

GOVERNMENT WHITE PAPER

ON THE

REPORT OF THE

COMMISSION OF INQUIRY – GHANA @50

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1.0 APPOINTMENT OF THE COMMISSION OF INQUIRY

On June 1, 2009, the Government of Ghana by Constitutional Instrument No. CI 61 of 2009 appointed a Commission of Inquiry under Article 278 of the 1992 Constitution of the Republic of Ghana to enquire into the operations of the Ghana@50 National Planning Committee, the Ghana@50 Secretariat and matters incidental to the Ghana@50 celebrations.

2.0 COMPOSITION OF THE COMMISSION OF INQUIRY

The Commission was composed of:

Justice Isaac Duose	Chairman
Marietta Brew Appiah-Opong	Member
Osei-Tutu Prempeh	Member

3.0 TERMS OF REFERENCE OF THE COMMISSION OF INQUIRY

The terms of reference of the Commission were

- (a) to inquire into and report on allegations of improper use of public and any other funds;
- (b) to inquire into the use by the Secretariat of any property moveable and unmovable;
- (c) to inquire into any other matter which appeared to the Commission to be reasonably incidental to or reasonably related to the Ghana@50 celebrations which in the opinion of the Commission ought to be inquired into, and
- (d) to make recommendations in respect of the findings of fact by the Commission.

4.0 INTRODUCTION

The Commission presented its Report to His Excellency President John Evans Atta Mills on December 23, 2009. Government has studied the Report and decided as follows:

5.0 THE CELEBRATIONS

The Government accepts the following facts as established by the Commission:

- 5.1** In order to celebrate the Independence of Ghana on her fiftieth anniversary, a sub-committee of Cabinet, the National Planning Committee (NPC), was set up by the then President of the Republic of Ghana, President John Agyekum Kufour. Mr. Kwadwo Mpiani, the Chief of Staff and Minister for Presidential Affairs, was appointed Chairman of the NPC.
- 5.2** A Ghana @50 Secretariat was established in May 2006, with Dr. Charles Wereko-Brobby as the Chief Executive Officer (CEO).
- 5.3** The celebrations were intended to be a year-long affair. The theme of the celebrations was “The New Ghana, Championing African Excellence”. Within that same year, Ghana also hosted the African Union Summit.

5.4 The Ghana @50 Secretariat had the additional duty of implementing the decisions of the NPC for the celebrations as well as for the preparations for the African Union Summit.

6.0 OBSERVATIONS, DEDUCTIONS AND FINDINGS

The Government accepts the following observations, deductions and findings of the Commission:

6.1 A total amount of thirty-one million eight hundred thousand United States Dollars (US\$31.80 millions), equivalent at the time, to ₵293.10billion or GH₵29.31 million was approved by Parliament for the celebrations. The first tranche of twenty million United States Dollars (US\$20 million) equivalent of ₵182.90 billion or GH₵18.29 millions was approved on 20th July, 2006. The second tranche of eleven million eight hundred thousand United States Dollars (US\$11.8 millions) equivalent of ₵110.2 billions or GH₵11.02 million, which was a loan from Fidelity Bank, was approved by Parliament on the 30th day of July, 2007.

6.2 By 31st December, 2008, a total sum of ninety-seven million seven hundred and seventy-six thousand three hundred and eighty-eight Ghana Cedis and forty-four Ghana Pesewas (GH¢97,776,388.44) had been spent on the celebrations. This exceeded the sum of twenty-nine million three hundred and ten thousand Ghana Cedis (GH¢29,310,000.00) approved by Parliament. This was in violation of Article 178 of the 1992 Constitution of the Republic of Ghana and the Financial Administration Act, 2003 (Act 654).

6.3 The available records show that the Secretariat **alone** spent seventy-five million five hundred and sixty-nine thousand five hundred and sixty-three Ghana Cedis and thirty-four Ghana Pesewas (GH¢75,569,563.34) on the celebrations as against the CEO's reported sixty-six million seven hundred and ninety-nine thousand two hundred and fifty-six Ghana Cedis and eighteen Ghana Pesewas (GH¢66,799,256.18). The NPC and the Secretariat in utilizing a total sum of GH¢75,569,563.34 clearly exceeded the budget approved by Parliament to the tune of forty-six million nine hundred and ninety-nine thousand five hundred and sixty-three Ghana Cedis (GH¢46,999,563.00).

The CEO indicated that the expenses of the NPC and the Secretariat was GH¢66,799,266.18. The Commission found that even if it accepted the CEO's self-declared expenditure, the NPC and the Secretariat would still have over-expended by thirty-eight million two hundred and twenty-nine thousand two hundred and fifty-six Ghana Cedis (GH¢38,229,256.00).

- 6.4** The NPC and the Secretariat utilized all the internally generated funds representing the sale of cars, land, furnishing, mansions, sponsorship, totaling nineteen million three hundred and fifty-two thousand four hundred and ninety-eight Ghana Cedis (GH¢19,352,498.00). The Chairman of the NPC claimed to have obtained written authorization from the then Minister of Finance to use the internally generated funds. The Commission, however, did not sight any written authorization to that effect. The Minister of Finance did not have the mandate to give the authorization since it would have been contrary to Articles 176 and 178 of the 1992 Constitution. The law is that authorization for the use of internally generated funds can only be granted by an Act of Parliament. Utilizing the internally generated funds without authorization from Parliament constitutes a violation of Articles 176 and 178 of the 1992 Constitution.

