

Emefiele and 14 Others Implicated In N26.6 Trillion Fraud

A former minister in the outgone Muhammadu Buhari administration and erstwhile Central Bank of Nigeria (CBN) Governor Godwin Emefiele are to face trial over the scandal that rocked the apex bank in the last one year. After a five-month probe, the minister, Emefiele and 14 others who have been implicated in over N26.6 trillion fraud, have been recommended for trial.

Those implicated include former and serving top officials of the apex bank.

No fewer than 16 former government and CBN officials were alleged to have indulged in fraudulent use of 'Ways and Means,' which stood at N26.627 trillion.

Also, a former influential aide of former President Muhammadu Buhari may be arraigned with Emefiele. In September 2022, the aide had allegedly told Emefiele to proceed with the naira redesign.

The printing of the new notes cost N61.5 billion out of which N31.79 billion has been paid. There were indications that the aide also sold a "dummy" to the former president. Preliminary investigations into the activities of the CBN and related entities revealed many infractions, including the violation of the apex bank's Act, alleged looting, diversion of funds and sidelining of the Board of Directors.

Other allegations were lack of presidential approval, extra budgetary spending, forgery, concealment, stealing, conspiracy and fraud.

Some documents based on the report by the Office of Special Investigator, gave insights into how the rot in the CBN was perpetrated. The Special Investigator on CBN and Related Entities, Mr. Jim Obazee, was appointed in July, 2023.

He submitted an Interim Report on December 9, 2023. It was learnt that the final report was submitted to the President on the December 20. The investigations exposed what a source described as a "monumental scandal" Some documents contains some highlights of the first phase of the probe of accounts and operations of the CBN.

It was discovered that Emefiele invested public money (billions of dollars) in 593 accounts in the United States, China and the United Kingdom without authorisation. In the UK alone, Emefiele kept £543,482, 213 in fixed deposits without authorisation by the CBN Board and the Investment Committee.

Also, about N1.7 trillion spent on COVID 19 intervention management did not get to the right beneficiaries.

A major breakthrough in the probe of the CBN was the manipulation of "Ways and Means" by Emefiele and his team. Investigations

showed that the former CBN governor and those who worked with him could not produce evidence of "Ways and Means," which now stands at N26.627trillion.

It was found out that there were instances of arbitrariness where there was no presidential approval, but billions of Naira was taken out from the nation's Consolidated Revenue Fund (CRF) account. Some of the findings were as follows: "The CBN officers and even the then Acting CBN Governor could not produce the presidential approval of most of the expenses described as "Ways and Means".

"When confronted to provide the breakdown of the supposed N22,719,703,774,306.90 that was presented to the 9th National Assembly to illegally securitize as "Ways and Means" financing, they were only able to partially explain a total of N9,063,286,720,318.92 or N9,258,040,720,318.92 (depending on

which official you are considering his submission) and an unreasonable attribution of non-negotiated/unadvised interest element of N6,678,874,321,541.97. This shows the point where the officers of the immediate past administration as well the erstwhile CBN governor and others connived, defrauded and stole from the common wealth of the country with the aid of civil servants.



Tunde Sabiu Yusuf
nephew/PS to Buhari

"The true position of the "Ways and Means" as documented from the reconciliation between the CBN and the Ministry of Finance at the time is N4, 449, 149, and 411. 584.54. This may have been the main reason the past administration hurriedly sought that the advances of N22, 719,703,774,306.90 be securitized by the 9th National Assembly on the 19th December 2022; which they also hurriedly did despite the fact that it contravenes Section 38 of the CBN Act, 2007."

"The probe showed that the CBN Governor on the 19th December 2022 " signed an advice to the former President Muhammadu Buhari to restructure "Ways and Means" of N23,719,703,774,306.90, despite presenting a different figure to the National Assembly on the same date.

"The fact that the balance of the "Ways and Means" was documented as N26.63 trillion as at June 8, 2023 by the erstwhile CBN Governor shows an unrepentant attitude of the management of the CBN because they continued to carry the "Temporary Advances to the Federal Government" as a running current account, despite the obvious contravention of Section 38 of the CBN Act, 2007, which they swore to uphold," the document said.

Obazee, who worked with different teams of crack detectives, also

uncovered the intrigues behind the naira redesign, which almost led to the collapse of the nation's economy. The outcome of the investigation confirmed that an ex-presidential aide gave the directive to Emefiele. Section 19(1) of the CBN Act requires that "Naira notes and coins shall be of such forms and designs and bear such devices as shall be approved by the President on the recommendation of the Board of the CBN."

It was unclear the circumstances under which the former presidential aide allegedly gave instructions to Emefiele.

A document said: "The Naira Redesign was not approved by the Board of CBN and President Muhammadu Buhari in accordance with the law. Buhari only tagged along. Sometimes in September 2022, the erstwhile Governor of the CBN claimed that during his visit to the Presidential Villa, one of the presidential aides told him to go and consider redesigning the Naira.

