

C/O
120 Woji Road
GRA II
Port Harcourt

10th August 2015

His Excellency
Muhammadu Buhari
President and Commander -in -Chief
Federal Republic of Nigeria
State House,
Abuja

Your Excellency,

**RE: CORRUPTION, CRIMINAL BREACH OF TRUST, UNLAWFUL ENRICHMENT
AND CONVERSION OF OVER 70 BILLION NAIRA STATE RESOURCES BY
FORMER GOVERNOR ROTIMI AMAECHI AND OTHER STATE
FUNCTIONARIES.**

Our attention has been drawn to an open letter to the President by The Integrity Group with the above caption, published in This Day newspapers of Monday August 3, 2015 and some other national newspapers containing allegations of fraud against the former Governor of Rivers State, RT. Hon. Chibuike Rotimi Amaechi and his administration. It is unfortunate to observe that the authors of the said publication twisted and misrepresented facts in a manner designed to serve an ill-conceived purpose of maligning the integrity of Rt. Hon. Chibuike Rotimi Amaechi and his administration.

In line with the tradition of transparency and good governance that was the hallmark of the Amaechi administration, we feel a sense of responsibility to present the true facts relating to the specific issues raised based on our records, as follows:

**A. ALLEGED FRAUDULENT SALE OF RIVERS STATE POWER ASSETS AND
CONVERSION OF PROCEEDS AMOUNTING TO ₦60,480,000,000.00**

These allegations are not true as can be discerned from the following:

- i. The Rivers State Executive council after extensive deliberations on 15th and 16th August 2012 (See attached extract of Exco Minutes, Appendix 1) took a decision to sell seventy percent (70%) of its equity in the power assets of the State. The sale of this equity was particularly informed by the following considerations:

1. The Federal government had commenced a privatization process to unbundle the Power Holding Company of Nigeria (PHCN) to drive efficiency.
2. PHCN was not paying Rivers State Government for electricity contributed to the national grid.
3. The state was spending heavily on purchase of gas from Shell Petroleum Development Company (SPDC) and Nigeria Agip Oil Company (NAOC) to fuel the plants. At this time, the State was indebted to Shell and Agip to the tune of about ₦7,000,000,000.00 (Seven Billion Naira).
4. The State was spending over one billion Naira annually on maintenance of the plants without commensurate returns in the form of electricity supply.
5. Need to engender efficiency in the management of the power assets so that its benefits could be felt by the generality of the people of Rivers State.
6. The State Government does not have the requisite manpower to manage the facilities.
7. Need to augment revenue in the face of dwindling federal allocation to the State.

Similar considerations informed the leasing/concessioning of entities like RISONPALM LTD which, before then, had shut down for over ten years, SUPABOD STORES (Now SPAR) which had been shut down since the 1980s and OLYMPIA HOTEL (Radisson Blu Olympia) which had ceased to function since 1993 and was being used as Police Barracks. These entities were leased/concessioned and NOT sold as being mischievously and erroneously peddled by some individuals in Rivers State. At the end of the lease/concession period, these revived assets will revert to the State Government.

- ii. Proceeds from the sale of the assets were properly recognized in the 2014 Appropriation Law of Rivers State as one of the sources of revenue to fund the 2014 budget. Please see Extract below:

Revenue source	Amount in Naira
1. FAAC	241,000,000,000.00
2. IGR	92,000,000,000.00
3. Proceeds from sale of Assets	33,000,000,000.00
4. Cash Bal B/F	10,717,000,000.00
5. Bond/Loan	100,000,000,000.00
6. World Bank/ADB loan	6,984,000,000.00
Total	₦485,524,000,000.00