6.5 The internally generated funds were to have been used to repay the Fidelity Loan. However, this was not done. The Government is still in the process of re-paying the Fidelity Loan. An amount of four million eight hundred thousand five hundred and forty-three Ghana Cedis and thirty-eight Ghana Pesewas (GH¢4,800,543.38) has been paid while the amount outstanding stands at fifteen million three hundred and seventy-four thousand and seventy-five Ghana Cedis and fifty-eight Ghana Pesewas (GH¢15,374,075.58). This comprises principal and interest. Government has to secure funds from other sources to pay this debt. Late payments will cause the outstanding sum to escalate, due to penal interest.

6.6 The NPC and the Secretariat failed to account for the use of the non-cash sponsorship. The available records show that the value of non-cash sponsorship totalled one million five hundred and twenty-one thousand two hundred and fifty Ghana Cedis (GH¢1,521,250.00 or ₵15,212,500,000.00).

6.7 Budgetary estimates were not laid before Parliament for the approval of the first grant of eighteen million two hundred and ninety thousand Ghana Cedis (GH¢ 18,290,000.00 or ¢182.9 billions) given in July 2006. This constitutes a violation of Article 179 (1) and (2) of the 1992 Constitution. Evidence gleaned from the Parliamentary Debate, Official Report of 20th July 2006 shows that even though some of the Members of Parliament protested at the manner in which the request for the approval of the funds was made, Parliament approved this sum for the celebrations without seeing the budget estimates or the expenditure items to be covered by this first tranche.

6.8 A bridging finance facility of ten million four hundred and thirty-eight thousand and thirty-six Ghana Cedis and thirty-seven Ghana Pesewas (GH¢10,438,036.37 or ¢104.38 billion) and an overdraft facility of ten million Ghana Cedis (GH¢10 million or ¢100 billion) were procured from Prudential Bank by the Secretariat and the NPC. These constituted loans for which Parliamentary approval was required under Article 181 of the 1992 Constitution. However, Parliamentary approval was not sought for these loans in contravention of Article 181 of the 1992 Constitution.

- 6.9** The unauthorized loans from Prudential Bank cost the Government the sum of three million eighty-two thousand nine hundred and fifty-five Ghana Cedis and twenty Ghana Pesewas (GH¢3,082,955.20), which was paid as interest to Prudential Bank, thus increasing Government's expenditure.
- 6.10** The CEO of the Secretariat and the Chairman of the NPC claimed they had to obtain the overdraft facility from Prudential Bank because there were late releases of funds from Government. The Commission found, however, that whatever delay occurred in the releases of funds from Government was a result of the failure of the Secretariat and the NPC to apply promptly for the release of the first tranche of GH¢18.29 million (¢182.9 billion).
- 6.11** There was no proper and timely planning for the celebrations as required by section 160 of the Financial Administrations Regulations 2004 (L.I. 1802).

6.12 The Secretariat and the NPC did not account fully for the monies realizable from the sale of the land at La Wireless/Cantonments. The sum of one million five hundred and forty-six thousand two hundred and thirty-five United States Dollars (US\$1,546,235.00) remains unaccounted for.

6.13 Government owes contractors, suppliers and consultants a total sum of twelve million five hundred and ninety-eight thousand three hundred and fifty-two Ghana Cedis and nineteen Ghana Pesewas (GH¢12,598,352.19). There can therefore **not** be a surplus of thirty-five million eight hundred and six thousand six hundred and eleven Ghana Cedis and ninety-nine Ghana Pesewas (GH¢35,806,611.99) as claimed by the CEO at the public hearings and set out in his memorandum to the Commission. The CEO further wrote to the contractors, suppliers and consultants promising to pay them interest at the rate charged by their respective bankers upon presentation of the necessary proof.

6.14 This means the NPC and the Secretariat, led by the Chairman and the CEO respectively, deliberately usurped the powers of Parliament and thereby committed acts which under Article 122 of the 1992 Constitution constitute contempt of Parliament.

6.15 The CEO and the Chairman's decision to exceed the approved budget was willful and has led to the Government to incur serious loss. Loss has been occasioned to the Government because it has had to finance the celebration in a sum exceeding the approved budget for the celebration. Additionally, the Government will have to pay interest on the sums still due and owed to contractors, suppliers and consultants.

6.16 The Government accepts the recommendations of the Commission that the Chairman of the NPC and the CEO of the Ghana@50 Secretariat may be prosecuted under the Criminal Offences Act, 1960 (Act 29).

