that may arise from the exploration of oil mineral in the Niger-Delta areas.
- Formulate policies, plan and implement in accordance with set rules and regulations, projects and programmes for the sustainable development of the Niger Delta region in the field of transportation, health, education, employment, industrialization, agriculture and fisheries, housing and urban development, water supply, electricity and telecommunications.
- Liaise with the various oil mineral and gas prospecting and producing companies on all matters of pollution prevention and control.
- Promote the physical and socio-economic development of Niger-Delta region through the preparation of master plans and schemes, implement approved measures for the development of member states.

In the course of review, several payments of IMC 1 and 2 seem to suggest that the core mandate of NDDC was not followed in the spending priorities. For example the management's proposed trip to the United Kingdom on scholarship and award of scholarship grants to themselves, details of which are contained in Chapters 3 and 4.

5.1.2 Unimplemented Accountability Mechanism

- Monitoring Committee

Section 21 of the Act empowers the President to appoint persons into the Monitoring Committee whose duties are to monitor the management of the funds and the implementation of the projects of the commission. Setting up this committee will go a long way in ensuring there is value for money and meaningful impact on the lives of the people of the region. It is strongly recommended that the President should constitute, this committee immediately and commence operation.

- Advisory Council

The formal constitution of the Advisory Committee which comprises all the Governors of the member states of the commission and two other persons that may be determined by the President should be implemented so as to carry out their advisory responsibility to the Board and monitor the activities of the commission as stated in Section 11 of this Act.

5.1.3 Annual and Quarterly Reports of the Commission

- Budget

Section 18, of the Act mandates the Board to, not later than 30th September in each year, submit to the National Assembly through the President an estimate of the expenditure and income of the commission during the next succeeding year for approval.

- Quarterly and Annual Performance Report

Section 19 makes it equally mandatory for the commission to submit quarterly report to the President on the activities and administration of the commission. Section 20 provides for submission of annual reports to the President not later than 30th June in each year and to be submitted to EACH house of the National Assembly upon receipt of the report.

These are accountability and transparency mechanisms provided by the Act to check the excesses of the commission. They should therefore, be implemented. As at the time of this exercise, the 2020 budget has not been approved, while a request for virement of 2019 budget has just been recently submitted to the National Assembly for approval. There is no evidence that quarterly reports are ever presented to the President or to the National Assembly.

5.1.4 Dissolution of the Board

On this note, Section 3 of the Act provides that members of the Board **shall** hold office for a term of four (4) years and may be reappointed for another period of four (4) years. The use of the word **SHALL** connotes that it is mandatory and cannot be circumvented even by the President except by the provision of Section 5 of the Act. Furthermore, the power of the President to give directives is in regard to the performance by the commission of its functions, and, not in the composition of the Board.

The NDDC Act did not anticipate that the President, by Executive order, will dissolve the Board. The Act already provided for the mode of appointment, and removal/cessation from office of a member of the board.

The ongoing enquiry of NDDC by the National Assembly and ongoing Forensic Audit provide an opportunity to return to compliance with the Act establishing NDDC as far as the constitution of the Board and Management is concerned. Given the several financial and operational infractions of IMC 1 and 2, with evidence provided in Chapters 3 and 4, the President is presented with a window to review its decision on the continued existence of the IMC.

5.1.5 Powers of the President to call specific order

Section 23 of this Act empowers the President to give the commission directions of a general nature or relating to matters of policy but subject to the provision of the Act.

The Committee is strongly recommending that the provisions of the Act be complied with immediately to allow normalcy to return to the commission and the region.

The level of public apathy and disenchantment to the cumulative under performance of the NDDC presents an opportunity for the President to rely on the relevant sections of the Act and develop a "Marshal plan" that focusses on high impact pro-people development agenda in the remaining three years of its tenure. This could be a charter of agreement between the Federal Government and a new board and management, which public opinion expects the President to constitute immediately.

