

ECONOMIC COMMUNITY OF  
WEST AFRICAN STATES



COMMUNAUTÉ ECONOMIQUE  
DES ETATS DE L'AFRIQUE  
DE L'OUEST

FINAL REPORT  
OF  
ECOWAS TEAM OF INVESTIGATORS  
INTO ECONOMIC  
CRIME IN  
LIBERIA

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## (1) BACKGROUND

1.1 Following a working visit by the ECOWAS Mediator, His Excellency, General (Dr.) Abdulsalami Abubakar, Foreign Ministers of Ghana, Nigeria and Sierra Leone, and the Executive Secretary of ECOWAS to Liberia, a decision was made on the need to send a delegation of ECOWAS Team of Investigators to Liberia. This decision was precipitated by the staccato of complaints from civil society and development partners in Liberia against what was conceived as “rampant corruption, lack of accountability and transparency in financial and economic matters on the part of high government officials”. A team of six (6) “experts” on financial and economic crimes was therefore despatched from the following ECOWAS member countries, to wit, Ghana, Nigeria and Sierra Leone.

1.2 The composition of the Team is as follows:

1. Mr. Adinkra Donkoh (Team Leader) .....Ghana.
2. Mr. Victor Mensah .....Ghana.
3. Mr. Mohammed Wakili.....Nigeria.
4. Mr. Ibrahim Galadima.....Nigeria.
5. Mr. Mustapha Amara.....Sierra Leone.
6. Mr. Augustine Ngobie.....Sierra Leone.

1.3 In terms of General Instructions ECOWAS gave to each member of the Team, (Ref. ECW/REL/14/ES/38) dated 7 March, 2005 the main objective of the mission was “for ECOWAS to demonstrate total disapproval of the lack of probity and accountability on the part of Liberia government officials, show commitment to improve on transparency and fight corruption in the administration of the National Transitional Government of Liberia (NTGL)”. The General Instructions further stated the specific objectives/purpose of the Team as:

- a. “To look at specific dossiers that would be provided by the Special Representative of the Executive Secretary (SRES) and to advise if a prima facie case has been made on corrupt and inappropriate conduct on the part of the officials involved
- b. To advise and propose systematic or institutional mechanisms and legal framework for tackling corruption, probity, transparency and accountability in political and economic governance.

- c. To look into allegations of financial impropriety at the office of Speaker of the National Transitional Legislative Assembly (NTLA) and other NTLA officials.
- d. Carry out any other relevant assignments on the instructions of the SRES.”

1.4 In its correspondence, ECOWAS referred to the Team as either, “Experts on financial and economic crime”, or “Delegation on economic crime”. Unfortunately, on its arrival in Liberia, the Team found that it had inexplicably gained a nomenclature as “Forensic Auditors” with the mass media and public officials. Although at every opportunity, effort was not spared at correcting this rather misleading perception of the Team’s work in Liberia, to wit, “Forensic Auditors” rather than “Economic crime investigators”, this misapprehension of its mission was to create a situation that gravely interrupted the work of the Team when a group of Liberians, rightly or wrongly, filed for a Writ of Prohibition in the Supreme Court of Liberia on the grounds that it was unconstitutional for “foreign forensic auditors” to be allowed to audit the Government of Liberia and any of her Ministries, Departments and Agencies.

1.5 The Team’ work was consequently disrupted in the following manner:

- 5<sup>th</sup> April 2005 – Writ of Prohibition and Stay Order filed.
- 14<sup>th</sup> April 2005 – Lifting of Stay Order against Government functionaries. (Way cleared for cooperation with ECOWAS Team of investigators)
- 14<sup>th</sup> April 2005 – Filing of appeal against ruling of Supreme Court, which was presumed to constitute an Interim Injunction against the respondents, who were all key functionaries in the Ministry of Finance, the Central Bank of Liberia and other related agencies.
- 21<sup>st</sup> April 2005 – The Chairman of the National Transitional Government of Liberia, H.E. Charles G. Bryant convened a meeting of key Ministers, Government functionaries, ECOWAS Ambassadors and the Team where he instructed them to “clandestinely” cooperate with the Team whilst the supposed Interim Injunction was in force.

It was much later after the meeting of 21<sup>st</sup> April 2005 that some invitees responded to the Team's invitation. Without doubt, the loss of the period during which the Team could do little but peruse documents already in its possession constituted a major constraint to achievement of deadlines and goals. Additionally, allegations of rampant acts of corruption appeared to pervade the entire socio-economic fabric of Liberia, as a result of which the amount of information from concerned individuals kept mounting by the day.

Finally, the Team was severely constrained by unavailability of key Ministers, Government functionaries and individuals from the Private Sector, who were not available in the country when needed.

## (2) PREPARATION

2.1 Although the Team was mandated to “look at specific dossiers that would be provided by the Special Representative of the Executive Secretary (SRES) and to advise if a prima facie case had been made on corrupt and inappropriate conduct on the part of the officials involved”, no such material that fall within a classic definition of a “dossier” was handed to the Team. If there existed any such “dossiers” containing evidence of acts of corruption and inappropriate conduct perpetrated by any public official from which the Team could establish a prima facie case, they were not made available. In the course of carrying out investigations, the Team had to fall on its own initiative and resources to establish a task schedule based on the following information and sources:

- a. Preliminary/background briefing by the SRES.
- b. Intelligence gathered by the Team from preliminary briefing provided by Mr. Harry Greaves (proffered as liaison person between the Team and Government by the Chairman of the NTGL, His Excellency, Mr. Gyude Bryant).
- c. The following reports arising from various institutions and committees, into the corresponding matters:
  - i. General Auditing Office (Republic of Liberia) – Audit Report on Foreign Travel Expenditure (October 14, 2003 – March 31, 2004).
  - ii. Joint National Bureau of Investigation (BNI)/General Auditing Bureau Investigating Team (Republic of Liberia) – Concern Raised by BIVAC International, Liberia, about Ministry of Commerce and Industry’s alleged misappropriation of Import Permit Declarations (IPDs) and Export Permit Declarations (EPDs) worth USD 243,475.
  - iii. Special Investigation Committee of National Transitional Legislative Assembly (NTLA) – Financial and Administrative mal-practices at the National Transitional Legislative Assembly (NTLA).