7.0 SOURCES OF FUNDING & DISBURSEMENT OF FUNDS

The Government accepts the following facts as established by the Commission:

- 7.1** The total sum spent on the celebrations by the Secretariat was GH¢97,776,388.44 of which the sum of GH¢75,569,563.34 was attributable directly to the activities of the Secretariat and the NPC. The Secretariat far exceeded the Government releases for the celebrations which in turn exceeded the sum of money approved by Parliament.
- 7.2** Government provided a total of twenty-eight million five hundred and seventy thousand Ghana Cedis (GH¢28.57 million) approved by Parliament for the celebrations. However, the NPC and the Secretariat led by the Chairman and the CEO respectively, recklessly and without due regard to the consequences, took a decision to implement and did implement the GH¢75,569,563.34 budget of the NPC despite Government's dire financial circumstances.
- 7.3** The NPC and the Secretariat in utilizing the sum of GH¢75,569,563.34 clearly exceeded the budget approved by Parliament to the tune of GH¢46,999,563.00. Even if the Commission accepted the CEO's self-declared expenditure of GH¢66,799,266.18, the NPC and the Secretariat would still have over-expended by GH¢38,229,256.00.

7.4 The CEO claimed at the public hearings and set out in his memorandum that the NPC and the Secretariat had made a surplus of GH¢35,806,611.99. This claim could not be substantiated seeing that the conduct of the NPC and the Secretariat led to huge debts due and owing to the various contractors and suppliers in the sum of GH¢12,598,352.19 by the Government.

7.5 There was absolutely no financial supervision from the Ministry of Finance & Economic Planning and the Controller & Accountant-General's Department.

7.6 The excess expenditure incurred by the Secretariat and the NPC were not authorized by any of the instruments referred to in Article 178 of the 1992 Constitution thus leading the Commission to conclude that the NPC and the Secretariat had violated Article 178 of the 1992 Constitution.

8.0 REFURBISHMENT OF EXISTING NATIONAL MONUMENTS AND EVENTS VENUES

The Government accepts the following facts as established by the Commission as well as the Commission's recommendations thereon:

8.1 The NPC and the Secretariat decided to undertake certain projects including refurbishment of existing national monuments and event venues, construction of twenty-five (25) Jubilee Toilets and Rest Stops along the major highways, construction of Jubilee Kindergartens, Primary and Junior High Schools in the Metropolitan, Municipal and District Assemblies and construction of AU Presidential Mansions. These projects were expected to be funded with grants approved by Parliament as well as other sources of funding. Most of these projects were not commenced, partially completed or poorly constructed.

8.2 The NPC and the Secretariat decided to refurbish the Kwame Nkrumah Mausoleum, the Public Records and Administration Department, the Centre for National Culture in Kumasi, and the Arts Centre in Accra. The refurbishments were not completed due to lack of funds. This was as a result of inappropriate and improper budgeting, prioritization and planning by the NPC and the Secretariat.

8.3 The NPC and the Secretariat decided to construct twenty-five (25) Jubilee Toilets and Rest Stops. These were not completed.

Failure to complete the Jubilee Toilets and Rest Stops was due to shortage of funds arising out of the failure to prioritize the activities for the celebrations as well as improper budgeting and/or planning.

8.4 The uncompleted projects indicated above are deteriorating and will have to be completed at extra cost to the Government thus increasing Government's expenditure. The contractors, suppliers and the consultants have not been paid in full for the works they executed and are making claims for the sums due them together with interest accrued on these sums. Both the CEO and the Chairman acknowledge that they should be paid interest at the rates charged by their respective bankers.

8.5 The NPC and the Secretariat, decided to construct Jubilee Kindergartens, Primary and Junior High Schools. The Ministry of Education was approached by the Secretariat to seek funding from the GETfund. The project was apparently not cordially received because officers of the Ministry were not consulted. Moreover, Ministry of Education had its own plans and designs for the project. The efforts of the Secretariat and its investment in the consultants came to naught.

The consultants for this project were paid a portion of the fees and have made claim for the outstanding consultancy fees.

- 8.6** The Government accepts the recommendations of the Commission
- a. to complete the Jubilee Toilet and Rest Stop Project within the shortest possible time by making funds available for their completion or by engaging private participation in the completion and management thereof;
 - b. that relevant Government Departments and District Assemblies should take over the Jubilee Toilets and Rest Stops within their jurisdiction and eject any unauthorized occupants.
- 8.7** The Commission found that Monoreach Limited, the supplier of sanitary ware for the Jubilee Toilets and Rest Stops, has been paid in full. Government accepts the recommendation of the Commission that Government should ensure that Monoreach Limited fulfills its obligations to supply the sanitary ware.

9.0 PRESIDENTIAL IDENTIKIT MANSIONS

Government accepts the following findings and recommendations of the Commission.

- 9.1** The NPC and the Secretariat decided to embark on the construction of thirty (30) identikit mansions at La Wireless, Cantonment. A loan was arranged between Social Security and National Insurance Trust (SSNIT) and the African Union Development Consortium Limited (AUDCL), the company that was engaged to build the houses. The NPC and the Secretariat subsequently decided to appropriate the loan.
- 9.2** In view of the poor financial status of Government and the financial problems that were encountered particularly in timely payment of contractors, this decision to construct the identikit mansions was an imprudent one.
- 9.3** Government is the appointing authority of the Managers and Trustees of SSNIT funds. The contributors to the SSNIT scheme are the beneficiaries. Government is the ultimate trustee of SSNIT funds. Government as the trustee should not have appropriated the loan it

arranged between SSNIT and AUDCL. This conduct is contrary to all the well known principles of the Law of Trusts which require the trustee to jealously guard the interests of the beneficiaries and not to seek any personal benefit from the Trust Funds.

