

Audit Exposes Big Fraud Amongst G. Bassa Officials

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Supt. Cassell Superintendent, Legislators Accused

The draft audit report on Grand Bassa County Development Fund has detailed how county officials, via a calculated scheme, allegedly siphoned huge sums of money.

Secret bank accounts, undocumented and questionable transactions, coupled with procurement fraud and other illegal dealings, are amongst issues being highlighted in the General Auditing Commission's (GAC's) report.

The auditors, with documents, claim that Superintendent Julia D. Cassell and her deputies operated a secret account at Ecobank containing US\$547,132.75 aside the County Development Fund's account and effected several "unsubstantiated" withdrawals amounting to US\$403,063.

Audit General John Morlu has instructed that the hidden account be closed and that Mrs. Cassell and lieutenants should be reprimanded for not disclosing the said account.

The report also indicated that the Grand Bassa officials were involved in excess payment of contracts contrary to the terms and conditions of various contractual agreements.

For instance, the agreed cost for the renovation of the Edina City Hall was US\$21,611.13 but bank statements show that US\$428,147.05 disbursed for the project.

The overpayment of contracts amounted to over US\$43,529 and Superintendent Cassell and her deputies have been asked to reconstitute the mentioned amount immediately.

Mrs. Cassell has already questioned the outcome of the audit and has expressed readiness to provide clarity on the matter.

"We are prepared to respond to the auditors. There was fuzzy addition done and fuzzy reporting done," she said.

Portion of the Report:

GRAND BASSA COUNTY UNDISCLOSE DEVELOPMENT FUND ACCOUNT

49. During the course of the audit, it was observed that PMC maintained two separate United States Dollars bank accounts for the county Development fund of Grand Bassa. The USD accounts were maintained at Eco bank and the Liberian bank for Development and Investment. It was further observed that the two accounts were being used simultaneously during the period under review.

50. Of the two accounts operated, the PMC did not disclose the account at Eco bank (A/C #10210130422015). This account was however identified during our bank confirmation process. The US\$ 366,666.67 for the two periods made available by the Government of Liberia was transferred to the LBDI

Account and not the Eco bank Account that was lately discovered.

Further, we reviewed, analyzed and examined the Eco bank statement for the periods 2006/2007 and 2007/2008. I noted that a total of US\$547,132.75 was deposited in the undisclosed Eco bank account #10210130422015,

99. PMC Chairman Alexander Gee, PMC Treasurer Desaywen C. Turpah, Assistant Superintendent for Development Bailey Togba, and Superintendent Julia D. Cassell failed to disclose the source of the US\$547,132.75 deposited into the Ecobank account.

100. The total amount expended from the account for the period under review was US\$403,063.45 excluding bank charges:

Risk

49. Multiple CDF accounts could be used as means to launder monies as well as siphon funds from the Government of Liberia.

50. Undocumented and unsubstantiated withdrawals could indicate that fraud has occurred and county officials could use the CDF to conceal the fraudulent payments.

51. Payment made to serving county officials who are already on Government payroll could undermine the Financial Rules and create condition for misapplication of development funds.

52. Non-adherence to the regulation set by the CDSS could make accounting for and transparent use of the public resources difficult, as discretionary decision-making could lead to fraud, waste and abuse.

53. Lack of disclosure and consolidated reporting of all financial resources could undermine the Minister of Internal Affairs' ability to determine the true financial position of the county and make informed decision on budgeting and allocation difficult.

Recommendations

99. The Minister of Internal Affairs should ensure full disclosure of all financial resources in the county including CDF, sports accounts, and fees levied and collected, donations, social contributions. This will enable the Minister to truly establish the financial position of each county, thereby optimizing budgeting and resource allocation.

100. The Minister of Internal Affairs should ensure that financial reports, all bank statements and supporting schedule and documentation are submitted to his office quarterly by County officials.

101. Superintendent Julia D. Cassell, the Development Superintendent Bailey Togba and the PMC Chairman Alexander Gee should be made to immediately disclose the sources for the total deposits of US\$547,132.75.

102. Superintendent Julia D. Cassell, the Development Superintendent Bailey Togba and the PMC Chairman Alexander Gee should be made to immediately account for US\$403,063.45 representing amounts withdrawn from the undisclosed Account at Eco bank. In the absence of material justifications, substantive authority and supporting documentation, the named persons should be made to retribute.

103. Superintendent Julia D. Cassell, the Development Superintendent Bailey Togba and the PMC Chairman Alexander Gee should be reprimanded for not disclosing this account during the course of the audit.

104. Account number #10210130422015 should be immediately closed and funds transfer the balance US\$142,308.41 is transferred into the CDF main account at the LBDI.