- iv. Special Executive Rice Committee (Mrs. Ellen Johnson Sirleaf, Chairperson) Report.
  - v. Memoranda from Mr Harry Greaves, Chairman, Council of Economic Advisors to the Chairman of NTGL.
- d. Complaints by the Chairman of NTGL, Mr. Gyude Bryant of allegations of improper and corrupt conduct levelled against him by certain persons unknown.
  - e. Intelligence gathered from local electronic and print media.
  - f. Meeting and briefing by the Head of United Nations Mission in Liberia (UNMIL) and Special Representative of the Secretary General, Ambassador Jacques Paul Klein and his Staff.
  - g. Meetings with representatives of Development Partners (DP), to wit, European Union (EU), France, Sweden, U.K., and U.S.A.
  - h. Meetings with members of ECOWAS Diplomatic Corps and African Union (AU) Ambassador in Liberia.

2.2 Following from supra, specific issues/allegations to be investigated were settled as follows:

- a. Abuse of Pre-Shipment Inspection (PSI) in relation to IPDs and EPDs by the Ministry Of Commerce through the Minister, Hon. Samuel Wlue.
- b. Circumvention of standard procedures for effecting Government financial transactions through the use of Letter Payment Instructions issued by the Ministry of Finance to the Central Bank of Liberia for payment of monies in cash to certain individuals.
- c. Allegation of unlawful transfer/misappropriation of USD 4m from the Central Bank of Liberia by Chairman Gyude Bryant.

- d. Allegation of misappropriation of USD 1.8m representing fees from the sale of certain interests of the Government of Liberia in Immersat by Chairman Bryant.
- e. Allegation of misconduct by Chairman Bryant in the purchase of an official limousine for the use of Chairman of NTGL.
- f. Misappropriation of Chinese Grant.
- g. Allegation of financial mal-practices in the National Transitional Legislative Assembly (NTLA).
- h. Allegations of financial and administrative malfeasance at the Ministry of Internal Affairs.
- i. Allegations of malfeasance in the conduct of iron ore sale and export.
- j. Abuse of Foreign Travel Expenditure.



### (3) INVESTIGATION SCHEDULE

#### **3.1 Abuse of Pre-Shipment Inspection (PSI) in relation to Import Permit Declarations (IPDs) and Export Permit Declarations (EPDs) by the Ministry of Commerce and Industry through the Minister, Mr. Samuel Wlue.**

3.1.1 On the 14<sup>th</sup> of December 2004, BIVAC complained to Government that some of the 16,293 IPDs it supplied the Ministry of Commerce and Industry had not been recorded back as having been processed through the Ministry of Commerce. That represented a total of 10,939 missing IPDs that had not been accounted for. At a cost of USD 25.00 per IPD, this would represent a total wastage of USD 273,475.00. Do find letter of complaint as Appendices A – A3

3.1.2 The General Auditing Office (GAO) was mandated by the Chairman of the NTGL, H.E Gyude Bryant, to investigate the claim by BIVAC. Its findings included:

- i. IPDs/EPDs were granted duty free by the Minister of Commerce thus depriving the NTGL the receipt of revenue amounting to seventy-nine thousand fifty-two US Dollars and sixty-seven cents (USD 79,052.67).
- ii. The goods listed on the IPDs/EPDs that had been exempted by the Minister of Commerce and Industry from PSI do not fall within the category of exempt goods.
- iii. The Ministry of Commerce, through a private arrangement, traded Government revenue by receiving rice for the PSI fee that should have been paid into Government revenue.

3.1.3 The findings of the GAO broadly mirrored the findings of the Joint National Bureau of Investigations (NBI)/GAO Team in its report, "Preliminary Report – Reference to concern raised by BIVAC International Liberia about Ministry of Commerce and Industry's alleged misappropriation of IPDs and EPDs worth USD 273,475.00".

3.1.4 On the strength of the above information, the team set out to examine in detail, documents relevant to issues pertaining to this matter, and established the following:

- i. In October 1997 the Government of Liberia entered into an agreement with Bureau Veritas Bivac BV. of Netherlands (BIVAC). Under the said agreement the Government of Liberia agreed that BIVAC should have sole responsibility for performing pre-shipment inspection of all goods and products imported into, and exported out of Liberia.
- ii. The report by the NBI (supra) stated:  
“The 1997 Agreement states, at Articles 5.1, 5.2 and 5.3 that goods and products excluded from the provisions and scope of the Agreement include imports and exports of value below the threshold determined by both GOL and BIVAC i.e., USD2,000.00; goods which originate from a country in which no price verification is available; and, BIVAC was not obligated to proceed with any inspection which is contrary to the applicable law in the relevant country of export”.
- iii. The 1997 Agreement also provided for BIVAC to receive 1.20% of FOB value of goods and products imported while GOL received 0.30%, i.e., a total of 1.5% of FOB value.
- iv. The 1997 Agreement was replaced with the Agreement of 11<sup>th</sup> September 2004 reached between GOL and BIVAC for the provision of PSI services.
- v. The highlights of the 2004 Agreement lay in the transfer of oversight responsibility for revenue from the Ministry of Commerce and Industry to the Ministry of Finance.
- vi. The 2004 Agreement also provided for BIVAC to receive 1.10% of FOB value of imports while GOL receives 0.40% out of a gross charge of 1.50%. BIVAC was to receive 1.00% of FOB value of exports while GOL receives 0.40% out of a gross charge of 1.40%.