- iii. The Power assets were priced and sold at a premium at \$800,000 per megawatts which is higher than the rate of \$358,000 per megawatts used by the Federal Government in disposing its power assets at Afam. Whereas Rivers State earned \$302,000,000.00 for seventy percent of its power assets of 541 megawatts, the Federal Government received \$260,000,000.00 for the 726 megawatts plant situated adjacent to the Rivers State facility.
- iv. Payments for the assets were made in several tranches between 2012 and 2014
- v. All Proceeds of the sale made in US Dollars (USD) were lodged in the Rivers State Power Assets Sale Account with Access Bank
- vi. The USD proceeds were sold to willing buyers at a rate higher than the prevailing CBN rates at the time, and the Naira equivalent lodged by the buyers into the Rivers State Revenue Account at Zenith Bank.
- vii. The companies that were erroneously portrayed as fronts for looting of the funds were actually those that bought the USD and made remittances of Naira equivalents into the Rivers State Revenue Account with Zenith Bank. Please see details below:

S/No	Date of Instruction	Date of remittance	Fx Buyer	Amount paid in USD	Amount Received in Naira	Fx Rate \$/N
1	1/12/14	2/12/14	Capital Index	\$20.00M	₦ 3.5B	175
2.	3/12/14	3/12/14	Result Import/Export Co.	\$15.00M	₦ 2.62B	175
3	5/12/14	5/12/14	Advante Consulting & Mgt Ltd.	\$10.00M	₦ 1.75B	175
4	8/12/14	8/12/14	Capital Index	\$25.00M	₦ 4.375B	175
5	8/12/14	15/12/14	Capital index	\$17.745M	₦ 3.105B	175
6.	22/12/14	29/12/14	Capital Index	\$10.00M	₦ 1.75B	175
	Total			\$97.745M	₦17.1B	

- viii. Once the funds were received into RVSG revenue account at Zenith Bank they were used alongside others from other revenue sources to finance various Government projects and activities (Please see attached Statement of Account for the relevant period, Appendix 2).

**B. UNLAWFUL PAYMENT TO AND CRIMINAL CONVERSION OF
N4,633,440,000.00 BY CLINORIV SPECIALIST HOSPITAL**

The facts of this transaction are stated below:

- i. The Justice Adolphus Karibi-Whyte Hospital was conceived by former Governor Amaechi to address the huge tertiary health care deficit in Rivers State and indeed the country and help reduce the high cost of referrals to hospitals overseas.
- ii. Rivers State government in January 2008 signed a Memorandum of Understanding with Clinotech Diagnostics and Pharmaceutical Inc. Canada for the building and operation of a mega specialist hospital and leisure facility in Port Harcourt on a Public Private Partnership (PPP) basis with equity participation of Government 40% and Clinotech 60%.
- iii. Clinotech conducted feasibility studies, completed architectural designs of the hospital and moved to the given site at the old UPTH using its own funds, before a decision was taken by RVSG to relocate the hospital to Greater Port Harcourt as one of the anchor projects for the new city.
- iv. In May 2008 the Rivers State Government released the sum of ₦4.6b (Four Billion, Six Hundred Million Naira) or (\$39.2m) representing its 40% equity. However, Clinotech that was supposed to make 60% equity contribution to the project was unable to meet its own obligation citing issues associated with the global financial meltdown.
- v. The Rivers State Executive Council suspended the joint venture and subsequently awarded it as a turnkey contract to Clinotech with direct funding by the Government (100%).
- vi. On 5th March 2010, the former Governor Rt. Hon. C.R Amaechi reported Dr. Harrison Ofiyai, CEO of Clinotech to the then Rivers State Commissioner of Police alleging a case of breach of contract and fraudulent diversion of funds. The Police conducted sincerely investigation into the matter and issued a report on 24th March 2010. (See attached copy of the report, Appendix 3).
- vii. The Former Governor during a routine inspection of the site of the hospital project on 5th May 2010 ordered the immediate suspension and evacuation of Clinotech from the hospital construction site, in the belief that the work done was not commensurate with the amount of money released for the project by the Rivers State Government
- viii. Subsequently, on 12th December 2010, the former Governor approved the setting up of a Technical Committee to determine the way forward for the project. The Committee upon completion of its work submitted a report which valued the job done by Clinotech (including material at site) at ₦4,068,612,942.50 (Four Billion, Sixty Eight Million, Six Hundred and Twelve Thousand, Nine Hundred and Forty Two Naira, Fifty kobo). (See a copy of the report, Appendix 4).
- ix. The final financial position between the parties (RVSG and Clinotech) on the project has been determined as reflected in the 'Agreement for the

