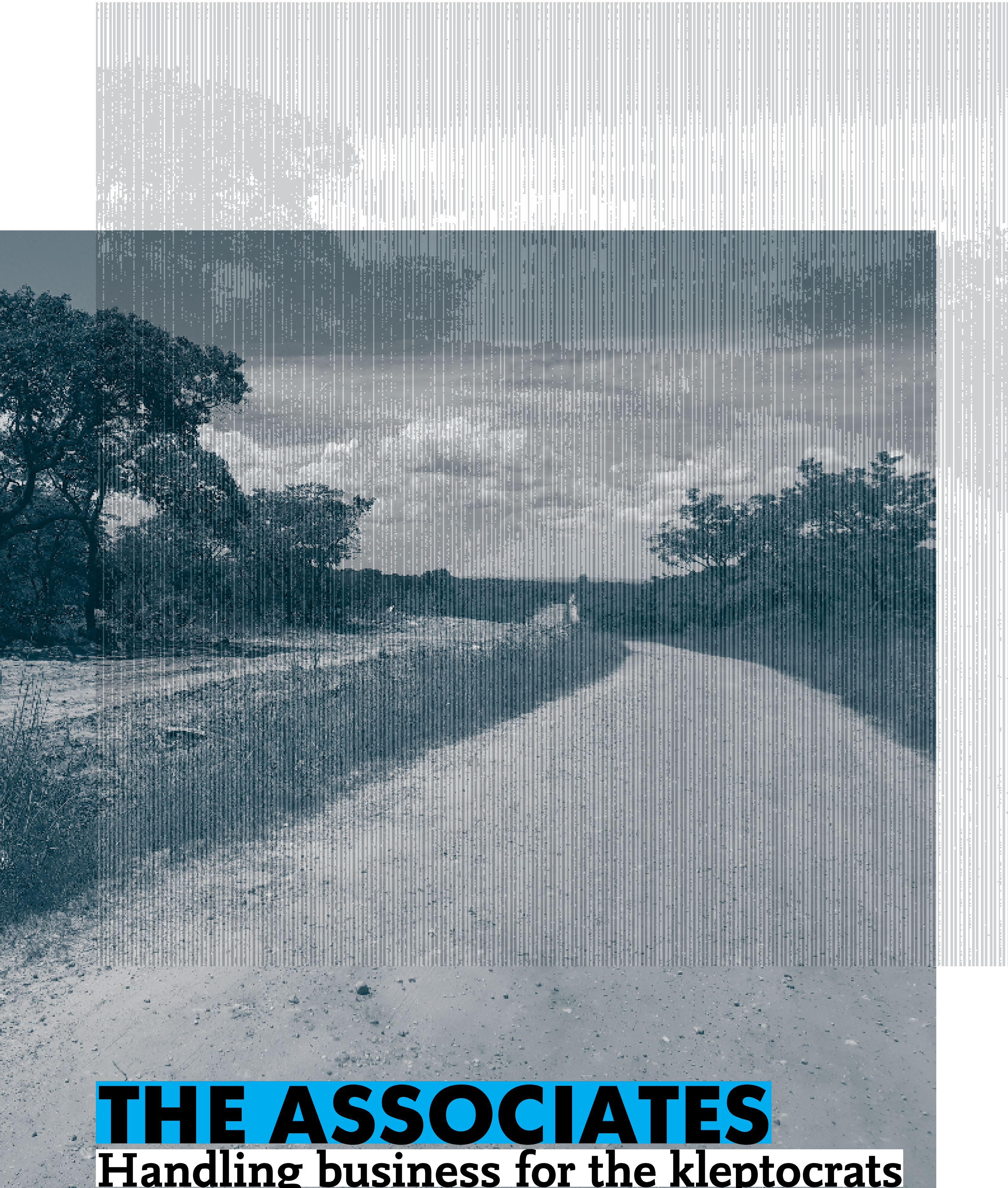
ZAM

aipc



THE ASSOCIATES

Handling business for the kleptocrats

CONTENTS

01 INTRODUCTION
03 HOW WE DID IT

05 MALI | MONEY LIKE WATER
The kingmakers' mineral income flows to Panama
David Dembélé

14 LIBERIA | ALL THE PRESIDENT'S BANKNOTES
Shiploads of new money, the death of a bank manager and a curious kitchen cabinet
T. Kaiwonda Gaye

23 MOZAMBIQUE | LICENSED TO PLUNDER
Depleting the seas together
Estacio Valoi

33 ZAMBIA | FOR YOUR NOBLE LIFE
Forest homes for the wealthy, sewage water for the rest
Charles Mafa and John Mukela

43 KENYA | STELLA'S WEB
Connecting to government, raking in millions
Purity Mukami / Africa Uncensored

51 NIGERIA | VULTURES OF STEEL
Where corruption is the system
Theophilus Abbah

61 CONCLUSION
62 BIOGRAPHIES

THE ASSOCIATES

Introduction

This transnational investigation exposes the associates who help kleptocrat rulers on the African continent to exploit their countries. Diving deep into the belly of ruling circles in places where the vast majority of citizens are desperately poor, we discovered how local and international business partners assist presidents, ministers and ruling party bureaucrats to convert political power, often via access to natural resources, into personal financial reserves and assets. The associates are of all colours and of all nationalities, local and foreign; they range from French 'Mr Coconuts' to super chic Chinese ladies; from home grown bankers and company secretaries to Lebanese businessmen. What they have in common are international bank accounts and very close friends at the very top of political elites in Kenya, Nigeria, Zambia, Mozambique, Mali, Liberia and a seventh country, the identity of which will be revealed in the near future.

What they also share is an interest in countries where often, after their deals have come to fruition, the rich are richer and the poor have even less to eat than before.

Thanks to some associates' money-making schemes, Liberian families now skimp on the portions of food they eat and farmers in the drought-plagued Rift Valley in Kenya have seen their promised dam gone up in smoke. Mozambican coastal villagers see their fish trawled away by foreign boats whilst a General rakes in the foreign hard currency. The inhabitants of Lusaka, Zambia have their water supply threatened because of new luxury mansions that are suffocating a vital water artery.

In our previous transnational investigation, we exposed oligarchs and their riches.[1]

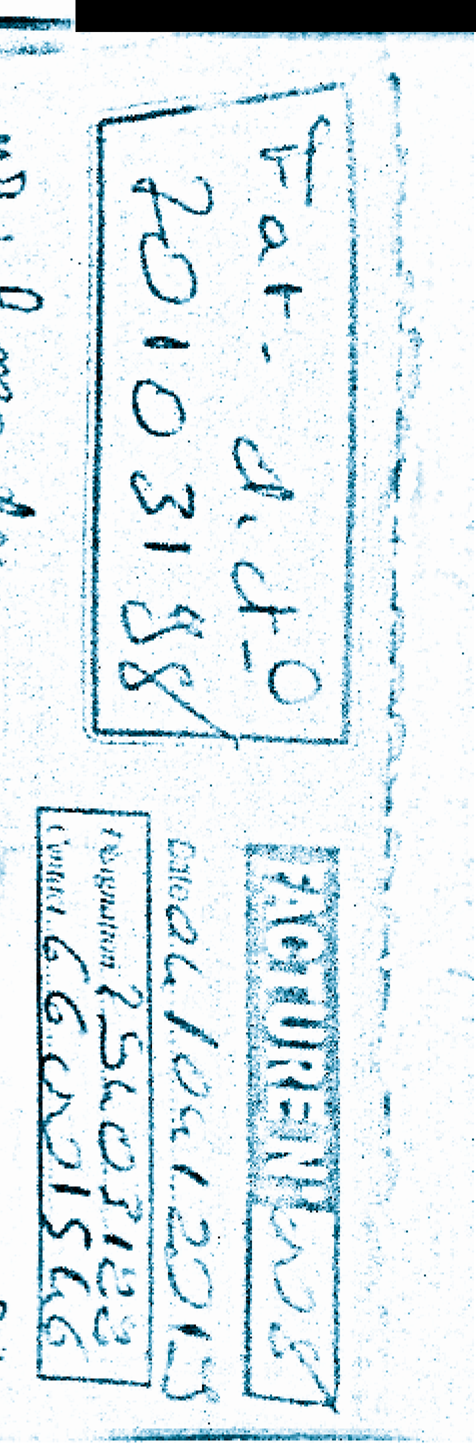
1. https://www.zammagazine.com/images/pdf/documents/African_Oligarchs.pdf

Now, for the first time, a team of African investigative journalists provides a detailed overview of the partnerships between such oligarchs and their money-men and -women. Whether the associates hold the reigns, like in the Chinese companies who pay their Mozambican politicians a mere "salary," as a former minister put it, or whether the politicians stay with most of the loot and pay bankers for their services, like dictator Sani Abacha did in Nigeria, in the end this is how Africa's money is siphoned off at the top.

We investigated kleptocrat-associate partnerships in seven countries, but – in view of judicial and other threats to our reporter in the seventh country – only provide six detailed case studies in this report for now. The seventh case study will be published as soon as our reporter is safe. However, the findings from the seventh country have already contributed to general findings and observations in this report. Among these findings are:

- Associates befriend ministers, high-ranking military officers and procurement officials in less-than-transparent developing countries.
- They siphon off wealth either through licenses for natural resource exploitation (Zambia, Mozambique), overbilling to the state for own products (Mali) or through state procurement contracts for large projects, which often do not deliver good value for money (Kenya) .
- The projects are looted through commissions for politically connected middlemen and/or subcontracts for equally connected companies, who then likewise don't deliver good value for money.

- Sometimes the procured value itself is looted by those close to the contracts. In the case of Liberia, the procurement contract for new banknotes resulted in the ordered banknotes themselves being exposed to money-men, after which they became untraceable; in Nigeria, a steel plant was 'cannibalised' instead of it being used to produce steel.
- Protests against this destructive way of doing business in Africa is growing, both inside the investigated countries and internationally.



THE ASSOCIATES

How we did it

It started with a conference in Ghana about African kleptocracies: those places where a politically powerful elite enriches itself at the expense of citizens. Kleptocracies, it was said, were found in various regions of the world. But African countries were generally the worst off when suffering under kleptocratic rulers. It was in African countries that citizens would feel real hunger, or get infected with cholera because of polluted water, or not have access to any water sources nearby at all, whilst rulers lived their best life in mansions with swimming pools, sports cars and often even private jets, going holidaying on yachts in the Caribbean or Monaco. We were there because we had exposed the incredible wealth gap and the African oligarchs at the top of it in our previous transnational investigation, aptly called 'African oligarchs.'

But where to go from there?

Follow their money handlers, someone said.

The rulers, after all, are politicians, arrived at power through generations-long connections, skillful manipulation of elections, and sometimes through violence and intimidation. They are usually not financially savvy. They have bankers, lawyers, accountants, consultants and business friends who organise their extra income for them -for a good share, of course. It was this type of associates that we should look at. What do these 'wealth managers' do and how do they do it?

It rang a bell with the colleagues who were there at the conference, from among other places Ghana, Cameroon and Nigeria, as well as with us from the African Investigative Publishing Collective, AIPC, and ZAM.

We took the discussion back to the colleagues in the AIPC. Overwhelmingly the responses came in: yes please, let's investigate this 'Mr Coconut' who has been a partner of our dictatorship for four decades. And this Chinese 'development company' that, together with some ministers and a general, first took all our timber and now our fish. The local bankers and accountants who partner with an Indian company and a former president's son to loot a government project. The businessman whose 'anonymous middlemen' siphon procurement money off our state so that all in the chain can have a share. The subcontractors who know the contractors who know people in our elite and who recently ran with US$ 70 million. The money men who printed new banknotes and then took them all, leaving the rest of the country with such high inflation and food prices that they could not even afford rice anymore.

The stories were conceptualised at the last African Investigative Journalism Conference in Johannesburg (November 2018), where our partners, the follow-the-money- experts of Finance Uncovered, helped to find the red financial threads in all the stories. And then the team went to work.

Soon, there were problems, of course. Mozambican colleague Estacio Valoi was detained by the army for three days in the region where he investigated both plunder and a mysterious insurgency. He lost his laptop after, what was worse, the military people searched it thoroughly. The team member in Liberia found himself dealing with no less than three consecutive car accidents that killed whistleblowers in the new banknotes scandal. He asked if we could please not name him or he might

be next, so we opted for a pseudonym in his case. Then, our reporter in the seventh country was told not to mess with the 'dark and sensitive dossier' of a middleman who was "connected to the very top" there. Real judicial threats combined with intimidatory talk, in a country that ranges among the most corrupt in the world and is also known as unsafe for opponents and journalists, led to the decision to remove the seventh country chapter for now, only to publish it when our reporter is safe.

There were the lesser, run of the mill, problems. State suppliers who simply refuse to explain anything. Bad internet. Lack of paperwork. Government spokespersons who don't have email addresses or feel even remotely interested in answering questions. Local media reports that can't be trusted because of 'brown envelope' journalism, whereby powerful individuals simply pay media to bring out stories that are good for them and bad for rivals. As a result of all the obstacles, difficulties and obfuscation, all team members, once again, took longer than planned. The work piled up on the central editing side: sometimes it was easier, sometimes safer – often both – for mails and phone calls to come from ZAM in Amsterdam instead of from a reporter on the ground.

Fortunately, we got a lot of support. After the initial guidance, Finance Uncovered continued to assist with fact checking the stories. Africa Uncensored (AU) came in fully from Nairobi, participating in this project with two colleagues; they made a – still to be released – documentary along the way, too. In turn, AU's data forays in Kenya benefited hugely from specialist help by Finance Uncovered's Margot Gibbs. In Mali, David Dembélé's colleagues of the International Consortium of Investigative Journalists (ICIJ) helped provide the connection between a dodgy businessman and the Panama Papers. Ricardo Ebbenhorst at ZAM sifted through documents and educated us about many a trick used by the kind of accountants who featured in our stories. Help also came from the Committee for the Protection of Journalists in Estacio's case. And of course none of this would have happened without the financial support from transparency-minded donors, in this case the US-based National Endowment for Democracy, NED.

We also did some things centrally at ZAM and the AIPC. We liaised with members and kept track of how and what they were doing. We worked on strengthening the connections between colleagues in all the corners of the continent. We kept documents and clips safe. We navigated between French, English and a bit of Portuguese and ploughed through sometimes confused testimonies that came from nightmarish places. We kept asking who, what, where, when, how and why while Skype, Whatsapp and other connections buzzed with interference and inaudibility. (The more secure, the more inaudible, sometimes, or did we imagine that?) With all that, team members reading up on, and discussing, own and others' progress was a pipe dream. We communicated spiderweb style, from the centre to each team member and back, with only very general team updates on Whatsapp.

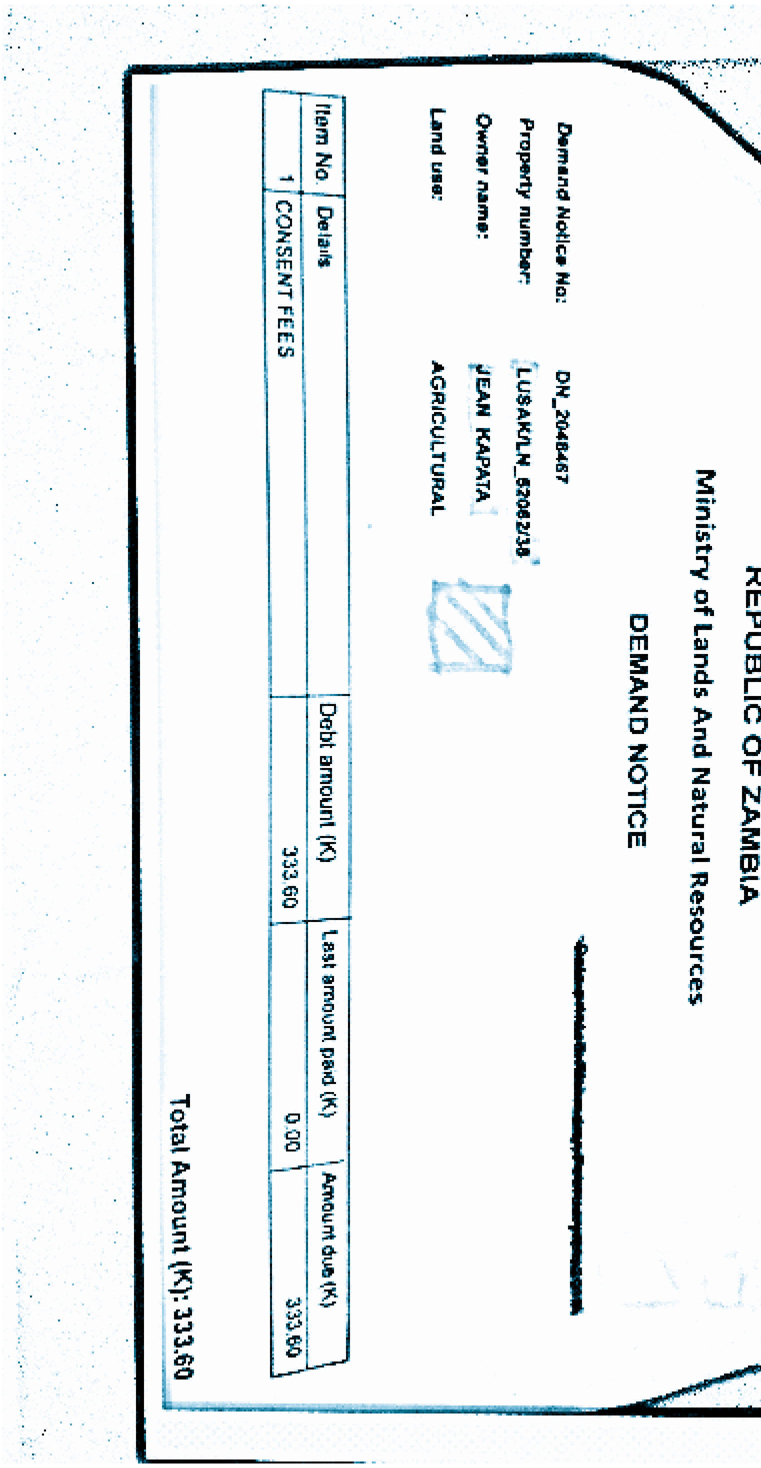
But in the end, we got the water invoices from Mali, the land grab documents from Zambia, the fishing companies registrations from Mozambique and the interview with the Liberian exile in the US. We got the picture of the Chinese trawler that the fisheries director said was not in Cabo Delgado waters at all, the testimony of the terrified bank sources, and the Nigerian Senate Committee reports on the steel plunder. We did not receive much comment from those implicated, perhaps understandably, but ask for comment we did, even – especially – from the threatening people.