5.2 Programme and Financial Management

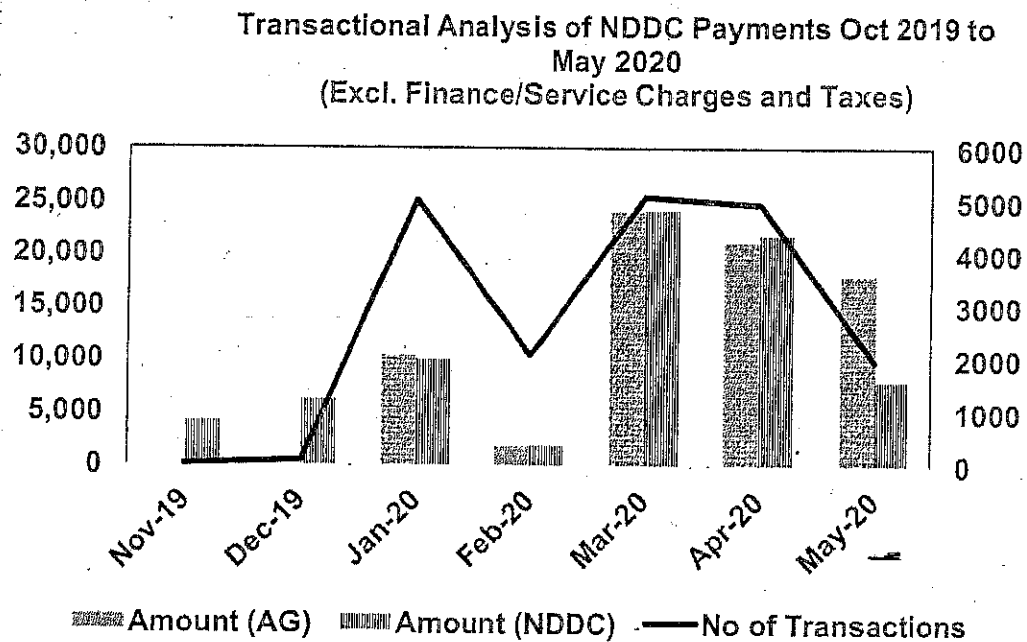
5.2.1 IMC Performance

The fiduciary record of the tenure since October 2019, has not shown any evidence of performance enhancement, efficiency or prudence in the application of resources committed to the NDDC. The NDDC Interim Management Committee should therefore be dissolved to pave way for the constitution of the Board of Directors in accordance with the Act. The Ministerial oversight has been consistently weak and inadequate therefore making the Ministry of Niger Delta Affairs culpable for negligent supervision.

5.2.2 Skewed Transaction During IMC-1 and 2

The throughput of invoice payment in IMC-2 is enormous within the 4-month period of its operation.

Figure 5: Transactional analysis of NDDC Payments

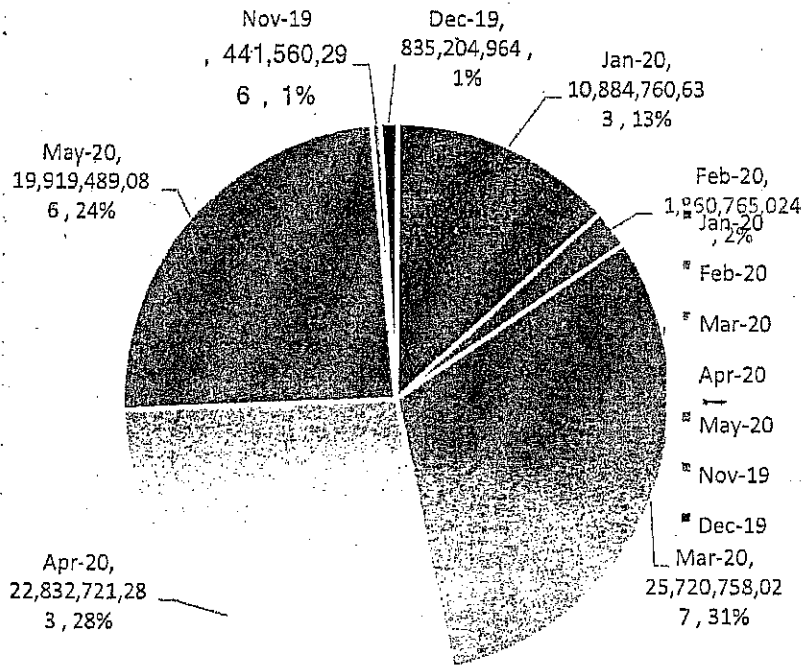


Note: amount in millions of Naira

Invoice payment in IMC-2 far outweighs the processing observed in IMC-1. This is even more intriguing given that it was during the Covid-19 lockdown, starting from March 2020.

