

## How Obiano Grossly Mismanaged Anambra's N420B In 43Months & Failed Woefully As Governor (1)

(In Response To Obiano's Unanswered Questions In Our Open Letter Of 23<sup>rd</sup> October 2017)

**(Intersociety, Onitsha Nigeria: Sunday 5<sup>th</sup> November 2017)**-The eleven (11) foundations of successful governance in a civil government particularly in developing parts of the world including Nigeria and Anambra State are: (a) *winning of election by popular votes or input legitimacy*, (b) *intent and ability of the elected to serve the people in the context of service to humanity*, (c) *avoidance of call to squander and heeding of call to serve*, (d) *formation of a sizeable cabinet composed of moralists and people with technical expertise in various sectors of public governance*, (e) *a cabinet type devoid of favoritism and nepotism*.

The rest are: (f) *financial prudence, fiscal responsibility and maintenance of a moderate government monthly wage bill*, (g) *drastic reduction in governance running costs most especially in the areas of security votes and overheads and allowances of the political appointees*, (h) *zero debts culture and ability to adequately mobilize both statutory and non statutory/non loan funds within and outside the country for capital development of the governing area (i.e. Anambra State)*, (i) *aggressive sectoral and infrastructural development and provision and delivery of social services*, (j) *provision of enabling environment and social incentives for the FDI inflows, private sector participation and general wellbeing of the citizenry including security and welfare* and (k) *rendering the account of stewardship at the end of every elected tenure*. Combination of these is called "*input and output legitimacy of a successful democratic leader*".

From our in-depth investigation of the 43 months of the Obiano Administration, the Administration is the direct opposite of the above highlighted **eleven (11) core foundations of successful governance in a civil government**. It is recalled that we had on 23<sup>rd</sup> October 2017 released an eight-page open letter to Governor William Obiano of Anambra State, demanding that he should present his governance scorecard for his first four-year tenure as the democratically elected Executive Governor of Anambra State, which clocked 43 months on 31<sup>st</sup> October 2017. Governor Obiano is seeking for another four-year term in office having been first elected on 16<sup>th</sup> and 30<sup>th</sup> November 2013 and sworn in on 17<sup>th</sup> March 2014.

On 25<sup>th</sup> October 2017, we released another six-page open letter to the non-incumbent governorship candidates in the State; numbering 36 including leading candidates such as those of PDP, APC, UPP, PPA, etc. Critical public governance questions were similarly raised and their comprehensive answers demanded. The incumbent and non-incumbent governorship candidates were given seven days respectively to respond to their letters.

In the case of Governor William Obiano, critical questions revolving around *inherited public assets and liabilities (from past Obi Administration); cabinet size, monthly wage bill and governance cost; infrastructural development and social services delivery; fiscal discipline and accountability; foreign investment and agric development; security and welfare of Anambra People; and N127B purportedly inherited Roads/Infrastructural contractual debts* were raised and their answers demanded. Deadline given to Gov William Obiano to respond by way of issuance of a comprehensive (not skeletal) scorecard of his first tenure has expired since 31<sup>st</sup> October 2017.

### **Obiano's Skeletal Reaction**

The Government of Anambra State and Gov William Obiano have refused till date to make comprehensive presentation of the Administration's scorecard of its first tenure as legitimately and popularly demanded since 23<sup>rd</sup> October 2017 by our organization through an open letter and its open demands/questions. Instead, the Administration goes about bluffing and lying over the true state of governance in Anambra State.

When specifically confronted on the issue by some media managers in a recent radio program, the Administration through one of its over 1000 SAs dodged the issue and claimed as expected that "the letter was sponsored by the opposition". When reminded that quest to account for democratic leadership stewardship is a universal legitimate call in spite of where such it comes from, the Administration absconded and refused to respond till date.

### **Money Politics & Media Falsehood:**

The amount of Anambra public funds squandered so far by Governor William Obiano and his Administration especially since the Governor's campaign flag off on 2<sup>nd</sup> October 2017 is shockingly alarming. The said squandered public funds may most likely have run into billions of naira. The public funds under squander-mania; are statutorily meant for the collective good of Anambra State and the People of the State especially in the areas of provision and maintenance of infrastructures and social services, but found diverted in the form of "over-bloated monthly security votes"; frivolous and frightening overheads and allowances for over-bloated political appointees as well as allied others.