All in all, we would have needed perhaps months more to do this. But we managed, stumbling, falling as we did, and imperfect as the result may be.

Next time we'll do better. Because a next time there will be. We are not done, not by a long shot.

First of all, stay tuned for the final chapter to come …

4 June 2019
Evelyn Groenink, ZAM
Selase Kove-Seyram, AIPC

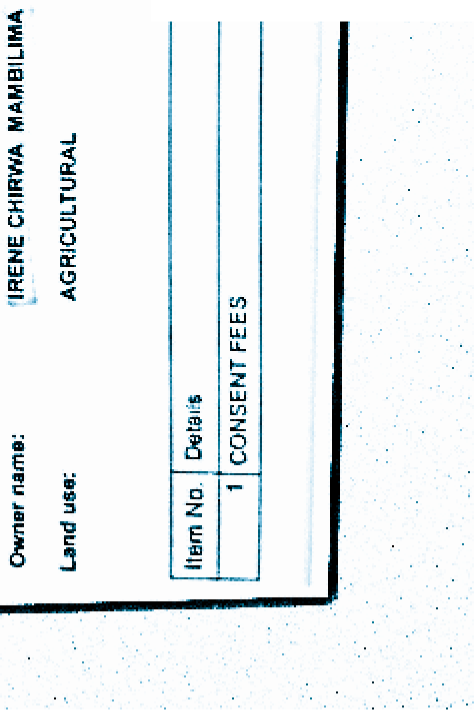

REPUBLIC OF ZAMBIA
Ministry of Lands And Natural Resources
DEMAND NOTICE

[redacted]

Demand Notice No: DN_2048467
Property number: LUSAK/LN_5208/238
Owner name: JEAN KAPATA
Land use: AGRICULTURAL

Item No	Details	Debt amount (K)	Last amount paid (K)	Amount due (K)
1	CONSENT FEES	333.60	0.00	333.60

Total Amount (K): 333.60


Owner name: IRENE CHIRWA MAMBILIMA
Land use: AGRICULTURAL

Item No	Details
1	CONSENT FEES

MALI | MONEY LIKE WATER

The kingmakers' mineral income flows to Panama

David Dembélé

"In our department we buy twenty five boxes of mineral water every month," says the procurement official for the Sports Ministry in Bamako, Mali. "In the shop you pay the equivalent of two-hundred and fifty dollars for that quantity. But we pay double that, about US$ 500." Where the other half of the five hundred dollar goes? To 'anonymous middlemen,' is the routinely given answer to anyone who asks questions about Mali's opaque state expenditure processes. In this case: to distributors operating for the water empire of one of the most powerful businessmen in the country, Cyril Achcar.

Two hundred and fifty dollars may not seem much. But counted over a year it adds up to three thousand dollars, and multiplied by Mali's thirty government departments in the capital Bamako alone, that is ninety thousand dollars, per year, overpaid from state resources in the extremely poor country, just on water bottles. Achcar sells grains and flour and flavoured drinks to the state, too.

Officials from two other government departments – an administrator at the secretariat for Economy and Finance, and a member of the cabinet of the Minister of Defence – confirm that their departments also acquire the Eaux Minerales de Mali from powerful businessman and good friend of many ministers, Cyril Achcar (dubbed 'the Kingmaker') at double or even triple the price of ordinary consumers. One invoice in our possession shows that the Ministry of Defence on 18 October 2017 paid the equivalent of US$ 20 for a box of ten bottles, triple what it should have been.

There must always be an excess payment

Representative Moustapha Camara of competing water company Kati – encountered in the corridors of the Ministry of Justice – confirms despondently that he and his company don't get very far trying to sell their water to the government. "If you see one of our bottles here, you can be sure that the department did not buy that." With regard to the water that is bought, "there must always be an excess payment," confirms the administrator in Economy and Finance. "The director and the minister take care of that together. From the state budget of course." "Our financial department people just always ask (the people who deliver) what they must put on the invoice," says the Defence cabinet member. "The surplus is divided between the Ministry and the distributor."

Defence is a very big customer indeed, thanks to the many military role players and activities in Mali. Additionally, Achcar's

Diago water also supplies the international peace keeping forces, negotiations, conferences and regional alliance units based in the country.

A delusional price

Eaux Minerales de Mali (EMM) denies in the strongest terms that it overcharges the state. “We don’t sell at such a delusional price,” is spokesman Sidi Dagnoko’s answer to questions. “We also sell no water directly -only through our network of distributors. No invoice issued by EMM reflects a sale of this prohibitive amount.” According to Dagnoko, EMM sells the water to its distributors of between nine and ten US$ per box of twelve bottles. Or even less than that: an invoice, made available by FAT distributors who sell EMM waters, mention a price of US$ 7,50 for the same box. With the shops selling at ten US$ for such a box, that is a regular mark-up to be shared between the distributor and the shopkeeper.

So why are the government departments paying so much more for the water of Eaux Minerales de Mali? Asked for an invoice that shows a payment from a Ministry, FAT declines, and so does fellow distributor Bamoye Kamian, named by our sources as the distributor their department pays the inflated prices to. Bamoye Kamian ‘s spokesperson, Lassana Sissoko, confirms his company buys the water from EMM at the same wholesale price as other distributors, but refuses to answer any questions relating to the amounts paid to his company by the government.

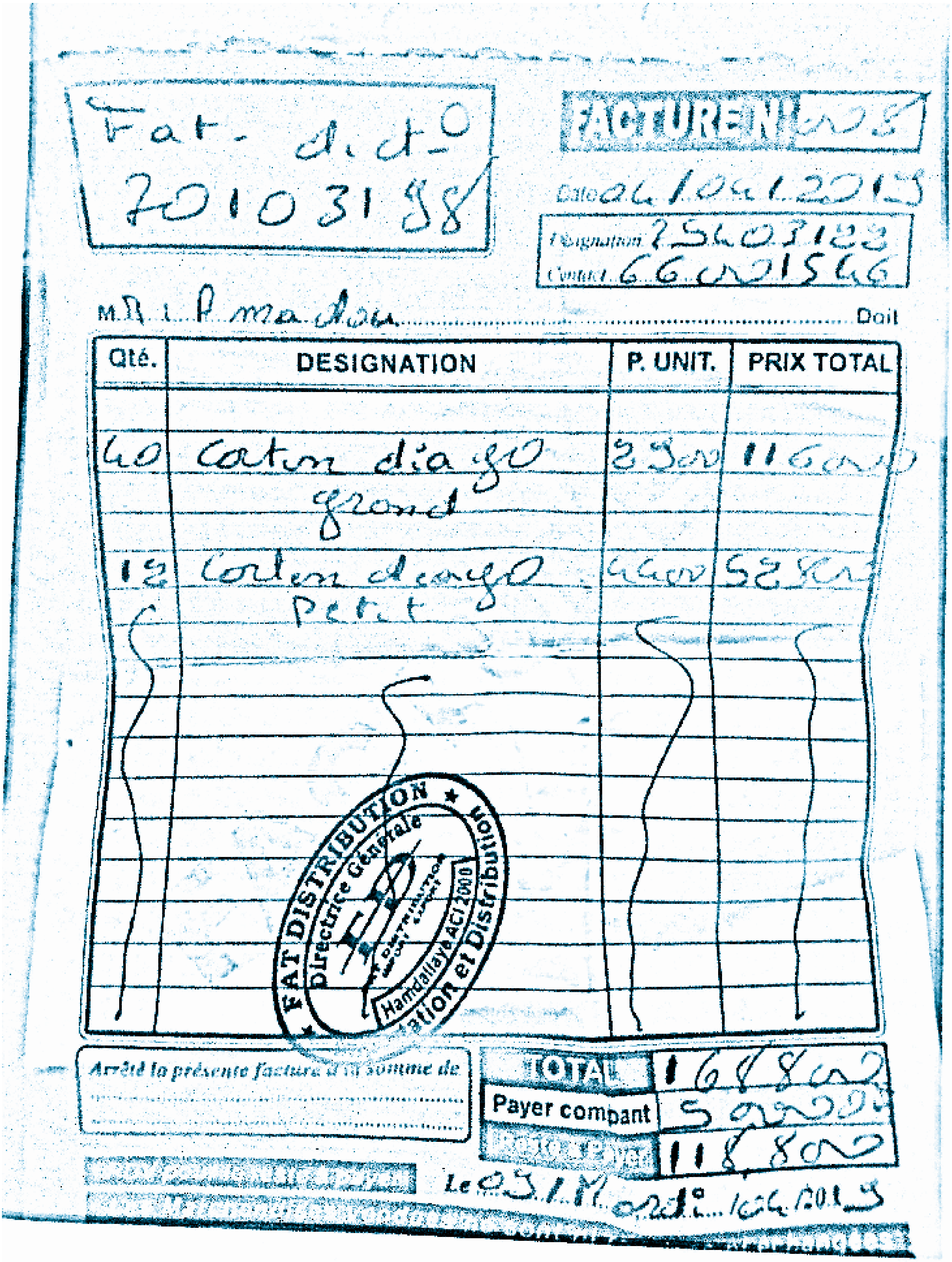
Diago water, many consumers say, isn’t even the best water around. It has happened at more than one conference that participants were disconcerted to find the water in their bottles less than transparent, sometimes even with suspicious bits in it. In early 2019, foreign technical partners meeting at the High Authority for Communication in Bamako were stunned when their bottles of water exploded as people were opening them.

Personal friends

The Achcar water monopoly is also not good for Mali’s business environment. The government, in favouring EMM’s Diago water, leaves no less than three other local companies: Oasis, Tumbuktu, and Kati, close to moribund. “Diago coins eighty percent of the entire water market,” says former Oasis executive Moussa Sidibé, adding that “for several decades, no other operator has had a chance to maintain and develop.” But why do the distributors of Oasis, Timbuktu and Kati not also simply give the departments a good share, like it appears EMM does? Kati salesman Moustapha Camara indicates that he would be quite willing to discuss such arrangements, saying that he understands that “this is the condition for markets of this kind” and that (if given a chance) “we will be no exception to the rule of overcharging and sharing.” But somehow, apparently, they can’t match what EMM can offer.

No other operator has had a chance to develop

Oasis’ Sidibé suspects that EMM remains the favourite because of two factors. Firstly, Achcar is a personal friend of many high profile Mali politicians as well as the chair of Mali’s employers’ organisation *Organisation Patronale des Industriels du Mali*, OPI. Secondly, Sidibé considers that, thanks to the strong government connections, EMM will be in a position to manage the middlemen. “He (Achcar) uses the distributors


Fat. d.t.
20103188

FACTURE N°

Date 24/04/2013

Désignation

Contact 66

M. Amadou .... Doit

Qté.	DESIGNATION	P. UNIT.	PRIX TOTAL
40	Carton diago grand	2900	116000
12	Carton diago petit	4400	52800

FAT DISTRIBUTION
Directrice Générale
Hamdallaye ACI 2000
Importation et Distribution

Arrêté la présente facture à la somme de

TOTAL	168800
Payer comptant	50000
	118800

Le 03 ... /04/2013

The normal market price for a box of Diago water bottles, per box (P.Unit.) : 2900 Central African Francs, five US$

to outbid us. You cannot just transfer the responsibility for the overcharging to the distributors. You as the manufacturer of the product should supervise the tender process. If you don't do that, you are not serious about your image."

Image is indeed something EMM does not seem overly worried about. Its distributors' invoices don't even carry a heading. Anybody trying to follow a paper trail will be confused by the seemingly hasty scribblings of numbers, with no reference to who is paying whom.

In a way that is surprising, because EMM is, it must be emphasised again, not a two-bit shop but a very large company indeed. The researchers of the Extractive Industries Transparency Intiatiative (EITI) rank EMM as the eighth richest company in the country; the seven ranked above it are all gold mines. Owing his empire to his dad, grey-whitish haired, round-bespectacled patriarch Gerard Achcar, -who was known as the 'kingmaker' in Mali politics before his son-, Cyril Achcar has been introduced by *papa* to all the right people in all the right places, and has taken to his powerful position with great zest. In an interview in Le Monde, published in 2017, he says that "In Mali, it is better to be feared, it is a country of lawlessness. But I do not use my power to destroy."

Money to Panama

Cyril Achcar's power is centralised in Achcar Mali Industries (AMI), the overall conglomerate that combines his water, lemonade, grain and flour and pastry activities. AMI is the vehicle through which, the Panama Papers show, he has invested substantial parts of his Mali income in his Panama-based offshore company Grieta Consulting. The Panama Papers have exposed an avalanche of off shore money transfers to Grieta. According to a contract with Grieta, monthly payments as large as US$ 200,000 were made by EMM to Grieta in 2016 in 'commissions for services' to a total of US$ 745,000. There were also other off shore transactions, such as a transfer of US$ 1,700,000) from Mali to the CFM bank in Monaco, another tax haven, in the same year.

Sidi Dagnoko, spokesman for the Achcar group, said there was nothing suspicious about the transfers. "Grieta was a company that pre-financed investments and purchases for the GMM and EMM companies, and it was remunerated in this way," he says, unperturbed by the fact that Grieta, EMM and GMM are all owned by Cyril Achcar, who is therefore invoicing himself for work done by him for him. "These (amounts) were for (Grieta's) financial assistance. They have been taxed in Mali as services rendered abroad." Prodded further, he said that "if there is anything wrong it is up to the institutions of control to look at that."

If there's anything wrong it is up to the institutions to look at that

"Mr. Achcar is an economic operator guided by the lure of gain. For many decades, he has taken advantage of the weaknesses of previous regimes to enrich himself. He is very skilled at avoiding tax, " says a fellow businessman in the OPI. A 2016 report from the Extractive Industries Transparency Initiative EITI lends credence to such suspicions. (At least with regard to the water company EMM, because its focus on extractive industries means that EITI is only concerned with the mineral water, not with the grain and flour.)

Commerce Général

Bamakocoura - Tel 0022383006068

Grand Marché de Bamako

FACTURE N° 87 du 05 Février 2017

Doit : Ministère de la Défense

Qté	Désignation	P Unit	Prix Total
055	Cartons Diago Grandes Bouteilles	8700	478500
025	Cartons Diago petites Bouteilles	8800	220000
TOTAL TTC			698500 F CFA

Arrêté la présente facture à la somme de Six Quatre Vingt Six Huit Mille Cinq Cent

PO/ Le Directeur général

The price paid by Mali's Ministry of Defence for the same box of Diago water bottles, per box (P Unit) : 8700 Central African Francs, fifteen US$

The EITI report criticizes EMM for using only its water income tax number, whereas it also sells flavoured drinks, which should be declared under another; it also records a lack of information on Achcar's empire's assets. But most glaring in the report is the difference between the income that EMM had from water in 2016 according to EITI's account, and the income that EMM declared to Mali's tax authority. While EITI's own count results in earnings of US$ 2,645,000 in that year for EMM on water alone, the public treasury reported – also to EITI – that EMM had declared only slightly more than half that amount, US$ 1,415,000 ,in revenue. The EITI report further states that EMM did not provide detail on its receipts of payments. It also does not list any information at all on its payment of social contributions, a duty of each tax payer in Mali.