resolution of the failed 1000-Bed (Justice Adolphus Karibi-Whyte) mega specialist hospital contract', executed by the parties on 19th March 2014 (copy attached, Appendix 5).

- x. The Rivers State Government executed a Memo of Agreement (MOA) on 9th May 2014 with VMS-WILLEMEN consortium for the completion of the Justice Adolphus Karibi Whyte Hospital on a Build, Operate and Transfer (BOT) basis. (Copy attached, Appendix 6).
- xi. It is clear from the foregoing that RT. Hon. Chibuike Amaechi, did not maintain 'a studied silence for seven years without making any efforts', as claimed by the petitioners, and he is also not involved in any unlawful enrichment and criminal conspiracy to convert public funds to private use.

C. UNLAWFUL ENRICHMENT OF MESSRS COLLECT SOLUTIONS (NIG) LIMITED WITH PUBLIC FUNDS TO THE TUNE OF ONE BILLION, FIVE HUNDRED AND FIVE MILLION, EIGHT HUNDRED AND NINETY FIVE THOUSAND, SIX HUNDRED AND NINETY-EIGHT NAIRA, SEVENTY-KOBO

The facts of this transaction are stated below:

- i. At the inception of the RT. Hon. C.R. Amaechi administration, monthly internally generated revenue (IGR) was an average of ₦2.5b (Two Billion, Five Hundred Million Naira).
- ii. As part of measures to increase the IGR level, Skye Bank PLC was appointed as revenue consultants resulting in increasing the State IGR to an average of ₦7.5b monthly.
- iii. The tenure of Skye Bank PLC as revenue consultant ended in December 2014 and Collect Solutions Limited was appointed to replace Skye Bank because the administration was desirous of not only sustaining the ₦7.5b monthly revenue but also to increase it further. Collect Solutions Limited was engaged on the same terms as Skye Bank PLC., with a mandate to drive up the revenue further.
- iv. Appointment of revenue consultants is within the powers of the State Government and Amaechi's administration only exercised that power in appointing Collect Solutions Limited. Having been so duly appointed, the consulting company is entitled to its remuneration.

CONCLUSION

The facts presented from our records show clearly that the allegations of fraud and wrong doing against former Governor Chibuike Rotimi Amaechi and his administration in the matter of the issues raised by the petitioners are baseless. The authors of the petition are either ignorant of the true facts or deliberately misrepresented and twisted the facts in order to tarnish the image of former Governor Chibuike Rotimi Amaechi and his administration for the purpose of achieving some heinous political agenda. We are convinced that they will fail in their unwholesome mission, because we trust in the


President's and the public's ability to see through the façade to discover their true motives which clearly are not noble.

Without a doubt, former Governor Chibuike Rotimi Amaechi and his administration recorded remarkable strides in the development of Rivers State, encompassing areas like infrastructure, healthcare, education and public finance management which we expect any responsible successive administration in the state to strive not only to maintain but surpass. Consequently, we would advise members of the so called Integrity Group, authors of the petition, and their sponsors to focus on activities that will improve the welfare of Rivers people rather than engage in negative and malicious attacks on RT. Hon. Chibuike Rotimi Amaechi and his administration.

We have presented the above facts and made the above assertions as persons who served in the Amaechi administration and it is our hope that Mr. President will find this rejoinder useful.

Please accept, your Excellency, the assurances of our highest esteem and regards.