9.4 Certain lands at North Ridge owned by SSNIT were taken over by the AUDCL for the construction of presidential mansions. SSNIT failed to negotiate and agree on the price of the land before allowing AUDCL to take possession thereof as required of a trustee. SSNIT therefore failed to protect the interest of the beneficiaries of the trust fund.

9.5 The loan to AUDCL from SSNIT as at the end of July 2009 had risen to twelve million twenty-nine thousand six hundred and ninety-five Ghana Cedis and forty-four Ghana Pesewas (GH¢12,029,695.44) inclusive of interest and is still rising.

9.6 The actions of the CEO of the Secretariat and the Chairman of the NPC in obtaining the loan from SSNIT and the AUDCL amounts to contempt of Parliament because the loan was obtained without Parliamentary approval.

9.7 Fifteen (15) of the thirty (30) mansions have been sold at a total price of eight million two hundred and fifty thousand Ghana Cedis (GH¢8,250,000.00) at five hundred and fifty thousand Ghana Cedis (GH¢550,000.00) per unit. Out of this sum an amount of four million three hundred and fifty thousand Ghana Cedis (GH¢4,350,000.00) has been received. The proceeds have been appropriated by the Secretariat and a portion has been used to pay some of the debts owed to the contractors, suppliers and the consultants. Two million Ghana Cedis (GH¢2,000,000.00) of this sum was paid to the AUDCL which in turn paid it to SSNIT as part payment of the loan.

9.8 The AUDCL has taken over the remaining fifteen (15) mansions at La Wireless, Cantonments, and commissioned Messrs. Amalgam Consult

- (a) to renovate them at a cost of twenty thousand Ghana Cedis (GH¢ 20,000.00) per mansion, the estimated cost as at April 2009,
- (b) to sell each mansion at six thousand United States Dollars (US\$600,000.00) for a commission,
- (c) to recover the sums due and owing by the purchasers of the mansions.

9.9 Payment of commission to Amalgam Consult will increase the cost of the project thus reducing Government's income from the sale of the mansions.

9.10 Margins Suppliers Company Ltd. (MSC), one of the purchasers of the La mansions, sued the Government over a debt of two million seven hundred and five thousand one hundred and eighty-six Ghana Cedis and thirty-two Ghana Pesewas (GH¢2,705,186.32) owed it for the supply of calendars for the Ghana@50 celebrations. MSC took over four (4) of the mansions in lieu of the debt owed to it by the Secretariat. MSC paid a deposit of one hundred thousand Ghana Cedis (GH¢100,000.00) for each of the four mansions and unilaterally took over a fifth mansion the price of which stands at US\$600,000.00. The debt outstanding for the four mansions is one million eight hundred thousand Ghana Cedis (GH¢1,800,000.00).

[Government notes that it has negotiated a settlement with MSC for the payment of said calendars and has paid MSC an amount of GHC 4,009,401.62].

- 9.11** A total amount of nine hundred and eighty-three thousand seven hundred and sixteen Ghana Cedis and eighty Ghana Pesewas (GH¢983,716.80) in respect of the African Union Identikit Mansions at La Wireless, Cantonments is still owed contractors, suppliers and consultants.
- 9.12** The sale of the fifteen mansions remaining at La Wireless, at the price US\$600,000.00 each, will yield nine million United States Dollars (US\$9m). With the rising cost of the SSNIT loan and the extra costs to renovate the mansions, there may be no residue after the sale of the mansions to enable Government pay its outstanding debt to contractors and suppliers. Government will have to pay these debts together with interest accrued thereon from other sources.
- 9.13** The Government accepts the recommendation of the Commission to lift the ban on the issue of leases at La Wireless, Cantonments and request the Lands Commission to prepare leases in favour of private developers and lessees who prove full payment of rent payable to Government in respect of their respective leases, in the absence of a court injunction against Government on the site.

- 9.14** The Government accepts the recommendation of the Commission to pursue the defaulting private developers and purchasers of the mansions for the sums due and owing to Government together with interest accrued thereon.
- 9.15** The Government, as the ultimate trustee of the SSNIT fund, accepts the Commission's recommendation to direct SSNIT to take immediate steps to enforce the default clauses in the agreements executed with AUDCL and its guarantors.
- 9.16** The Government accepts the recommendations of the Commission that it has to recover the following from the sale of the remaining mansions:
- (a) the value of the land, which in 2007 was valued at US\$75,000.00 per plot, totaling US\$2,250,000.00, for the thirty plots;
 - (b) the amounts expended by Government on the project which totaled as much as GH¢8,288,452.12;

(c) the GH¢983,716.80 owed to the various contractors, consultants and the suppliers in respect of the La Wireless, Cantonments, project;

(d) the cost of the furnishing totaling GH¢5,604,153.40.

9.17 Considering the terms and conditions of the loan from SSNIT and the arrangements between AUDCL and the Secretariat, it is unlikely that Government can recover these amounts and this would amount to a loss to the nation. The Government accepts the recommendation of the Commission that those responsible, particularly the Chairman of the NPC and the CEO of the Secretariat, should be pursued for causing that loss.