Going by our recent investigation, therefore, it is our credible estimation that over N500M would have been squandered on media falsehood and propaganda in 45days (2<sup>nd</sup> October to 17<sup>th</sup> November 2017) or at the end of the campaign deadline. The media beneficiaries of these Anambra public funds under squander-mania are drawn from the online/social media, image media, print media, electronic (visual/tv) media and the eight shortlisted major radio stations in Anambra State.

For instance, a national daily owned by one time Governor of a Southern State in Nigeria already has its back page and a prime portion of its front page bought with Anambra public funds on daily basis; running into millions of naira weekly; likewise a leading private television station in Lagos which is paid tens of millions of naira monthly from the State funds.

Our investigation of five out of the eight shortlisted radio stations in Anambra State for airing the Governor's campaign and its jingles; clearly shows that not less than N60M will be squandered in 45 days in getting them to air the Governor's election campaigns including jingles and live or phone-in programs.

That is to say that it would take Governor William Obiano over N500M of Anambra public funds in 45 days to oil his campaign in the entire media including eight shortlisted radio stations in Anambra State. For instance, in the five radio stations investigated, an hour live or phone-in program without campaign jingles costs N80,000, N70,000, N60,000, N52,000 and N40,000 respectively; while an hour live program with campaign jingles goes for N100,000 or more. The cheapest political campaign jingle goes for N7,000 for a minute while the rest go for N10,000 per minute.

In the most popular of the eight shortlisted radio stations (five in number), Governor William Mmaduabuchi Obiano is given average of 15 jingles per day or 75 jingles in all every day; translating to N750,000 per day; while the remaining three less popular radio stations play average of 10 sponsored jingles for him every day; costing N300,000 per day. This translates to N1M per day and N45M for 45 days. When added to N15M total cost of live radio programs paid to the eight shortlisted stations, it brings the grand total to N60M as Anambra public funds squandered on radio version of the media in 45 days. In some cases, discounts abound, but such sums are privately pocketed by the Governor's aides and never returned to the Government coffers.

Total amount of Anambra public funds being squandered by Governor William Obiano and his Administration in 45 days on billboards, customized liquor and fruit drinks, T-shirts, caps and other textiles; and mobilization and inducement of political appointees, church and other religious leaders, heads of town unions, traditional rulers and party faithful at State, LGA, ward and community levels etc also runs into billions of naira. The Governor had reportedly vowed recently to "out-spend his opponents during this electioneering".

### **Mismanagement Of Anambra's N420B (\$1.4B) In 43 Months**

From available statistics, the present Government of Anambra State had between 17<sup>th</sup> March 2014 and 31<sup>st</sup> October 2017; a period of 43 months, inherited and received a total of not less than N420B cash. Sadly, this huge sum of Anambra public funds is nowhere to be governmentally and tangibly located till date. That is to say that the said N420B Anambra public funds are grossly mismanaged, if not squandered; leaving the state of governance in the State in utter dismay, quandary and decay.

The breakdown of this huge sum shows that the Government of William Obiano inherited a total of N75.1B cash; made up of N48.6B local cash deposits in 12 local banks and N26.5B or \$156M dollar deposits in three banks (Fidelity, Diamond and Access). The cash of N48.6B inherited from former Obi Administration as at 17<sup>th</sup> March 2014 was deposited in 12 banks as follows: (1) Access Bank N1.82B, (2) Diamond Bank N15.8B, (3) Enterprises Bank N2.68B, (4) First Bank N2.15B, (5) Fidelity Bank N21B, (6) First City Monument Bank N892M, (7) Keystone Bank N1.14B, (8) Skye Bank N172M, (9) Sterling Bank N606M, (10) United Bank for Africa N1.31B, (11) Unity Bank N309M and (12) Zenith Bank N642M; totaling N48.62B.

The Obiano Administration also inherited a paltry debt of N12.2B made up of foreign debt of \$45M or N9B using then official exchange rate of N195 per \$ and local debt of N3.2B. See DMO Report of 30<sup>th</sup> June 2015. No contractor in Anambra State was owed a dime as at 17<sup>th</sup> March 2014 for public projects executed and certified completed by relevant supervising government agencies in Anambra State. Contractors handling ongoing projects as at 17<sup>th</sup> March 2014 especially road projects were paid according to levels of completion of their projects including mobilization, quarter and half levels' completion.

