

# Nigeria's President Jonathan 'must act over fuel scam'



Nigerians are outraged by the fuel subsidy scandal

Pressure is growing on President Goodluck Jonathan to take decisive action over a report revealing millions of dollars have been scammed out of Nigeria's fuel subsidy, as the BBC's Nigeria correspondent, Will Ross, reports.

President Goodluck Jonathan has a dilemma. Wield the axe and sacrifice some allies linked to a huge fuel subsidy scam that cost the country \$6.8bn (£4bn). Or do nothing and risk the wrath of Nigerians who are fed up with high-level fraud. The second option could lead to street protests - or even a strike similar to the one that brought the country to a standstill in January after the government tried to withdraw the fuel subsidy.

For decades Nigeria's fuel industry has been conveniently cloaked in secrecy. Now the lid has been lifted to reveal theft on a scale that is shocking even by Nigerian standards.

## 'Death threats'

Feathers have been well and truly ruffled. Farouk Lawan is the chair of the House of Representatives Committee, which last month released [its report into Nigeria's fuel subsidy](#).

"We were threatened several times in so many ways," Mr Lawan told the BBC.

A record that can hardly be rivalled in the history of a warped budget management of any nation anywhere in the world. ”

"We were told that we were not going to live long [enough] to even finish the exercise. They were death threats, very clearly death threats. Fortunately we are still around."

Nigeria is a major oil producer but imports the vast majority of its fuel because for many years governments have failed to invest in local refineries.

The government subsidises the cost of fuel and had said this cost the country \$8bn in 2011.

The report revealed that the nation had been deceived. The true cost was more than \$17bn.

"A record that can hardly be rivalled in the history of a warped budget management of any nation anywhere in the world," the fuels subsidy report concluded.

### **Rampant false claims**

A key finding of the probe is that while the government has been paying the subsidy for 59m litres of fuel a day, Nigeria only consumes about 35m litres.

This was an effort to hide a scam in which companies were paid hundreds of million of dollars to import fuel - but they never delivered a drop.

"False claims were rampant. The scheme became an avenue for all forms of patronage," said the report, which described the fuel subsidy as being a "limitless drain on the economy".

We also now know that in 2006 there were just six fuel importers. By 2011 the number had inexplicably soared to 140.



In oil-rich Nigeria, people regularly have to queue for hours to buy fuel

Companies were invited to appear before the House of Representatives committee. Some 45 companies failed to appear or submit any documents.

President Jonathan has asked the Economic and Financial Crimes Commission to investigate.

But Nigeria's anti-corruption agencies have a very poor record at successfully prosecuting high-level fraud.

It seems few Nigerians expect decisive action.

"I would really like to see people in court. But the way things happen in Nigeria, the case may be pushed under the carpet," one man said.

"The institution that can prosecute corruption is so weak that people can easily loot Nigeria's treasury and go free," another man said.

"You see people carrying placards defending those caught over corruption outside the courts. It is because of the poverty level. People are hungry and so anything you offer them will make them carry the placard to defend you. It's appalling."

At a state-owned fuel station in the capital Abuja, hundreds of people, including several policemen, queued in the heat to buy kerosene for cooking - just one sign of how inefficiently the industry is run in Nigeria.

In the line, there was palpable fury that well-connected people had become fabulously rich from the fuel subsidy scam while poorer Nigerians were struggling to even afford cooking fuel.

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We can communicate easier today than we were able to 10 years ago so the consciousness of the people is being awakened”

End Quote eLDee Nigerian musician

"Our senators should bring a law that would mean if you have stolen say one million from the government fund, you should be killed or your hand or leg should be cut off," one man said.

"It would set an example - but if that law is not passed in Nigeria we will continue suffering, suffering, suffering," he added.

### **'Thief, thief'**

For decades, Nigeria's musicians have been at the forefront of the public denouncement of unpunished fraud.

The late Fela Kuti pulled no punches with tracks like International Thief Thief and Authority Stealing, which described the politicians as worse than armed robbers.

More than 30 years later, musicians like eLDee have continued the theme - in One Day he laments the same unresolved issues with his "still the same breed, still the same greed".

Nevertheless, he remains optimistic.

"I believe things can change. We can communicate easier today than we were able to 10 years ago so the consciousness of the people is being awakened," he told the BBC.

"A lot of the music and the messages we are putting across are getting to the people. People are starting to pay attention to detail now."

Right now, President Jonathan has the opportunity to break the mould and take decisive action.

But, seeing as some of his allies are suspected of involvement in the looting, it seems unlikely that punishments will go beyond low or middle-ranking officials.

We just cannot continue with that kind of massive corruption ”

End Quote Farouk Lawan Chair of the House of Representatives Committee

"If nothing is done about it, this is going to consume the leadership of this country. The game is up. The current parasitic system cannot survive," financial analyst Bismarck Rewane says.

"There may be an attempt to slap wrists but people may protest against this," he said, suggesting that people want more decisive action.

The man who is being lauded by many Nigerians for helping expose the fraud is hopeful that the committee's recommendation - that the suspects be investigated and prosecuted - will be taken up.

"I think Goodluck Jonathan didn't become president to protect his friends. He became president to act in the best interests of the Nigerian people," Mr Lawan says.

"And if in the end the best interest of the Nigerian people is for him to do certain things that would make sure that there is sanity in that regime, then I am confident he would act."

"I believe that we just cannot continue with that kind of massive corruption - especially in a sector that is very important to the stability of this economy," he warned.

The promise of a thorough investigation into the fraud helped to end January's protests.

The subsequent 205-page report has revealed far more rot than the government would have wished - and unless there is decisive action it may also be the trigger that gets people back on the streets.