The highest payment was recorded in March 2020 (N25.7 Billion) at a time when there was no movement in the country with a greatly reduced economic activities.

Figure 6: NDDC Payments Quantum - Oct 2019 - May 2020



Overall, there were 22,767 made during that period under review. IMC-1 accounted for 5,768 while IMC-2 had 16,969. Given the scale of invoice processed in IMC-2, the operational process may not have paid enough attention and due diligence to the 'value for money' criteria required before committing to payments.

Comparison between IMC1 and EIMC showed that the total number of payments made in EIMC is almost thrice that of IMC1 at a time when the country was locked down for the Covid-19 pandemic.

5.2.3 Independent Forensic Audit

The request for an independent forensic audit of the historical activities of the NDDC by the President is a positive one. The Committee however observed from presentations of the NDDC and the Ministry that contrary to public opinions, the audit

is at its preliminary stages of implementation, eight months after the inauguration of the IMC. Therefore, may have a long way to go under the present arrangement.

The nomination, appointment and conduct of the Auditor must be based on integrity and transparency, with regular briefing of the public such that will inspire confidence and trust among the Niger Delta people and Nigerians at large,

5.2.4 Procurement Issues

The Senate Committee noted the major failure in NDDC's procurement compliance. NDDC embarked on several projects without the statutory referral to the Bureau of Public Procurement (BPP) for approval. The NDDC in its submission confirmed these lapses to the Senate Adhoc Committee and stated emphatically that NDDC was in breach of its directive on several occasions and this had been brought to the knowledge of the EIMC. But very significant is the remark by the Honourable Minister of Niger Delta Affairs at the public hearing: observed the non-compliance of various NDDC management with the Procurement Act. The Minister observed:

"Under Professor Brambalfa, from January, ₦468 billion went to only unmotorable roads. Then on what they called desilting, they had given out contracts of almost ₦600 billion. In total, his short regime of about seven months had given out contracts of over a trillion naira. The question is, how would they pay?"

"But guess what, Mr. Chairman, none of those went through the Bureau of Public Procurement. Again, none of them had Ministerial approval. You know why? Because they go under the threshold of what I regard as contract splitting. Some even may say it is not illegal but I see it as a systematic way of undertaking fraud. I am sorry to say this; that is my personal assessment. I am under oaths so I want to tell you the truth"

Furthermore, the Executive Director Project alluded to blackmail by members of the National Assembly in the procurement process as reflected in these statements –

"Distinguished Chairman, I will show what goes on in the NDDC. This is a contract for the supply of some materials to the NDDC, and materials were said to have been supplied to NDDC warehouse at an address which is at Apende,

Benin Expressway, Opanian, before Wichtech Aluminium compound. The owner of the warehouse is Senator Peter Nwabushi"

"I will also give you another document and in this document, that there is a request to pay out N3.9Billion and that request was supposed to be 60 per cent of a total contract of N6.4Billion. This request came from the House of Representatives. We refused; we said this training has not been done, it is a ghost training; heavens were let loose. I am giving you background to why we are here today, and more will come"

"On the emergency projects; out of a total of 2,900 emergency projects that were awarded, the Senate Committee Chairman of NDDC signed and collected through one Nelson Agbamuche, 1,000 (One thousand) of it, that he is going to distribute it to the Senators and the House of Representative members. So, because we too know some of you, took our time to try and verify and all the Senators knew nothing about it. We will give you the list"

"The two Committee Chairmen, when emergency contracts that has no due process at all are being awarded they were the ones supervising the organizations; they never raised an eyebrow. I will also speak on a huge amount of money that has been paid as CBN brought it, from 2015 to date, you will see the amount of money spent each year. Of all those monies, there was nothing we have paid that compares to what saved in those days"

5.2.5 Budgeting Discipline and Culture

Budgeting is not a practice that is entrenched in NDDC. The NDDC (Establishment) Act 2000 provides that by the 30th of September each year, the budget of NDDC shall be passed to the National Assembly through the President and Commander in Chief. This is a major provision that has been observed more in breach. The non-compliance to the submission of dateline and lack of approval of the budget of NDDC before the commencement of Financial Year of that budget is a major flaw to a budget led expenditure framework.