Yours Sincerely,


George D. N. Peyii
FCCA, PCA, MBA, ACIT, ACI Arb, MNIM
Former SSG


Chamberlain S. Peterside, PhD
Former Comm. of Finance



Appendix 1

GOVERNMENT OF RIVERS STATE OF NIGERIA
OFFICE OF THE SECRETARY TO THE STATE GOVERNMENT

George D. N. FEYII

Secretary to the State Government

Your Ref:

Our Ref: GO/CAB/438/VOL.XII/388

GOVERNOR'S OFFICE
Point Block (2nd Floor)
State Secretariat Complex
P. M. B. 5098
Port Harcourt, Rivers State
Nigeria.

17th August, 2012

The Hon. Commissioner,
Ministry of Power,
Port Harcourt.

CONFIDENTIAL

EXECUTIVE COUNCIL CONCLUSIONS EXTRACTS

I am directed to forward herewith the attached EXCO Conclusions Extract in respect of the 19th Executive Council meeting held on Wednesday, 15th and Thursday, 16th August, 2012, for your necessary action, please.


GOGO JOHN ISONG, JP
Permanent Secretary (Cabinet)
for: Secretary to the State Government

GOVERNMENT OF RIVERS STATE OF NIGERIA

EXECUTIVE COUNCIL CONCLUSIONS EXTRACT 19TH EXCO

MEETING HELD ON WEDNESDAY, 15TH AND THURSDAY,
16TH AUGUST, 2012.

SUBJECT MATTER

5. PRESENTATIONS

2.2 Response by the NG Power

- (a) After several other comments and observations by Council members, which were tailored towards accepting the offer by the company, the Directors responded that:
 - (i) payment would be made in two (2) tranches of 50% each;
 - (ii) it would not pay beyond \$800,000 per MW;
 - (iii) it would buy 541 MW, which is 70%, of the facility;
 - (iv) it would also acquire the Afam phase 2 which construction is on-going;
 - (v) the land has been part of the transaction.
- (b) The Hon. Commissioner for Power informed members that the FIPC was indebted to the Nigerian Agip Oil Company to the tune of ~~N~~2 billion and other establishments.
- (c) agreed to:
 - (i) sell 541 MW of the State IPP facility at \$800,000 per MW to the company;
 - (iii) sell Afam phase 2 in its present state;
 - (iv) the land would be part of the transaction.
- (d) approved the sale and **directed** the:

- (i) Power Commissioner to furnish Council with all the liabilities of the company;
- (ii) FIPC should take over the completion of the Afam 2 after 70% share sale to NG Power;
- (iii) HAG and the Power Commissioner to draft the agreement.

**AGREEMENT FOR THE RESOLUTION OF THE FAILED 1000-BED
(JUSTICE ADOLPHUS KARIBI-WHYTE) MEGA SPECIALIST
HOSPITAL CONTRACT**

THIS AGREEMENT is made this 19TH day of MARCH 2014

BETWEEN

THE RIVERS STATE GOVERNMENT represented by the Honourable Commissioner for Health (hereinafter called "the Government") which expression shall where the context so admits include their heirs, successors in-title and assigns, situated at 2nd Floor, Block A, Rivers State Secretariat Complex, Port Harcourt of the **ONE PART**.

AND

CLINOTECH TURNKEY AND MANAGEMENT LIMITED, situated at No. 10 Kainji Crescent, Maitama, Abuja (hereinafter called "the Contractor") which expression shall where the context so admits include their heirs, successors-in-title and assigns of the **OTHER PART**.

WHEREAS:

- (A) The Rivers State Government had contracted the Contractor to build a 1000-bed Mega Specialist Hospital (Justice Adolphus Karibi-Whyte Specialist Hospital).
- (B) His Excellency, the Governor of Rivers State, Rt. Hon. Chibuike Rotimi Amaechi, CON, on a routine inspection of the JAKWH Project on the 5th of May, 2010, ordered the immediate suspension and evacuation of the Contractor from the construction site. The reason being that His Excellency was not satisfied that the work done was commensurate with the amount of money released and paid to the Contractor for the project.