Very busy

It is not known if Mali's tax authority has ever acted to obtain more revenue from Achcar. But an Auditor General's report over 2007 does not inspire much confidence that at least in that year it was interested in doing so. According to the report, Mali's tax agency the *Directorat General des Impots* (DGI), then irregularly relieved Achcar's grain and flour company Grands Moulins du Mali of VAT duties. "The documents provided by the DGI do not prove (proper monitoring of) the statements of letter No. 5136 that suspends VAT for the benefit of GMM," the auditor- general then noted. It could not be ascertained whether GMM is still not paying VAT on its products.

Phoned for comment on this and other tax matters, EMM's spokesperson responds that he needs to check and that the company is very busy. A later emailed query remains unanswered.

Malian tax expert, Alassane Cissé, denounces the tax evasion in the poor country by some "barons of the OPI," as he calls them. "We don't collect enough tax. There is impunity and favoritism. If we can only achieve better computerisation so that we can control and trace all payments, then we can weed out the unscrupulous officials who deal with large payers for to help them erase their debts." An official at the Mali state procurement office would like to see a concerted effort for more transparency in the state's buying procedures. "We should uncover the whole chain of persons involved in such contracts, from the Minister to (our own) officers and to the Director of Finance and Equipment."

Why would you pay tax in Mali? What for?

That the official prefers to remain anonymous for the time being, is not surprising. According to a former Mali diplomat -whom we, by coincidence, run into in South Africa- the overwhelming majority of those who are in command of state structures in the country just don't want to take such measures. "They don't work, all they do is chase contracts and projects for a share," he says, explaining that in a way this is understandable because "the salaries are low; even a minister or director general earns no more than US$ 500 per month." He also understands that few people feel like paying tax in Mali. "What would you pay for? We don't have good education, health care, or even proper water distribution. People really don't feel like paying tax as long as they see no return for their money."

Asked how, in that case, anything will ever change, he pauses. Then says that officials should actually be ethical and work to

Mali's 'king maker', Cyril Achcar

deliver services to the people. “If they would work according to their conscience, then indeed maybe more people would pay tax and Mali could move forward. But for now the state remains just very corrupt.”

Asked to comment on the overpayment for Achcar’s water bottles, the various ministries’ spokespersons say they don’t know about the issue or refuse to answer. “Maybe there was a contract before I started here in 2016. I don’t know,” says Mahmat Traoré at the Finance Ministry. “I will ask the minister.” He does not come back to us after that; neither does Minister Boubou Cissé. The spokesman for the Ministry of Sports does not answer the phone. Justice Ministry’s spokesperson Daouda Kamate says that he cannot comment on the subject and that we should “send a letter via the post to the ministry’s general secretariat.” Lastly, the communications adviser for the Ministry of Defence, rebukes us: “We have a noble mission to fulfill in defending the security of Mali and we don’t have time for senseless questions.”

*

Also France

Except for Panama and Monaco, the Achcar family is also well connected in France. In 2005, the French news site Médiapart revealed that Gerard Achcar, Cyril’s father, benefited from a two-thirds write-off of his estimated tax debt of four million Euro in that country. (Médiapart’s report that former minister Jean Francois Copé assisted Achcar with the write-off were vehemently denied by those involved, with Achcar saying he did not even know Copé). Wealthy businessman Nicolas Bazire, CEO of the luxury brand Groupe Arnault (Louis Vuitton, Moët Hennessy) is related to the Achcars by marriage: his daughter married another son of *papa* Gerard Achcar. The Achcars’ AMI Group has – next to a considerable loan from the World Bank’s sister organization, the International Finance Corporation – also benefited from ‘technical assistance’ from the Agence Française de Développement.

The research for this article was assisted by the International Consortium of Investigative Journalists, of which David Dembélé is a member.

LIBERIA | ALL THE PRESIDENT'S BANKNOTES

Shiploads of new money, the death of a bank manager and a curious kitchen cabinet

*T. Kaiwonda Gaye**

It was just three days after the release of a report into the possible disappearance of several millions of US dollars from shipments of newly manufactured banknotes to Liberia that the deputy director for micro-finance at the Central Bank of Liberia (CBL), Matthew Innis, was found dead in a street near his home.

According to his family, Innis had gone to work on that Saturday 2 March 2019 to investigate as yet uncovered elements of the much-published new banknotes scandal. Previously, he had openly told colleagues that he felt that two powerful politicians, Finance Minister Samuel Tweah and Minister of State for Presidential Affairs, Nathaniel McGill – both members of ex-footballer, now president, George Weah's, kitchen cabinet – should be arrested and charged, together with the Central Bank governor, Nathaniel Patray III.

Days before Innis' death, the United States-based research agency Kroll, at the request of that country's development aid institution USAID, had released a damning report that had found "discrepancies at every step of the (new banknotes shipments) process." It had implicated an Economic Management Team headed by Finance Minister Samuel Tweah in creating "risks for misappropriation and money laundering" of "significant funds." But Kroll had stopped short of recommending any charges. A Presidential Investigative Team appointed by president Weah, investigating the same banknotes scandal, had recommended charges, but only of individuals who were associated with the previous government of Ellen Johnson Sirleaf and no one else.

Really heavy money

The newly printed money had been ordered by the bank three years earlier, under the government of Ellen Sirleaf. It had been a bizarrely large order, of a value of around 15 billion Liberian dollars. It was the equivalent of over US$ 100 million, which was also equivalent to the amount of *all the money* that was already circulating in Liberia. Putting so much new money simply into the economy without strict measures to simultaneously take out old banknotes, Kroll and others noted, would very likely cause skyrocketing inflation – which it did, about which more later. Part of the later charges against Sirleaf-era's deputy bank governor Charles Sirleaf (Ellen Sirleaf's son) and previous governor Milton Weeks would be about a large part of the order – two thirds, 10 billion – for which the Liberian parliament had not given approval.

But the exercise had also created many opportunities for individuals close to the money to simply pocket batches of it. One of the most salient such opportunities to do so was presented by the large variance that Kroll found between records about money amounts quoted by the printing company in Sweden, the way bills of shipping and air transport companies and the records held by the Central Bank of Liberia itself. If some documents were to be believed, the variance could have been 'only' US$ 3 million; if credence was lent to others – for example

*T. Kaiwonda Gaye is a pseudonym

the finding that in one shipment a packet of weighed money had been 159 kilograms heavier than the supporting documentation said it was – it could have been as much as US$ 12 million.

If it was not certain how much money there was to begin with, it would also be almost impossible to ever find out if someone, or several someones, had left the bank with parts of it. At two points in the paragraphs about the variances, Kroll would dryly write that "this discrepancy merits further understanding."

Parliamentarians said they had received new banknotes for their election campaigns

The investigations started in October 2018, months after media reports in Liberia, in August 2018, had published rumours about an entire ship, loaded with the full order of new banknotes, that was said to have disappeared. These rumours turned out to be false. There had not been one ship with all the money in it; there had been regular shipments with loads of money over the past two years. Finance Minister Samuel Tweah and the bank authorities assured the public that all the money had arrived and was in the bank.

Nevertheless, it was these rumours that had prompted the two investigations, from Kroll and the Presidency itself. Part of the reason for that was that anonymous parliamentarians had told a local newspaper that they had been given batches of new banknotes at the time of shipments in late 2017 to 'help fund election campaigns.' These were in full swing at the time and would lead to Weah's election and inauguration in January 2018. It had also been noted that both competing political parties, the Unity Party of Sirleaf and Weah's Congress for Democratic Change (CDC), had access to unusually plenty funds. "I was there at the time of the campaign in 2017," says George Solo, former CDC secretary general and former close associate of President Weah. "It was awash with money. I was surprised at all the funds we seemed to have" (*see box below*).

Two governments

The shipments of new banknotes had started under the Sirleaf government and had continued to arrive under the new presidency of George Weah. Their arrival was now overseen by Weah's close associate, new finance minister Samuel Tweah, who was in turn liaising with new Minister of State and Presidential Affairs, Nathaniel McGill. McGill's mandate was Presidential Liaison, and he was known as the new president's eyes and ears in all affairs of state. Tweah and McGill were the presidents' closest associates.

When in March 2018, only three months into the new government, President Weah was seen constructing no less than five housing estates in and around Monrovia -including a luxury resort, a family church named after his late grandmother and a building he later donated to the Female Journalists Association of Liberia - opposition politicians started asking questions about Weah's assets and bank balance. Weah said he had abundant wealth from his previous top soccer income, but some doubted this: a supermarket he said he owned in the US had been inactive for months and he had also declared poverty in a child maintenance case in that country. It was also noted that he had only started the construction for his Monrovia estates when he had become President and not before. "When we were together in the US he didn't have that kind of money," says George Solo, who has stayed in the US and "does not receive much communication from Weah" anymore.

This allegation comes from the belly of Satan

Minister of State Nathaniel McGill, meanwhile, moved into a new house in April 2018, at around the same time as Weah started constructing his houses. McGill has angrily denied anything untoward in his purchase of the mansion, valued at US$ 200 000 – reportedly without a bank loan and only on the strength of a US$ 6000 monthly salary which he had only received for three months at the time – saying that "this (allegation) comes from the belly of Satan" and that a loan from the Liberia Bank for Development and Investment was being processed. However, knowledgeable sources at the Central Bank said that the money used to buy the house was "McGill's share of the newly printed banknotes." They explained that no bank would give a politician a mortgage of US$ 200,000 because "such a man works at the pleasure of the president and he can be dismissed at will, and therefore the money will be at risk."

At the time, in April 2018, there was still no talk of a missing ship, or any investigation into the printing of the new banknotes. But Liberia started to feel the inflationary effect of a lot more money suddenly circulating. In June 2018, the exchange rate of the Liberian dollar had risen to 155 Liberian to 1 US dollar, whereas it had been 94 Liberian to 1 US dollar before the new money shipments. The inflation had reduced many Liberian families to skimping on the portions of food they were eating. A bag of rice was costing 2,500 Liberian dollars, a months' salary for many.

To address the food prices crisis, the new government did two things. First, it demanded the resignation of Central Bank Governor Milton Weeks for having infused way too many new banknotes into the economy. It replaced him with Nathaniel Patray III, a long standing banker who had had access to the vaults even during the country's civil war when three armed factions had been battling one another for access to state resources in Monrovia. Patray III had been out of favour during the Sirleaf government but was now apparently back with a vengeance. Secondly, President Weah in a first nationwide address on the state of the economy, in July 2018, announced that the Central Bank would infuse US$25 million into the economy to mop up excess Liberian dollars.

Finance Minister Samuel Tweah and new bank governor Patray III would head the new Economic Management Team (EMT), that was to collect the excess banknotes and remove them from the streets. The EMT was further assisted by Presidential Liaison, Minister of State Nathaniel McGill, who received daily reports from the team and also, according to bank sources, often arranged and even chaired meetings with the EMT. McGill also co-represented the EMT at a press conference with money exchange businesses to explain the plan. The EMT, he said, was going to exchange 25 million US$ from the governments foreign account for excess Liberian banknotes, which would be collected by the Central Bank for destruction. At a later stage the businesses would then, again through the Central Bank, exchange the US$ dollars for new banknotes. That way, Liberia would have crisp new banknotes and old banknotes, of which there were still far too many in the streets causing all the rising food prices, would disappear.

Only it didn't happen that way.

New discrepancies

The Kroll report – and later a specific audit by Liberia's auditor general – lambasted the Weah government's mop-up exercise. Again there were discrepancies, with the first announcement saying US$ 25 million would be used; a later decision to only use 20 million; then finally a report that it had been US$ 15 million. The money had also, inexplicably, been taken from a Central Bank vault instead of from the foreign account. Even more seriously, once again the records had not matched the incoming and outgoing amounts in the vaults. The US$ had also not been exchanged with the businesses that had been listed. Lastly, the use of two different exchange rates gave rise to the suspicion that cheaper American dollars had been made available to friends and associates. After the Kroll report had come out in February 2019, Minister Tweah was asked repeatedly about this, but kept refusing to produce a list. His vague remark about "money exchange businesses in (Monrovia's district) New Kru town" was met with clamour from money exchange operators from that part of the city, who stated on radio that they knew nothing about that.

The bank vaults had no money in them at all

Among those who had been exchanging large amounts, a bank source said, were individuals selected by the Economic Management Team "who had new printed Liberian dollars and needed US$ to do transactions or deposit in their various accounts overseas." The source said money had been taken to their private homes for this purpose and that some powerful politicians had been among them. Finance Minister Tweah denied all such reports. He kept repeating that the equivalent of the US$ dollars had been recovered and that all was really in order. But both Kroll and the later government audit report found that, upon inspection of the bank vaults that should theoretically be full of recovered Liberian banknotes, there was no money in them at all.

New housing complex owned by Liberian President George Weah

Back to the murdered banker.

Central Bank micro finance deputy director Matthew Innis' last two weeks must have looked something like this.

On 28 February 2019, the investigative report by the Kroll research agency had been released. Detailing many discrepancies with regard to the order and the arrival of the new banknotes, both under the successive Sirleaf and Weah governments, it also stated that the US$ exchange exercise headed by new Finance Minister Samuel Tweah and new bank governor Nathaniel Patray III had carried "risk of misappropriation, risk of money laundering, and risk of transacting with illegal businesses." It also stated that "significant funds were unaccounted for" under the new government, too.

On March 1, 2019, the Weah government's Presidential Investigative Team (PIT), headed by Justice Minister Musa Dean -who is also President Weah's legal adviser- released its own investigation into the banknotes shipments' mismanagement. In some respects it went much further than Kroll. It even called for arrests and charges, however, only of deputy bank governor Charles Sirleaf, previous governor Milton Weeks and a number of other officials who had been at the Central Bank from the time of the Sirleaf government. With regard to the new government's responsibility, -citing 'time and resource' limitations-, it had only briefly interviewed Finance Minister Tweah and recommended a follow-up forensic investigation.

Only officials of the previous government were arrested

On the same day, the Liberian police arrested Charles Sirleaf and previous governor Milton Weeks.

The day after that, a Saturday, Matthew Innis did not come home from his work at the bank. He was found dead, with his head bashed in, on a street close to his home in Paynesville, outside Monrovia in the very early hours of Sunday morning 3 March 2019. Mystifyingly, his body was removed and taken to a funeral home by a policeman before his family, alerted by neighbours, even got to the scene. Sources at the Central Bank said Innis had told colleagues that he felt Finance Minister Samuel Tweah and Presidential Liaison Minister Nathaniel McGill should also have been arrested and charged, together with new bank governor Patray III.

Hit and run

The Liberian Justice Department, through Justice Minister Musa Dean, soon concluded that Innis had been killed "by an unknown hit and run vehicle. But Innis' family did not believe that. "How can a car hit someone and only his head is affected? Only his head had bruises, like he was mobbed," one of the family members told local reporters in Monrovia. Then it turned out here had been another accidental death already. Days after the Matthew Innis death was reported in Liberia's media, the family of another former Central Bank staffer told journalists that Kollie Ballah, a driver who had made many trips "carrying Central Bank money to different destinations," had died in an accident on 11 February 2019. They also said that Ballah had "been one of those interviewed" by the Presidential Investigative Team about what happened with the new banknotes. "He knew a lot and was ready to tell the truth until his death in that fake accident three weeks ago," a close relative to the deceased told journalists. This was confirmed by a source at the bank, who said Ballah had told him about the private homes he had taken money to.

Another reason why the family suspected that it was not a normal car accident was because "the car was found burned but Kollie did not have any burn marks."

And then there was another one. On 25 March 2019, three weeks after Matthew Innis' death, opposition parliamentarian Adolph Lawrence, who had asked for an investigation into the Innis case, was killed when a truck careened down from uphill into the vehicle he was driving on the road below. The accident occurred days after Lawrence had demanded the appearance of Justice Minister Dean and Police Inspector General Patrick Sudue to report to parliament on Innis' death. The police reported that they were unable to investigate the cause of the 'truck failure' since the truck driver, who had apparently survived the crash, "escaped from the scene" and was now "on the run."

Do I look like I could even kill a fly?

Former CDC Secretary General George Solo said from the US that he believes that "those who were involved with the banknotes also know more about the deaths," and that he had heard "some in the party," talking about "dealing with those who make problems for us" with regard to the banknotes issue. He added that he had heard "about such conversations even before these individuals were killed". Solo also said he was convinced that Presidential 'eyes and ears' man Minister Nathaniel McGill, specifically, "knew of every disappeared penny."

Those in Monrovia who believe, like Solo, that the three deaths were not traffic accidents but murder, point to a meeting, or meetings, held – at some time either in March or April 2019 – by Nathaniel McGlll with former rebel generals from Liberia's civil war. Opposition parliamentarian Yekeh Kolubah has said that at least one such meeting was held to "form a proxy army for President Weah to settle scores with critics and detractors." Other sources said that McGill, at the meeting had dished out bags of rice and an unspecified amount of US dollar bank notes.