"On 6th of October, 2022, Emefiele wrote Buhari seeking approval to redesign and reconfigure N1, 000, N500, N200 and N100 notes. Buhari approved the proposal same day. But Buhari approved the currency be printed in Nigeria." "On that 6th October 2022, former President Muhammadu Buhari approved Emefiele's request and directed that he should redesign and reconfigure the four denominations of the Naira notes as prayed, but should print them locally.

"Emefiele did not consult with the management of the CBN or seek any recommendation from the Board of the CBN as required by Section 19 of the CBN Act, 2007.

"Emefiele did not seek the recommendation of the Board of the CBN nor revert to former President Muhammadu Buhari to inform him nor seek his presidential approval for the new redesigns and the fact that he is now recommending only three denominations

"Emefiele took the redesigns, a mere change of colour to De La Rue in UK for a fee of £205,000. Only N1, 000, N500 and N200 were redesigned. "As at August 9, 2023, N769 billion of the new notes were in circulation. The printing cost was N61.5 billion, out of which N31.79 billion has been paid.

In a separate document, the probe confirmed the investment of billions of dollars in 593 foreign accounts in the United States, China and the United Kingdom without approval from the board or the President. "The former governor of the CBN invested Nigeria's money without authorisation in 593 foreign accounts in the United States, China and the United Kingdom while he was in charge.

"All the accounts where the billions were lodged have all been traced by the investigator. In the UK alone, Emefiele kept £543,482, 213 in fixed deposits without authorization by the CBN board and the Investment Committee of the bank," the document added.

Another scandal which was unearthed was the inability to trace about N1.62 trillion COVID-19 intervention funds. It was discovered that "the N1,622,119,412,095.16 was surreptitiously transferred to the following individuals and organizations: Police Trust Fund(N29,750,000,000.00); Companies and individuals (N22,680, 275, 135.45); borrowed for salaries (N720, 682,827,000.00); Donations to public (N40,000,000,000.00); Office of Accountant-General of the Federation (N196, 190,789,994.72); MDAs (N303,514, 294,725.21); and others (N293,986, 243,831.39).

On the Nigeria Electricity Supply Industry (NESI), the former CBN Governor was accused of unlawful manipulation of the approval of

the President. Investigation indicated that 14 Deposit Money Banks (DMB) were involved in what is termed "criminal diversion of N17, 232,349, 193.55. But the list of the 14 banks was still kept under wraps as at press time. A source said: "We have the list which includes some rated banks. But at the appropriate time, Nigerians will know them."

Two of the banks are to refund over N3 billion each. The least amount to be refunded is N8, 902, 081 by a reputable bank. Also a web management firm is to refund N4.8 billion, being the sum said to have been illegally diverted from NESI Stabilisation Strategy Limited.

Explaining what Emefiele did, the synopsis of the investigation on NESI was as follows: "The Presidential Approval granted by the then President Goodluck Jonathan was rightly stated by him that NESI should be a Company Limited by Guarantee, but the Committee of Governors misled the Board of the Central Bank of Nigeria by inter-alia: "Relying on a non-existent advice by the Office of the Attorney General and Minister of Justice, to incorporate a Company Limited by Shares for which the Allotted Share Capital exceeded the Authorized Share Capital (See 380% Meeting of the Committee of Governors held in January 2015); and "Allotting unauthorised share capital without lawful approval by the President of the Federal Republic of Nigeria".

Investigation also spotted illegal Issuance of Debentures by NESI Stabilisation Strategy Limited. "There was misrepresentation of Presidential Approval (NESI Stabilisation Strategy Limited). NESI, as approved by former President Goodluck Jonathan, was supposed to be an SPV limited by Guarantee, but Emefiele, relying on a non-existent advice, made it a company limited by shares. "By law, an SPV cannot issue Debentures, as it is precluded from forming a Debenture Trust. Worse still, a virgin entity without any operational track record cannot issue Debentures as it has no trading or earnings history to justify the requirements of the Debenture issue.

"Despite these, the Committee of Governors of the Central Bank of Nigeria on the date of its Meeting of 21st January 2015, caused a violation of Section 31 of the CBN Act, 2007 by authorising the issuance of Debentures by NESI Stabilization Strategy Limited to which the initial sum of N64, 861,954,000.00 (Sixty Four Billion, Eight Hundred and Sixty One Million, Nine Hundred and Fifty Four Thousand Only), was diverted from Public Funds under the guise of Debenture issuance. This practice has grown to N952, 414,745,000 (Nine Hundred and Fifty Two Billion, Four Hundred and Fourteen Million, Seven Hundred and Forty Five Thousand Naira Only) by the Financial Year end 2021", the document added.

"N1.325billion was stolen pre-incorporation and the money was funneled to four companies, including a legal firm which got N300 million."

The note on the allegations against some banks read: "A total of 14 DMBs engaged in the manipulation by unlawfully arranging and collecting 1.9535 percent of the total disbursements paid to the DMBs participating in the Nigerian Electricity Market Stabilization facility. "The fees are paid to the banks in the ratio of their contributions to the NEMSF disbursement, according to External Auditor's Notes to the Financial] Statement of NESI Stabilization Strategy Limited."

Also, a firm linked with some CBN officials was paid N4, 897,789,000 allegedly "illegally diverted from NESI Stabilization Strategy Limited."