The Honourable Minister observed this and had the following remarks:

"In essence, as at the time I took over in September, there was no budget for the NDDC. the whole of 2019, there was no budget"

"Finally, let me also say that one of the things that I will want to urge is the budgeting process. By NDDC law, every budget ought to enter the parliament by 30th September, but as at when I became a Minister in September, the budget of NDDC for 2019 was not there. Now, we are in 2020, the budget of NDDC was given to NDDC in April, few weeks to the end of the budget on 31st May. It can be frustrating. For a region to take maximal benefit of the NDDC, we must rejig the way we pass budget so that we can get it done on time"

A similar comment was made by the Executive Director Project, requesting the National Assembly to pay prompt attention to budget issue as it applies to NDDC. According to Dr Cairo Ojuogbuh -

"This brings me again to the budget; I will appeal very seriously to Mr. Chairman, with the blood of the Niger Deltans that has died for this cause, with our soul and our mind, the issue of our budget is very important. Budget has been a recurrent instrument of blackmail against the IMC"

The Committee specifically requested the EIMC to provide the current budget which the Commission is operating. As of the time of this report, there has been no response.

5.3 Contract Splitting

A significant level of contract splitting was found in the financial data. This may have been done to lower the approval threshold, thereby avoiding control measures that would have queried the transaction.

There are evidences of contracts that lack/breach procurement compliance, some of which are monopoly contractors with large share of the Commission's contract repeatedly. The Honourable Minister commented as follows on contract splitting:

One of the things I want to urge the Chairman by way of recommendation after this sitting is that we should ensure that the structure of splitting contracts in NDDC is brought to an end. That is the only way we at the federal level will actually know what is going on

Table 31: Contract Splitting

Paid in favour of	Purpose	Amount (AG)
A & G Integrated Nig Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Bukadi Global Services	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50

Paid in favour of	Purpose	Amount (AG)
Ceeone Pharmacy Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Chloe Capital & Busi Support	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Cremes Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Deltafric Concepts	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Dutu Solution Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Duxter Services Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Falconwood Nig Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Guaco Light Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Jeog Logistics Nig Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Lloyds Capital & Busi Support Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Madinagreen Nig Nltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Manson Global Healthcare Serv	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Master Builder Nig Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Otams Services Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Path Stones & Logistics Nig Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Pearl Clinics & Maternity Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Pearl Medical Support Services	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Signora Concept Services Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Squirepyram ID Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50
Switch Originel Ltd	Supply of 100 Lassa Fever Kits in the ND region -TSA/PROJ/20/01/0004	47,166,787.50

A similar case was noticed in the case of Clearpoint Communications Limited that had one single contract on 'Campaign to Save live and Livelihood in Niger Delta' split into 11 payments that was made on the same day 23 April 2020.

Table 32: Clearpoint Communication Payments

Purpose	No of Transactions	Amount (AG)	Total	Date of Payment
Re Immediate Campaign to Save Lives and Livelihood in Niger Delta Region	1	40,425,000.00	40,425,000.00	23-Apr-2020
Re Immediate Campaign to Save Lives and Livelihood in Niger Delta Region	1	37,902,859.50	37,902,859.50	23-Apr-2020
Re Immediate Campaign to Save Lives and Livelihood in Niger Delta Region	1	37,158,371.25	37,158,371.25	23-Apr-2020
Re Immediate Campaign to Save Lives and Livelihood in Niger Delta Region	8	37,125,000.00	297,000,000.00	23-Apr-2020
Re Immediate Campaign to Save Lives and Livelihood in Niger Delta Region Design Prod of Video Clips	1	12,375,000.00	12,375,000.00	23-Apr-2020
Production of Radio Campaign In 18 Local Languages in Niger Delta Region	1	29,700,000.00	29,700,000.00	23-Apr-2020
Re Immediate Campaign to Save Lives and Livelihood in Niger Delta Region	1	24,131,250.00	24,131,250.00	23-Apr-2020
	14		478,692,480.75	

5.4 Insufficient Transaction Description

Payment description on the NDDC's financial system is not clear enough to provide adequate definition of transaction, in some cases this description is vague and in other places totally absent, such as presented in Tables 34.