McGill has admitted meeting the generals, but refuted any effort to link such meetings with either the bank notes scandal or any deathly car accidents. "People from all walks of life troop to my office and to the president's office every day," he said, adding that allegations involving him in the killings of banker Matthew Innis and Rep. Lawrence were "preposterous and senseless." "Do I look like someone that is capable of killing even a fly?" he asked.

Vague assurances

Nevertheless, one group of former rebel leaders has since threatened opposition parliamentarian Kolubah. On 17 April 2019, ex-Liberia United for Reconciliation and Democracy (LURD) Chief of Staff Ofori Diah publicly warned Kolubah to "report to (Diah's) office within 72 hours," saying that if he did not come "we (would) bring him by force." After Kolubah's supporters barricaded his house, however, the situation was refused by a reconciliatory meeting of President Weah and Minister of State Nathaniel McGill, among others, with Kolubah. The content of this meeting has, according to reports issued by both parties, not amounted much more than to vague assurances of peace and dialogue and mutual commitment against corruption.

Minister Samuel Tweah, Minister Nathaniel McGill, President Weah, with Communications Minister Eugene Nagba

Since then, a report by the Liberian auditor general on the US$ exchange exercise has largely repeated Kroll's conclusions with regard to the untraceability of many businesses that would have received the dollars.It has also noted severely mismanaged record keeping, with all its risks for misappropriation and money laundering. In a response, the government has repeated that all the money was in fact exchanged and that any further questions should be directed at Liberia's Central Bank.

Civil society organisations in Liberia have called for a national protest day on 7 June to demand measures to deal with the food prices crisis and to stop corruption. The exchange rate now stands at 180 Liberian dollars for one American dollar.

*

If you deal with the devil, you go to hell

With regard to the fact that the mishandling of the Liberian money shipments over the past three years seem to have implicated both the previous Ellen Sirleaf government and current officials of new President George Weah's Congress for Democratic Change (CDC), former CDC secretary general George Solo says that he is not surprised. "Firstly, corruption is a system and it is of all times. Secondly, I believe the reports" (from former UN special crimes court for Sierra Leone prosecutor Allan White, but denied by the Liberian government, ed.) "that have said that Ellen Sirleaf endorsed George Weah's candidacy. The money that I saw shared during the election campaigns in 2017 (see article, ed.) is an indication of that. There was collusion between those that previously benefited and those that benefit today." Recognising that the collusion did not end well for Sirleaf since it resulted in her son, Central Bank of Liberia deputy director Charles Sirleaf, being arrested, charged and detained, Solo said "Well, this is what happens. If you deal with the devil, you go to hell."

Depleting the seas together

Estacio Valoi

A network of Mozambican ruling party leaders and Chinese businesses already notorious for large scale timber looting and deforestation, has moved from plundering Mozambican timber to fish, another natural resource in the country with its long coastline.

The Mozambican-Chinese network is taking fish mainly from the northern Mozambican province Cabo Delgado and Ilha de Moçambique on the coast off Nampula province. Whilst on the ground a customs official helps to pack live lobsters for export and a local mayor rents out his own house to facilitate the packing of a protected sea species, politically connected companies simply receive licenses 'from the capital' to make it legal. As a result, fish resources in Mozambique, like the forests, are depleting fast and coastal communities, already tormented by climate change, cyclones and floods, are losing livelihoods and food.

Estacio Valoi investigated the depletion over the past three years.

After cyclones and floods villages are now left without food

Mozambique's own government says it loses about US$ 63 million a year to poaching by foreign vessels that trawl its coastal waters. That this is so is immediately noticeable to anyone visiting Mozambique's previously luscious beaches: fishermen despair for lack of any catch to sustain their families, coastal communities have less and less to eat, tourism officials see visitors dwindle because entire species that used to draw scuba diving visitors are gone, while seaside restaurants battle to serve the famous Mozambican prawns.

The government's official concern about protection of its fish reserves was at the root of an ambitious plan, already in 2013, to set up a national tuna fishing fleet to guarantee the country's own supply of sustainable fish, plus a set of patrol boats to guard the coastline against foreign poachers. Only it was a scam even then. The Mozambican Tuna Company (Ematum) fraud sent the country two billon US$ into debt, lined pockets of individuals and finds former Mozambican minister of finance, Manuel Chang, arrested at the request of the United States since some of the fraudulent loan transactions passed through banks in New York.

As the patrol and tuna boats lie idle, the concern seems to have dwindled too. Large trawlers, many of which sport Chinese flags, are taking it all under the eyes of the locals.

During repeated visits to the Island between 2017 and 2019, locals unwaveringly report seeing Chinese people busy with their fish: on the ships, at the packing plants, on Pemba and Nampula airport and in the harbors. Remarkably, the local police and customs officials see the Chinese, too, but they don't seem to care. Industrial-size trawlers and small boats crowd the Island's coast line in plain daylight; large fish tanks for storage are scattered all over and locals, recruited by Chinese captains to dive for much wanted species, are getting decompression sickness due to the unsafe air containers they are equipped with.

The Mozambican-Chinese network is taking fish mainly from the northern Mozambican province Cabo Delgado and Ilha de Moçambique on the coast off Nampula province.

Chinese fishing trawler in Cabo Delgado waters. Picture taken in September 2018, a year after the fisheries director said that large-scale Chinese fishing had stopped in the province. (PICTURE: ESTACIO VALOI)

The house of mayor Saide Amur of Mozambique Island. A Chinese fishing company is renting the house to store and pack protected species of seafood. (PICTURE: ESTACIO VALOI)

"After a while they are too sick to work," says Amade Ismael* of the Macua Scuba Association that works to preserve marine life for future scuba diving on Mozambique Island. "For quite a few of them their lives are over. Nobody from the fisheries or labour department intervenes."

Phantom licenses

Ismael and others in the association have tried to get the government to act on the practice, but tend to get told that the fishing boats have 'licenses.' "Phantom licenses," Ismael calls them, because it is usually impossible to find out who gave out those licenses and on what basis. "We don't know where they come from. But they keep fishing as much as they want. We found Chinese in thirty meter boats and told them to stop and leave the sea. They just ignored us. We took the case to the local Marine department and pressed charges but nothing was done." It happens all the time, he adds. "When security forces or customs officers do detain someone who is transporting live lobsters and crabs, you find out that they phoned somebody and were then released."

An often told story on the Island narrates how when, in 2016, Island mayor Saide Amur, while on a visit to the US, received a phone call to alert him to the fact that a local tourism inspector had found Red Coral, a Chinese fishing company, in possession of a fake operating license that bore the clearly forged signature of the mayor, Saide Amur, himself. After the phone call, Amur first ordered the closure of the company, but then rescinded that order and said it should be allowed to continue to work and that he would solve the problem upon his return from the US.

** Names marked with an asterisk have been changed for security reasons.*

I can see fish tanks at the house, and a Chinese-looking person cleaning abalone

When I visit the island one year later to see how Red Coral is doing, I see that it is now operating from Mayor Saide Amur's house. From the top of a nearby building I can see fish tanks at the house, and a Chinese-looking person cleaning abalone, a protected species, in the yard. Spending some time over the next few days, and with binoculars, I also see a toing and froing of fisheries and tourism officials at the house, none of whom seem engaged in stopping any of the activity.

Seeing so many visitors at the house I decide to try my luck and enter through an open entrance on the side. Walking in with my camera I find myself in the kitchen, where Chinese-looking people are boiling something in a big pot. I look closer and see it's holothurian scraba, an endangered specie of sea cucumber, that goes for US$ 3500 a kg in China. The cooks see me. One of them shouts: "Don't take pictures!" I bolt.

Local sources will tell me later that Mayor Amur rents his house to the Chinese at US$ 700 a month. After being contacted, Amur promised to send comment on the reports about the rental, but never did.

The customs official is only following orders

At some point during 2017 I meet Red Coral, and its fellow Chinese company Dragao Longo, again, this time at Pemba airport. Its representatives are chatting with customs service and police officials in the hall. "They are packaging and exporting tanks with live crabs and lobster to Singapore, Thailand,

and other Asian countries," says security guard Abdul Salesman*, who knows his regulars by now. "At first, some years ago, they packaged the tanks at private houses and organized the export clandestinely. Now they just do it here. They have gone from 20 boxes per week to 80 or even a 100 boxes. The customs and fisheries authorities, and the police, are assisting the packaging process to avoid embarrassment." I understand: embarrassment would most certainly happen if anyone would witness this packaging. Exporting live lobster is illegal in Mozambique.

Licenses from Maputo

"Once, two officials from the State Intelligence and Security agency SISI came to interrogate the Red Coral people here about that," continues Abdul. "They found that 'Mrs Anastacia', of the customs services in Cabo Delgado, was with them, inspecting the packaging. They asked her if she was aware that exporting live lobsters was illegal. She replied that she was aware but that she was only following orders and that any question the officials had should be directed to the Ministry of Sea, Inland Water and Fisheries."

After obtaining a mobile phone number for 'Mrs Anastacia,' I find her living in Cabo Delgado. It is 2019 and she is retired now. She refuses to give me her surname but confirms that she was the customs services technical officer at the time. "I was told to supervise the packing process for Dragao Longo, Red Coral, Hui Yuan International. I cannot say if there were illegalities or not. Permits or licenses were granted directly from the Ministry in Maputo."

Among the authorities mentioned as giving orders to allow exportation, is provincial fisheries department director Cassamo Junior. A member of the anti-poaching unit in the protected Quirimba archipelago, just north of Pemba, tells me that Cassamo has been protecting the Chinese companies that have been fishing in the park for years, violating all kinds of rules and conservation guidelines. "The company Hui Yuan International fished all year round in 2016 from January to January, which is forbidden. But Cassamo was protecting them," he says. He adds that the unit has not been able to see the text of the license Hui Yuan said it held, but he has no doubt that "allowable quantities" were exceeded. "Three, four trucks carrying three tonnes each were passing by every day."

Three, four trucks carrying three tonnes each were passing by every day.

The unit sometimes detained the individuals involved in these activities and also issued fines, he continues. "But Cassamo helped them to acquire the needed documents. He also intervened to squash the fines we gave them. Officials from his department went to Hui Yuan to tell them not to pay the fine; that it was illegally issued because only the fisheries department is authorised to issue penalties."

Hui Yuan is the fisheries subsidiary of Chinese MOFID, which stands for Mozambique First Development Company. The company was exposed in 2013 by the US-based NGO Environmental Investigative Agency (EIA) as responsible for large scale deforestation in Mozambique. EIA's report then quoted MOFID director Chaoying Liu, as boasting that two Mozambican politicians were assisting the company. "Me and him (former Minister of Agriculture, now Minister of Foreign Affairs and Cooperation José Pacheco, EV) are like brothers," he told undercover investigators and: “when he [the Minister] needs money, he comes looking for me,” Liu also said that Mandlate (formerly also Minister of Agriculture and current Member of Parliament, EV) “would sort (paper work) out for me” and that he took “care of the liaison work… such as export quotas, forest concession permits.” According to Liu, Mandlate also received “a wage every month” and a stake in the company.

Pacheco and Mandlate have both denied all wrong doing, but MOFID still appears to enjoy political protection. The Mozambican prosecutors’ office, which announced at the time of the EIA report in 2013 that it would investigate MOFID, has not been seen to act on it at all. Moreover, in 2016, -three years after the EIA expose-, MOFID’s fishing subsidiary Hui Yuan obtained a monopoly to buy seafood in the protected nature reserve of the Quirimba National Park, a business they are, according to sources in the area, continuing to conduct today. MOFID manager Vicky Lau, or Weia Liu, as she is called in the Mozambican company registry, is also the general manager of Hui Yuan.

The routes used for the plunder of timber before, and now of fish, seem to have been overlapping, too. Looking to find the premises of Red Coral in Muxara, just outside Pemba, we find they are located inside the timber company Pingos Marinhos, which was also named in the EIA report as involved in timber looting. Whilst in the yard timber logs are piled all over under the watchful eye of two guards, after the entrance check point -a container that hides the inside of the premises from the eye-, there are three swimming pools full of fish. Next to the pools, boxes of lobsters are being packed for export.

In charge, say sources from customs and police, is a certain Mr. Lee.

The coastline and the contracts

But Hui Yuan is now the only company that is allowed to fish in the protected Quirimba archipelago, confirms the same anti-poaching unit member quoted above. “They say it is to stop the looting, but now local communities are even worse off -they have now only one buyer for what they fish, so the buyer can dictate the price.”

The local World Wildlife Fund (WWF) office in the area, that interacts with communities in the archipelago, has a copy of a contract, dated 4 June 2016, between Hui Yuan and representatives of the local Ibo community. It gives MOFID “exclusive access to shrimps and crabs” and the right to “sustainable marine exploit, tation according to the license.” (The text of the license is, as is often the case, not known.) According to WWF spokesman Carlos Serra, the agreement not only violates the conservation areas by encouraging illegal fishing by communities (to sell to Hui Yuan), but it also does not protect community rights with regard to labour, price and sustainability.

It is questionable if the community representatives knew what they were signing, or what their legal rights were. Local sources say the contract was signed at night, without a lawyer present. With regard to benefits for the community the contract only stipulates, -besides an undertaking by the company to “reinforce the community fishing equipment,”- that the locals will receive a total daily amount of US$ 9,60 and every three months a “tax” of US$ 80: less than the US$ cost of a simple plate of lobster in the international market.

MOFID-Hui Yuan's Vicky Lau signing a fishing agreement with community members in the Quirimba archipelago nature reserve.

The director says the fishing has stopped

Asked to comment in April 2019, provincial fisheries department director Cassamo Junior says that fishing by Hui Yuan and other Chinese companies has come to an end in Cabo Delgado. In an emailed response to questions he writes that "Hui Yuan International finished its activities in 2017," that "only artisanal fishing is now allowed" and that he has always "acted within the law" with regard to the Quirimba National Park fishing activities. He did not answer the question how it was then possible that large Chinese fishing trawlers were still seen all around Cabo Delgado in 2018 and the first months of 2019. Sources in Quirimba confirmed, also in April 2019, that "Hui Yuan International is still in the business, together with old (Chinese fishing companies) and new ones. They are buying crabs from inside Quirimba National Park and transporting it to Pemba through the sea. There is no control."

A very powerful general

Slightly north of the archipelago, in Maligerane village in the Pangane area, rumour has it that veteran General Alberto Chipande, one of ruling Frelimo's biggest bigwigs, a close ally of President Nyusi and a member of the network where political elite meets business interests, runs his own fisheries company. The company, -called Maligerane like the village-, is not registered in the provincial fisheries department and it is therefore unlikely that it holds any formal fishing licenses.

Few people here dare ask the General about that. Armed insurgents operate in this region at the behest of shady warlords, who may or may not be connected to the army itself. The fighting, even if no one is sure exactly how, seems connected to the fact that the richest gas resource in the world was discovered here recently. And another company of Chipande's, Quionga Energia, is into gas.

Maligerane village fishermen in the district close to Pangane, -which boats one of the most beautiful beaches in the world-, had told me that the Maligerane fisheries company belonged to Chipande. They had also said it was protected by a private security force called Sakudimba Segurança and that it was led by Chipande's son, Namoto Chipande. The economic services department in the district had subsequently confirmed that Maligerane had been exporting fish for years, and that it was expected to "soon" be exporting about three tonnes per week.

In comparison, artisanal fishermen only got to catch two, three tonnes over the whole of last year 2018, says a fisheries official in the district when I speak to him early in 2019. "They stay longer at sea, because they have larger boats with fridges on board. Our fishermen can only stay a couple of days with their small vessels." "We used to fish about seven, eight tonnes per year but nowadays we don't get even half of that," say local fishermen. "The general has resources and you cannot compete with him."

He has resources and you cannot compete with him

Locals say that they witnessed Chipande conducting a "merger celebration" with Chinese exporters – it is not known if these were Hui Yuan or another company – in either late 2016 or early 2017 and that his company uses Chinese fishing boats.

MOFID associates, former Minister of Agriculture Tomas Mandlate and Minister of Foreign Affairs José Pacheco.

The General also reportedly has another fishing company in Inguana on the other side of Pangane, which is also said to be booming.

With regard to the Maligerane company, director Cassamo Junior of the provincial fisheries department says that the department is “aware of a fishing business with a large fridge” in the area but refuses to confirm that the owner is General Alberto Chipande. When asked outright if we are not talking about Chipande, he does not reply.

–

Vicky Lau of Hui Yan and MOFID did not respond to questions emailed to the address listed on her business card.

A contact for General Alberto Joaquim Chipande could not be obtained, but his lawyer did not respond to phone calls or SMS’s requesting Chipande’s comment on the allegations made about him. A business associate of Chipande was also approached, but he also did not respond.

The fisheries ministry of Mozambique did not respond to emailed questions.