It is also on available records especially those of the Federal Ministry of Finance (FMF) that the Obiano Administration had between 31<sup>st</sup> March 2014 and 31<sup>st</sup> October 2017; a period of 43 months, received from the Federation Account a total of not less than N150B as statutory federal allocations on monthly average of N3.5B. The received federal allocations included Paris Club overpaid Debts refunds. By average of N1B internally generated revenues, the Obiano Government of Anambra State also generated a total of N43B in the past 43 months or between 31<sup>st</sup> March 2014 and 31<sup>st</sup> October 2017.

The Obiano Administration which manages the Anambra State Local Government System made up of 21 LGAs also received a total of not less than N109B as their statutory allocations from the Federation Account in the past 44 months or since February 2014 (See FMF reports). Apart from using appointed caretaker committees for the 21 LGAs since January 2016, the Obiano Administration had relied and still relies on Section 162 (6) of Nigeria's 1999 Constitution (State-LGA Joint Account) to stifle and manipulate the democratic, administrative and financial autonomy of the State Local Government System.

The Government of William Obiano had borrowed or incurred about N40B debts in the past 43 months; comprising foreign debts of \$40M or N12.2B and local debts including budget support and infrastructural loans of over N27B. See DMO report of 30<sup>th</sup> June 2017 for Anambra's foreign debts. Anambra's current foreign debt stands at \$85M or N26B.

Totality of the above clearly shows that the Obiano Administration had in the past 43 months or between 31<sup>st</sup> March 2014 and 31<sup>st</sup> October 2017 inherited, borrowed and received a total of not less than N420B. In others words, N75B (inherited cash in local and dollar currencies) + N150B (federal allocations) + N109B LGAs' federal allocations) + N40B (borrowed local and foreign debts) + N43B (IGRs) =N417B/N420B.

These huge amounts of Anambra public wealth, grossly mismanaged by the Obiano Administration since past 43 months may most likely be higher. The present Government of Willie Obiano is again called upon to proof us right or wrong by publishing full details of the State account including the inherited cash of N75.1B, Federal Allocations including Paris Club refunds and other interventions as well as IGRs and borrowings from 31<sup>st</sup> March 2014 to 31<sup>st</sup> October 2017.

## **Fate Of Inherited Assets & Sound State Of Anambra Finance**

It is sad to note, from our investigation, that the inherited total sum of N75.1B especially the \$156M (N26.5B) future savings deposited in Fidelity, Access and Diamond Banks, is no more or has been grossly mismanaged, if not squandered. The \$156M future savings was reliably said to have been sold by the Obiano Government at N305 per \$; totaling N48.3B sometime in 2016. Today, the money is part of the grossly mismanaged N420B Anambra commonwealth.

The fate of Anambra State's multibillion naira investments scattered in 18 quoted companies and institutions within and outside the State is also seriously threatened; with whereabouts of some of them not accounted for since 2015 till date. Recall that former Government of Peter Obi invested over N27B State funds in 18 quoted companies and institutions and they are: (a) Nigerian Independent Power Project (NIPP)- N9B, (b) Orient Petroleum PLC-N4B, (c) Onitsha Hotel-N1B, (d) Agulu Lake Hotel-N1B, (e) Awka Shopping Mall-N900M, (f) Nnewi Shopping Mall-N600M, (g) Onitsha Shopping Mall (Shoprite)-N1B, (h) Intafat Beverages or Hero Breweries, Onitsha (N3.5B +\$10M) and (i) Onitsha Business Park 1 & 2-N600M.

Others are: (j) Anambra State Independent Power Generating Company Ltd-N250M, (k) E-Force Ltd-N126M, (l) Emenite Ltd-N750M, (m) Quoted Investment Portfolio-350M, (n) NSIA-Anambra State Contribution (State +LGA)-N1.5B, (o) Anambra State Investment with Bank of Industry to support SMEs in the State-N500M, (p) Investment with Bank of Industry to support Micro Credit Bank in Anambra State-N500M, (q) Investment with Bank of Agric to support Anambra Farmers- N480M and (r) Commercial Agric Scheme-N1B; all totaling N27B.

Paces of work at Onitsha Hotel, Nnewi and Awka Shopping Malls have been grounded to a halt since late 2014 and upwards while that of Agulu Lake Hotel is at snail speed. The Onitsha Business Park 1 & 2 where Anambra State invested N600M is in a terrible state of abandonment. The safety of other State investments including whereabouts of the N1B stake in the Onitsha Hotel Project is far from being guaranteed under the Obiano Administration.

