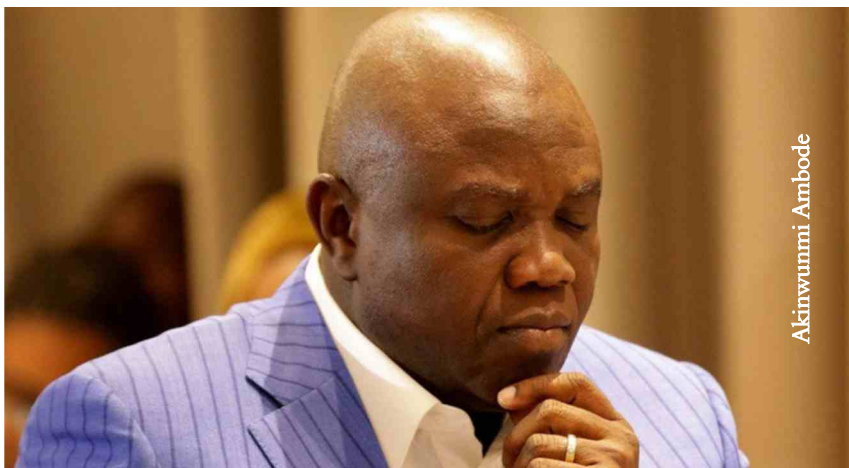


Ambode's Many Sins Against Lagosians (Part 1)

The announcement, Tuesday, August 27th, that the Lagos State House of Assembly had inaugurated a committee to probe the administration of ex-Governor Akinwunmi Ambode, was the climax of the vociferous outcry by well-meaning Lagosians at home and abroad, civil society groups and the media among other stakeholders that Lagos, under Ambode, retrogressed, degenerated and had its finances mindlessly pillaged. As at 2015, Lagos was rated the fifth biggest economy in Africa. Four years later, the state is struggling to rise from the ruin and rot engineered and engendered by a vicious, visionless and vindictive government headed by Ambode. The House of Assembly has now mandated a committee to probe the purchase, without budgetary approval, of 820 mass transit buses by the Ambode administration. As things stand, the bus scam may just be a footnote in the catalogue of corruption perpetrated by the Ambode administration.



WHO OWNS CRANEBURG CONSTRUCTION? – LAGOSIANS DEMAND ANSWERS

- Craneburg Construction, which prides itself as a leading civil engineering company, was established in 2016. Without any previous construction experience, former Governor Akinwunmi Ambode awarded the company a **\$300million** deal for road projects in his Epe constituency among other high profile contracts around the state. The ownership of the company, which cornered some of the juiciest construction contracts during the Ambode administration, is perhaps one of the best-kept secrets in Lagos State.
- From a civil servant who rose to become the Accountant-General of the state and by luck, the governor of Lagos State, Ambode is a blessed man. He, however, seemed to forget his trajectory so much that when the power came, he went on a take-no-prisoners fiddle with the state's treasury and disregarded and disdained wise counsel.
- A major complaint of well-meaning Lagosians is Ambode's romance with Herbert Wigwe, the Group MD/CEO of Access Bank Plc. In 2016, Wigwe was arrested by the Economic and Financial Crimes Commission, EFCC, for allegedly helping former Minister of Petroleum Resources, Diezani Alison-Madueke, launder millions of dollars. It is therefore befuddling that against sustained dissuasion, Ambode still chose to do business with him.
- Therefore, thorough investigations must be conducted to ascertain the volume and variety of businesses Ambode did with the bank; why it was both a banker and a contractor to the state; whether the businesses went through due process and why Access Bank was the sole bank of the state for four years.
- The good people of Lagos State would also like to know, among other things, how the state's commonwealth was diverted to private accounts in countries like Seychelles and Mauritius; and the ownership of some prime skyscrapers in Eko Atlantic City linked with Ambode.

THE BUS SCAM

- Ambode introduced the Bus Reform Initiative designed to bequeath a world-class transportation system and enhance connectivity across the state. As part of the initiative, new buses and terminals were conceived to redefine public transportation in the state. Then, Ambode said that **5000 buses** would be purchased by the government to drive this initiative. Unbeknownst to Lagosians, it was an initiative that did not have the backing of the House of Assembly.