10.0 LARGUS PORT HOTEL

Government accepts the following findings and recommendations of the Commission.

10.1 The Secretariat entered into an Agreement with United Africa Management Limited (UAML) by which the Secretariat to rent the Lergus Port Hotel for two (2) years for visiting foreign officials to reside in during official visits particularly in relation to the Ghana@50 celebrations. It was also intended that the Government should make profit from the operations of the Hotel.

10.2 The Commission was of the view that the rental of the 106 room hotel by the Secretariat for two years certain was ill-advised because

- (a) the celebration was declared to be a year-long event,
- (b) guests were not accommodated in the hotel free of charge,
- (c) there was no evidence that Government guests stayed at the hotel,
- (d) the Secretariat ignored the advice of the Consultant that Government should control the use of the 106 rooms on a profitable basis to enhance the Secretariat's ability to provide accommodation for official visitors.

- 10.3** There was no provision in the Agreement between the Secretariat and UAML for the Secretariat to receive any money from the operations of the hotel or to receive a refund of the sum of US\$360,000.00 being the rental payment made to cover the first year. There was also no provision to ensure that the Secretariat would receive any part of the profits from the operations of the hotel.
- 10.4** Through the actions of the CEO of the Secretariat, the Government lost the rent of three hundred and sixty thousand United States Dollars (US\$360,000.00) paid by the Secretariat for the first year.
- 10.5** The rent for the second year became due and payable in full advance on February 15, 2008. The proprietor of Largus Fort hotel took timely and appropriate steps to mitigate his loss by ejecting UAML and the Secretariat from the hotel which action was beneficial to Government. The Commission therefore expressed its view that the proprietor was entitled to rent *pro rata* in the sum of one hundred and fifty thousand United States Dollars (US\$150,000.00) based on the monthly rental of US\$30,000.00 for the period of 15th June 2008 to 14th November 2008 when he succeeded in putting the hotel back to beneficial use.

10.6 The Government accepts the recommendation of the Commission that the CEO of the Secretariat, the Chairman of the NPC, UAML and its Managing Director, Sandy Osei Agyeman, by their conduct should be held jointly and severally liable to refund the rent paid for the first year in the sum of US\$360,000.00 to Government. Mr. Sandy Osei Agyeman and the UAML were the primary beneficiaries of the rental of the hotel.

10.7 The advice of the Consultant that the hotel be used to house visiting foreign officials and that the Government should make profit from the rental and operations of the hotel was ignored by the Chairman of the NPC and the CEO of the Secretariat. The Government accepts the recommendation of the Commission that the Chairman and the CEO may in addition be prosecuted for causing financial loss to the State in accordance with the provisions of the Criminal Offences Act 1960 (Act 29).

11.0 SOUVENIRS

Government accepts the following findings and recommendations of the Commission:

- 11.1** Secretariat entered into an Agreement with Margins Suppliers Company Ltd. (MSC) for the supply of calendars for the Ghana@50 celebrations.
- 11.2** There was a delay in the arrival of the calendars. The Commission found that this delay was due to the fact that the process for procuring the calendars by the Secretariat commenced late. By December 2006, the Secretariat and Margins were still in the process of discussing the design of the calendars.
- 11.3** MSC sued Government over a debt of two million seven hundred and five thousand one hundred and eighty-six Ghana Cedis and thirty-two Ghana Pesewas (GH¢2,705,186.32) owed it for the supply of calendars for the Ghana@50 celebrations. MSC took over four (4) of the mansions in lieu of the debt owed to it by the Secretariat. MSC paid a deposit of one hundred thousand Ghana Cedis (GH¢100,000.00) for each of the four mansions and unilaterally took over a fifth mansion the price of which stands at US\$600,000.00. The debt outstanding for the four mansions is one million eight hundred thousand Ghana Cedis (GH¢1,800,000.00).

11.4 Government notes that it has negotiated a settlement with MSC for the payment of said calendars and has paid MSC an amount of GHC 4,009,401.62. MSC therefore owes Government for the balance of the price of five mansions which it purchased at La Wireless/Cantonments.

11.5 A number of melamin drinking cups were ordered as souvenirs for the Ghana@50 celebrations. Judging from the number of cups that were received by each Metropolitan, Municipal and District Assembly and the deductions from the Common Fund, the cost of the cups varied from one Assembly to the next. The Assemblies did not know the actual cost of the cups they were supplied with or the actual number that was meant for them. They could only determine the costs in relation to the deductions from the Common Fund and the quantities they actually received.

11.6 The evidence available to the Commission did not show that the Assemblies were involved in the decision to procure the melamin cups or that the Assemblies engaged in any discussion on the deduction of half the cost of the melamin cups and the full cost of distribution from their respective portions of the Common Fund.

11.7 Many of the Assemblies received much less than they ought to have received while others received in excess of what they should have received. For instance, the Bawku Municipal Assembly received eleven thousand, two hundred (11,200) cups instead of forty-eight thousand, seven hundred and two (48,702) meant for the Assembly. In contrast, the Wa West District Assembly had an excess of one hundred and fifty thousand, three hundred and six (150,306) over the twelve thousand, five hundred and ninety-four (12,594) cups that they were supposed to have received. Apart from the Dangbe East District Assembly, none of the other five assemblies in the Greater Accra Region received any cups even though deductions were made from their portion of the Common Fund.

