

## **Fol: If it's free, why do we pay for it? (I)**

Written by JK Randle

Monday, 21 November 2011 00:00

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The raging controversy over the passage of the Freedom of Information remains unabated. The recurring decimal is: If it is free, why do we have to pay so dearly for it ?

Samples are as follows:

(i) "Daily Trust" newspaper (November 2, 2011)

Headline: "NNPC Mirred in corruption" – RMAFC Boss

"The Nigerian National Petroleum Corporation (NNPC) is mired in corrupt activities in the management of the nation's oil revenues, Chairman of the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC) Engineer Elias N. Mbam has said.

Mbam was speaking before the Joint House of Representatives Committee on Finance, Petroleum Up and Downstream and Gas investigating the non-remittance of N450 billion to the Federation Account by the NNPC.

He said the oil giant has constituted itself into a cesspool of corruption.

"The proceeds from the domestic crude oil and gas lifted by NNPC are not paid into the Federation Account but paid into NNPC account in contravention of Section 162 subsection 1 of the 1999 constitution. The situation makes the operation of the account shrouded in secrecy. The NNPC first line deductions above budgetary provisions for subsidy are illegal," Mbam said.

The RMAFC boss further accused the NNPC of applying foreign exchange regime that is different from the CBN approval rate in crediting the Federation Account thereby short changing the government to the tune of N12 billion.

On the N450 billion, the RMAFC, said in November 2004 the NNPC began withholding some portions of receipts due to the Federation Account from the sale of domestic crude oil.

Similarly, he said the NNPC does not remit money accrued from signature bonus which is a premium from concession granted on oil blocks but uses same for manpower development in

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the oil and gas sector through the Petroleum Technology Development Fund (PTDF).

In the same vein, dividends accruing from the Nigerian Liquefied Natural Gas Limited have not been remitted since 2004, according to Mbam.

The RMAFC boss recommended that the office of the Accountant General of the Federation should be separated from the office of the Accountant General of the Federal Government.

“RMAFC should be given powers to manage the Federation Account and compel agencies to comply with the provisions of the law as it’s a toothless bulldog now,” Mbam said.

For her part, Executive Chairman of the Federal Inland Revenue Service (FIRS) said NNPC does not pay tax to the government on all its transactions saying “My understanding in terms of history is that NNPC was preparing tax returns but there was a ministerial order and it stopped.”

However, the Group Managing Director of the NNPC Austen Oniwon said they were forced to pay the N450 billion and “we are doing that under great duress but we are not taking Nigerians money to pay, it is from our operational money.”

(ii) “Vanguard” newspaper (November 2, 2011)

Headline: “Auditor-General Rejects Efcc Audited Accounts”

“The Office of the Auditor-General of the Federation (AGF) rejected EFCC’s 2007 audited accounts submitted by the agency in 2009 because it lacked the mandatory domestic report.

This was made known at a news conference in Abuja by Mr. Hyacinth Obilor, Director, Extra-Ministerial Affairs at the AGF’s office. “In 2009, EFCC submitted their 2007 audited accounts but they submitted it without the domestic report and it was rejected. That was the only attempt they’ve made to submit to the Office of the Auditor-General since inception.”

Obilor also told newsmen that newspaper reports stating that the NNPC did not submit

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up-to-date audited accounts to the AGF's office were misleading. "The Auditor-General for the Federation did not at anytime allege that the Nigerian National Petroleum Corporation did not submit audited accounts to his office.

"This office does not know the source of information that elicited the embarrassing reactions and publication in the national newspapers by the corporation without official verification from the office of the Auditor-General of the Federation. Therefore, this office demands a retrieval of the said publication to put the issue at stake in its right perspective." He added that the office had no plan to assault the credibility of the National Assembly and appealed to stakeholders to submit their audited accounts when due.

The NNPC had on Monday, Oct. 18 in Abuja, in a statement signed by Dr. Levi Ajuonuma, its Group General Manager, Public Affairs Department, said its accounts had been audited contrary to perceptions in some quarters. It said a comment credited to the Auditor-General of the Federation. Mr. Samuel Orkura that the corporation had not audited its account since inception was unfortunate.

"The statement is totally different from verifiable official documents in the possession of the NNPC, the office of the Auditor-General of the Federation as well as the Public Accounts Committee of both the Senate and House of Representatives. I can confirm that the NNPC as a responsible commercial entity has not only audited its accounts, but has been sending the detailed financial reports to the Senate, House of Representatives and the Office of the AGF. As a matter of fact, the corporation's audited accounts have been submitted to the Office of Auditor-General of the Federation up to 2010." the statement quoted Ajuonuma as saying."

(iii) "Vanguard" newspaper (November 2, 2011)

Headline: "Obasanjo attacks Federal Government Over N9 Billion Arms Import."

"Makurdi – Former President Olusegun Obasanjo, yesterday, lampooned the Federal Government for expending over N9 billion on the importation of arms and ammunition when far less than that could be channeled into manufacturing locally.

Obasanjo, who spoke at the SAPPERS' Reunion at Nigerian School of Military Engineering, NASME, in Makurdi, argued that if well-funded, the Defence Industries Corporation of Nigeria, DICON, could manufacture arms for the country rather than the expenditure on importation.

He said: "Corruption is everywhere in this country and it is the bane of our development. When

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I was in government, I appropriated N2 billion to resuscitate DICON, and instead of ensuring this is executed, eventually few years later N9 billion was expended to import arms to the detriment of the resuscitation of the corporation all because people want to get commission from the money.”

The erstwhile president, who was the guest speaker on the occasion, spoke on “The Role of Nigerian Army Engineers To Meet Contemporary Challenges.”

In his address, President Goodluck Jonathan acknowledged the significant roles military engineers had played in the infrastructural development of the country, adding that they have demonstrated commitment and dedication to the internal and external security of the nation.

Represented by the Minister of Defence, Alhaji Bello Mohammed, the President regretted that Nigeria is facing new security challenges as a result of incessant bombings, but assured that the Federal Government is up to the task in ensuring the security and safety of Nigerians.

He charged the military to live up to the expectations by upgrading its equipment even as he expressed happiness at the establishment of a dog unit in the military to complement their intelligence efforts.

He said: “I urge you to also contribute to power, transportation, ICT for sustenance and growth of the nation.”

Benue State Governor, Mr. Gabriel Suswam, who was represented by his Deputy, Chief Steven Lawani, said the presence of military formations in the state has greatly ensured peace in the state and promised the sustenance of the cordial relationship existing between the military and his government.

The Chief of Army Staff, Lieutenant-General O.A. Ihejirika, said the military must be repositioned to meet the challenges of contemporary society, maintaining that the worrisome monster of terrorist attack must also be approached pragmatically.”