- (C) A Technical Committee was consequently set up by Rivers State Government on the 12th December, 2010 to investigate all issues surrounding the contract.
- (D) Upon completion of its investigation, the Technical Committee recommended that the sum of ₦272,130,631.50 (Two Hundred and Seventy-two Million, One Hundred and Thirty Thousand, Six Hundred and Thirty-one Naira, Fifty Kobo) be refunded by the Contractor to the Rivers State Government through the Ministry of Health as money had and received in excess of actual work done under the Justice Karibi-Whyte Hospital Contract.
- (E) At a financial reconciliation meeting held between the representatives of the Rivers State Government and Clinotech, on Monday the 10th of February, 2014 it was discovered and agreed that:
- (i) apart from the Justice Adolphus Karibi-Whyte Specialist Hospital Project; Clinotech also constructed the Modular Theater at Braithwaite Memorial Specialist Hospital (BWMSH), Port Harcourt at the cost of \$3,958,547 equivalent to **₦583,182,444.76** (at N147.32 USD).
 - (ii) the financial reconciliation committee finally agreed that the sum of N272,130,631.50 be subtracted from the **₦583,182,444.76**, the cost of the construction of the Modular Theater at Braithwaite Memorial Specialist Hospital (BWMSH) which leaves **₦311,051,813.26**, in favour of Clinotech.
- (F) The report of the financial reconciliation meeting dated 10/2/14 signed by the Permanent Secretary, Rivers State Ministry of Health, Dr. Somieri Lawrence Isaac Harry (JP) as Chairman and Dr. Kalada Dick Iruenabere as member corroborated the facts contained in recital C above (Technical Committee Report).

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THE PARTIES HEREBY AGREED AS FOLLOWS:

- (a) that the contract between the Government and Clinotech for the construction of the Justice Adolphus Karibi-Whyte Specialist Hospital be and is hereby terminated and all the terms and conditions for termination under the said contract agreement are hereby deemed, fulfilled or complied with by the parties.
- (b) that the sum of **N311,051,813.26** be paid to Clinotech by Government as full and final payment in respect of the construction and completion of the Modular Theater at Braithwaite Specialist Hospital, Port Harcourt.
- (c) The Contractor hereby undertakes as follows:-
 - (i) Government shall not be indebted to Clinotech in any sum howsoever and in whatever manner claimed, described or demanded upon the fulfillment of clause 1 (b) above.
 - (ii) It shall provide all outstanding documents (Technical, financial and other documents in its custody, etc) relating to the Justice Adolphus Karibi-Whyte Specialist Hospital Project upon request by Government.
 - (iii) Finally, upon request, it shall assist Government in interpreting any areas of the Justice Adolphus Karibi-Whyte Specialist Hospital technical drawings that are unclear.
- (d) All equipments and facilities for the project are to be taken over by the Government.

IN WITNESS WHEREOF, the parties hereto have caused their seals and signatures to be affixed herein the day and year first above written.

SIGNED, SEALED AND DELIVERED
For and on behalf of the
Rivers State Government

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.....
Dr. Tamunoloyorlan Sampson Parker
Honourable Commissioner for Health



In the presence of:

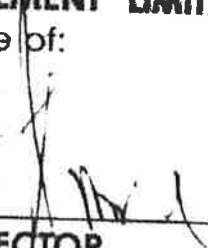
Name: Worgu Boms Esq.