3.1.5 It goes without saying that both the 1997 and 2004 Agreements constituted a key source of revenue for GOL.

3.1.6 The team proceeded by obtaining copies of all IPD forms received by the Ministry of Commerce and Industry as well as the Ministry's records of internal requisition for IPD forms, record of rice distribution

within the Ministry, and all correspondence relating to the direct purchase of vehicles by the Ministry for scrutiny.

3.1.7 The team further obtained all documents relevant to the investigation from BIVAC, the Liberian Agricultural Corporation (LAC), Firestone Plantation Company (FPC), Bridgeway Corporation, Africa Motors Inc. and General Services Agency (GSA), and subjected them to careful scrutiny and analysis.

3.1.8 The Team interviewed personnel from the Ministry of Commerce and Industry as well as personnel from BIVAC etc. See **Appendix B** for the complete list of personnel interviewed.

### 3.1.9 FINDINGS:

- a. The Team could not establish that any IPDs issued by BIVAC to the Ministry of Commerce were missing. The discrepancy between the number claimed to have been issued by BIVAC and the number claimed to have been received by the Ministry of Commerce could not be resolved as the complainant, Mr. Guy Higgs, the former Managing Director of BIVAC, was no longer at post, and official BIVAC records produced by the current Managing Director, Mr. Pierre Burel, did not bear out the allegations of his predecessor.
- b. It was established from BIVAC records available that 7,500 IPD forms had been supplied to the Ministry of Commerce, and that figure was confirmed by the Ministry's staff and in the Ministry's records as having been received.
- c. IPD and EPD forms were supplied free of charge to the Ministry of Commerce. In turn, the Ministry charged out the issue of IPDs at USD 25.00 and EPDs at USD 150.00 each. The total amount realised from the sale of IPD forms came to USD 98,500.00 and that for EPD forms USD 10,950.00.
- d. In contravention of Executive Order No.2 of October 2003, the Minister of Commerce, Hon. Samuel Wlue, directed the misappropriation of the sale proceeds of IPD and EPD forms totalling USD 109,450.00 by his Ministry as operational expenditure, in addition to the operational expenditure budgeted for his Ministry. Hon. Samuel Wlue should be held

liable for the loss of the amount of USD 109,450.00 to Government.

- e. In contravention of the terms of the PSI agreement with BIVAC, the Minister of Commerce, Hon. Samuel Wlue, granted illegal exemptions from PSI to non-qualifying companies and individuals.
- f. Hon. Samuel Wlue conceded to having acted in contravention of Executive Order No.2 (EO2) of 2003 by using or directing to be used an amount of USD445,102.67 collected, collectable and payable to Central Government coffers at the CBL through the Ministry of Finance.
- g. Two cross-country vehicles (one Nissan Patrol automatic and one Nissan Patrol manual) at a total cost of USD244,000.00 (part of the USD445,102.67 illegally collected by Hon. Wlue) were not traced to any official GOL records.
- h. Also out of the amount of USD445,102.67 were illegal exemptions granted to Bridgeway Corporation amounting to USD79,052.67. Through a private agreement entered into by Hon. Samuel Wlue and Bridgeway Corporation, the said amount was converted into the supply of rice for distribution to staff of the Ministry of Commerce and Industry and some members of the public.
- i. Indeed, the total value of rice supplied to the Ministry by Bridgeway in this illegal agreement comes to USD 76,900.00, leaving a difference of USD 2,152.67 yet to be made good by Bridgeway Corporation (See Bridgeway Corporation Customer Statement of Account – Appendices C – C13).
- j. In further contravention of Section 1 of Executive Order No.2, the Minister of Commerce, Hon. Samuel Wlue directed BIVAC to arrange to purchase four vehicles from: African Motors Inc (two country buses and two cross-country jeeps) for use by himself and the Ministry. The payment for these vehicles, the cost of which came to USD 244,000.00 (supra) was to be met from Government's share of PSI fees collected and collectable by BIVAC, and payable to Government's coffers, in line with Executive Order No.2

( see **Appendices D – D7** for copies of the receipts for the purchase of the vehicles from African Motors Inc. and **Appendix E** for the authorising letter from Minister Wlue to BIVAC).

- k. The Hon. Minister failed to have the two Nissan Patrol cross-country vehicles registered with GSA or any other GOL Agency as GOL property, seventeen clear months after he had personally taken charge of the transaction and the delivery of the said vehicles (see GSA Official Vehicles Register **Appendices F – F16**). In spite of persistent demand from the Team, Hon. Samuel Wlue failed to show proof of registration of the vehicles as Government property.
- l. Section 1 of Executive Order No.2 (effective from 27<sup>th</sup> October 2003), states “Pursuant to law, only the Ministry of Finance is authorised and empowered to collect taxes, fees and assessments of whatever nature or kind on behalf of the Government of Liberia. Also any Official of Government who collects any tax, fee or assessment for the Government of Liberia shall, consistent with law, be removed from office and prosecuted for the offence of felony of the third degree. Any payment to any agency or ministry, other than the Ministry of Finance, of any tax, fee or assessment due to the Government of Liberia shall not be acknowledged by the Ministry of Finance and the taxpayer shall continue to be obligated to the Ministry of Finance for such tax, fee or assessment.”
- m. Hon. Samuel Wlue conspired with Bridgeway Corporation to contravene Section 1 of EO2 and both should be held liable jointly and severally for the amount of USD79,052.67.
- n. Hon. Samuel Wlue further conspired with BIVAC to contravene Section 1 of EO2 in the purchase of the four vehicles for USD244,000.00 from African Motors Inc., and both should be held jointly and severally liable for the loss as revenue of the said amount.