Table 33: Insufficient Transaction detail

Paid in Favour Of	Purpose	Amount
FEDERAL INLAND REVENUE SERVICE		134,036,812
FEDERAL INLAND REVENUE SERVICE		134,036,812
FEDERAL INLAND REVENUE SERVICE		134,036,812
RILL OIL SERVICES LTD		607,114,819
ATTANU CONST LTD		607,445,027
FRANEZ NIG LTD		623,053,818
SIMOKA MARINE LTD		653,471,045
FIRS SUB FEDERATION ACCOUNT		6,531,667
FIRS SUB FEDERATION ACCOUNT		6,699,503
FIRS SUB FEDERATION ACCOUNT		6,528,116
FIRS SUB FEDERATION ACCOUNT		7,048,076
FEDERAL MORTGAGE BANK OF NIGERIA		2,148,039
NDDC STAFF		749,624,382
NDDC STAFF		869,522,197
FEDERAL MORTGAGE BANK OF NIGERIA		241,348

5.5 Non-Core expenses

NDDC's use of financial asset must be refocussed. Many of the cost headings found in its account appear extraneous from its core role. For example, a huge cost (N127 Million) was incurred on condolences and facilitation of condolence etc. for the period under review.

Table 34: Non-Core Expenditures

Paid In Favour Of	Purpose	Amount
ENO UKPE	CONDOLENCE VISIT TO THE FAMILY OF POMER SGF LATE UFOT EKAETTE	2,000,000
Adumein Pereseigha	Condolence Purse on the death of his mother - TSA/19/01/037104	29,939,499
Eguru Barieeba	Condolence purse on the death of his father HRM Sunday Eguru	1,980,544
Ekpo Ekpo Eyo	CONDOLENCE PURSE ON THE DEATH OF HIS FATHER LATE ELDER EYO EK	3,881,346
Suleiman Sani	Condolence purse on the death of his mother Mrs Amina Sani	1,890,328

5.6 Poor Audit System

Record of external audit appeared to be weak and insignificant. The level of breaches and inconsistencies noted in the NDDC's financial report suggests a lack of audit process, which extends to huge cash payments to staff and over reliance on imprests, financial system irregularities, weak reconciliation etc. All these suggests lack of Internal control, which should have been exposed and corrected by external audit

11.

5.7 Differential payment for similar Staff activity

The value on invoice also extends to staff remuneration and bonuses. There is no clear standardisation of cost, even where same cost is incurred by 2 staff, for instance in the payment for a Mandatory Continuing Professional Development, the same programme carried two different cost from one staff to the other.

Table 35: Differential Staff Payment

Paid in Favour Of	Purpose	Amount
Alphonsus Fiderekumoh	ANAN 2020 TRAINING AND WORKSHOP	1,865,000
Edema Dynah	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Perezeighe Ekevwel Adamein	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Peretomode Jovi Gloria	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Ero Ubi O	ANAN 2020 TRAINING AND WORKSHOP	1,865,000
Effiong Idorenyin Henry	ANAN 2020 MCPD TRAINING AND WORKSHOP	1,805,000
Isokpehi Lascky	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Asor Raphael	ANAN 2020 TRAINING AND WORKSHOP	1,865,000
Atirena Etan H	ANAN 2020 MCPD TRAINING AND WORKSHOP	1,805,000
Eriwo Ochuko	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Kunemofa Asu	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Ekelechikwu Thankgod Ehudu	ANAN 2020 MCPD TRAINING AND WORKSHOP	1,805,000
Ibanga Ibanga Etang	WORKSHOP	3,800,000
Aladetan Oluamide B	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000
Doris Omaenikun	ANAN 2020 MCPD TRAINING AND WORKSHOP	2,085,000

5.8 Payment of Staff for programme activities

NDDC's financial report showed that staff may have been used as contractors for most of the Commission's engagement e.g. in delivery of relief materials, Covid-19 and Lassa fever activities. The possibility of abuse of the process leading to fraudulent activities for which the Commission has no recourse were raised but not addressed by the EIMC.