*

Arrest in Palma

When Estacio Valoi in December 2018 went to report on the situation in conflict-ridden Mocimboa da Praia in the Palma district of Cabo Delgado, he and two others driving in the same vehicle were detained by the army for three days. Valoi was told “you will die here and no one will know why” and his laptop, camera and phone were taken. Though this was not the main purpose of the reporting at the time, he had also just visited Macomia district to investigate illegal fishing allegations against Mozambican General Joaquim Alberto Chipande.

Forest homes for the wealthy, sewage water for the rest

Charles Mafa and John Mukela

"Your dream home coming soon," say big bill boards and newspaper adverts in Lusaka. Pictures of brilliantly white large mansions surrounded by majestic trees illustrate how the happy few will enjoy residing in the new suburb-under-construction, Kingsland City, in beautiful Lusaka forest.

The housing estate, in the middle of what was once a nature reserve called Forest No. 27, will be equipped with every hearts' desire, from a shopping mall to a sports complex, a "world class" university, a golf course, even an amusement park. "For your noble life," the developers' website, Sunshare estates, says. Sunshare is a partnership of Chinese construction companies and the Zambian Air Force, that somehow obtained control over what is supposed to be protected state land.

Life may indeed be noble for those – among whom two ministers – who have bought into the project; as long as they can afford bottled water, that is. Many others fear that the bulldozing of Forest No. 27 to make place for Kingsland City will dry up Lusaka's water resources, forcing extra pressure on underground water reserves and porous sewage systems.

In short, Lusaka will be relying on sewage water, is what environmental activist Robert Chimambo tells us when we meet under a tree outside his house in a city suburb close to the forest. Documents and maps of the forest reserve are splattered all over the ground. "The bulldozers have already destroyed much," he says. "This is all that remains." He points at a map that shows how the forest has grown smaller, and how construction and sewage drains are enclosing on the Chalimbana river in the reserve.

We will be drinking poo

"We need that river," Chimambo continues. "For the rest Lusaka depends on ground water, but that aquifer is under threat of contamination by human waste from our sewers. Lusaka's soil is porous dolomite. Without the protection and preservation of water recharge areas such as in this forest we are sitting on a time bomb." Lusaka's sewage systems and water supply have long been at risk of colliding, given that most inhabitants use pit latrines. From what Chimambo tells us, this nightmare may become a reality if that river goes. We will be drinking poo.

A glass bridge for newly weds

The bulldozers in the forest have been let loose by the individuals in charge of the US$ 1,4 million Kingsland City project. With its hotels, residential housing, university, sports and amusement facilities and car service stations, plus -as stated by Sunshare sales manager Echo Chen in a press conference when the plan was first announced in 2017- a police station, hospital, children's play-ground, and a glass bridge called 'Rose Street' where newly-weds can pose for photos, it will be enormous. Some 1100 houses, Chimambo says, have already been built by the Zambia Air Force, the state's partner in the project with the Chinese developers.

It was said that some people get sick of diarrhoea

On the precise spot where the building has started, human waste is already seeping into the river, says a report from Government's own Water Resources Management Authority (WARMA) dated January 2018. "Raw sewerage is being released into the Chalimbana river, from the ZAF (Zambia Air Force) Twin Palm Housing Complex sewer ponds and via the Sikasokwe Stream." The report continues to say that the existing old sewer ponds will not be able to cope with more residents. "These (...) were built for a limited number of houses. Now (...) the ponds cannot cope with the volume of sewer from these units. Just downstream of the discharge point are households living who drink water from a nearby well.(...) People who had little knowledge about the source of the water drunk the sewer water at the crossing point. (...) It was further said that some people get sick of diarrhoea."

Apamwamba, place for the rich

Apamwamba, is what the activists in Chimambo's group – the Chalimbana River Headwater Conservation Trust, CRHCT – call the Kingsland City project: the place for the rich. One of the activists' immediate

concerns now is to find out who these 'rich,' exactly, are. Because there is a mystery surrounding those that are selling and buying houses and land in the forest.

For example, even though the development is widely advertised, interested buyers from the general public are told, upon inquiring, that they will be "phoned back," without having been connected to the individual who is the owner and seller of the land, or its contracted estate agent. The same response is given to us when we phone to ask about buying a house in the area: "I can see your number. You will be phoned back," a male voice says when we try. But the phone call doesn't come.

Robert Chimambo has seen people he recognises as high-level ruling Patriotic Front party members around in the area. It is further known that the developing companies, called Datong Construction, Drimtown Investments and Shangrila Investments, whose parent company is Chinese Fujian Kaiyuan, or Sunshare, are carrying out the Kingsland City project in a public-private partnership with the Zambia Air Force (ZAF).

The former air force commander was charged with money laundering

But that military partnership is a mystery, too. The Zambia Air Force is formally only involved because, it says, it wants to construct an air force training academy and a number of mess halls in the area: the aforementioned ZAF Twin Palm Housing Complex. This is the area where thousands of people already live and where sewage is already entering the river. But the public private partnership that the ZAF is part of is, as is apparent from the adverts, billboards and bulldozers, doing a whole lot more than that. The activists suspect that a number of individuals in the ZAF are using the army for their private interests with regard to the non-military parts of Kingsland City.

What has further fueled that suspicion is that one of the ZAF individuals involved in Kingsland City, former air force Commander Eric Chimese, was charged on several counts of abuse of office and money laundering last February. The police says his current properties -nine fully-furnished apartments and a building with a guest wing and a semi-detached cottage on a farm, which he tried to conceal through front companies-, are 'proceeds of crime.' The trial is currently ongoing.

And then, there is the fact that one of the directors in the Kingsland City companies is one Edgar Lungu, which happens to be the name of Zambia's president.

Lifting the protection

The Edgar Lungu in Kingsland is not President Edgar Lungu. "But these people used his name in order to make it look like the President was involved in this Kingsland development, in the hope that that nobody would dare question its illegality, since the President was involved," says a source close to the developing companies.

The name of Lungu, and his seeming protection, may also have emboldened the initiators to ignore a Zambia Environmental Management Agency (ZEMA) directive from September 2017, that ordered the developers to stop construction works at Kingsland City and to restore the area to its previous state. What also may have emboldened them is the act by which Edgar Lungu -the real actual President Edgar Lungu- degazetted Forest No. 27 as an environmentally protected area already one month before that, in August 2017.

The lifting of the environmental protection of the area by the President is puzzling, since it has long been known that the area is an indispensable water and nature resource for Lusaka. It was originally gazetted in 1957 as a nature reserve for this very reason and furthermore, re-gazetted again in 1996 by then President Chiluba. No plausible reason has been given for the degazetting by Lungu.

As we visit one of Chimambo's neighbours (who wants to remain anonymous) at his farm on raised ground overlooking the Chalimbana river, he points at the damage already done. "The river always flowed amazingly strongly all year round," he says.

The river actually dries up

"But for the last six to seven years or so" – ever since the Air Force started building houses, CM/JM – "it actually dries up." Indeed, the rocky valley along which the Chalimbana River had once flowed freely is now almost completely dry. With regard to the forest, Chimambo's neighbour says that in the space of the past eighteen months alone, a nearby section of what was pristine woodland, there is not a tree left.

Looking for the new owners of the forest land we visit the Ministry of Lands and Natural Resources next to the cabinet office on Independence Avenue, the road to State House where President Lungu lives. The sprawling gloomy grey-brick multi-storey building does not welcome anyone seeking information and the ministry's land title deeds record is not easily publicly accessible. Luckily, after some effort, we manage to obtain some names and some papers.

REPUBLIC OF ZAMBIA

Ministry of Lands And Natural Resources

DEMAND NOTICE

Date printed: Thursday, Februa

Demand Notice No: DN_2048463

Property number: LUSAK/LN_52062/97

Owner name: IRENE CHIRWA MAMBILIMA

Land use: AGRICULTURAL

Item No.	Details	Debt amount (K)	Last amount paid (K)	Amo
1	CONSENT FEES	333.60	0.00	

REPUBLIC OF ZAMBIA

Ministry of Lands And Natural Resources

DEMAND NOTICE

[redacted]

Demand Notice No: DN_2048467

Property number: LUSAK/LN_52062/38

Owner name: JEAN KAPATA

Land use: AGRICULTURAL

Item No.	Details	Debt amount (K)	Last amount paid (K)	Amount due (K)
1	CONSENT FEES	333.60	0.00	333.60

Total Amount (K): 333.60

Minister Jean Kapata acquired a plot in Kingsland City. Chief Justice Irene Mambilima bought next door: a plot for a retirement home, she says. Her plot is in the nature area, but not inside the new luxury suburb.

The ministers' land contracts

And there it is. It turns out that among those who have recently obtained land in the forest reserve are Vice President Inonge Wina, Lands Minister Jean Kapata, Mines Minister Richard Musukwa, Chief Justice Irene Mambilima and a businessman whom we know to be a close friend of the president, Edgar Lungu (the real Edgar Lungu this time). Ground rent bills from the Ministry of Lands show that Wina is beneficiary of property number LUSAK/LN-520/100. Mambilima is owner of property number LUSAK/LN-520/97 given to her for 'agriculture purposes' while Kapata has been allocated property number LUSAK/LN-52062/38 also for agriculture.

High walls and fences

Shortly after this find, Chimambo calls again. He says that his group has started legal action against the people cutting trees in the forest, but instead of an investigation by the authorities, what has happened is an escalation of the damage. Squatters, among whom he again identifies some ruling Patriotic Front party cadres, "have moved in into what remained of the protected forest. Beacons have already been erected". As we arrive, we see that the now tree-less area is indeed being developed by unknown new tenants. Plots are demarcated by beacon markers and a couple of high walls and fences have been erected. Earth-moving machinery and excavators are buzzing around and gravel streets and long wide avenues are being levelled and graded. Gigantic slabs of schist rocks lie strewn in heaps along the path of the newly excavated roads and streets.

Chimambo thinks that the legal action he and his group have started is at the root of the increased activity. "It will now be out in the open what they tried to do in secret, flouting all kinds of rules, ranging from human rights and land legislation to the principle of free, prior and informed consent. The grab of Forest Reserve 27 flouts all of these. You can see that these people are now trying to work very quickly and to move in as fast as possible. It means that when the legal writs are served to halt all activities, the matter can be presented to the plaintiffs as a fait accompli."

These people are now trying to work very quickly

This is serious. We may have to temporarily drop another story we are working on to fully focus on this one for now. The other case is important too, though. It concerns Minister of Infrastructure and Housing, Ronald Chitotela, the latest high profile official to face charges of corruption while serving in president Edgar Lungu's government. The government's Anti-Corruption Commission (ACC) arrested Chitotela in February this year, accusing him of concealing property believed to be proceeds of crime: the same charge that former ZAF Commander Eric Chimese is facing.

The arrest in itself is no reason for us to leave Chitotela alone, since the charges so far only seem to skim the top of the iceberg. As minister in charge of infrastructure development, with its massive procurement contracts running into billions of US dollars, he has overseen numerous overpriced projects: among them, the US$ 1,2 billion Ndola-Lusaka dual carriage way and the Ndola-Kitwe toll plaza which cost Zambian tax payers US$ 4,3 million. Chitotela has also been linked by local media to millions of suspicious financial transactions. These were, however, left out of the charge sheet slapped on him.

Minister Ronald Chitotela, arrested and charged for 'benefiting from proceeds of crime.'

Threads of a spider's web

Investigating theft from the state in Zambia tends to be like getting one end of a thread of the spider's web and then suddenly seeing another. In the end many of them are connected, which may be one reason why President Edgar Lungu has chosen to keep Chitotela in his cabinet, maintaining that he cannot dismiss him since the minister is "innocent until proven guilty by the court." This is a very different stance from the one President Lungu took when in September last year, Britain, Sweden, Finland and Ireland suspended their development assistance to Zambia after over US$ 4 million meant for an anti-poverty programme was stolen. Lungu then immediately acted by firing Community Development Minister, Emerine Kabanshi.

Lungu's political opponents have speculated that one explanation for his apparent protection of Chitotela could be that Chitotela knows about certain corrupt affairs involving the President himself. Chitotela could also be one of the unnamed Ministers in a Financial Intelligence Centre (FIC) report, dated last year June, that found some cabinet members and presidential aides had siphoned off the equivalent of close to US$ 350 million from government coffers in 'suspected tax evasion and corruption.'

Some cabinet members had siphoned off close to US$ 350 million

Big construction projects like Apamwamba are a common destination for illicitly acquired money. Whether there is a link between the project and the stolen US$ 350 million remains to be seen, but in the meantime, with the court challenge continuing, the country now prepares for a sensational legal battle that promises to highlight legislative weaknesses, bad governance, unlawful misappropriation of land and environmental degradation.

The legal action is taken in two separate but related cases: one where the activists have issued a legal writ against Zambia's government, represented by Attorney General Likando Kalaluka, itself. The second action is against the three developing companies, together with the Zambia Air Force projects division and Kingsland City Investments.

Chimambo's group's court action is spearheaded by nine traditional leaders, with principally among these Choolwe Nkomeshya, a princess of the regional Soli people who is also a staunch civil liberties campaigner. Forest Reserve No. 27 lies within Soli traditional lands and princess Nkomeshya, a tough-talking no-nonsense leader, is its principal custodian and representative.

In their writ of summons against the government the plaintiffs argue that despite the environmental sensitivity of Forest Reserve No. 27, the defendants proceeded without legal authority to construct houses on what is now the Zambia Air Force Twin Palm Housing Complex, and that the Zambia Air Force is already responsible for discharging raw sewerage into the Chalimbana River, contrary to Zambia's legal provisions contained in both the Environmental Management Act and the Water Resources Management Act. In the other case the activists claim that individual army officials are using the cover of the Zambia Air Force to build the houses – the ones that are already polluting the river with sewage – as a government project when it was just the individual senior ZAF officials who stood to benefit.

Institutional heads must clarify

According to princess Nkomeshya, "this matter is very serious as it threatens the health and well-being of (...) future generations and (it) must therefore be attended to urgently." As the most senior representative of the Busoli Royal Establishment, princess Nkomeshya has also written to the clerk of Zambia's parliament, requesting the parliamentary committee on agriculture, lands and natural resources to undertake an inspection of the forest area. She wants the inspection to include the director generals of ZEMA, the Water Resources Management Authority WARMA, Regional & Country Planning, the Forestry Department, as well as the Human Rights Commission. "This will ensure that these institutional heads

Minister Jean Kapata, who bought land in Kingsland City

clarify and explain their mandates and actions taken (or not taken) in this tragic saga," the princes wrote in her letter to the clerk of Zambia's parliament.

This matter threatens the health and well-being of future generations

Despite the urgency, and the fact that the Princess' letter to parliament was dispatched in February, Parliamentary sources approached to shed light on whether or not the fact-finding inspection team had commenced its investigation said it had not yet done so. Pressed to disclose why the team was not yet in place, the source said parliament was "still trying to source the funding to expedite the team's work."

Challenging powers-that-be

The state's own structures will likely still act slowly to implement action. But on the bright side, popular protest against state power abuse is growing. In September of 2017 large protests were staged outside the country's parliament to highlight the abuse of public funds. It was then particularly the procurement of 42 fire trucks by the state for an alleged cost of US$ 42 million – a million dollars per truck – clearly done to slice off millions for officials involved, that enraged many Zambians. Activists were arrested at those protests, but the arrests gave rise to new protests in turn. Now it is the defense of Forest No. 27 that has caused activists to challenge the powers-that-be.

Just as we were winding up the drafting of this story, there was a breakthrough. A Lusaka High Court injunction is now restraining the Kingsland promoters from continuing with their development project in Forest No. 27 while the case is before the court.

Asked to comment on her acquisition of a plot in Kingsland City, Minister of Lands Jean Kapata answered the phone, but when hearing our questions said, “why me of all the people” and cut the line. Mines Minister Richard Musukwa did not respond to phone calls. Irene Mambilima responded to questions about her plot in Forest No. 27 as follows: “Sometime in 2016, I verbally requested the Commissioner of Lands for a small holding, preferably east of Lusaka on which to build my retirement home and engage in horticultural activities. In August 2017, I was informed that a portion of a forest reserve in Lusaka east had been de-gazetted and re-planned and a number of plots and small holding had been created. I was advised, if I was still desirous of acquiring a small holding, to formally apply and this I did on 30th August 2017. I was allocated the plot in issue in September 2017.”

President Edgar Lungu’s office was asked why he degazetted the forest, thereby undoing its environmental protection, but the office did not respond to the query. Vice president Inonge Wina was not reached. We were told that she is out of the country for health reasons.

Connecting to government, raking in millions

Purity Mukami / Africa Uncensored

Elgeyo Marakwet, a county in Kenya's Rift Valley, is a drought-stricken region. Over sixty percent of its citizens – mostly poor farmers – depend on unsafe water from rivers and wells, or are forced to buy water from vendors when these run dry. Generally only sixteen percent of people have tap water here; in some areas this percentage is less than two. After years of calls to improve water supply in the area, the government, in 2017, finally seemed to listen and provided two dam projects that were to produce hydroelectric power and water for irrigation.

Then three things happened.