### **3.2 Wrongful use of Letter Payments.**

3.2.1 From the inception of the NTGL in October 2003 to the early part of 2005, the Administration of the NTGL used Letter Payment Instructions from the Ministry of Finance to the CBL to generate payment of cash from Government Accounts held with the CBL to certain individuals.

3.2.2 The standard procedure for the treatment of such transactions would otherwise have been for a Payment Voucher (PV) to be raised from the relevant Ministry, Department or Agency (MDA) for the benefit of the beneficiary of the said transaction.

3.2.3 Such Payment Voucher in respect of the required disbursement will then be submitted to the Ministry of Finance where it will undergo routine auditing and other vouching procedures before being finally passed for payment.

3.2.4 The use of Letter Payment Instructions in the manner described above circumvented controls provided for the disbursement of Government funds.

3.2.5 The complaint was that, even though the practice of using Letter Payment Instructions to effect the disbursement of Government funds had been discontinued at the behest of the International Monetary Fund (IMF) in February 2005, it had provided an avenue for corruption by Government officials whilst it was operational.

3.2.6 Investigations conducted by the Team into this allegation involved ascertaining the authority for the initiation of Letter Payment Instructions, the actual payment and receipt of cash from the CBL emanating from these instructions, and the vouching of the trail of transactions to the point where they were "regularised" or "retired" at the Ministry of Finance.

3.2.7 In almost all instances, the Letter Payment Instructions were issued under the signatures of the incumbent Minister of Finance (or in his absence, the Acting Minister of Finance) and, the incumbent Deputy Minister for Expenditure (or in his absence, the person acting in that capacity).

3.2.8 The Team requested for, and obtained copies of all honoured Letter Payment Instructions from the Ministry of Finance to the CBL. The team

further requested for all copies of "dummy" Payment Vouchers raised at the Ministry of Finance to "regularise" the resulting disbursements and to "retire" the funds so disbursed.

3.2.9 The Team investigated those transactions that led to direct payment of cash to certain individuals, as per the relevant Letter Payment Instructions.

3.2.10 Analysis of copies of the Letter Payment Instructions relating to direct expenditure and the "dummy" PVs raised produced the following highlights:

- i. The Letter Payment process, according to the Minister of Finance, Hon. Lusinee Kamara, would be initiated with a written or verbal instruction of the Chairman of the NTGL, yet, not a single copy of any such instructions was appended to the dummy PVs to validate them.
- ii. Letter Payment Instructions to generate disbursement of Government funds was casually substituted for the system of methodically raising Payment Vouchers as a first step, in several instances.
- iii. In the purported 134 instances of direct expenditure related Letter Payments identified, only in 17% of the cases was there an attempt to "regularise" the cash disbursement subsequently. The accounting technicians at the Ministry of Finance testified that the reason why the necessary input information was not provided to them for the regularisation was that, it was not intended for them (technicians) to be privy to the details of the transactions.
- iv. In the 17% of cases identified above where an attempt had been made at regularisation, none of the Payment Vouchers "regularised" had any attachments bearing on the use to which the funds had been applied. This curtailed the availability of any Audit trail that might be used to validate the transactions, a situation creating an audit risk nightmare.
- v. After having carefully analysed the relevant documents, the team settled on a total amount of USD 4,767,464.00 (Four million, seven hundred and sixty-seven thousand, four hundred and sixty-four United States Dollars) and LD 11,590,000.00 (Eleven million, five hundred and ninety Liberian Dollars) as having been directly

disbursed in cash from the CBL, upon instructions based on Letter Payments from the Ministry of Finance.

- vi. Of the total amount settled on in (v) above, USD 355,255.00 in cash was withdrawn from the CBL for "security related" matters, out of which USD 230,030.00 was paid to Hon. Wilfred Clarke, National Security Advisor, and USD 110,225.00 to Jacob A. Mends-Cole of the National Security Advisor's Office. Both recipients, with the tacit encouragement of the Chairman of the NTGL, declined to assist in the investigation (if even only to acknowledge receipt of the moneys on record as having been paid to, and received by them) on account of "the sacrosanct nature of matters of national security".
- vii. USD 2,655,854.00, representing over 60% of the cash withdrawn, was paid to the Chairman of the NTGL, H.E. Gyude Bryant, which amount, save USD 139,400.00, he admitted to either receiving or authorising. In respect of transactions relating to travel costs amounting to USD 342,320.00, the Chairman claimed there were records of per diem allowances and tickets purchased, although the Team did not have an opportunity to validate those records. When further pressed, the Chairman intimated that he was not under any obligation to share with the Team information on how these moneys have been expended, much less account for their use documentarily.
- viii. Also included in the USD 2,655,854.00 received or authorised by the Chairman of the NTGL was one particular transaction involving the receipt by him of USD 375,000.00 in cash from the Deputy Minister of Finance for Administration, Hon. Tugbe Doe. It goes without saying that USD 375,000.00 in cash was a lot of money to carry about, but the Chairman of the NTGL indicated that after receipt, he had given the whole amount of USD 375,000.00 in cash back to Deputy Minister Doe and the Executive Director of the National Commission for Disarmament, Demobilisation, Rehabilitation and Reintegration (NCDDRR), Dr. Moses Jarbo, for the purchase of assorted commodities for ex-combatants. Prior to this revelation by the Chairman, the Team had interviewed Deputy Minister Doe who only disclosed that he had transferred the full amount into the custody of the Chairman. The team had also earlier interviewed the Executive Director of the NCDDRR, Dr. Jarbo, who averred, in total surprise, that he was learning about the transaction for the first time, over one year after



it is said to have taken place. The Chairman's version still stands contradicted by the evidence of Deputy Minister Doe and Dr. Jarbo.

