

Ghana Integrity Initiative

Press Release

Mr. President, We Demand Vigorous Action!

A few weeks ago, His Excellency President John Mahama met state anti-corruption agencies as well as civil society organizations working on corruption issues. At the meeting, the President pledged to institute a number of actions to fight corruption which has become a major governance issue of late. The President stated categorically that the contract which Subah Info Solutions signed with the Ghana Revenue Authority (GRA) to monitor the revenue of telecom operators in the country would be reviewed “because the contract was not signed by the appropriate authority”. Unfortunately, the President’s statement would not in our view address the cardinal issue of massive corruption bordering on a number of criminal acts that deserve severe actions more than a mere review of the contract in question. There are a number of possible criminal acts involved in the agreement with Subah Info Solutions:

1. The GRA signed the contract in 2010 and started paying for the services in January 2011 (from the information available). The payments made were improper since no services had been rendered by Subah Info Solutions to GRA and the payments could amount to “willfully causing financial loss to the state”. These monies must be recovered immediately.
2. The GRA disguised the payment to Subah Info Solutions as VAT refunds in order to not only hide the illegality of the payments but also to enable Subah Info Solutions evade the payment of appropriate taxes (at least, the 5% withholding tax) on the monies paid, that is, if indeed the payments to Subah Info Solutions were legal.
3. All these acts border on the possible criminality on the part of both officials of the GRA and Ministry of Finance involved in the payments to Subah Info Solutions, if found to be true. It is, therefore, necessary to investigate all the public officers at GRA and the Ministry of Finance allegedly involved in the contract and the resultant payment to Subah Info Solutions for wrongful acts and possible prosecution of the guilty officers. In the meantime, we call for immediate suspension of all the public officers involved while the investigations are conducted.
4. The Cash Book of Subah Info Solutions published on the Internet by CITIFM radio station showed that several monies were paid as gifts and business promotions. Gifts in Ghana are subject to gift tax. Subah Info Solutions should be made to disclose the names of all the beneficiaries of these gifts for them to be made to pay the tax on those gifts. For example, on one day alone, that is, 21st December, 2012 two gifts were paid, totaling GHc 142,300. Besides, it is possible that these gifts were disguised bribes.
5. Indeed from the Cash Book shown on the CITIFM webpage (<http://citifmonline.com/?id=1.1611123>), Subah Info Solutions had virtually been

operating as a non-banking financial institution, granting loans to the CEO and affiliate companies and projects like Zoom Lion Ghana Limited, LESDEP, the construction of the new University for Environment and Sanitation, among others. This was without a permit from the Bank of Ghana to operate as such and, therefore, no payment of due taxes. Subah indeed requires to be investigated and the prosecutions, therefrom, must be carried out without hindrance.

6. There are state officials allegedly sitting on the board of Subah Info Solutions. Who are the owners of Subah Info Solutions? Are there no conflict of interest situations involving these officials? We would urge the President to order EOCO to investigate Subah Info Solutions.

The President, we further urge, should go beyond ordering 'a review of the contract because it was not signed by the appropriate authority' because there could be potential or possible criminal acts involved. GII is indeed saddened by the developments in this Subah Info Solutions case and calls for a more robust action on the part of the President.

The President has, on several occasions, appealed to civil society organizations, including GII, to help in the fight against corruption. We call on him to recognize the hard work of the journalist who spent his time and effort to investigate the matter. He even put his job on the line and possibly his life in danger.

We wish to draw the attention of His Excellency, President John Dramani Mahama and the general public to the fact that all instructions, directives, purported actions, etc. as announced by the President at the meeting with the anti-corruption institutions a few weeks ago and on other platforms, do not seem to be yielding the desired results. New cases of corruption are reported every day. Public confidence in government's efforts at fighting corruption is low and many Ghanaians are disappointed at the level of impunity displayed by persons in trusted positions as demonstrated by the Subah Case.

GII calls on the President to put in more concrete measures to fight corruption. On the Subah Info Solutions, in particular, and the other numerous corruption cases in general, vigorous action is what GII is calling for.

Thank you,

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