11.8 The Administrator of the Common Fund was not involved in the decision to procure the melamin cups. He merely followed the request of the Chairman of the NPC and the directions of the then Minister for Local Government.

11.9 Able Import and Export Limited (AIEL), the distributor of the cups was paid in full on the 4th of May 2007. At that date not all the melamin cups had arrived in Ghana. AIEL took delivery of most of the consignments in its warehouse in June 2008. At the date of the inquiry AIEL had not completed the distribution of the cups. The quantity of cups yet to be distributed as at the date of the public hearings was eight hundred and seventy-four thousand, seven hundred (874,700).

11.10 Some of the cups did not get to the school children. They were distributed for free or among the staff of the Assemblies or at parties for the aged or Chiefs. Some of the Assemblies just handed the cups over to the Ghana Education Service without following up to determine whether the schools had actually received and distributed same to the school children.

11.11 The Administrator paid for the distribution in full without verifying whether each Assembly had received the cups or not, or the correct quantity of cups. The Administrator thought it was not his duty to do so.

11.12 Evidence was not presented to the Commission to demonstrate that the deduction of the monies for the cups conformed to the approved development plan for the various Assemblies. The Commission found that based on section 87(2) of the Local Government Act, 1993 (Act 462), the Chairman of the NPC, the CEO of the Secretariat and the Minister for Local Government did not have the power to direct the Administrator to expend part of their Common Fund on any matter which does not form part of their approved development plan. The deduction was therefore illegal.

11.13 The Government accepts the recommendation of the Commission that the Common Fund should be applied in consonance with the law; that even though the provision of mementos on special occasions need not be discouraged, this should be done in accordance with the financial strength of the country at every given time; that where decisions are being taken to provide mementos, discussions should be held with all stakeholders on suitable and affordable mementos.

11.14 It came to light that seventeen (17) Districts had recently rejected the cups. The Government accepts the recommendation of the Commission that these districts should make arrangements to take delivery of the cups for distribution since they have already paid for them failing which the cups should be sent to Ministry of Health for distribution to leprosaria and mental hospitals.

11.15 T-shirts and baseball caps were procured for sale to the general public. The Secretariat procured two hundred and fifty thousand (250,000) t-shirts at a unit cost of three Ghana Cedis (GH¢3.00), fifty thousand (50,000) polo t-shirts at unit cost of six Ghana Cedis (GH¢6.00), one hundred thousand (100,000) baseball caps at a unit cost of two Ghana Cedis (GH¢2.00).

11.16 It emerged that the Assemblies were unable to conduct any effective sale of the souvenirs received from the Secretariat because

- (a) almost all the Assemblies received their souvenirs late. The souvenirs were received starting from February 28, 2007. Some received the souvenirs as late as 5th March, 2007, and did not think they could sell them.

(b) when the Assemblies received the souvenirs, the market had already been flooded with similar souvenirs at cheaper prices. The people appeared to prefer the cheaper ones.

11.17 Many of the souvenirs were given away free of charge. Most of the Assemblies were of the view that this was an opportunity to thank those who had helped them in diverse ways throughout the year.

11.18 The Commission was convinced, judging from the way Ghanaians have organized their festivals and funerals over the years, that given the opportunity the various Assemblies, Regional Administrations or even political parties and businessmen could have organized these anniversary materials without involving direct funds from the Government. Indeed, some of the Assemblies had already printed their own anniversary t-shirts and caps and distributed them before receiving their allocation from the Secretariat.

11.19 The Government accepts the recommendation of the Commission that judging from the way private businesses organized, produced and sold anniversary materials, in future all Government needs to do is to outdoor the anniversary logo and leave the production and supply to business people who will pay a commission to Government.

11.20 On the 30th of January 2007, Printex agreed to produce ten thousand (10,000) full pieces of cloth at GH¢19.20 per piece for the Secretariat. Despite the fact that all arrangements had been made for the production of the anniversary cloth, the Secretariat on the 15th day of February, 2007, appointed Plethora as its production and distribution agent. Plethora was given the right for contracting and paying for the production of the anniversary cloth. Thereafter, the Secretariat went ahead and paid for the anniversary cloth.

11.21 On the 16th day of May, 2007, Plethora paid to the Secretariat the sum of one hundred and ninety-two thousand Ghana Cedis (GH¢192,000.00) which amounted merely to a refund of the monies paid by the Secretariat to Printex for the production of the anniversary cloth. Plethora failed to account to the Secretariat for the full sum

realized from the sale of the cloth but merely refunded the production cost of GH¢192,000.00 to the Secretariat keeping the difference of one hundred and eight thousand Ghana Cedis (GH¢108,000.00).

11.22 Neither the Secretariat nor the NPC made efforts to recover the outstanding sum of GH¢108,000.00. A letter dated the 8th of May, 2007, written by the CEO of the Secretariat requesting Plethora to account for the volume of sales at the wholesale price was sighted. However, because of the conflicting dates, the authenticity of this letter is in doubt - the letter which is dated 8th May, 2007, acknowledges receipt of GH¢192,000.00 on the 16th day of May, 2007. Apart from this letter no other letters of demand were sighted by the Commission.