- ix. Another transaction that particularly aroused the interest of the team was that of Letter Payment Instruction dated 18<sup>th</sup> August 2004 and referenced NTGL/MF/2-1/LFK/ymj/2142/04. This Letter Payment, of which Deputy Minister Doe was a co-signatory, authorised the withdrawal of an earlier letter No. NTGL/MF/2-1/LFK/2141/04 and the encashment of an amount of USD 212,400.00 to be made payable to one Mrs. Roberta Francis, a Special Assistant to Deputy Minister Tugbe Doe. Mrs. Roberta Francis alleged that, on the instruction of Deputy Minister Doe, she gave the full amount of USD 212,400.00 in cash to Mrs. Siah Sammy Luseni, Private Secretary to the Chairman of the NTGL, for delivery to the Chairman. Mrs. Francis further explained that she reported the said transfer of the amount to Deputy Minister Doe. On enquiry by the Team, the Chairman of the NTGL, assisted by Ms. Dewey Grey, Chief of Protocol at the Executive Mansion, who referenced the record of moneys received by the Chairman, categorically denied receipt of that amount. Instead, the Chairman averred that he had only requested for, and received USD 12,400.00. He suspected that somebody must have inserted the figure "2" before the 12,400.00 to read 212,400.00. Four days after the disclosure of this suspected malfeasance had been made by the Chairman, when the Team met Deputy Minister Doe for clarification on the issue, Deputy Minister Doe informed the Team that he had, since the Chairman's testimony, "jogged" the memory of Chairman Bryant who then recalled he had some knowledge of the transaction involving the said USD 212,400.00. The Chairman of the NTGL did not communicate this new twist to the Team.
- x. Out of the total amount of USD 2,655,845.00 cash withdrawal received or authorised by Chairman Bryant, USD 1,042,000.00, which included the USD 375,000.00 referred to supra, was purported to be for NCDDRR operations. Noteworthy here is that, the NCDDRR is an independent body with an Executive Director and an Operational Account created for the purpose of, among others, the channelling of funds and assistance to its target beneficiaries. With the limited information provided by the Chairman on his handling of the moneys he received/authorised, and the manner of treatment of the USD 375,000.00 supposedly for the benefit of NCDDRR, it raises questions on how the entire

amount of USD 1,042,000.00 for NCDDRR operations was handled.

3.2.11 It is pertinent to stress here that, the Team's interaction with personnel from across the political spectrum reveals a notion widely held that the main focus of the NTGL was the pursuit of peace in Liberia at "any price" prior to upcoming elections in 2005. This included sacrificing the principles of probity, transparency and accountability to meet the exigencies associated with a country freshly coming out of war. It is their contention therefore, that it is an act of misplaced priority to call for financial probity at this point in time, and that acts of corruption in the circumstances of present-day Liberia is understandable, even excusable. This misconception appears to pervade the very fabric of Financial Administration in Liberia.

3.2.12 This contention by public officials, especially by the Chairman, H.E. Gyude Bryant, the Minister of Finance, Hon. Lusinee Kamara, the Minister of Foreign Affairs, Hon. Thomas Yaya Nimely, the Minister of Commerce and Industry, Hon. Samuel Wlue and the Deputy Minister of Finance for Administration, Hon. Tugbe Doe, is completely untenable due to the provisions in the Comprehensive Peace Agreement (CPA) that called for strict adherence to "transparency and accountability in governance in all government institutions and activities" (See Article XVI 2c of the CPA). Indeed, the Chairman is aware of this provision because in a letter to Company Secretary, Immersat Ventures plc., dated 16<sup>th</sup> December 2003, he wrote, "Under Liberian law, the Minister of Finance is the official of the Liberian Government for all financial transactions involving the Liberian Government and all its agencies, the Central Bank of Liberia is the official depository of all revenues and incomes of the Liberian Government and all its agencies. The Comprehensive Peace Agreement, which ushered in the National Transitional Government to manage the affairs of Liberia until general and presidential elections are held in 2005 mandates we scrupulously comply with these provisions of Liberian law so as to ensure both accountability and transparency. On the basis of that, Executive Order No. 2 was issued over my signature directing that immediately thereafter no government agency shall maintain a separate account with any bank and that all revenues and income shall be deposited with the Central Bank of Liberia" (See Appendix G2).

### 3.2.13 FINDINGS:

- a. The system that has the Chairman of the NTGL, H.E. Gyude Bryant, presiding over a Financial Administration System and National fiscal policy that leaves little or no trail in Government transactions, and recklessly sacrifices financial probity on the altar of appeasement to defunct warring factions and ex-combatants is severely flawed and provides an enabling environment for corruption to flourish.
- b. USD 375,000.00 supposedly intended for the procurement of commodities for ex-combatants cannot be accounted for as there is no documentary evidence supporting the said transaction. The Chairman, H.E. Gyude Bryant and Deputy Minister Tugbe Doe should be held liable, jointly and severally, for the misappropriation of this sum of money.
- c. The Executive Director of NCDDRR, Dr. Moses Jarbo, strenuously denied any knowledge of the purported disbursement of the further amount of USD667,000.00 which the Chairman of the NTGL, H.E. Gyude Bryant explained to the Team he had authorised for use on NCDDRR activities. In view of the fact that no documentary proof was shown to the Team covering the use of the said amount of USD667,000.00, the Chairman of the NTGL, H.E. Gyude Bryant should be held liable for the misappropriation of this USD667,000.00.
- d. The Minister of Finance, Hon. Lusinee Kamara, on at least two occasions, had moneys refunded to him from the national kitty, for expenses he claimed to have made out of pocket when there existed no documentary evidence of such expenditures. The first was in a Letter Payment Instruction reimbursing him in the sum of USD7,000.00 for expenses incurred by him on behalf of GOL, with no documentary proof. The second, and much more serious, was a Payment Voucher in the sum of USD29,700.00 for reimbursement to him for purported expenditure incurred by him in payments made to certain individuals (See Appendix H). Minister Kamara should be made to refund the said total amounts of USD36,700.00 to Government.
- e. Between Minister Kamara, Deputy Minister Tugbe Doe, and Mrs. Roberta Francis, an amount of USD 200,000.00, obtained from the

CBL through falsification, had vanished into thin air. Mrs. Roberta Francis was clearly unconvincing in her account of this transaction. Minister Kamara and Deputy Minister Doe should be held liable, jointly and severally, for the USD200,000.00.

