

The MD/CEO was invited to accompany the Chairman Senate Committee on Power, on a foreign Trip to Washington DC to participate in a 5-days high level meeting on investments in the power sector from Thursday 10<sup>th</sup> to 14<sup>th</sup> October 2019 vide a letter dated 4<sup>th</sup> October 2019 and approval of the SGF dated October 9<sup>th</sup> 2019 was only acknowledged in NBET on the 14<sup>th</sup> of October 2019 i.e. the last date of the meeting. The MD/CEO was reimbursed for the sum of N3,998,638.00 and \$5,400.00 (\$600 per day for 9-days) claimed to have spent on the trip vide a memo initiated by Nene Oiza Isa as cost of business class

**WASHINGTON DC**

**1. PROCUREMENT OF RETURN FLIGHT TICKET FOR THE MD/CEO TO PARTICIPATE IN HIGH LEVEL MEETING IN**

The aim of the review is to have a spot assessment from the various petitions received by the House Committee on Power as to whether fraud was actually committed, value for money was derived in the course of spending the public fund and spent for the purpose for which it was appropriated for. During the spot assessment, the following observations relating to procurement breaches and misconduct by the MD/CEO were identified and hereby forwarded for your information, comments and necessary action.

**REVIEW OF PETITIONS RECEIVED BY THE HOUSE COMMITTEE ON POWER IN JANUARY 2020**

Dear MD/CEO,

The Managing Director/CEO,  
Nigerian Bulk Electricity Trading Plc (NBET)  
2<sup>nd</sup> and 3<sup>rd</sup> Floors, NERC Building  
Abuja, FCT

3<sup>rd</sup> July, 2020

**FEDERAL REPUBLIC OF NIGERIA**  
**HOUSE OF REPRESENTATIVES**  
**COMMITTEE ON POWER**  
National Assembly Complex,  
Three Arms Zone,  
P.M.B. 141, Garki, Abuja Nigeria.



return ticket to Washington DC and payment of per diem respectively. Attached as Appendix A

## OBSERVATIONS

a. There was no approval in place before the MD/CEO proceeded on the trip as the approval of the SGF was only acknowledged by NBET on the last day of the meeting i.e. October 14 2019.

b. As at October 28, 2019 when the reimbursement was made to the MD/CEO, the report of the meeting to the Washington DC was not attached as required under the international best practices.

c. The travel ticket issued by Travel Gallery Limited sent via email and copied to Nene Isa indicated that the MD left Nigeria on the 10<sup>th</sup> October 2019 for Washington DC and departed 13<sup>th</sup> October 2019 at about 22:20hours for London. She left London on the 18<sup>th</sup> October 2019 for Nigeria. This implies that the MD did not stay to complete her official stay in the US.

d. Based on "c" above, the MD/CEO collected excess per diem for 5-days at \$600 per day which ought to have been net off before the refund was made to her two weeks after the trip thereby collected excess amount of \$3,000, especially considering the arrival and departure times in Washington D.C

e. The invoice issued by the travel agent put the travel cost for Dr Marilyn Amobi at N2,262,738.00 as indicated on serial number 9 of the invoice number 004770. Dr Amobi however reimbursed herself with N3,998,638.00 thereby overpaying herself on flight ticket to the tune of N1,735,900.00.

## 2. MONTHLY PAYMENT OF ALLOWANCES TO 4-DSS OFFICERS AND 9-POLICE OFFICERS

In the month of August 2019, the MD granted approval for the payment of N1,707,680 as monthly allowances to 4 DSS and 9 police officers. From the last paragraph of the memo in which the allowances were approved, it was indicated that it was a routine payment to the officers. In the approved memo, the MD/CEO did not attach the approval of the NBET Board of Directors or that of the Minister authorizing and conveying allocation of such number of security men to the MD/CEO nor was the approval of the Head of Service granting the payment of the allowances attached. Attached as Appendix B

## OBSERVATIONS

- a. The monthly payment of N1,707,680 violates the provisions of the approved NBET Human Resources (HR) Policy Manual Section 5.4.3.5 where it states explicitly that "inward secondees remain an employee of the donor organization and remains subject to their terms and conditions."
- b. Approval of the Head of Service of the Federation was not attached.
- c. No approval of the Board of Directors of NBET was sought to authorize the actions of the MD in approving such routine payments.
- d. No request nor notification to the Head of Service for engaging such high profile service for a public servant.
- e. The office premises in which NBET occupies is owned and equally occupied by NERC where there is a central provision for security in the building, how did Dr Amobi arrived at having 14 security officer attached to herself or office as a public servant.
- f. The payment memo for police officers initiated by Ms. Itohan Ehiede in August 19, 2019 indicated "Unit Commander- Achir Orkuma Shagari" who was allotted N100,000.00 monthly. Was the Unit Commander permanently assigned to the MD/CEO or formed a part of the immediate security team stationed daily at NBET's premises.
- g. No agreement attached detailing the nature of service requested by the MD/CEO and the basis for utilising public funds assigned for the improvement of electricity towards personalised flamboyant services.