11.23 Efforts were not made by the Secretariat and Plethora to negotiate a commission until 4th February, 2009, when an interim audit report found that Plethora owed the Secretariat. In February 2009, the Secretariat agreed on a commission of GH¢60,000.00 and thereafter requested Plethora to pay to the Office of the President the remaining sum of GH¢48,000.00. Plethora duly paid this sum.

11.24 Plethora's explanation that it was holding onto this money waiting for a determination of the commission payable to it is unacceptable because there is no evidence of efforts made by Plethora to have the quantum of commission determined.

11.25 Plethora kept the entire difference of GH¢108,000.00 for two years without due regard to the fact that this money belonged to the Government and that in keeping this sum it had deprived Government of its use. The Commission found that Plethora had no intention of accounting for the wholesale distribution of the cloth and had every intention of keeping the difference of (GH¢108,000.00). It was not until the Auditor-General had audited the accounts of the Secretariat that the Secretariat agreed on a commission to be paid to Plethora.

11.26 The Commission found it strange and un-businesslike, that the commission of 20% was paid to Plethora based on the wholesale price of GH¢300,000.00 instead of the margin of GH¢108,000.00.

- 11.27** The Government accepts the recommendation of the Commission that Plethora should pay to the Government interest on the sum of GH¢48,000.00 from May 2007 to February 2009 at the interest rate prevailing in February 2009.
- 11.28** The cloth procured from GTP (Textiles) Limited was sent to the various Regional Co-ordinating Councils for distribution to the various Assemblies. Many of them were either unable to sell the cloth or merely distributed them free of charge. It came to light that the then Minister for the Eastern Region managed to recover some of the proceeds for the sale of the cloth and provided evidence that he had paid the proceeds of the sale he had received to the Secretariat.
- 11.29** The various Assemblies were unable to sell the anniversary cloth for the same reason that they were unable to sell the other souvenirs referred to above.
- 11.30** Government accepts the recommendation of the Commission that the recommendations made with regard to the production, sale and distribution of the souvenirs should also apply to the cloth.

12.0 VEHICLES

The Government accepts the following findings and recommendations of the Commission:

- 12.1** Transportation was provided for the foreign dignitaries who attended the Jubilee celebrations and the AU Summit. According to the CEO of the Secretariat, the Government was obliged to provide transportation for heads of state, foreign ministers and two other foreign officials of the 54 member countries of the African Union. With 54 member countries, this translated into two hundred and sixteen (216) vehicles. Ghana was also required to provide ten (10) vehicles for the members of the AU Commission, twenty-two (22) for the Heads of Regional Economic Communities and a requisite number of buses to ferry staff from the AU Commission who would be servicing the Summit.
- 12.2** There was no clear direction, whether from the Cabinet or NPC, on the quantity of vehicles to be purchased. The memoranda and minutes sighted by the Commission gave different directions on the quantity of vehicles to be purchased for the 2007 and 2008 activities.

- 12.3** Eventually, some three hundred (300) vehicles were purchased. There was no definite authorization for the purchase of the three hundred vehicles including Jaguars, BMW 730 LIs.
- 12.4** During the period, some of the Jaguar cars were rented out to the general public yielding seven hundred and seventy-three thousand two hundred and thirty-six Ghana Cedis (GH¢773,236.00) in proceeds. This was ploughed back into the activities of the Secretariat. The Commission did not come across any authorization for the commercialization of the vehicles. The Commission observed that it was not permissible for Government vehicles to be turned into commercial vehicles. Even more bizarre was the fact that the Jaguars were meant for use of foreign VVIP's such as Foreign Ministers. According to the representative of Fairlop International Limited (agent for Jaguars) the vehicles were subjected to 'hard driving'.
- 12.5** Two of the BMW 730 LI were involved in accidents and have been declared by Mechanical Lloyd (agent for the BMWs) standards to be beyond economic repair.

12.6 Government accepts the recommendation of the Commission that immediate steps should be taken to recover the sum of one million two hundred and nine thousand six hundred United States Dollars (US\$1,209,600.00) owed by Fairlop International Limited together with interest accrued thereon; that the explanation by Fairlop that they have been unable to sell the vehicles as a reason for not paying Government is completely unacceptable.

12.7 Government accepts the recommendation of the Commission to dispose of the damaged BMW 730LI vehicles by public auction and that the Government should as much as possible plan, prioritize and ensure implementation of its lawful directions to avoid waste.

13.0 GREENING GHANA INITIATIVE

Government accepts the following findings and recommendations of the Commission:

13.1 The NPC and the Secretariat undertook a Greening Ghana project which was an initiative meant to resuscitate and restore Ghana's natural environment to its green lush state, by planting an abundance

of rich and varied tropical hardwoods and exotic trees. The goal of the project was to add at least five (5) million trees to Ghana's vegetative cover.

13.2 The initiative commenced on the 28th October, 2007, and ended in December 2007. The CEO stated that within this period, over six million five hundred thousand (6.5m) seedlings were planted.

13.3 It is difficult to comprehend why such a project would be embarked upon at the end of the rainy season and during the dry season. There is no evidence of any plans to water or irrigate the trees that had been planted.