- f. Deputy Minister Tugbe Doe received USD 10,000.00 in cash from Hon. Emmanuel Crawford, Deputy Minister for Revenue, ostensibly to meet unbudgeted for administrative expenses. Deputy Minister Doe did not provide any documentary proof of how this money was expended, so he should be held liable for this amount.
- g. Deputy Minister Tugbe Doe again on 3<sup>rd</sup> May 2004, vide Letter Payment of reference MF/2-9/PW-DME/jnsg/079/04, and yet again on 9<sup>th</sup> July 2004, vide Letter Payment of reference NTGL/MF/2-1/LFK/ymj/2056/04 received sums of USD 60,000.00 and USD 40,000.00 respectively from Mr. Isaac Nyenabo, Comptroller General, Ministry of Finance, who had received the moneys (representing cash received from the CBL) from Miss Tenneh Fahnbulleh. Deputy Minister Doe did not provide documentary proof of what he did with those moneys, and is to be held liable for the total amount of USD100,000.00.
- h. In Letter Payment reference MF/2-2/TND-DMA/193/04 dated 19<sup>th</sup> May 2004, an amount of USD150, 000.00 was drawn on the CBL for the Vice Chairman and others. Out of this amount the Vice Chairman, H.E. Wesley M. Johnson received an amount of USD 34,050.00 and expended it as travel expenses and per diem for himself and his entourage to "witness the graduation of his daughter from the University of Rhodes, USA". This expenditure out of the coffers of the State for purely private and family engagement was officially approved by Hons. Luseni Kamara and Pyne Wallo, notwithstanding the initial disapprobation expressed by the Deputy Minister for Expenditure and Debt Management Hon. Pyne Wallo, two clear days before the approval was given. This trip for purely private purpose was neither approved by Cabinet nor the Chairman of the NTGL. H.E. Wesley M. Johnson should refund the said amount of USD 34,050.00.
- i. Mr. Albert Quaye, at the relevant period an Aide in the office of Deputy Minister Tugbe Doe, who claimed that, on the instructions of Deputy Minister Doe, to have paid the amounts of USD 16,000.00 and LD 50,000.00 to unknown ex-combatants without any documentary proof of payment, should be held liable for the

said amounts. The amounts were part of an initial amount of USD 25,000.00 and LD 500,000.00 meant for Chairman Bryant's domestic trip to the hinterlands. The trip was cancelled and Mr. Quaye was instructed by Chairman Bryant to pay the amount to chest which he failed to do.

### **3.3 Allegation of unlawful transfer/misappropriation of USD 4m from the Central Bank of Liberia by Chairman Gyude Bryant.**

3.3.1 Rife in the print and electronic media was the allegation that the Chairman of the NTGL, His Excellency Gyude Bryant had transferred offshore from the CBL an amount of USD 4m for his private appropriation.

3.3.2 The Team investigated the matter by calling for and critically analysing a print-out of the account details of all Government of Liberia (GOL) accounts held with the CBL, from the inception of the NTGL to the first quarter of 2005.

3.3.3 The Team further obtained a written testimony on the subject matter from the CBL. The Deputy Governor, Mr. J. B. Dennis further gave oral testimony.

3.3.4 The Team's investigations revealed that:

- a. The USD 3m Chinese Grant was credited to the account of CBL on 18<sup>th</sup> December 2003.
- b. The CBL credited the amount of USD 3m to a Special Suspense Account in favour of GOL on 5<sup>th</sup> January 2004.
- c. Between 21<sup>st</sup> January 2004 and 16<sup>th</sup> April 2004, this amount was drawn down on to a balance of USD 326.00, which balance was credited to GOL General Account in USD on 16<sup>th</sup> April 2004.
- d. The USD 1m Chinese Grant less bank charges of USD 18.50 was credited to the accounts of CBL held with their foreign bankers (BNL).
- e. The CBL credited the GOL Special Suspense Account with the net amount of USD 999,981.50 on the 21<sup>st</sup> May 2004.

- f. The Government of Liberia drew down on this amount to a nil balance on the 14<sup>th</sup> June 2004.

### 3.3.5 FINDINGS:

- a. The USD 4m in reference was, for all purposes, the USD 4m Chinese Grant to the Government of Liberia, in two lots of USD 3m of 18<sup>th</sup> December 2003 and USD 1m of 21<sup>st</sup> May 2004.
- b. The USD 4m was duly credited to the accounts of GOL held with CBL.
- c. The Chairman of the NTGL, Gyude Bryant could not have transferred the money abroad or misappropriated same in the manner as alleged.

### 3.4 Allegation of misappropriation of USD 1.8m representing fees from the sale of certain interests of the Government of Liberia in Immersat by Chairman Gyude Bryant.

3.4.1 Documents made available to the Team indicate that the Government of Liberia took a decision to sell part of GOL's interests in Immersat (previously Duchessgrove Ltd.) to a company called Grapeclose Ltd (see Appendices G – G8).

3.4.2 Settlement of the consideration for the sale was made vide Cheque No. 1415 for USD 1,814,482.00 payable to the Bureau of Maritime Affairs on 26<sup>th</sup> January 2004 and drawn on Computershare Investor Services plc. (see Appendix G7 for photocopy of cheque).

