Trouble for Saraki

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Bukola Saraki, former governor of Kwara State, is battling to stop the police from arresting him over a debt forgiveness controversially granted him by the former managing director of Intercontinental Bank

For almost four years now, the N40 billion loan write-offs by Mahmoud Lai Alabi, the turnaround managing director the Central Bank of Nigeria, CBN, appointed for Intercontinental Bank PLC following the removal of Erastus Akingbola, the bank’s founding boss in August 2009 had confounded bankers even in the CBN. That time, all the written-off loans had been classified as “good” and “performing” by CBN examiners. More worrisome was the fact that N9.97 billion of the loans totalling N11.97 billion granted four companies - Limkers, Dicetrade, Skyview Properties and Joy Petroleum – allegedly belonging to Bukola Saraki, then governor of Kwara State, although secured with his choice properties in Ikoyi and Victoria Island in Lagos and Abuja, were waived when the bank could have recovered its money by selling the collaterals. The CBN examination report of May 2010, reportedly raised dust over the massive “cash gift” to Saraki. When he returned to the country in August 3, 2010 after one year in exile, Akingbola petitioned Mohammed Adoke, attorney-general and minister of justice. In the petition which the minister received on September 7, 2010, Akingbola appealed to the federal government to institute an independent investigation into the “so-called” banking reform of Sanusi and the alleged fraudulent N32 billion loan write-offs. He accused the duo of Sanusi and Saraki of using the reforms of the banking sector by the new CBN governor to plot a systematic take-over of the bank. He claimed that Alabi was executing the grand plan. Less than two years after the petition and barely three months after Access Bank took over Intercontinental Bank in a controversial deal, the Special Fraud Unit, SFU, of the Nigeria Police Force on Milverton Road, Ikoyi, Lagos, has moved in to unravel the mystery surrounding the debt forgiveness. Investigators are probing how Alabi, former employee of the Kwara State governor, waived the huge debt for his master. The matter is, however, an acid test for Tunde Ogunsakin, the new commissioner of police in charge of SFU. Investigators arrested Alabi on Thursday, April 19. The unit said he had made useful statements. In a statement issued on Friday, April 20, the SFU claimed that in February 2010, Alabi waived N9.97 billion for Saraki’s companies. This was about 82 percent of the N11.97 billion total loans and facilities granted the companies. The statement indicated that the loans were used to purchase shares of blue chip companies and landed properties in Lagos and Abuja. “Some of the landed properties worth billions of Naira used to secure the loans were curiously released after payment of only N2.3 billion out of the N11.97 jointly owed the bank by the companies,” SFU said, adding that “A CBN report of November 2010 had indicted the management of the bank then headed by Alabi for granting the waivers, noting that the companies’ chief promoter (Dr. Bukola Saraki) had what it takes to pay the debt.” SFU also said that the CBN report stated that “it was not in the bank’s interest to have released the properties which could have been foreclosed to pay the loan” and that “a post CBN Credit and Investigation Committee set up by Intercontinental Bank PLC to consider Dr. Bukola Saraki’s request for the waivers had also cautioned against it, warning that the outrageous waivers might be called for a review in future as it constituted a depletion of the bank’s shareholders’ funds.” Akingbola, Newswatch learnt, has also made useful statements to SFU investigators. But Saraki spurned police invitation. Instead, he headed for the Federal High Court, Abuja, asking for an interim injunction to restrain the inspector general of police, his officers and agents from threatening to arrest him or infringe on his rights pending the determination of the substantive suit. The case was slated for April 26.