First, the contract was given to an Italian company that had been declared bankrupt in its own country and that is now being investigated by the Kenyan Department of Criminal Investigation (DCI) on suspicion of having bribed government officials to obtain the over US$ 630 million contract. Secondly, the company absconded with an advance of US$ 70 million, leaving behind only traces of activities for the dam. Thirdly, several dozen of Kenyan individuals made a whole lot of money indeed.

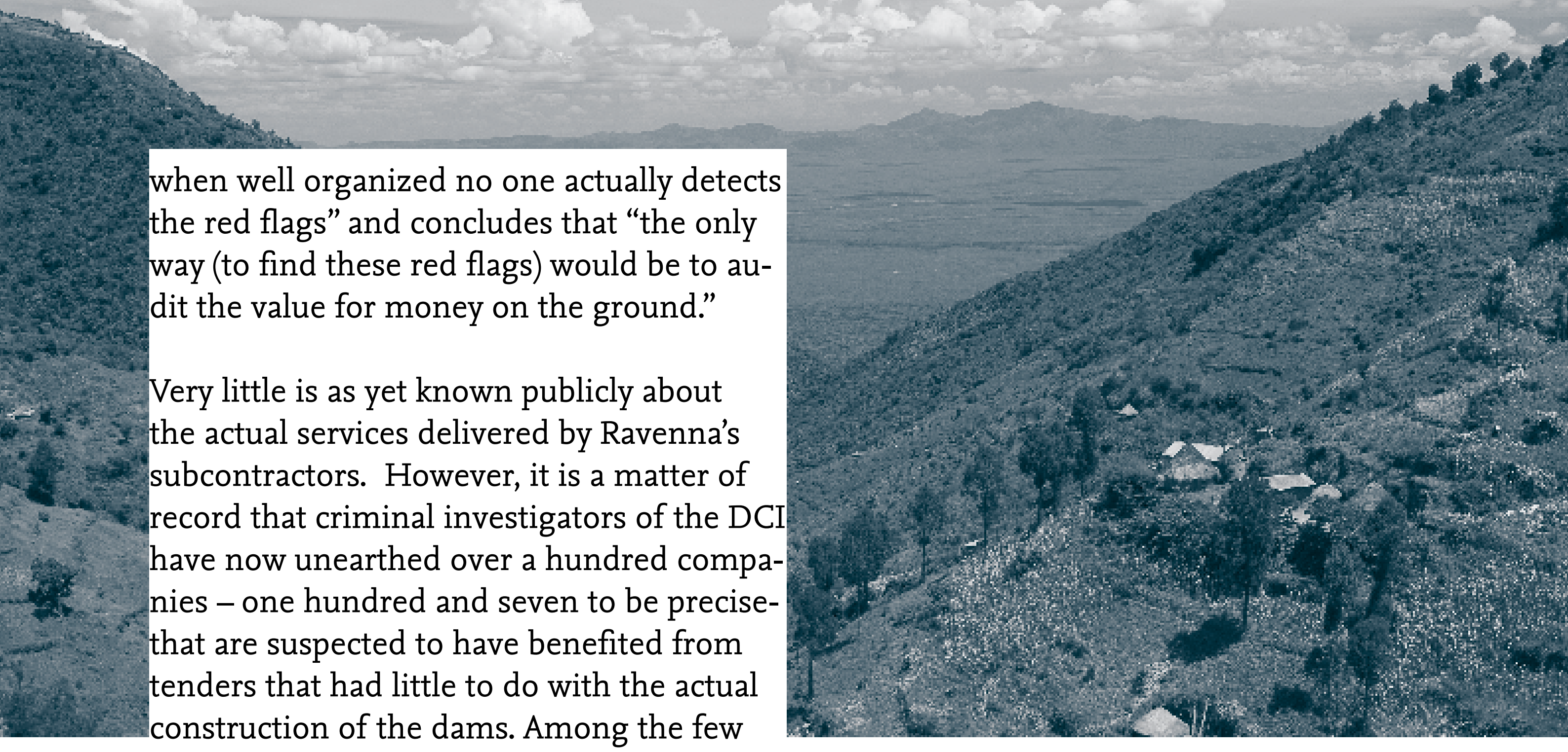
Welcome to Stella's web.

They are just there to administer and connect

When a big foreign company pockets a project in Kenya, dozens of local companies always compete to get in on the deal. The result is invariably a web of subcontractors supplying services to the main project. The subcontractors in such webs are companies whose directors and shareholders are well-connected individuals who reside in the capital city, Nairobi. These companies, which also – when a big foreign project is absent – supply government locally, are administered by a handful of corporate secretaries, who can be likened to spiders in the web. Officially – and they will tell you this every time you ask – they are just there to administer: they have no impact on, or responsibility for, what the companies actually do. They are just there. They connect. And in that way manage hundreds of millions in public contracts.

System capture

In an interview, Kenya's auditor general Edward Ouko likens the country's broken procurement system to the South African state capture. "System capture" he calls it, by "people who are very knowledgeable; (who) knock on the doors and create budget." He adds that "procurement is a difficult world:



when well organized no one actually detects the red flags" and concludes that "the only way (to find these red flags) would be to audit the value for money on the ground."

Very little is as yet known publicly about the actual services delivered by Ravenna's subcontractors. However, it is a matter of record that criminal investigators of the DCI have now unearthed over a hundred companies – one hundred and seven to be precise- that are suspected to have benefited from tenders that had little to do with the actual construction of the dams. Among the few material supply examples that are known it has transpired that, among other items, the companies supplied food and wine worth US$ 150,000, bedsheets and airline tickets worth US$ 13,000 and duvets, towels and pillows worth US$ 40,000.

People knock on doors and create budget

For the rest, the DCI is keeping mum on the subject. Questions and requests for documents, made for months, have gone unanswered. But if a list outed by Kenyan Citizen TV on 28 February 2019 is anything to go by, the total value of tenders given to Ravenna subcontractors could run into the tens of millions of US dollars. Citizen TV recently exposed fifteen companies out of the hundred and seven who together received almost US$ four million in total.

One of the companies listed as having being paid was called Longrock Engineering Limited. From the available information it is only known that it received some small contracts for supply of furniture and transport services. But Longrock is not just one company. Among the hundred-and-seven, there is a set of five, all with 'Longrock' in their names, whose directors or shareholders are directly linked to the government authority charged with the construction of the dams and the contracting of local suppliers: the Kerio Valley Development Authority, KVDA. They are more specifically linked to one person: KVDA board member Dinah Chelanga.

*

The Chelangas

Dinah Chelanga's social media interactions on Facebook reveal that she is married to Eliud Kipkoech Chelanga, who is the managing director in the same two Longrock companies that she owns; Longrock Freight and Logistics Limited and Longrock Tours and Travel Ltd. There is also a fellow Longrock director called George Chelanga, who is likely their son. Based on Kenya's procurement data, the two Longrock companies have collectively received close to four hundred transactions worth (US$ 1,5 million) in total for services such as buying airplane tickets and mailing. Asked for comment, Dr Eliud Chelanga promised he would "phone back," but then didn't. He also did not answer the phone after we tried again.

Dinah Chelanga

Dinah Chelanga herself is a director of two of the five Longrock companies listed as subcontractors to Italian firm Ravenna. And interestingly, like there are more than one Longrock, there is also more than one Chelanga in the Longrock companies.

The story of the Chelangas and Longrock is, in turn, the one that brings us close to the web of intricate connections that is the subject of this investigation. Because the Longrock companies count on a very useful service provider in company secretary Stella W. Nyamu, who also administers three other companies named alongside the Longrock group.

A million dollar network

According to data from the government's own procurement portal *tenders.go.ke*, as well as data we received from Kenya's public procurement management system IFMIS (an abbreviation of Integrated Financial Management System), Stella Nyamu sits at the centre of the web of Chelanga-linked Longrock companies.

A company secretary as well as a partner at Samantha Associates, the firm she uses to do her secretarial work, Stella Nyamu works out of a small, nondescript office on the third floor of an old office block in Nairobi's central business district. There are hundreds of similar spaces occupied by consultants and small businesses across the city. One afternoon, as we visit her office, we find her: a middle aged lady dressed in a business suit that blends right in with the daily wear of the rest of the city's administrative working class, her hair in a modest pony-tail.

She knows, she says, smiling, that her name is linked to hundreds of companies. She is also well aware that many of her businesses have successfully bid for tenders from the government: these are worth well over US$ 6 million in 2018 alone. But that is not her money, she says and neither are those her businesses. "I have nothing to do with the (inner-workings or dealings) of the companies," she says. "I just register them. I don't receive any money beyond what I am paid for setting them up."

Similarly, she rejects any responsibility for scandals that any of her companies have been connected to, even if her name has been mentioned in connection with two – or even three as it turns out, see below – of these. In 2016, Kilifi County governor Amason Kingi named her as the secretary of Makegra Supplies Ltd, a company which, together with others, defrauded the county for over US$ 500,000 for goods and services that they didn't supply. She denies any knowledge of this case or of her being mentioned along the co-accused and also denies any wrongdoing on her part in the Ravenna case, asserting that once she explained her role as a company secretary to the DCI's criminal investigators she was cleared.

Makegra Supplies was named in a US$ 500,000 fraud

Explaining why she is servicing so many companies at once, Nyamu explains that, “these are small companies that sometimes can’t afford to hire a company secretary. As a person who works independently, I can register as many companies as possible.” Fortunately for the business people who work with her, a significant number of these seem to be doing very well. Procurement records show that, out of the 263 companies in total that have Nyamu listed either as a director or as a secretary, at least a hundred have been listed as government suppliers and out of these, twenty-nine have been given actual contracts.

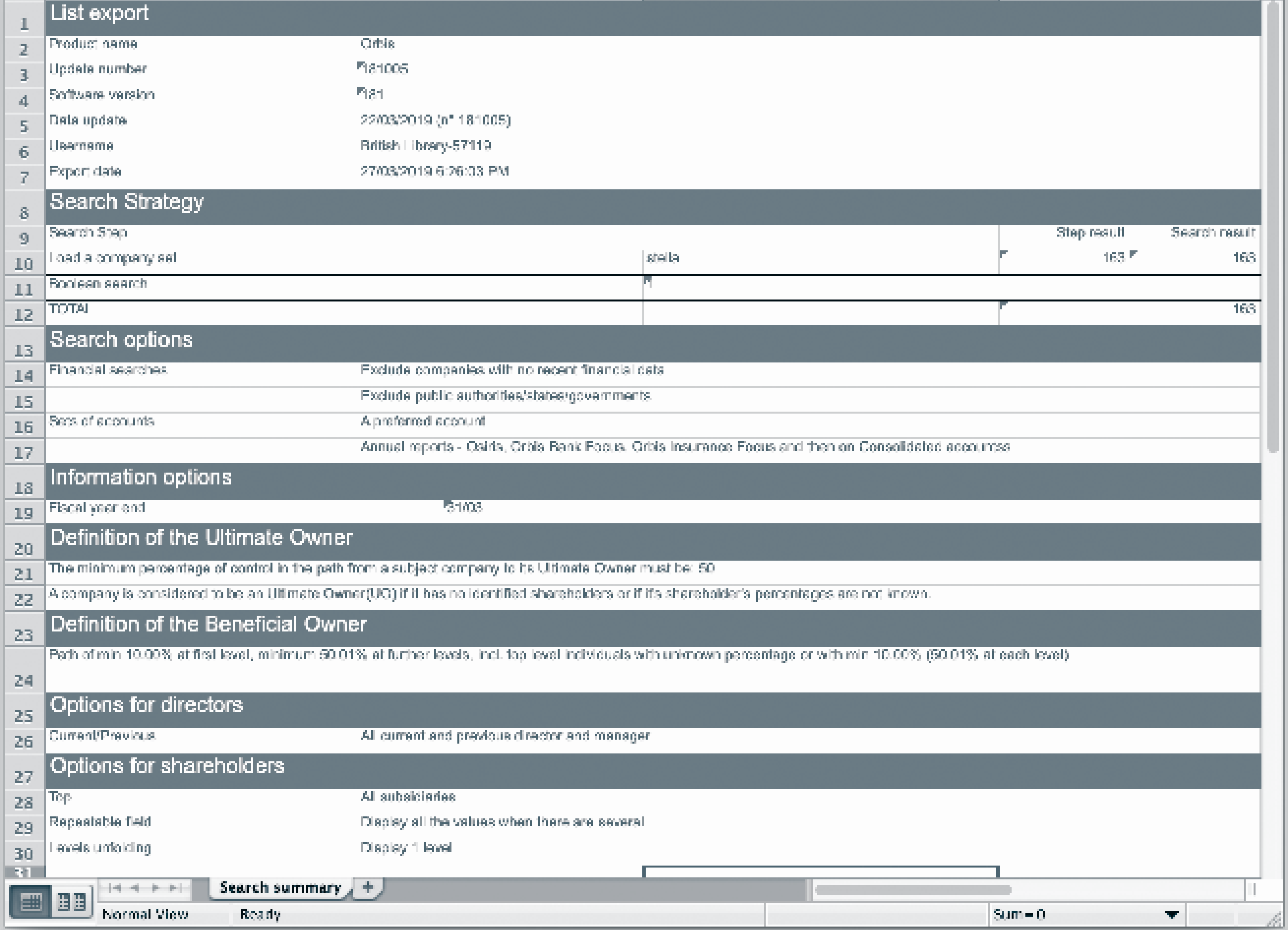
It must be noted that this is only from data supplied voluntarily by the companies; the actual number may be much higher. The same goes for the data on the government’s procurement portal, which is only a few months old and contains just a handful of government transactions. Also, for many of the companies, some details are missing: either what they delivered to the government, or what they charged for it, or who the directors are.

Infrastructure contracts

Yet, the data are enlightening. Out of the close to eight thousand companies currently listed on the government’s procurement portal, Stella directs or administers, compared to any of the other involved individuals, the highest number. She is linked to a hundred companies, almost twice the number of connections to companies held by the person with the second most links on the portal: Ferdinand Muchomba only has 58 connections.

Stella Nyamu’s twenty-nine government suppliers have obtained government contracts to a total value of US$ 6,6 million, for the most part in 2018. The contracts these companies obtained have ranged from provision of security services, routine maintenance of roads and environmental consultancy to delivery of laboratory equipment among many others. Among these, two valuable infrastructure contracts for routine road maintenance stand out: one for the Baragoi-South Horr– Sarima road for US$ 190 000 and one for the A1 Lodwar-Lorengelup (B73) for US$ 85,000, both in Kenya’s impoverished eastern rural areas. The contracts become all the more valuable when we discover, through contacts in the area and Google Maps, that these are sand roads, one of which (the Baragoi-Sarima road) is in such a state of disrepair that locals have long started using another, better road, and that according to Google Maps Lodwar and Lorengelup are only connected by a feeder road.

The road is in a state of disrepair



1	List export				
2	Product name	Orbis			
3	Update number	181005			
4	Software version	181			
5	Data update	22/03/2019 (n° 181005)			
6	Username	British Library-57119			
7	Export date	27/03/2019 6:26:03 PM			
8	Search Strategy				
9	Search Step			Step result	Search result
10	Load a company set		stella	163	163
11	Boolean search				
12	TOTAL				163
13	Search options				
14	Financial searches	Exclude companies with no recent financial data			
15		Exclude public authorities/states/governments			
16	Sets of accounts	A preferred account			
17		Annual reports - Osiris, Orbis Bank Focus, Orbis Insurance Focus and then on Consolidated accounts			
18	Information options				
19	Fiscal year end	31/03			
20	Definition of the Ultimate Owner				
21	The minimum percentage of control in the path from a subject company to its Ultimate Owner must be: 50				
22	A company is considered to be an Ultimate Owner(UO) if it has no identified shareholders or if its shareholder's percentages are not known.				
23	Definition of the Beneficial Owner				
24	Path of min 10.00% at first level, minimum 50.01% at further levels, incl. top level individuals with unknown percentage or with min 10.00% (50.01% at each level)				
25	Options for directors				
26	Current/Previous	All current and previous director and manager			
27	Options for shareholders				
28	Top	All subsidiaries			
29	Repeatable field	Display all the values when there are several			
30	Levels unfolding	Display 1 level			

Search summary

Normal View Ready Sum = 0

Digging further into the datasets results in the discovery that another nine of the over 100 companies associated with Ms Nyamu have transacted amounts to the tune of over US$ 5 million between November 2014 and February 2018. This amount includes a contract for US$ 376,000 connected to yet another scandal in 2018: the MES (medical supplies) procurement contract. In the MES affair, currently the topic of heated debates and corruption investigations, unusable medical equipment was delivered to hospitals that didn't ask for it and many of which would have preferred funds for different urgent needs. Kenya's procurement portal shows that Stella Nyamu's company Angelica Medical Supplies received the amount listed above as part of the MES supplies, even though the database shows the transaction as 'rejected.'