3.4.3 Cheque was deposited into Account No. 02-205-300001-08, GOL Maritime Funds Account (USD) at CBL and subsequently sent for clearing at BB&T Charlotte, North Carolina, USA on 28<sup>th</sup> January, 2004.

3.4.4 On 4<sup>th</sup> February 2004, BB&T credited the Foreign Accounts of CBL with the full amount of USD 1,814,482.00, which amount was subsequently credited back to the GOL Maritime Funds Account on 10<sup>th</sup> February 2004.

3.4.5 Finally, on 10<sup>th</sup> February 2004, the amount of USD 1,814,482.00 was transferred from the GOL Maritime Funds Account to the GOL

General Account and drawn down on to a nil balance on 27<sup>th</sup> February 2004.

3.4.6 The Team requested for, and obtained a print-out of the account details of both the GOL Maritime Funds Account and the GOL General Accounts for the period of these transactions from the CBL. A list of documents (**Appendices G – G8**) were further obtained for perusal and analysis.

#### 3.4.8 FINDINGS:

- a. The full amount of USD 1,814,482.00 was finally credited to GOL General Account on 10<sup>th</sup> February 2004.
- b. The handling of this transaction (relating to the receipt and processing of the cheque in respect of consideration for the sale) is devoid of taints of corruption.
- c. The Chairman of the NTGL, Gyude Bryant could not have stolen the USD 1,814,482.00 in the manner as alleged.

#### 3.5 Allegation of misconduct by Chairman Bryant in the purchase of an official Limousine for the use of Chairman of the NTGL.

3.5.1 It was alleged that, the Chairman of the NTGL, H.E. Gyude Bryant, arranged through his private company, LIMASCO, the purchase of, and payment for a Bullet-proof Limousine for the use of the Chairman of the NTGL.

3.5.2 The Team called for all obtainable documents relating to this transaction for study and analysis.

3.5.3 Documents obtained and analysed include the Bureau of the Budget GOL Official Allotment Form, **Appendix J**, and CBL transaction details in respect of payment for the Limousine via Letter Payment Instruction of 23<sup>rd</sup> July 2004 with reference NTGL/MF/2-1/LFK/ymj/2094/04, **Appendix K**.

3.5.4 The Team interviewed the Deputy Governor of the CBL, Mr. J. B. Dennis and the Minister of Finance, Mr. Lusinee Kamara as well as H.E. Gyude Bryant on the subject.

3.5.5 Detailed enquiry revealed that, negotiation for the transaction was made by H.E Gyude Bryant, who explained that, on a trip abroad, he was fortuitously presented with a rare opportunity to obtain a "bargain" price for the vehicles directly from the manufacturers. On his return to Liberia, he apprised the relevant authorities of bargain price with Daimler Chrysler in Berlin, Germany.

### 3.5.6 FINDINGS:

- a. Allotment for the purchase of the Limousine was approved via a supplementary budget on 14<sup>th</sup> July 2004 for USD 1,000,000.00.
- b. An amount of USD 500,000.00 was transferred directly to Daimler Chrysler, Deutsche Bank, Berlin, A/C # 0207001, Swift code: DEUTDEBB on 23<sup>rd</sup> July 2004 from GOL General Account No. 02-205-300001-12 held with CBL.
- c. There is no evidence whatsoever that the above payment was made to or was made through an intermediary company named LIMASCO.

### 3.6 Misappropriation of the Chinese Grant.

3.6.1 Preliminary investigations revealed that the Chinese Grant in reference is the same Chinese Grant encountered in sub-section 3.3 above.

### 3.6.2 FINDINGS:

- a. Analogous to the findings under sub sub-section 3.3.6, the amount was properly credited to the GOL General accounts held with the CBL and disbursed over time.
- b. The Chinese Grant was not misappropriated in the manner as alleged.

### 3.7 Allegations of financial mal-practices in NTLA.

3.7.1 Investigation into this allegation was severely hampered by legal and procedural constraints immanent in the Liberian Establishment.



3.7.2 After the partial resolution of the initial impasse occasioned by the Supreme Court Action in respect of the Writ of Prohibition against Government functionaries co-operating with the ECOWAS team of investigators, several issues of procedure were raised (deliberate or otherwise) to further frustrate the investigations.

3.7.3 Ten weeks into the Team's stay in Liberia, Plenary of the NTLA passed a resolution to allow investigation by the Team to commence. Co-operation from both the NTLA and the Ministry of Finance in this endeavour could only be described as half-hearted.

3.7.4 Through diligent effort, a limited number of documents were obtained by the Team. However, little or no work of respectable magnitude could be done in relation to the said financial mal-practices at the NTLA. This very important investigation had to be aborted by the Team due to time constraint

### **3.8 Allegations of Financial and Administrative malfeasance at the Ministry of Internal Affairs.**

3.8.1 The Special Representative of the Executive Secretary, ECOWAS, furnished the team with a copy of a dossier submitted by Chief Gba-Gonyon, Deputy Minister for Administration, Ministry of Internal Affairs, containing grave allegations of malfeasance and various acts of corruption against the Minister of Internal Affairs and a number of Senior Officials at the said Ministry.

3.8.2 The Team invited and conducted a number of interviews with the said Deputy Minister to ascertain the grounds for the allegations.

3.8.3 Further steps were taken to obtain necessary corroborative material from the Ministry of Finance.

3.8.4 Unfortunately, the Team was in the middle of interviewing the said Deputy Minister, and was awaiting documentary evidence from both the Ministries of Internal Affairs and Finance when the Team was directed to wind up its activities.