## 3. ENGAGEMENT OF VARIOUS LEGAL CONSULTANTS

Between October and December 2019, NBET expended the sum of one hundred and twelve million naira only (N12,000,000.00) for the engagement of lawyers to either institute cases or defend NBET even when the issue(s) relates only to the MD/CEO herself as in the case of libel against the media houses.

## OBSERVATIONS

- a. In the case of award to Orchids Chambers for the review of NBET contract templates for N15million, neither was the copy of the existing template nor the refined copies attached. There was no evidence of the approval of the Attorney General of the Federation. Attached as Appendix C.
- b. The engagement of Messrs ECJ Ifeanacho & Associates for N7million to represent NBET at the Federal High Court in Lagos on a suit initiated by Registered Trustees of Human Right Foundation was also without the attached copy of approval of the Attorney General of Federation even

Between October and December 2019, NBET expended the sum of N100.5million for the purchase of vehicles- Toyota Fortuner for N30million, Toyota Camry for N29.9million and THREE Toyota Corolla for N40.6million at a unit rate of N13.5million each. The user department's request or report of the maintenance challenges of the existing vehicles was never attached. Procurement of vehicles is a line item under the approved budget for NBET in which the total sum of N100.5million is above the approving threshold of the Ministerial Tenders Board (MTB) as it falls under the Federal Executive Council's approving authority. Dr Amobi resulted into contract splitting to usurp the power of the Federal Executive Council and the MTB by approving N30million under PTB and concealed it from the MTB thereby circumventing the FEC approval for procurement of goods in excess of N100million. Attached as Appendix G.

#### 4. PROCUREMENT OF VEHICLES WORTH OVER N100MILLION

- compliance with the BPP Act was evidenced in all the engagements.
- e. For the procurement of legal services generally, no evidence of Federation, and the actual cost of legal service. Attached as Appendix F. process, approval obtained from the Office of the Attorney General of the 2019 for N12million thus creating further doubt on the procurement without basis. However NBET issued award letter to the firm in May in favour of N15million as against N12million in 30<sup>th</sup> September 2019 NBET that the conflict in different amount for same service was resolved respectively. It is more worrisome that one Anne C. Akwizu conveyed to month for N12million and N15million on April 18<sup>th</sup> and May 23<sup>rd</sup> 2019 amount was approved by the Attorney General within a space of ONE Attorney General of the Federation on the same engagement and different Federation into disrepute, as NBET wrote 2 different letters to the and a deliberate attempt to bring the office of the Attorney General of the by an aggrieved staff was marred with violations of the Procurement Act d. The engagement of Messrs Dikko and Mahmud to defend suit instituted Attached as Appendix E. Federation was obtained could not be verified as it was not attached.
  - c. NBET also engaged the services of the law firm of Babalakin & Co to sue 6 media houses for libel on behalf of NBET and Dr Marilyn Amobi at the rate of N10million each amounting to N60million. There was no evidence of compliance with the procurement guidelines as contained under the BPP Act and the claim that the approval of the Attorney General of the Federation was obtained could not be verified as it was not attached.
- when the approval was claimed to have been obtained. Attached as Appendix D.

## OBSERVATIONS

- a. It is not clear what constitutes utility and project vehicles in NBET. There was no report of projects being supervised by NBET attached as a support to the procurement processes.
- b. Evidence of approval by the PTB was not attached as the amount for the procurement of Toyota Fortuner was above the approving threshold of the MD/CEO.
- c. The MD/CEO resulted into contract splitting so as to avoid obtaining the approval of the Federal Executive Council who has the authority to approve sum above N100million for goods such as vehicles, thereby usurping the powers of FEC.
- d. The MD/CEO concealed the procurement of the Toyota Fortuner from the Ministerial Tenders Board (MTB) in a bid to usurp its power of FEC in violation to the BPP Act.
- e. User's department nor Project Team request for the procurement of vehicles were not attached to determine the purpose and relevance of the additional vehicles purchased.