13.4 The Government accepts the recommendation of the Commission that in order to avoid waste, in the future tree planting should be conducted when the rains are in season when the chances of survival will be highest.

14.0 GHANA POLICE SERVICE

Government accepts the following findings of the Commission:

14.1 The Ghana Police Service was invited to submit a memorandum. Examination of the Commissioner in charge of Finance and Administration and his team was conducted in camera at the request of the Inspector General of Police (IGP) in view of possible security implications.

14.2 Expenses on items such as horses and medals were made directly from the Office of the President. Expenses were also incurred on the procurement of new uniforms for the police and ration for rehearsals. The IGP's account maintained at the Bank of Ghana was a special operational account which the IGP over the years accessed but to which he was not the sole signatory.

15.0 STANBIC BANK

Government accepts the following findings and recommendation of the Commission:

15.1 Minutes of an NPC meeting dated 5th December, 2006, and entitled "distinguished nation builders" referred to the offer of a loan facility of forty-eight billion Cedis (¢48 billion - approximately equivalent to US\$5

million) to undertake the refurbishment of the Ghana Trade Fair Center, Kwame Nkrumah Mausoleum, Du Bois Memorial Center, the Center for National Culture and the Kumasi Cultural Center. A Loan Agreement between the Government of Ghana and Stanbic Bank stated that the purpose of the loan was to renovate Ghana's Chanceries. The CEO however claimed that he knew "absolutely nothing about the transaction."

15.2 According to Stanbic Bank, the purpose of the loan was to provide funds of \$5 million for the rehabilitation of Ghana's Chanceries. The minutes of the NPC meeting however stated different purposes.

15.3 An attempt to seek clarification from the CEO of the Secretariat and the Chairman of the NPC did not yield any fruitful results. In the absence of any explanation from the CEO and the Chairman, the Commission found that neither the receipt nor the expenditure of the \$5 million loan had been accounted for.

15.4 The Government accepts the recommendation of the Commission that further investigations should be conducted to confirm whether the Ministry of Foreign Affairs received the US\$5 million and whether it was used for the purpose for which it was obtained. Otherwise, the CEO of the Secretariat & the Chairman of the NPC should be required to account for it.

16.0 CLAIMS FOR SALARY ARREARS

Government accepts the following findings and recommendations of the Commission:

16.1 During his presentation, the CEO of the Secretariat made a claim for outstanding honoraria and gratuity. The claim covered the period from January 2006 to February, 2009. The CEO did not produce a letter of appointment to support the claim.

16.2 The Ghana@50 Secretariat was established in May, 2006, and folded up in February 2009. The Chairman of the NPC in his evidence before the Commission confirmed that he invited the CEO to take up the post of CEO in May, 2006.

16.3 In May 2008, a stop-gap arrangement was made to pay the CEO a monthly income of five thousand U.S. Dollars (US\$5,000.00). It is clear that the CEO's demand for salary arrears before the Commission was based on this arrangement between the Director of Budget at the Office of the President and the Chairman of the NPC.

16.4 Government accepts the conclusion of the Commission that the CEO of the Secretariat Dr. Charles Wereko-Brobby was verbally appointed in May, 2006, by the invitation of the Chairman of the NPC.

- (a) Neither the Chairman of the NPC, the Director of Budget of the Office of the President, or the CEO was able to provide a letter of appointment;
- (b) The CEO performed the duties under his appointment from May 2006 to February 2009;
- (c) The NPC failed to wind up the Secretariat after the event had come to an end and thereby kept the CEO at post while he was doing virtually nothing.

(d) The NPC neglected or failed to offer a letter of appointment to the CEO, thereby denying the public access to information on the terms and conditions of his appointment.

16.5 The Government accepts the Commission's position that the appointment of the CEO did not commence in January 2006 (as stated by the CEO), but rather in May 2006 (as stated by the Chairman).

16.6 The Government accepts the recommendation of the Commission that the CEO be paid salary from May 2006 to December 2007 as well as salary for an extra six month period from January 2008 to June 2008 which is a reasonable length of time within which he should have been ordered by the NPC to wind up. By implication, therefore his total entitlement for the twenty-five months of service calculated at US\$5,000.00 per month is US\$125,000.00. The US\$72,500.00 paid to him earlier under the stop-gap arrangement should be deducted from the US\$125,000.00. The outstanding balance is therefore US\$42,500.00.

16.7 Government will however offset this amount with amounts owed Government by the CEO after the appropriate details are known and calculations made.

17.0 CONCLUSION

17.1 The Government accepts the recommendations of the Commission to prosecute the Chairman of the National Planning Committee and the Chief Executive Officer of the Ghana@50 Secretariat. Government mandates the Attorney-General to ensure that further investigations are carried out where necessary with a view to pursuing said prosecution.

17.2 Government acknowledges the dedication and hard work put in the production of the Report and hereby places on record its appreciation for the faithful performance of the functions of the Chairman and the other members of the Ghana@50 Commission of Inquiry, and for the sincere discharge of the responsibilities placed on them under their terms of reference.

Dated this day of April, 2010

JOHN EVANS ATTA MILLS

PRESIDENT OF THE REPUBLIC OF GHANA