**3.9 Allegations of financial malfeasance in the sale and export of iron ore at the Ministry of Mines and Energy.**

3.9.1 Investigations were started into the allegation that there was official manipulation of the price and quantity of iron ore exports from the Liberian port of Buchanan with the ulterior purpose of privately enriching individuals in Government.

3.9.2 Information gathered so far is indicative of irregularities in accounting for the quantum and pricing of iron ore sales.

3.9.3 There also appears to be major flaws in the legal instruments governing the contract for the sale of iron ore. This view was buttressed by opinion generated during an interview with officials from the Bureau of Customs, Ministry of Finance.

3.9.4 Further work in this area was halted by the directive that the team should wind up its activities.

**3.10 Abuse of Foreign Travel Expenditure.**

3.10.1 The Chairman of the NTGL, H.E. Gyude Bryant submitted to the Team an "Audit report on Foreign Travel Expenditure (October 14 2003 - March 31 2004) conducted by General Auditing Office (GAO)" and requested for investigations to be carried out.

3.10.2 Time did not permit the team to investigate this matter since, as in the case of the three preceding cases, the team was directed to wind up its activities. However, the Special Audit report submitted to the Team showed massive abuse and misuse of public funds for foreign travel by a great number of public officials.

#### (4) PROPOSAL ON SYSTEMATIC/LEGAL FRAMEWORK FOR TACKLING CORRUPTION.

4.1 The Team observed that, as a result of the breakdown of Financial Management structures within the Government Accounting System, accountability and transparency in public finance had become elusive. Corruption has become endemic to the extent that urgent measures are required for effective anti-corruption legislation.

4.2 This Team was constrained in its ability to professionally appraise the Liberian Public Accounting System to the extent where valid and robust proposals on a systematic/legal framework for tackling corruption could be adduced for the following reasons:

- With the general perception of the mission of the ECOWAS Team of investigators as intrusive by Liberian bureaucrats, the level of spontaneous co-operation necessarily required for such an exercise could not be obtained.
- It requires a protracted period of study of the Liberian legal environment and laws relevant to the subject matter to be able to recommend efficacious strategies for containing a matter like rampant corruption of public officials.
- Time available to the Team for an exercise of this enormity was rather short.

4.3 The Team recommends that a well-resourced team be sent to Liberia for a thorough study of the Liberian situation with the view to establishing a powerful, independent Anti-corruption Institution of international standards in Liberia. Such a project should be funded by ECOWAS, the UN and the International Community.

## (5) RECOMMENDATIONS

5.1 Section 1 of Executive Order No.2 of 2003 provides that any official of Government who causes loss of revenue to the Government of Liberia shall, **“be removed from office and prosecuted for the offence of felony of the third degree.”**

5.2 Consequently, the Team recommends the immediate removal from office the following Government Officials in view of the findings made against them above:

- i. Hon. Lusinee Kamara – Minister of Finance.
- ii. Hon. Samuel Wlue’ – Minister of Commerce and Industry
- iii. Hon. Tugbe Doe – Deputy Minister of Finance for Administration.
- iv. Mr. Albert Quaye – Head of Fraud Investigation, Ministry of Finance.

5.3 The Vice Chairman, H.E. Wesley M. Johnson, should refund to the Government of Liberia the amount of USD 34,050.00 he used with his entourage on a trip to Rhode Island, USA, to witness the graduation of his daughter.

5.4 The Team leaves it to ECOWAS to decide on appropriate action to be taken against the Chairman of the NTGL, H.E. Gyude Bryant and the Vice Chairman, H. E. Wesley M. Johnson in view of the findings against them, respectively, above.

5.5 The Team found sufficient grounds to believe that acts of rampant corruption had occurred matters they did not complete investigations, to wit:

- Allegations of financial malpractices at the NTLA
- Allegations of Financial and Administrative malfeasance at the Ministry of Internal Affairs.
- Allegations of financial malfeasance in the sale and export of iron ore at the Ministry of Mines and Energy.
- Abuse of Foreign Travel Expenditure by public officials.

5.6 The Team found that the expectations of the Liberian people for the investigation of these matters to be brought to their logical conclusion, and culprits brought to book to be very high, and recommends to ECOWAS not to abort the investigations.


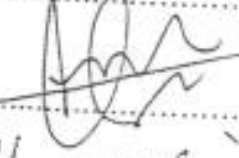
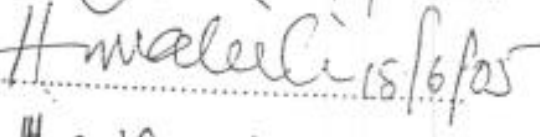
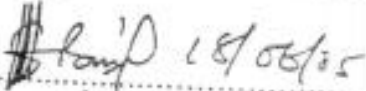

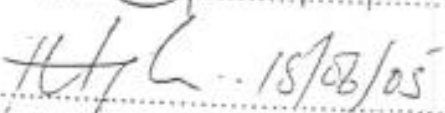
5.7 In the Teams estimation, a streamlined team composed of three members instead of six will complete the investigations in a period of six weeks.

## (6) CONCLUSION

6.1 The Team emphasises the need to implement its recommendations so that the Peace Process currently being followed is not derailed.

6.2 It is also important for ECOWAS to sow the seeds for the culture of probity, accountability and transparency to be planted in Liberia before the new Government takes over after the upcoming elections.

Dated at Monrovia, Republic of Liberia, this 18<sup>th</sup> day of June 2005.

1. Mr. Adinkra Donkoh - Team Leader...  18/06/05
2. Mr. Victor Mensah - member...  18/06/05
3. Mr. Mohammed Wakili - member...  18/06/05
4. Mr. Ibrahim Galadima - member...  18/06/05
5. Mr. Mustapha Amara - member...  18/06/05
6. Mr. Augustine Ngobie - member...  18/06/05