The distribution of Lassa Fever protective kit and Covid-19 social relief pack and payment made to staff for the distribution are two cases in point. This highlights that staff were used as a means of programmatic payments, which also comes with a substantial risk, such as staff being a pass through for diversion of materials.

It must also be mentioned that using staff as proxy for the distribution of materials does not lend itself to any audit trail.

Chapter Six

Recommendations and Conclusion

6.0 Recommendations

There is no dispute on the need for reform of the Niger Delta Development Commission to make it work better for the people of the zone. The Managing Director said N40 billion was alleged to be missing by the Senate, in actual fact, the motion that led to this establishment of this Adhoc Committee is not about "missing money" it is about following the money to ensure it reaches the right pocket.

The purpose of the Senate's investigation is to make sure that the commonwealth of the Niger Delta works for the people of the Niger Delta. This is not about witch-hunt, it is not about a political fight, it is not about differences between personalities in the Executive and the Parliament; it is about making sure that the money of the Niger Delta works for the people of the Niger Delta and that there are no hijackers of such money under whatever description or pretences.

The oversight responsibility of parliament to investigate is a power that is granted by the Constitution. Therefore no one will agree more with the Senate of the Federal Republic of Nigeria than the people of the Niger Delta region that raising this enquiry so that the public may know, particularly the people of the Niger Delta that their Commission is working for them.

In arriving at its conclusion and recommendations, the committee considered every record of payment made by the Commission during the periods under review. These are financial records that were provided by NDDC and corroborated by the Accountant General's office and the Central Bank of Nigeria. The Committee have worked on facts and verifiable evidence.

The Niger Delta is a very significant economic community to the life of our country and its economy. It has sacrificed, it has provided and it has suffered so much deprivation that an intervention institution like NDDC should be seen to be part of the solution of the Niger Delta, not to be part of the problem as it currently appears to be at this point.

On this note, the committee wishes to make the following conclusions and recommendations.

6.2 Corporate Governance and Executive Management

i. Reconsideration of Executive Oversight

For the purpose of consistency and equality of policy, there is a need to review the inconsistencies and differences in the apex control of these development commissions. In retrospect, the original arrangement of putting these commissions in the Presidency should be carefully reconsidered to allow for direct Presidential oversight in view of the huge public resources allocated to them. Section 7 (3) of the NDDC Act already provides for this Presidential oversight.

ii. Inauguration of the Board of Directors

The absence of a Board of Directors at NDDC created a major lacuna of oversight. The Ministry of Niger Delta Affairs is culpable of negligent supervision and could not function as effectively as a board would have done. Therefore, the Committee strongly recommends that the President should activate the statutory provisions in the Act and the Board of Directors validly nominated and confirmed by the Senate should be inaugurated immediately.

iii. Inauguration of Other Accountability Mechanisms

The Monitoring Committee and the Advisory Councils should also be inaugurated along with the Board of Directors as provided in Sections 20 and 21 of the NDDC Act. This is necessary to ensure that there are sufficient check and balances in the internal affairs of the NDDC.

iv. Improvement of Governance/Processes

This new Board should be made to undertake a review of the existing governance framework, with attention to upgrading the way and manner the Board executes its mandates, with a view to re-establishing a new culture in the organisation. The review must bring order to the workings of the management and their control of the organisation.

This is necessary for the improvement of the structures and processes of the NDDC especially having witnessed two interim managements with seemingly lose of control on project and staff expenditure.

6.3 Financial Accountability and Framework Review

v. Restoration of a Budget-Led system

That NDDC Management must henceforth promote the use of its approved annual budget as the principal instrument and authorisation for all its expenditures. The testimonies from Public Hearing gave sufficient insight into NDDC's disregard for its budget, as several expenditure items were done without reference to budget provision. As at the time of writing this report, the Adhoc Committee's request for a report of budget performance from the NDDC has not been provided.

vi. Submission of Quarterly and Annual Performance Report

That NDDC be reminded of its responsibility to submit its Quarterly and Annual Performance Report as and when due as stipulated in Section 19 and 20 of the NDDC Act, such submission must also be duly passed to both houses of the National Assembly as stipulated in the law.

