

For Immediate Release

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PRESS RELEASE: The Unauthorized 60 billion Naira Loan Bid By Daniel Is an Impeachable Offence

The plan to secure a huge debt of N60 billion by Otunba Gbenga Daniel, in spite of opposition by the majority of the people and lawmakers of Ogun State is worrisome, alarming and condemnable. The stubborn insistence of Otunba Daniel to float the bond not only smirks of financial recklessness, but is proving to be another demonstration of his disregard for the constitution and the people he claims to serve. The unbridled, roughshod manner of Mr. Daniel's operation cannot be allowed to continue unchallenged.

According to reports, Mr. Daniel plans to source N60 billion bonds through the Nigerian Stock Exchange (NSE) for certain projects in Ogun State.

Following the announcement, the legislative "House Resolution 167" passed at the plenary sittings of the Ogun State House of Assembly on Tuesday, June 9, 2009, directing all financial institutions to offer no financial obligations to the Ogun State Government until the House ascertains the extent of financial exposure and value of investment profile of the State. In spite of the resolution, Mr. Daniel disregarded the legislature and paraded the floor of the NSE on Monday, June 15, 2009, in a brazen attempt to conclude the financial bid alone.

The failure of Mr. Daniel to seek the permission of the legislature, in the first instance, demonstrates disrespect for the law. The legislature retains the last say in financial decisions affecting the state and should have authorized the deal. His visit to NSE on June 15 is defiant and, therefore, condemned.

Since the crisis enveloped Ogun State, many citizens, including royal fathers and other leading citizens of the state, have reacted to the plan, sometimes in subjective and ethnically-divisive manner not guided by law and the state's economic interest.

The fact of the matter, however, is that in a presidential democracy, the established rule is that the expenditure of public funds is proper only when authorized by the legislature. The Ogun State House of Assembly, therefore, is inherently vested with the power to ensure that public funds can be sourced or expended, and not the governor. That is the rule. That is the law. It is taller than Mr. Daniel; it is higher than any royal father or citizen. If the rule is flouted, it becomes a constitutional issue.

IMPEACHABLE OFFENCE

“Authorities,” the legal term for the use or “availability” of appropriations, once enacted and released, becomes the “organic” or “enabling” legislation, which prescribes appropriation funds and general statutory provisions that allow or prohibit certain use of appropriated funds.

Certainly, the Executive is vested with the power to submit its budget to the legislators in Ogun State for appropriation. In that budget, details of all capital projects and funding for them are spelled out in the appropriation. Once approved after various hearings and requisite steps, the appropriation must be executed to the letter by the Executive as approved by the Ogun State House of Assembly.

I am then compelled to question whether or not, the administration of Gbenga Daniel submitted as part of its budget, the acquisition of this N60 billion loan and how the debt will be liquidated. If the answer is no, as is apparently the case here, it is an impeachable offence for any governor. The governor of any state in Nigeria cannot embark on any project that is not authorized in appropriation.

Mr. Daniel has demonstrated to the people of Ogun State, the legislature and Nigerians as a whole he is above the law. Since Ogun State House of Assembly has warned through Resolution 167 that the bond should not be issued, legal steps must now be taken to prosecute any bank officials that flout the resolution.

My Campaign commends the Speaker of the House of Assembly, Mr. Jide Egbetokun, and his colleagues, who are determined to assert their legislative roles in defense of the State. The legislators must realize that they possess the “power of the purse,” which threat from any quarters should not deter them from enforcing. They must implement the generally accepted principles that “no money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.”

As Legislators, they reserve the right to use appropriation act provisions to impose preconditions on a program’s use of funds being appropriated. After the body’s resolution which makes it illegal for the so called Governor to raise the funds and further push the State in debt, a law must be quickly enacted to make it illegal for the Chief Accountant of the State to pay such a debt. A violation of that must be made punishable by imprisonment. Naturally, a payment for which there is no appropriation should constitute illegal payment, which must attract the wrath of the law. Also, clauses should be inserted in subsequent budget that loans or bonds raised in flagrant violation of Resolution 167 shall not be paid from the revenues of the State.

ANTECEDENTS OF GBENGA DANIEL

Like a prodigal son, Mr. Daniel spent millions of naira to revive farm settlement schemes across the state. The project has been a colossal waste of funds, since expenditure has brought no result to that sector. Before Daniel was imposed on the state, Abeokuta, the state capital, had pipe-borne water. Today, the city has no water flowing through its pipes, thanks to Mr. Daniel’s, whose spending on water resources only brings more hardship and lack. In his six years of

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governance, the dry cargo port remains a tall dream, in spite of millions already spent on consultancy. The proposed sea port contract is only an avenue to steal public funds.

Why is Ogun State borrowing 60 billion Naira when the Chief Accountant of the State could not even tell the public the total indebtedness of the state? It is certain that Mr. Daniel's intent is to milk the paltry resources of the state until it dries. Most of his self-proclaimed achievements on the mass media are parody that cannot be substantiated.

A NOTE OF WARNING TO THE SO-CALLED OGUN ELDERS

Daniel loyalists, who go by the name "Ogun Elders," should desist from acting in collusion with their principal to further plunge the State into a financial mess. The so-called elders have stated that: "In the process of passing the year 2009 budget of Ogun State, it was clearly stated in the budget that the state government would have to fund the financial gap through long-term financial instruments such as bonds, loans, etc. Of course, these means are not alien to any developing economy all over the world." The amount expressly stated during the presentation of Daniel to the House was not N60 billion, it was about N26 billion.

We need to educate the laughable group of elders that verbal expression is not part of appropriation. I appreciate the fact that these elders are the contractors who have been sharing Ogun State funds and are thus taking an impartial position based on their naked narrow interest. So, why they have elected to support the acquisition of funds not supported by appropriation is not cloudy to me.

Never in the annals of Ogun State have we had a governor like Mr. Daniel, whose only interest is to drain the treasury and set the entire state in a financial mess for his successor. It is high time we all rose to the occasion and halt his over-bearing influence at ruining the entire state in the name of borrowing to prosecute developmental projects, which he never has a sincere mind to execute.

I, therefore, urge the people of Ogun State, especially the "Ogun Elders Council" to give strong support to the members of the State House of Assembly in this onerous task of checking the executive recklessness and abuse of power by the governor before the state is plunged into a total financial chaos.

All well-meaning citizens cannot afford to focus on just the moment, but think about the coming generations. What legacy will we bequeath to our children? Will it be the legacies of boot-licking, sycophancy and greed or will it be based on trust, honesty, transparency, respect for the rule of law and integrity?

Once again, I commend all members of the Ogun State House of Assembly for their courage, and ask them not to be intimidated in the daunting task of ensuring that probity and accountability is brought to bear on the economy of our dear state.

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