The Obiano Administration also inherited the soundest state of finance in the history of state governance in Nigeria. To this end, most, if not all backlog of arrears of serving and retired workforce in the State dating back to 1992; totaling N35B was cleared leaving behind those of few State parastatals such as Anambra Broadcasting Service and Anambra State Water Corporation. That of the State Water Corporation (N1.8B) was later paid through monies saved by the Obi Administration domiciled at the First Bank via a Garnishee order from a court verdict. The touted "prompt payment of workers' salaries" in Anambra State today is on account of soundest state of finance so bequeathed.

## **Obiano's Over-Bloated Cabinet Size & Monthly Wage Bill**

The Obiano Administration appears to have been founded on squander-mania, favoritism and nepotism. The Administration runs one of the costly, if not the costliest State governance in Nigeria. The Governor's woeful failure in governance is owing to his Government's excessive or over-bloated monthly wage bill, which has consistently eaten up funds direly required for capital development of the State.

For instance, Anambra State under Governor Obiano has since 2015, if not 2014 maintained an over-bloated cabinet size of over 1000, if not 1500 appointees; as against his predecessor's cabinet size of not more than 100. The number of SSAs and SAs serving in Obiano Administration including those allocated to his wife is over 1000. The Governor's wife alone has hundreds of SSAs and SAs.

This is not to mention a brigade of PAs and EAs. By the Constitution of the Federal Republic of Nigeria 1999, elected Governors are allowed to appoint a sizeable number of commissioners and special advisers for effective democratic public good. But in the case of Governor William Obiano, his cabinet size is so over-bloated that even when there is no single railway that passes the State to other States in Nigeria, yet there is a commissioner in-charge of railway.

Among leading political players and contractors as well as influential persons in the State including State and federal legislators, traditional rulers, religious leaders, commissioners and so on; each is allowed to nominate either SSA or SA. It is credibly estimated that over N300M is spent every month in servicing over 1000, if not 1500 SSAs, SAs, PAs and EAs working under the Obiano Administration. This is on average of monthly "allowance" of N200, 000 per appointee.

This huge sum excludes statutory remunerations of statutory political appointees such as the Governor, Deputy Governor, Commissioners, Special Advisers, Legislators and Judges and their heads as well as the general overheads. The Governor is hereby called to prove us right or wrong by publicly disclosing all the names and number of non commissioners and special advisers serving in his Administration.

Further, it is credibly estimated that Anambra State Monthly Wage Bill (monthly sum total of all non capital expenditures of government appointees in the three arms of executive, legislature and judiciary and those of workers, pensioners, governor's security votes and general maintenance costs or overheads) under Governor William Obiano is over N4B. This over-bloated wage bill is compounded by Governor Obiano's staggering monthly security votes, said to be between N1.1B and N1.2B per month.

It is also alleged in several credible quarters that wife of the Governor is allocated monthly security votes running into tens of millions of naira monthly; some say, N250M monthly. Former Governor Obi's security votes were N5B per annum, on average of N420M monthly. There were also some cases during the Obi Administration where the unspent security votes were returned to Government coffers at the end of the fiscal year.

If it is true that Governor William Obiano and his wife collect and pocket N1.1B and N250M monthly security votes, respectively, from the lean coffers of the Government of Anambra State; then the duo must have collected and lavished a total of N58.05B in the past 43 months. This is further broken down to N47.3B for the Governor and N10.7B for his wife. We challenge the Governor to publish what he had collected as monthly security votes between 31<sup>st</sup> March 2014 and 31<sup>st</sup> October 2017 and how they were spent; likewise those of his wife and reasons for his wife's monthly security votes. This must be publicly presented with a sworn and duly stamped High Court affidavit.

The express cost implication of the above is that Anambra State Government under Governor William Mmaduabuchukwu Obiano has steadily out-spent its statutory monthly revenue receipts especially its federal allocations and IGRs put at N4.5B; thereby impeding and impeaching the capital development of the State. That is to say that in practical terms, 90% of the total accruals into the State coffers are lavished or wasted on recurrent expenditures with most going into governance squander-mania and other frivolous governance running costs such as highlighted above. This is grandly why Governor Obiano failed woefully in governance of Anambra State in the past 43 months.

**Signed:**

**For: Int'l Society for Civil Liberties & the Rule of Law**

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