vii. Initiation and Supervision of Forensic Audit

In order to ensure that the forensic audit achieves the purpose for which it is set up and inspire confidence in the operational and financial processes of NDDC oversight of the audit should be transferred to the Office of the Auditor General of the Federation. This will guarantee independence, credibility, transparency and professionalism in the output of the exercise. Furthermore, the Committee recommends that the President with advice from the Auditor General should appoint a renowned, internationally recognised Forensic Auditor to carry out the exercise.

viii. Strengthening of Procurement Process

That the NDDC must strengthen its procurement department through appropriate staff engagement (e.g. by appointing staff with procurement chartered status), staff training and formulation of appropriate industry rated internal control measure specifics to procurement function to forestall sharp practice in its bids and tender process.

There are assertions of blackmail by NDDC against members of the National Assembly on the subject of procurement process, this must be investigated and if found true, the practice must be stopped.

ix. **Refund of Extra Budgetary Expenditure**

That the sum of N4.923 Billion payment made to staff and contractors in breach of procurement process and approvals should be refunded to the Federation Account with immediate effect as highlighted below:

1. Overseas Travel to the United Kingdom	-	85.7 Million
2. Scholarships Grants	-	105.5 Million
3. Union Members Trip to Italy	-	164.2 Million
4. Lassa Fever Kit	-	1.96 Billion
5. Public Communication	-	1.12 Billion
6. Covid-19 Relief	-	1.49 Billion

- x. All expenditures on historical contracts and obligation e.g. Hotels, court judgement etc should be refunded as payments are not provided for in the budget

6.4 **Business Process Re-engineering (BPR)**

That NDDC should be made to undertake a thorough and substantial **Business Process Re-engineering (BPR)** without prejudice to the much-awaited Forensic Audit, covering its areas of operation thus:

a. **Review of Operation and Processes.**

Standard Operating Procedures (SOPs) in the Commission must be reviewed, upgraded, reinstated with full documentation and formal trainings conducted, then translated into readable materials and manuals for guidance of current and future staff of the Commission. That NDDC must engage a new governance system around projects and contracts from advert to award and then to delivery. This involves the pre and post-implementation step to be taken for an effective delivery of projects.

b. **Review of Financial/Accounting Processes**

That NDDC must review its financial system to ensure its adequacy in terms of controls and flexibilities with a view to ensuring that a robust financial report is produced out of the system at all times. This reform will also ensure that all compliance measures that fosters governance and accountability traits are captured in the system in form of coding of transactions, hierarchy and secured access/ control.

c. **Review of Human Resource Policy**

That the management must agree a policy to refocus the staff, and management of the NDDC based on its core mandate. This will be a blend of human resource reform and training. This reform must lead to a robust organogram based on staff need, it must also cover the engagement of staff, staff orientation mandate, appraisal systems and eventually severance of work relationship.

d. Instituting Performance Based Organisation

For NDDC to deliver on its mandate, it must immediately imbibe some of the processes associated with high performing organisations. These include target setting for employees, performance appraisal linked to reward system and the evolution of a new corporate culture. Present attitude that tends to view the NDDC as a source of easy money must be discouraged. This attitude is also closely tied to the narrative that has characterised succeeding management. It is akin to a self-fulfilling prophesy the has in itself led to a vicious circle that seems to suggest "we are financially imprudent because we operate in an environment of siege where we must continuously appease our stakeholders". But doing this as they deprive the region of the needed development which also reinforces restiveness and creates the siege environment. This circle must be broken through a new culture and awareness by which the Board and Management of NDDC understands its responsibility to engender a new thinking and strong focus on infrastructural development of the region. A new approach to human resource management is desired.

e. Enhancement of Internal and External Audit capacities

That management must review the Service Level Agreement they currently hold with their external auditor with a view to making a change of auditor. There is a lot of merits in our opinion, to change the external auditors, given the level of systematic failures already listed in this report, some of which should have been resolved by an effective audit regime.