When asked for comment, Angelica director Mary Wanja vehemently denied having received any money from the Ministry of Health for this purpose. She also denied knowledge of Stella W Nyamu as their company secretary, even though Nyamu is listed as the fourth director. Sadly, neither the Health Ministry nor IFMIS responded to requests for an interview meant to clarify the above contradiction.

The duties of a secretary

In total, Stella's web has handled contracts worth at least US$ 12 million over the past four years. That is a lot of money in Kenya. But does she as a company secretary actually have a duty to monitor what is done by the companies to warrant being paid such amounts? According to Nairobi-based lawyer and management strategist Ian Segita, , a company secretary's approval is required for all procurement contracts of goods and services. Part of the reason for this requirement, he says, is precisely that there is a

Stella Nyamu

large risk of corruption and fraud during the procurement process.

Stella Nyamu may be the biggest spider in the web, but she is not the only one. From the available data, we identified the top ten enablers on Kenya's current, still incomplete, procurement portal. Ms Nyamu leads the current list, with 91 government suppliers connected to her full name, Stella W Nyamu, and ten others only to 'Stella Nyamu,' making it 101 companies in total. The next such listed Company Secretary or director is Ferdinand G Muchomba; he is only involved in 58.

*

Just following procedure is not good governance

In this report, Kenya's auditor general Edward Ouko says that the country's procurement system is 'broken.' He even calls the system 'captured' by "people who are very knowledgeable. They knock on the doors and create budget." To "create budget", the so-called 'tenderpreneurs,' as he calls them -and as is also shown in this report-, identify opportunities to get money from the state in exchange for unnecessary, shoddy or even absent services. Ouko adds that a way to "detect the red flags" is to "audit the value for money on the ground."

The problem is of course that a state does not have the capacity to go and check physically on every road traffic light, crate of medicines or set of school books that need to be delivered where they are needed. As investigative journalists we also cannot be everywhere -even if we would like to be.

To fix the broken procurement system, clearly, more tools are needed.

But these tools, even though the word itself sounds technical, cannot *just* be technical. They need to be value-based, as in when Ouko says it is the value of state services that needs checking. Kenya can provide water and agricultural assistance for hungry farmers instead of buying towels and mailing services for huge projects that fail anyway. But it can only do that if those who spend it – the procurement officials, the ministers, and even the business sector – keep their eyes firmly fixed on the value that needs to be delivered, and endeavour to provide such value.

Ironically, mere technical arguments are often used to cover up or excuse wrongdoing. Company secretaries like Stella Nyamu -and this is not only in Kenya- routinely say “that they have nothing to do with the (inner-workings or dealings) of the companies they register and administer.” That argument is technically -albeit minimally- true. But by using this minimal interpretation of the rules, such company secretaries benefit from their role as connectors within a corrupt system that is actively hurting citizens. What they do may be technically lawful, but they are accomplices to corruption nevertheless.

The very same rules can also be interpreted more in line with their spirit than with their technical letter. For example, where the rules say that a company secretary’s approval is required for all procurement contracts of goods and services, legal expert Ian Segita explains, -also in this story, that “part of the reason for this requirement is precisely that there is a large risk of corruption and fraud during the procurement process.” Good business governance would therefore prescribe withholding such approval in the case of a contract where it can be foreseen that the company will get good money for little more than nothing.

The rules of the Institute for Company Secretaries (ICS) also say that a company secretary must “use personal initiative in raising matters that may warrant the Board attention.” Again, the rule can be interpreted through a minimalist prism, but also be used ethically. What matters warrant the Board’s attention? A postponement of a meeting? Or the fact that the company, after having been paid US$ 250 000 for maintaining a road, has in fact not maintained the road at all?

The chairman of the procurement committee in the Ravenna dam scandal has, similarly technically, argued that there was no wrongdoing in allocating the US$ 630 million contract to an Italian company that was facing bankruptcy in its own country. He quoted, correctly, some procedures that were followed. But he also had to admit that the company had “some financial flow problems” at the time when the contract was allocated. In fact, Italian media were reporting that Ravenna was trying to ward off impending bankruptcy in Italy by seeking quick advance payments on contracts abroad.

In such a situation, what do you do as a Kenyan procurement official? Listen to your tenderpreneurs who want to “create budget” by subcontracting to Ravenna? Or seek a better service provider? When such choices are to be made, technical procedural arguments alone won’t cut it. Ethics and values of good governance are indispensable, or the “broken system” will never operate as it should.

Where the money has been stashed

With regard to the numerous corruption scandals under investigation, Director of Public Prosecutions (DPP) Nordin Haji has said that “the cases against in total 432 accused persons are taking too long to conclude and recover the loot since the trail involves other countries where the money has been stashed.”

The wealth amassed by Kenyan individuals involved in contracts for the Elgeyo Marakwet Dam is estimated to run into the equivalent of millions of US dollars. We attempted to trace the assets of those involved but failed, since individual business people are not required to list those. However, we fear that Nordin Haji is right: in the cases of many individuals, the wealth we looked for may not even be in Kenya anymore.

The DPP’s statement came just three months after a tender was published, on 6 November 2018, for consultancy services that will lead to the establishment of a Nairobi International Finance Center (IFC). The plan for the IFC has raised eyebrows since it, according to the NGO Tax Justice Network, may help facilitate (even more) illicit outflows of money to tax havens.

The secrecy around the IFC process has done little to allay these concerns. Nothing has been heard since the tenders closing date, first set at 20 November 2018, was revised to the 27th of that month. Now, five months down the line, the winners of the tender have still not been listed on the procurement portal.

This investigation was done with help from Margot Gibbs at Finance Uncovered.

Where corruption is the system

Theophilus Abbah

If corruption was an issue of the presence of individual 'rotten apples' in the state, it would suffice to arrest such individuals to cleanse the system. That it is not so proves the story of the steel plant of Ajaokuta, Nigeria, where corruption has been the system for decades.

Several government changes, commissions of enquiry, senate committees, even arrests, have not been able to stop the bleeding of the tormented Ajaokuta steel manufacturing plant in Kogi State, Nigeria, the second largest in Africa and twelfth largest in the world, for the past four decades.

A new change is on the books now, but will this time be different?

When abundant resources of steel were discovered in the region in the early eighties of the last century, the new steel plant at Ajaokuta was seen as a promising project, meant to generate close to a million jobs and propel Nigeria finally into industrialised manufacturing. But most of the ten thousand shiny new houses built for prospective mine workers and their families at the time are now abandoned and overgrown with weeds, connected by ghost paths where armed robbers hide. No less than four mining projects turned- plunder-exercises by old and new captors in the past thirty-six years have enriched individual politicians, their bankers and other wealth managers, who managed to lay their claws on the project.

It delivered some steel once, during the first six months of its operations in 1983, and never since.

The revivals that weren't

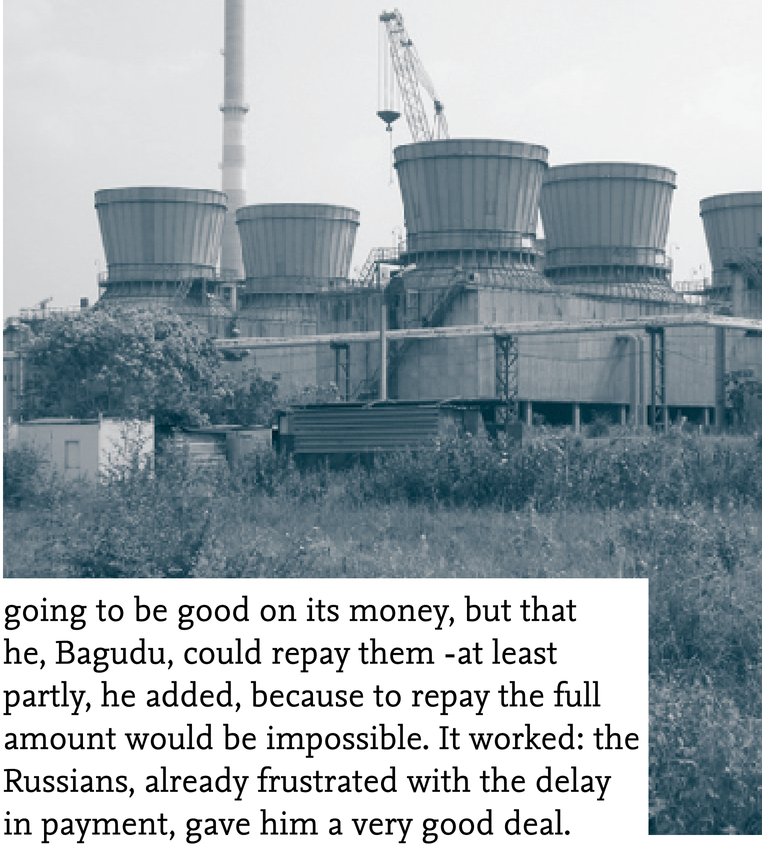
When asked when Ajaokuta would start to produce steel again, a present day government minister of transportation, Rotimi Amaechi, responded sagely that the roads in the area should be done up first, because if not, how were you going to transport it to customers? He was right: the roads in Ajaokuta, constructed in the 1980s, are now in a bad state. But remarkably, it was the first time anybody ever asked this question. As if it had never *really* been a plan to get any actual steel from the mine at the time of any of the other revivals.

Today, expired asphalt disintegrates from the base of the expressway to Ajaokuta, exposing the white sharp-edged stones underneath. The houses around the mining compound have lost windows, doors and corrugated roofing sheets. Behind a large faded gate one can still see the gigantic but now rusty machines, dilapidated factory buildings and abandoned tractors meant for the ambitious steel complex that was meant to change the economic story of Nigeria no less than four times. Wives and children of idling mine workers are hawking fried yam, plantain, corn, bean cakes and fast foods for passing travellers.

The Ajaokuta steel plant was first *almost* completed in 1983. Russian Tyazhpromexport (TPE) had delivered the machines and heavy equipment; Germany's Julius Berger had fixed the complex network of rail lines from the port to Ajaokuta, while the French had carried out the civil work, including road construction, housing estates, and other foundations for physical structures. The total investment according to a World Bank estimate was over US$ 7 billion.

But since all the contracts had included large slices for the ruling National Party of Nigeria (NPN), the money was finished then. "Ajaokuta was a drainpipe for the NPN government. Through Ajaokuta, money was being funnelled from the system into the party," says Chief Paul Unongo (74), then Minister of Steel Development. "I was forty. I wanted the project to work. We produced steel for six months. But I was made to resign (through political pressure, TA) because I stood in the way of those who wanted to move money from Ajaokuta into the party." A later communication from the US Embassy on Ajaokuta's history, captured by Wikileaks, confirms: "According to the GON [Government of Nigeria] and Embassy contacts, since 1979 (the) Ajaokuta Steel Complex has been used as a mechanism to grant contracts to contractors performing substandard work at overinflated prices while providing senior GON [Government of Nigeria] officials with large kickbacks. The GON estimates it has spent at least US$ 5 billion on what was to be Africa's largest steel production facility, while World Bank estimates put the cost at about US$ 7 billion (not adjusted for inflation). That (…) administration may have thought the project feasible, (…) but within a few months senior GON officials were already siphoning off millions in kickbacks from real and false contracts for the complex's construction."

I was made to resign because I stood in the way



The corruption surrounding the Ajaokuta construction had been so blatant that it contributed to the collapse of Johnson Mathey Bank of London in 1983. According to another Wikileaks cable, Johnson Mathey had acted as "a conduit to transfer hard currency for some party members in Nigeria. A few leading officials and politicians had amassed large amounts of money. They sought to transfer the money out of the country (…) by issuing import licenses (for fictitious items)." The collapse of Johnson Mathey, which had conducted much unsavoury business with many unsavoury clients globally, would inaugurate an era of stronger banking controls in the UK.

Abacha's banker

Sadly no such controls were established in Nigeria. Even though, in January 1984, the Nigerian military assumed power amid promises to end corruption, then kept the Ajaokuta project at arm's length for close to a decade, the looting started again when General Sani Abacha came to power in 1993. Abacha's plundered billions, kept in Swiss banks for years, and estimated at US$ 22 billion in total, are legendary. Less known is the fact that of this money, around US$ 2,5 billion came from Ajaokuta.

Abacha and his family – notably his son, Mohamed, about whom more later – saw the opportunity in 1995 when Russian TPE came knocking for an outstanding payment for heavy machinery for Ajaokuta of US$ 2,5 billion. A family confidante and banker by the name of Atiku Bagudu then hatched a plan to buy up that debt so that instead of owing the Russians, the Nigerian state would now owe him -and the Abacha family.

Bagudu approached the Russians and told them that the Nigerian state was likely not going to be good on its money, but that he, Bagudu, could repay them -at least partly, he added, because to repay the full amount would be impossible. It worked: the Russians, already frustrated with the delay in payment, gave him a very good deal. The debt would be written off if Bagudu could ensure payment of at least a fifth of its value: US$ 500 million. Using two offshore companies, Bagudu channelled the amount of US$ 500 million to TPE; then proceeded to recover the full US$ 2,5 billion from Nigeria itself. This was the easiest part, since Abacha, for the state, then simply made the money available to the banker.

The full extent of Abacha's plunder would come to light during an international investigation in 2000 led by the then British Deputy High Commissioner to Nigeria, (who was involved since some of the looted money had been hidden by Bagudu in the United Kingdom or British Virgin Isles.) When interrogated by lawyers for the British, General Abacha's son Mohammed Abacha admitted to the thefts and gave colourful descriptions of how the family and their banker looted the Nigerian treasury and Central bank, taking money in "bags, cartons and trucks." He also described how Bagudu helped to lodge the moneys in offshore accounts.

Asked about Ajaokuta, Mohammed Abacha stated that the Nigerian government had

Taking money in bags, cartons and trucks

requested him to return US $100 million of the originally looted US$ 2,5 billion. He added that he "didn't see any reason for that" but that he after he "was threatened by the then (authorities) … agreed with Mr Bagudu that, well, we should pay something (that 100 million) just to get these people off our back." Up to now, Mohammed and the rest of the Abacha family, instead of showing contrition, appear annoyed by the zeal with which they have been "persecuted." Their supporters point out that, while others who had also taken state moneys were left unbothered, Mohammed Abacha was jailed for three years after the inquiry.

Over the last 20 years, ever since civilian rule returned to Nigeria in 1999, only US$ 3,3 billion out of the unknown billions of dollars stashed away by the Abacha family has been recovered. None of it has been reinvested in the Ajaokuta project.

Relatives and friends

With a constant refrain of 'government has no business in business,' President Olusegun Obasanjo came to power as head of a new civilian government in 1999 with a privatisation agenda that would once again drain lifeblood from Ajaokuta. Soon after his ascendance to power, the new president started to appoint friends and relatives at the head of former state enterprises in such a blatant way that, as Malam Nasir el-Rufai, a former Director-General of the Bureau of Public Enterprises, would state in an interview with Sahara reporters in 2011, four years after Obasanjo had left the presidency: "The president and I were always quarrelling over issues of privatisation. Each time I told him we have a process … that they should advise their friends to be the highest bidder."

One of the projects privatised by Obasanjo concerned Ajaokuta. In 2003, the steel mine was sold to Solgas Energy Limited, a company incorporated on paper in the USA and introduced to Nigeria by Seun Oyefeso, an accountant friend of Obasanjo's son, Gbenga. Remarkably, at the beginning of the concession process, Solgas did not even bid for Ajaokuta, but somehow the process involving five other bidders (Voest Alpine Industrial Services of Australia; Osaka Steels Nigeria Ltd; Darueli Offline of Italy; Denus Nigeria Plc and Kobe Steel of Japan) was stopped. Instead, Solgas was brought in.

The concession of Ajaokuta to Solgas took place in spite of a critical report from the House of Representatives committee that had discovered that Solgas did not have the technical and financial capacity to revive the project and had advised against the concession. The report was ignored by the Obasanjo government. A United States Embassy memo on Solgas, issued on 17 December 2003 and leaked by Wikileaks, commented that "SOLGAS, a small U.S. energy service provider, has never managed or operated a steel factory. (..) In a private meeting (...) SOLGAS's Nigeria-based Vice Chairman Oluwaseun "Seun" Oyefeso said the only reason SOLGAS was in Nigeria was to enter the electricity and gas markets, and to make "money, money, money."

Money was, however, not forthcoming. Oyefeso was indeed unable to attract either local or international loans for the Solgas Ajaokuta project and the agreement with Solgas was terminated by the Obasanjo government in 2004. However, Obasanjo then immediately signed a new Ajaokuta agreement with the Nigerian branch of the Indian company Global Infrastructure, Global Infrastructure (Nig) Ltd (GINL), which was promoted by the very same two men who had brought in Solgas: presidential son Gbenga Obasanjo and his loyal sidekick Seun Oyefeso. Like Solgas, GINL was also registered off shore on the Ilse of Man.