- During plenary last Tuesday, a member of the Ninth Lagos State House of Assembly, Gholahan Yishawu (Eti-Osa II), recalled that Ambode briefed the Eighth Assembly about his intention to establish a bus reform programme. Yishawu said Ambode lied that the state government would only commit **30 per cent** of the cost of the buses supplied while the operator would amortise the remaining cost on instalment payment basis until the **30 per cent** paid by the government was liquidated.
- However, in 2017, Ambode, in an attempt to outfox the legislature, proposed a supplementary budget of **N17bn** for the purchase of the buses, but because it was not in consonance with his earlier presentation, the House refused to approve it.
- Despite seeking clarifications on the discrepancy, Yishawu said, "The executive did not come for clarification and the House did not approve the proposal in the subsequent budget proposals of 2018 and 2019."
- Yet, Ambode budgeted for the purchase of the buses at **N24bn** and **N7bn** in 2018 and 2019 respectively, and the proposal suffered the same fate as that of the 2017 budget proposal.
- Shockingly, he went ahead to procure the **820 buses** at the cost of **N45bn**, way above his earlier budgetary proposition and without the approval of the House of Assembly. Alas, out of the **820 buses**, about **520 units** are still at the bonded warehouse of the importer while **50** are still with the Customs, all of which are accumulating demurrage to be borne by the good people of Lagos State.
- The member representing Ifako-Ijaye II Constituency, Rasheed Makinde, said, "The 8th Assembly rejected the proposal on the buses, yet, they (the Ambode administration) went on to spend **N45 billion** on the project. Since we did not approve the contract expenditure, the money should be refunded."
- Likewise, Yinka Ogundimu, representing Agege 2, stated that the House needed to investigate every transaction that had to do with the procurement of the buses because "A huge amount of money still needed to be paid on the purchase of these buses. Whoever has erred should be brought to book."
- The Speaker, Rt. Hon. Mudashiru Obasa said that the House needed to prevent waste because the expenditure had been done and, therefore, directed the committee to invite the Accountant General of the state, Permanent Secretary in the Ministry of Transport and others that were involved to explain their roles in what is unfurling as a monumental rip off of Lagos State.

DOUBLE WHAMMY - THE MULTI-MILLION DOLLAR VISIONSCAPE DEAL CRIPPLING LAGOS STATE'S FINANCES AND WHICH TURNED THE STATE INTO A REFUGE OF REFUSE

- Lagosians will not forgive Ambode for attempting to fix what is not broken because of his desperation for self-enrichment. Before 2015, Lagos, in spite of its humongous, heterogeneous population, could arguably rank among one of the cleaner states in Nigeria. But along the line, Ambode had a brainwave and decided to introduce the Cleaner Lagos Initiative, which sought to overhaul the process and parties involved in refuse management and to reform and transform the landscape of Lagos State.
- After the enactment of the Lagos State Environmental Management and Protection Law, Ambode had, on March 1, 2017, signed an agreement with the Dubai-based Visionscape Sanitation Solutions Limited with the



mandate to carry out **90 per cent** waste management operations and **10 per cent** regulations, while the state-owned Lagos Waste Management Authority (LAWMA) lost its core responsibilities to the CLI. The change meant that LAWMA, the 42-year-old state-run agency, forfeited its responsibilities of waste collection and disposal of municipal and industrial waste to being a minor regulatory body, subject to executive orders.

- One of the casualties of this initiative was the very effective Private Sector Participation (PSP) in waste management which had been in existence since 1997. Ambode sacked the private waste managers and brought in Visionscape and its strategic partners for deployment of waste management infrastructure. The contention by Ambode and his cheerleaders and sycophants was that for a megalopolis like Lagos, there was a need for the issue of waste to be properly addressed because waste needs storage (bins), aggregation (transfer loading stations), processing (material recovery/recycling) and proper disposal (engineered sanitary landfill). This deal, however, came at a huge, debilitating cost.
- The Accountant General's office was mandated to implement the monthly remittance of the gross sum of **Seven Hundred and Thirteen Million, Seven Hundred Thousand Naira Only (N713, 700, 000)** as a first-line charge from the revenue account of the Lagos State Government which commenced in June 2017 and terminates in June 2027. This legally binding insurance policy called Irrevocable Standing Payment Order translates to **N8.56 billion per annum** as guarantees for the bond and about **N85 billion** over the 10-year time-line. That is the basic, official charge.
- Despite all its fanciful mini waste disposal trucks, the colourful aprons of its staff, and multimillion-dollar investments, Visionscape could not deal with the mammoth wastes in Lagos. Soon, Lagos became a euphemism for dirt. Everywhere you turned in the state, heaps of dirt with the concomitant reproduction of vermin, were a common sight. Lagos was back to its pre-1999 days. And the people and the media started revolting.
- That was when Hon. Obasa publicly declared that the House of Assembly did not know anything about Visionscape as it was not consulted before the company started work. He recalled, "We once wrote the Commissioner for Finance, Mr Akinyemi Ashade, not to pay Visionscape again and that he would return any money paid to them after our instruction to the coffers of the state government." Visionscape effectively left Lagos in October 2018 but not without leaving behind the concomitant multi-billion naira debt baggage to be borne by tax-paying Lagosians.
- Now that the House of Assembly has denied approving the multi-billion dollar deal with Visionscape, some of the posers now are; did Ambode, again, circumvent the process to get the deal done? If he had nothing to hide, why not carry the necessary stakeholders along?