6.5 Review of Corporate Social Responsibility Policy (CSR)

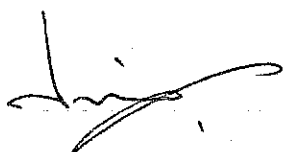
- xii. That the management embark on a CSR review to restructure and reshape NDDC's social responsibility to its staff, community and the public at large in order to properly ensure an equitable and responsible delivery of these responsibilities without losing focus of its corporate mandate. The scope of this review should include condolences, community relations and stakeholders engagement.

6.6 Conclusion

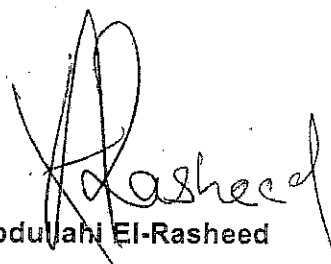
In conclusion, the Committee noted that it is difficult to find a correlation between Niger Delta community development and cash invested in the zone. This question was raised at the public hearing by a number of activists and other members of the public present. Indeed, with the recurring theme, it could be taken as a common source of agitation among the people present.

Continued cash injection in the Niger Delta challenge issue has not worked under the various IMCs. It may be useful at this juncture for the Government to intervene by stepping down the EIMC, thereby helping them leave the stage for a properly constituted board with specific mandate to address the pains of the Niger Delta people.

The Ad hoc Committee sincerely expresses its appreciation to the Senate leadership, and the entire Senate for the opportunity to serve in this capacity.



Sen. Adetunmbi A. Olubunmi
Chairman



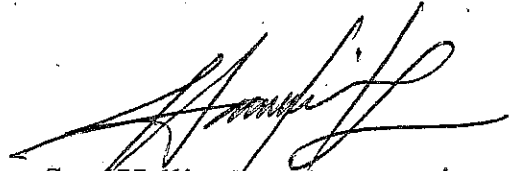
Abdulahi El-Rasheed
Clerk to the Adhoc Committee

**REPORT OF THE ADHOC COMMITTEE ON THE
INVESTIGATION OF THE ALLEGED FINANCIAL
RECKLESSNESS IN THE NIGER DELTA DEVELOPMENT
COMMISSION (NDDC)**

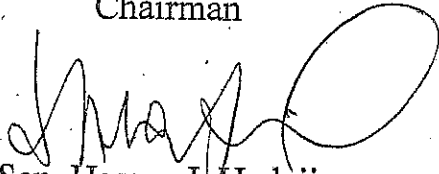
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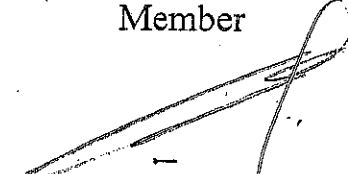
Sen. Adetunmbi A. Olubunmi
Chairman



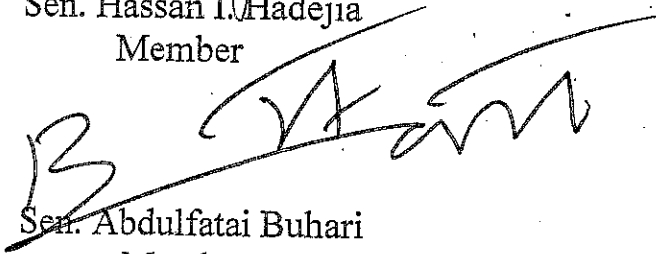
Sen. Halliru Dauda Jika
Member



Sen. Hassan I. Hadejia
Member



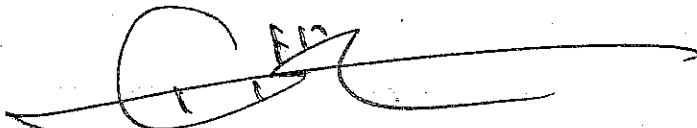
Sen. Barinada Mpigi
Member



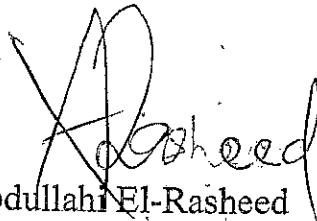
Sen. Abdulfatai Buhari
Member



Sen. Umaru T. Al-Makura
Member



Sen. Chukwuka G. Utazi
Member



Abdullahi El-Rasheed
Clerk to the Adhoc Committee