A presidential panel would, in 2007, scathingly compare the GINL deal to the Solgas deal, and state that there had been no knowledge of the company "to warrant the qualification to rehabilitate complete, commission and operate Ajaokuta Steel Project" in the first place. But, by then, President Obasanjo had already used his presidential fiat to oblige his Minister of Steel to handover Ajaokuta to GINL in a new ten-year agreement.

Gbenga Obasanjo would still boast in a 2006 interview that he was "proud to associate with the success of the Ajaokuta Steel Complex. (...)" and that "they have started making steel and prices of steel have come down in Nigeria..." But it was not true. GINL was another disaster. According to the 2007 presidential panel company management "withheld any foreign investment into the mine," had "merely depended largely on funds borrowed from Nigerian banks, which were not repaid" and could not even find where the money from the banks had gone: "the Panel is at a loss as to where this volume of money has been invested," it said, "as GINL has not been able to produce convincing records of injection of such funds."

Large funds borrowed from Nigerian banks were not repaid

Cannibalising and vandalising

The panel further discovered that GINL could not even produce any bank reconciliation statement over the three years since it took over Ajaokuta; that the mandatory payment of one percent of turnover as concession fee to the government was never paid and that facilities at the company had been 'cannibalised." "GINL is constantly and systematically cannibalising, vandalising and moving valuable equipment and Spare parts/Consumables out of (the Ajaokuta Steel project)," it said, and also that "(...) GINL has not imported replacement parts in three years; it (is) using broken-down equipment as spare parts shops – just to keep producing at the detriment of the entire system" while "security (...) has completely broken down and from time to time thieves break in (...) and cart away valuable equipment," with the Management "not interested in prosecuting offenders."

The panel also reported, even then, that buildings "such as the Metallurgical Training Centre" had already been "overtaken by bushes exposing the buildings and equipment to bush fire." It also reported that there had in fact been a fire, in 2006, and that GINL management had pocketed the insurance pay out of close to US$ 1 million instead of passing it to the government, which was funding the Ajaokuta structures and equipment. It came as no surprise that the panel at the end of its report recommended that the concession agreement between GINL and Nigeria on Ajaokuta should be terminated. The mine would again lay still in its broken state for another three years.

None of the privatised steel mines had fared well

A senate committee investigating Obasanjo's privatisation deals would find in 2011 that none of the steel mines privatised by this president – besides Ajaokuta, also the Delta Steel Company, Oshogbo Steel Company Limited, Jos Steel Rolling Mills and Katsina Steel Rolling Mills - had fared well. The committee reported a loss, for example, of over US$ 100 million in the case of Delta Steel; said that Jos Steel had never engaged in any 'meaningful commercial activities;' and added that Oshogbo and Katsina, though not embroiled in controversies, had operated far below expectations.

The fourth wave

A new opportunity to feast on Ajaokuta arose when, after president Yar'Adua's death in 2010, the new government under President Goodluck Jonathan appointed Mohammed Adoke, one of the legal advisers to GINL, as the country's Attorney-General. Adoke, whose profile on Wikipedia proudly says he has handled a case "between Global Steel Holdings (the parent company of GINL) and the Bureau of Public Enterprises Investment," promptly proceeded to favour GINL in a 'breach of contract' case the company had filed against the Nigerian government. GINL now wanted US$ 525 million in damages from the Nigerian state.

Instead of defending Nigeria's interests, Adoke offered, on behalf of the state, an out-of-court settlement with his own GINL clients whereby that company would obtain a new management contract as well as a reduced 'damages' payment of US$ 250 million. Flabbergasted, stakeholders in the iron and steel industry in Nigeria opposed this move. The director of Nigeria's Bureau of Public Enterprises (BPE), Sanusi Mohammed, said that Adoke's settlement with GINL was "null and void" since the only agency in Nigeria entitled to conduct privatisation contracts was the BPE, and that the BPE had not participated in the matter at all.

Sanusi Mohammed also reiterated the awful record of GINL, saying that it "ransacked and destroyed virtually every facility they operated." This included, besides the Ajaokuta Steel Company, also the National Iron Ore Company at Itakpe and the railway track and locomotives running from Itakpe to Ajaokuta and Warri, Mohammed said.

Even some typos in the new agreement were identical

As a consequence of the outrage, then Minister of Steel Muhammed Sada rejected the Adoke settlement. The promised 'compensation' to GINL was not carried out and Sada's ministry recommended that GINL's arbitration case be pursued to a final conclusion.

Enter a new Minister of Solid Minerals in 2015: Dr Kayode Fayemi. For unknown reasons Fayemi turned out to be really partial to the rejected Adoke settlement with GINL. He revived it by presenting a new settlement deal that, opponents noted, was verbatim the same as the earlier deal made by erstwhile attorney general and GINL lawyer Bello Adoke. The opponents pointed out that even some typos were identical: for example, in both, **fine** clay was written as **fire** clay, **complete** as **compete, indicted** as **indicated** and **even** as **event**.

Minister Fayemi defended himself by saying that he had negotiated a higher annual concession fee from three to four percent of the turnover to be paid to the government by GINL. This was being economical with the truth, though, since the 2013 draft agreement had already negotiated and obtained the four percent rate.

The minister said it would be handled differently this time

In his bid to continue with GINL in the management of Ajaokuta, Minister Fayemi said that the mine should be handled by a private business and that no more money from the state should be poured into it. According to him, Nigeria had already spent US$ 8 billion on it, which had been more than enough. He said privatisation would be handled differently this time, assuring parliament that “we are not going to repeat the mistake of the Obasanjo administration.” He also promised a “technical audit” and a thorough assessment of “as to who really has the technical capacity, the financial wherewithal and the track record to really bring Ajaokuta back to life.”

However, Fayemi’s simultaneous insistence that management should once again be handed to GINL, the company that had ‘cannibalised’ Ajaokuta, caused many in Nigeria to doubt such promises. Stakeholders in the sector, including the African Iron and Steel Association (AISA) and BPE’s Sanusi Mohamed, maintain that only proper governance by an accountable government authority can avoid new drainage from the mine. They still support the view of the ad hoc senate committee that had recommended in 2011 that both the Ajaokuta and Delta Steels privatisations should be undone.

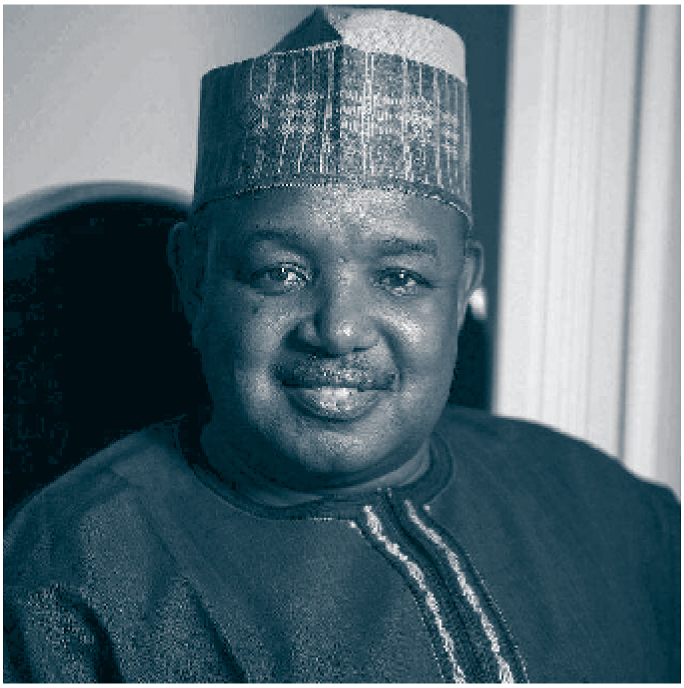
A new voice

Fayemi is no longer a minister now, but the plan to once again privatise Ajaokuta through GINL still exist. An increasingly strong protest against this, however, comes from a new voice on the block: former senate candidate and barrister Natasha Akpoti, who leads the Ajaokuta/Itakpe Revival Movement in Kogi State. When Akpoti addressed a public hearing in parliament last year, she pleaded strongly for the government to revive Ajaokuta and openly accused some of those who have been pushing for a new privatisation deal with GINL of ‘covert interests’ in the company. She named the Governor of Kogi state, Yahaya Bello, as being in ‘partnership’ with GINL and added that former steel minister Fayemi as well as former Minister of Finance, Kemi Adeosun, also had personal interests in the new deal. All individuals named by her denied such a connection and in turn accused her of working for a ‘competing Indian group’ interested in taking over the company. But she is not resting her case any time soon. “Ajaokuta means a lot to Nigeria’s economic development,” she said in an interview. “The Federal Government should take over Ajaokuta and make it work.”

Her project is finding support from Chief Unongo, who still remains optimistic about the business prospects of the company with its 24,000 hectares of land that dovetail into the bank of River Niger. After all, he says, the machinery is still there, as well as two power plants and the internal standard gauge rail track of approximately 68 kilometres. Also, out of the initially built 10 000 housing units, a third are still inhabited by workers who are ready to get going again. “I wrote a 1,000-page handover note (at the time)” says Unongo. “We nearly completed Ajaokuta. It’s painful that corruption has stalled it. But we can do it.”

One time Ajaokuta engineer Anthony Madagua still believes in Ajaokuta too: “If the US$ 2,5 billion stolen in the name of Ajaokuta (by Abacha and Bagudu, ed.) was returned to the project, it would go a long way in reviving it. Even with US$1,4 billion, which would produce 1,3 million tons of liquid steel per year, it should be on stream.” Speaker of the House of Representatives, Yakubu Dogara, agreed during the public hearing where Natasha Akpoti spoke that “Government does not need liquid cash to complete the plant and put it to work. All Government needs (to do this) is leadership.”

So far, ever since the eighties, the Ajaokuta steel plant has still not produced any steel.



General Abacha's banker Atiku Bagudu (below) and President Obasanja's son Gbenga Obasanjo (above), who with his associate Seun Oyefeso, 'cannibalised' the steel plant.

*

Where Are They Now?

Abacha's banker **Atiku Bagudu** was first elected as a Senator of the Federal Republic of Nigeria in 2011, and later became Governor of Kebbi State in 2015, a position to which he was re-elected in 2019.

Attorney General and lawyer Mohammed **Bello Adoke** left the country as soon as his party lost power in 2015. Apart from his controversial role in GINL, he is also linked to a number of other corruption scandals in Nigeria. Adoke has not returned to Nigeria to tell his side of the story.

Mohammed Abacha is a wealthy businessman and politician. In the 2019 elections, he campaigned for President Muhammadu Buhari's re-election in Kano State.

Gbenga Obasanjo remains free in spite of an administrative panel finding him complicit in fraud to the tune of N 24 billion (US$ 66,7 million) around Ajaokuta and Delta Steel in 2007. He has been away from the public glare since then.

Who got rich from Ajaokuta?

- The cost of the looting by the NPN government of the initial investment in the late seventies and early eighties has never been estimated. If 'commissions' on the first contracts are calculated at a conservative ten percent, it would have been at least US$ 700 million.
- The Abacha family got US$ 2 billion from Ajaokuta. This was supposed to have been paid out to the Russian machine supplier TPE, so no direct theft from Ajaokuta itself. However, after the money not being paid to TPE it should have been reinvested in Ajaokuta, which it wasn't.
- It is again difficult to estimate what the cost of the 'cannibalising' of Ajaokuta by GINL has been. But if the estimate of a local engineer that the present value of Ajaokuta machinery is US$ 5 billion, and former minister Fayemi estimating that the government invested US$ 8 billion in it over the years, GINL can be said to have cost the steel plant US$ 3 billion.
- If GINL is allocated a damages payment of US$ 250 million, this should be added to their bill.
- And then there are the workers, who have been idle, but whose salaries have been paid. The salaries were not high so they never got rich, but the total wage bill is calculated to have cost Nigeria US$ 10,4 million per year since the early eighties.

Conclusion

What is clear from our investigations is that the kleptocrat rulers and their associates have done, and still do, a lot of damage. But it is just as clear that counterforces are amassing. Liberia's opposition, together with several citizen groups, has called for a day of protest against corruption and high food prices on 7 June. In Zambia, civil organisations have taken the government to court to protect their water supply. In Nigeria, parliamentarians, NGOs and journalists have called for a stop to the corrupt parasiting of the steel plant and in Kenya, persistent efforts by good civil servants, journalists and transparency activists are slowly opening up the truth about the state's finances. Similar developments are brewing elsewhere.

International investigations and good governance initiatives increasingly help fight corruption as well. In 2017, France confiscated a yacht and other assets of Teodorin Nguema, Vice President of Equatorial Guinea and son of its kleptocrat president Obiang Nguema. Teodorin was simultaneously convicted -in absentia- of fraud. One year later, the Ontario Securities Commission in Canada fined a number of mining company directors for false accounting in their deals in the Democratic Republic of Congo. United States law enforcement agencies helped bring about the arrest of Mozambique's Finance Minister Chang, who had empoverished his country through fraudulent loans which he had partly channeled through banks in New York. US development organisation USAID helped bring to light the banknotes shenanigans in Liberia by insisting on a public investigation. International transparency institutions like EITI (the Extractive Industries Transparency Initiative) have helped unearth information about kleptocrats' business associates who avoid paying tax in Mali and Cameroon. Corrupt Nigerian politicians and their associate bankers have been held accountable in the United Kingdom.

African citizens, activists, journalists and thousands of ethical, hard-working civil servants within governments and states welcome the international spotlight, investigations, and arrests of those implicated in theft from their countries. They increasingly demand transparency, accountability and good governance.

These developments mean that the old cliché 'this is Africa,' used by many international business associates of unsavoury regimes to justify their activities, may be on the way out. Even if some kleptocrat rulers still insist on dealing with trusted partners in crime -we recall how the DRC's Kabila government once booted out a tax-paying Australian mining company to replace it with an old-fashioned money-man-, such regimes, too, are subject to increased scrutiny and action, both from inside and outside their borders.

Still, much needs to be done. Support for African investigative journalists as they expose wrongdoing continues to be an important need. During this investigation, three members of our team were threatened. One reporter was told that he must not "mess" with the business he was investigating, another received death threats while held by the army and having his laptop searched, while a third operates amid so much fear and unsafety that we had to use a pseudonym for him in this report.

BIOGRAPHIES

The Investigative Team

David Dembélé, Mali

David Dembélé is editor-in-chief at Dépêches du Mali/L'Investigateur and a member of the Norbert Zongo Center for Investigative Journalism in the Sahel (CENOZO). He has worked on the Panama Papers and other investigations by the International Consortium of Investigative Journalists as well as on several transnational investigations done by AIPC-ZAM.

Purity Mukami, Kenya

Purity Mukami is a data journalist at Africa Uncensored (AU), an investigative and in-depth journalism collective in Nairobi. She is an expert in open source investigations and fact-checking techniques. She has worked with data from Kenya's general election, sexual behaviour, health, finance, business and education, adding value and context to AU's investigative stories and to this project.

Theophilus Abbah, Nigeria

Theophilus Abbah is an award-winning investigative journalist and a long standing team member in transnational investigations conducted by the AIPC and ZAM. He is a former editor of the Nigerian Daily Trust on Sunday, programme director of the Daily Trust Foundation and founder of www.theinsight.com.ng, a data and solutions journalism website.

Estacio Valoi, Mozambique

Estacio Valoi is a multiple award-winning intrepid investigative reporter who has traced the footsteps of plunderers in the gemstone, timber, wildlife, ivory and fishing sectors in Mozambique as well as diversion of international development funds and fraudulent development projects.

Charles Mafa and John Mukela, Zambia

Charles Mafa has won numerous awards, including best Zambian journalist in 2016. His radio, TV and print journalism has appeared on the BBC, in the South African Mail and Guardian Newspaper, the New York Times, and several other international publications.

John Mukela has covered news and current affairs for a wide variety of newspapers, news agencies, news magazines and radio stations in Africa and Europe.

T. Kaiwonda Gaye, Liberia

T. Kaiwonda Gaye is a pseudonym, used to protect the physical safety of the team member who worked in Liberia.

INVESTIGATE. EXPOSE. MOBILISE.

The AIPC ZAM Story Fund needs your support.

Send your donation to:
Account NL 65 INGB 0007 4538 82
Swift code INGBNL2A

The AIPC team: (see team page)
Coordination, editing and (French-English) interpreting: Evelyn Groenink
Editor-in-Chief and impact management: Bart Luirink
Layout and design: Oliver Barstow
Marketing: Laurens Nijzink
Financial and data assistance and fact checking: Finance Uncovered (particularly Margot Gibbs, Christian Eriksson, Lionel Faull and Nick Mathiason)
Extra financial and accounting expertise: Ricardo Ebbenhorst
Special assistance with regard to the 'Panama Papers' trail in Mali: the International Consortium of Investigative Journalists ICIJ

This investigation was made possible by the US-based National Endowment for Democracy.

A ZAM / AIPC production

ZAM-net Foundation | Tussen de Bogen 66, 1013 JB Amsterdam |
+ 31 20 531 84 95 | info@zammagazine.com | www.zammagazine.com