## 5. PROCUREMENT OF VENDORS FOR INFORMATION TECHNOLOGY RELATED ITEMS

In December 2019, NBET procured IT related items worth N93million from different vendors for office use within the NERC building despite a whopping sum of N650million cost of relocation expended as at year 2018 when the staff moved to the new 2 floors office space. Some of these new IT procurements were already contained in the spending of N650million. Again, available evidence points to contract splitting by the MD/CEO wherein the engagements were broken down so as to avoid seeking the approval of the Ministerial Tenders Board (MTB) as the gross amount of N93million is above the approving threshold of the NBET Parastatals Tenders Board (PTB). The procurement was marred with irregularities and violation of the Procurement Act. The various procurement of IT related contracts were awarded to the following:

- ELM Engineering Services Limited at N4.5million for the renovation, relocation, reconstruction and replacement of LAN ports, Attached as Appendix H
- Reliance Infosystems Limited at N5million for the upgrade of NBET servers only despite the huge sums of money paid to KPR Consulting Limited for relocation of servers? Attached as Appendix I

- a. The approval for this procurement exceeds the threshold limit of the MD/CEO and evidence of PTB approval not attached
- b. From the attached quotation from the three vendors, one can conclude it was originated from one single person but using different companies more so that the profile of the vendors were not attached.

**OBSERVATIONS**

NBET engaged the service of Pira-Tech Nigeria Limited in December 2019 for the supply of various stationery items for the contract sum of N4.6million. The quotation obtained from other vendors who participated in the process were not dated, and they have strikingly similar invoices features as Pira-Tech Nigeria save for price difference thereby suggesting same source with the aim of misleading and violating the procurement process. Attached as Appendix Q.

**STATIONERIES**

**8. ENGAGEMENT OF VENDOR FOR THE SUPPLY OF OFFICE**

- a. Relevant documents as required under the BPP Act to validate the competence of the vendor was not forwarded to BPP by NBET
- b. This procurement did not state the total monetary value but rather contract sum depends on the success of the job; this would result into evasion of appropriate threshold authority.
- c. A detailed costing of this service was not attached.

**OBSERVATIONS**

In December 2019, NBET procured a consultant to serve as NBET recruitment consultant using direct procurement method. The contract was awarded to H. Pierson & Associates at cost of 20% of each of the selected candidate's total annual emoluments plus N1million reimbursable for logistics. BPP noted in granting NBET "No Objection" for direct procurement that NBET did not forward relevant documents to them and noted further also that NBET ought to have complied with the SGF circular SGF/OP/S.3/X1964 dated January 12, 2017 to commence procurement earlier but delay the award until when fund is available. Attached as Appendix P.

**7. ENGAGEMENT OF RECRUITMENT CONSULTANT**

- a. The sum of N2.9million is above the approving threshold of the MD/CEO but no evidence of PTB approval attached to the procurement process.

**OBSERVATION**

## 9. PROCUREMENT OF VENDOR FOR THE SUPPLY OF LIBRARY BOOKS

NBET engaged the services of Safari Books Limited for the supply of assorted books for its library at a cost of N1.8million in September 12<sup>th</sup> 2019. Without any supporting document attached to the letter of variation submitted by the vendor on the 23<sup>rd</sup> of September 2019, and within a time frame of 10days, the contract price was increased to N4million thereby resulting into an upward review of the contract sum by N2.2million. The new approved contract sum of N4million is above the CEO's approving threshold and neither was the PTB approval attached. Attached as Appendix R.

### OBSERVATIONS

- a. There was no evidence that the PTB approved the variation amount from N1.8million to N4million
- b. The variation to the original price amount was in excess of 122%

Based on the aforementioned, you are therefore required to provide detailed response and chronological evidence to the above observations within 3 days from the receipt of this letter failing which it will be presumed that you are in tandem with the observations and necessary action can be taken against you as enshrined by law.

Hon. (Engr.) Magaji Da'u Aliyu

Chairman, House Committee on Power

Cc:

The Speaker-House of Representatives  
Hon. Minister of Power

Hon. Minister of Finance/ Chairman, NBET Board of Directors  
DG, Bureau of Public Enterprises/Member NBET Board of Directors  
DG, Debt Management Office/Member NBET Board of Directors  
DG, Budget Office/Member NBET Board of Directors  
Mr. Suleiman Ndannusa-Member NBET Board of Directors  
Mr. Mustapha Balarabe Shehu-Member NBET Board of Directors  
Mr. Adeyeye O. Adepegba-Member NBET Board of Directors