Address: Min. of Justice Complex, State Secretariat Complex

Designation: Hon. Attorney General & Commissioner for Justice

Date: Wed. March 19, 2014

THE COMMON SEAL of the within named **CLINOTECH TURNKEY AND MANAGEMENT LIMITED** was affixed to this Agreement in the presence of:



DIRECTOR



SECRETARY

MEMORANDUM OF AGREEMENT

BETWEEN

RIVERS STATE GOVERNMENT NIGERIA

AND

VMS-WILLEMEN CONSORTIUM

[For the Completion of the Justice Adolphus Karibi-Whyte Specialty Hospital Project]

7th May 2014
Port Harcourt Nigeria

MEMORANDUM OF AGREEMENT


This Memorandum of Agreement (MOA) is entered into this Friday, May 09, 2014, Between Rivers State Government, Represented by the Honorable Commissioner of Health, Ministry of Health, Block A, 2nd Floor, Rivers State Secretariat Complex, Port Harcourt, Nigeria referred to as "**Rivers State**", which expression shall, where the context admits, include its successors in title, affiliates and assigns) of one part, and

The **VMS-Willemen Consortium**, Represented by Carsten Selberg, Vice President, Lise Meitner Strasse 2, 24941 Flensburg, Germany referred to as "**VMS**" which expression shall where the context admits, include its successors in title, affiliates, and assigns) of the other part.

WHEREAS:

Pursuant to several meetings and correspondence between Rivers State and VMS, both parties agree to sign a Memorandum Of Agreement (MOA) to establish their working relationship up to and including the signing of a "Build Operate and Transfer (BOT)" agreement for the completion and operation of a Mega Specialty Hospital in Port Harcourt, to be located in the Greater Port Harcourt Area of Rivers State, Nigeria.

The Parties hereby mutually agree as follows:

1. This MOA in its entirety shall form an integral part of any agreement or contract that will be signed between the parties unless the parties otherwise agree..
 2. Rivers State and VMS have agreed to negotiate and enter into a BOT agreement for the building and completion of a Specialty Hospital to be known as Justice Adolphus Karibi-Whyte Specialty Hospital to be located in the Greater Port Harcourt area of Rivers State, Nigeria.
 3. Parties agree that Rivers State will lend support and collaboration to "The VMS Consortium" made up of World class experts in different fields that will participate in the project to ensure its success.
 4. The Terms and Condition for the commencement and completion for operation and transfer of the said Specialty Hospital shall be contained a Distinct Agreement (The BOT) to be prepared at the financial expense of the VMS and mutually agreed to and signed by the parties.
 5. Parties agree that enormous resources and time are needed for the preparation and execution of the said BOT agreement and have therefore. set a deadline of 15th July, 2014 for the execution of the BOT.
 6. It is the Agreement of the parties, that all negotiations, consultations and discussions for the firming up of the all the Terms and Conditions to be contained in the BOT Document shall be undertaken and concluded before the said 15th July, 2014 date.
 7. Rivers State hereby irrevocably agrees and guarantees VMS that it shall not directly or indirectly circumvent or attempt to circumvent, avoid, by-pass, or obviate the interest and relationship between the Consortium members with respect to the project if it is duly aware of such interest and relationships.
 8. Rivers State shall not in any way make contact, discuss or enter into any negotiation whatsoever with individual Consortium members, contacts or business leads with regards to the project without the prior consent of VMS-WILLEMEN Consortium being sought and obtained.
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9. Upon signing this MOA, parties shall work diligently to ensure a speedy conclusion of negotiations to enable the signing of the BOT agreement.
10. Before the 15th July, 2014 deadline, a Limited Liability Company shall be incorporated by VMS with the Corporate Affairs Commission, Nigeria, as the Business vehicle with which VMS shall use for the purpose of this transaction so as to comply with the Laws of Nigeria.
11. The execution of the BOT Agreement puts an end to this Memorandum of Agreement as does the inability of the parties to execute the BOT for any reason whatsoever on the set date of 15th July 2014 unless the parties otherwise agree in writing.

IN WITNESS WHEREOF the parties hereto hereby execute this MOA in the manner set forth herein after.

For and on behalf of Rivers State Government Nigeria:

Name:

Title:

Witness:

For and on behalf of VMS-Willemen Consortium:

Name:

Frank Snykers (CEO SNK Partners)
Chairman

Witness:

Carsten Selberg (Vice President VMS)
Vice President