CORRUPTION WRIT LARGE... HOW THE ACCOUNTANT UNBALANCED THE ACCOUNTS

- For all his bluster and brilliance as a chartered accountant, the long arm of the law still uncovered the corruption closet of Ambode. Early August, the Economic and Financial Crimes Commission (EFCC), discovered three accounts domiciled in First City Monument Bank (FCMB), Access Bank, and Zenith Bank with numbers **5617984012**, **0060949275** and **1011691254** respectively. The EFCC sought and got an injunction to freeze the accounts pending the conclusion of an investigation and possible prosecution of Adewale Adesanya, permanent secretary in the office of the Chief of Staff to the governor (Ambode), for money laundering.
- Kungmi Daniel, a member of the EFCC investigating team, said the anti-graft agency discovered "a huge inflow of **N9,927,714,443.29**" from the state accounts into an FCMB account opened on September 17, 2018, and operated by Adesanya.
- The schedule of the FCMB account showed how Adesanya and the other signatories to the account made "fraudulent transfers" from the accounts of the government and misspent the funds. "The trend in the account is that the account always witnessed huge inflow from Lagos State Government in the above-scheduled accounts managed by the respondent (Adesanya)," Daniel said.
- There are other deals ranging from the unilateral award of over-inflated contracts, cooking the books of the state and approving many opaque deals that did not go through due process.

ONE LAGOS FIESTA OF FRAUD

- From what was a month-long end-of-the-year crossover tradition that engaged citizens of the state and visitors throughout the December season, Ambode, in his first year in office, changed the concept into an eight-day end-of-the-year event with simultaneous concerts across the five administrative divisions of the state and rechristened it the One Lagos Fiesta.
- As details would emerge later, beneath this idea was a seamy conduit of corruption where contractors for the event were personally chosen by the former governor. The concerts cost the state government hundreds of millions of naira of unbudgeted funds some of which reportedly found their way back into the pocket of the governor and his cronies.
- In 2017, a particular contractor was unilaterally given three out of the five venues to handle as against the practice of one venue to a contractor. It was later revealed that the contractor in question was a front for Ambode and he was one of those stockpiling funds for his failed re-election bid.

A VINDICTIVE PROFLIGATE WHO MALICIOUSLY ABANDONED MASSES-ORIENTED PROJECTS

- Like every other human, Ambode is a deeply flawed man but with power came the whimsical, devil-may-care arbitrariness of autocracy. He was also profligate, vindictive and imperious in the administration of the state. Cronyism was second skin to him while sacking loyalists of his predecessor was a sport and he was wont to say in Yoruba, 'I cut off his head,' whenever he got rid of a phantom foe.
- He refused to pay contractors believed to be loyal to his predecessor and in the course of that, abandoned masses-oriented projects like the Ilubinrin Estate, a public foreshore housing project being built on reclaimed land in Ikoyi; the Adiyari Waterworks, which was disconnected from the National Grid because of an outstanding debt of **N53million** that Ambode refused to pay which consequently led to water scarcity across the state; the Odo Iyalara Wastewater project and the Mile 2-Badagry Expressway which has become a veritable shame for the state and by extension, Nigeria.
- Yet, no contract was too big to unilaterally award cronies, friends of his wife and female friends. A case in point is the management of facilities inside the Lagos State University, LASU, which was contracted to a close ally of his wife.
- In and around Alausa, the Lagos State secretariat, the issue of how Ambode failed in his bid to replace minutes of past EXCO meetings with doctored ones to cover up his draconian style, is on the lips of everyone.
- The story is just unfolding.

.....To Be Continued

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BUSINESSDAY MARKET MONITOR

Bitcoin	N3,327,625.96	-2.17%
Everdon Bureau De Change	BUY	SELL
	360.00	363.00
	494.00	503.00
	436.00	446.00
TREASURY BILLS	3M	6M
Spot \$/N	-0.06	-0.01
Market	360.28	14.39
IKE FX Window	305.75	15.19
CBN Official Rate		

FGN BONDS

5 Years	13.39%	-0.32%
10 Years	13.50%	-0.19%
20 Years	13.21%	-0.08%

BUSINESSDAY

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