

To assist in its investigation, the Committee engaged the services of Messrs. Ernst and Young, Chartered Accountants, who provided twenty-five (25) experienced professionals, supervised by five (5) Audit Managers. An Audit Framework was also designed to guide the Auditors in their work. It covered Audit Methodology, Governance and Review, Guidelines for Importation, Shipping, Discharge, Sales & Trucking of PMS by OM&Ts, Red flags, Risk and Audit procedures, Checklist to examine Sales proceeds, Checklist to verify Shore tank Certificates, Work paper referencing, filing and documentation. All 114 OM&Ts were requested in writing to provide their corporate records covering the Shipping, Product Discharge, Sales, Trucking and Sales Proceeds relating to 2011 subsidy claims.

The Auditors visited 79 OM&Ts for on-site examination and interviewed a further 35 OM&Ts. The Committee obtained relevant records of the following Government Agencies :

1. Nigerian Ports Authority,
2. The Department of Petroleum Resources,
3. The Nigerian Navy,
4. The Nigeria Customs Service,
5. The Petroleum Equalization Fund,
6. The Federal Road Safety Corps,
7. The Nigerian Maritime Administration and Safety Agency.

This data was used to corroborate and verify the information obtained from OM&Ts. It must be mentioned that the Committee experienced delays in submission of records by some Agencies which affected its ability to conclude its work within the time frame envisaged.

The information obtained from OM&Ts, Government Agencies, Banks etc together with the initial findings contained in its report of July 2012 were examined in detail by the Committee thus enabling the committee reach decision as to which transactions could be categorized as legitimate or otherwise.

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3. Findings And Action Taken

The Committee referred transactions requiring investigation by the Law Enforcement Agencies to SFU except in instances where they involved OM&Ts that are currently undergoing investigation by EFCC.

3.1 OANDO PLC

The company engaged in 86 transactions and claimed a total amount of N127,544,106,949.68. All 86 transactions were verified as legitimate.

3.2 INTEGRATED OIL PLC

The company engaged in 33 transactions and claimed a total amount of N31,019,372,485.65. All 33 transactions were verified as legitimate.

3.3 CONOIL PLC

The company engaged in 20 transactions and claimed a total amount of N31,309,013,802.09. All 20 transactions were verified as legitimate.

3.4 MRS OIL & GAS LIMITED

The company engaged in 59 transactions and claimed a total amount of N84,058,979,279.72. All 59 transactions were verified as legitimate.

3.5 MRS OIL NIGERIA PLC

The company engaged in 34 transactions and claimed a total amount of N36,509,847,395.76. All 34 transactions were verified as legitimate.

3.6 CAPITAL OIL AND GAS INDUSTRIES LIMITED

The company engaged in 26 transactions and claimed a total amount of N43,291,043,936.54. Due to the extent of irregularities established in the review of this OM&T, none of their transactions could be verified as legitimate. The Special Fraud Unit has concluded that the OM&T should be prosecuted for a number of criminal infractions and the amount of subsidy claimed should be recovered.

3.7 FORTE OIL PLC

The company engaged in 17 transactions and claimed a total amount of N26,736,486,771.62. All 17 transactions were verified as legitimate.

3.8 TOTAL NIGERIA PLC

The company engaged in 11 transactions and claimed a total amount of N18,800,046,993.25. All 11 transactions were verified as legitimate.

3.9 NIPCO PLC

The company engaged in 21 transactions and claimed a total amount of N29,723,158,144.05. All 21 transactions were verified as legitimate.

3.10 MATRIX ENERGY

The company engaged in 20 transactions and claimed a total amount of N23,074,416,154.95. All 20 transactions could not be verified as legitimate. The Committee referred these transactions to the SFU for investigation.

3.11 MASTERS ENERGY OIL & GAS LIMITED

The company engaged in 34 transactions and claimed a total amount of N44,134,710,648.36. Thirty Two (32) transactions with subsidy claims totaling N41,225,714,357.07 were verified as legitimate. Due to the nature of irregularities established with respect to 2 transactions with subsidy claims amounting to N2,908,996,291.29, they were referred to the SFU for investigation.

3.12 HEYDEN PETROLEUM LTD

The company engaged in 7 transactions and claimed a total amount of N4,865,264,498.54. All Seven (7) transactions were verified as legitimate; inclusive of one transaction cleared by SFU for investigation.

3.13 SAHARA ENERGY RESOURCE LTD

The company engaged in 16 transactions and claimed a total amount of N27,950,488,118.13. All 16 transactions were verified as legitimate.

3.14 FOLAWIYO ENERGY LIMITED

The company engaged in 21 transactions and claimed a total amount of N69,522,134,938.63. All 21 transactions were verified as legitimate.

3.15 AITEO ENERGY RESOURCE LIMITED

The company engaged in 13 transactions and claimed a total amount of N30,315,270,918.14. All 13 transactions were verified as legitimate.

3.16 ETERNA PLC

The company engaged in 9 transactions and claimed a total amount of N9,260,029,689.91. The company declined to submit itself to the Committee's review, citing prosecution for subsidy related issues by EFCC. The transactions have been referred to EFCC for investigation.

3.17 AVIDOR OIL & GAS COMPANY

The company engaged in 1 transaction and claimed a total amount of 3,644,741,628.75. This transaction was verified as legitimate.

3.18 LUBCON LTD

The company engaged in 1 transaction and claimed a total amount of N1,756,278,425.88. This transaction was verified as legitimate.

3.19 FRESH SYNERGY LTD

The company engaged in 1 transaction and claimed a total amount of N1,417,029,059.70. This transaction was verified as legitimate.

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