



Assets Declaration/Verification Report

For the Period 2017/2018

March, 2019

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LIST OF ACRONYMS

ABBREVIATION	MEANING
ADB	African Development Bank
CBL	Central Bank of Liberia
CNDRA	Center for National Documents and Archives
EPA	Environment Protection Agency
EU	European Union
FDA	Forestry Development Authority
GAC	General Auditing Commission
GSA	General Services Agency
IAA	Internal Audit Agency
JFK	John F. Kennedy
LACC	Liberia Anti-Corruption Commission
LACE	Liberia Agency for Community Empowerment
LCAA	Liberia Civil Aviation Authority
LIPA	Liberia Institute of Public Administration
LIS	Liberia Immigration Service
LMA	Liberia Maritime Authority
LPRC	Liberia Petroleum Refinery Company
LRA	Liberia Revenue Authority
MCC	Monrovia City Corporation
MFDP	Ministry of Finance and Development Planning
MIA	Ministry of Internal Affairs
MICAT	Ministry of Information
MLME	Ministry of Land, Mines & Energy
MOA-CARI	Ministry of Agriculture-Central Agriculture Research Institute
MOD	Ministry of Defense
MOE	Ministry of Education
MOGSP	Ministry of Gender and Social Protection
MOH	Ministry of Health
MOL	Ministry of Labor
MOS	Ministry of State
MPW	Ministry of Public Works
NASSCORP	National Social Security Cooperation
NOCAL	National Oil Company of Liberia
NPA	National Port Authority
NPHI	National Public Health Institute
NTA	National Transit Authority
RIA	Robert International Airport
SIDA	Swedish Agency for International Development
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WB	World Bank

EXECUTIVE SUMMARY

On 16th September 2005, Liberia officially joined the global fight against corruption by ratifying the United Nations Convention Against Corruption, the only legally binding universal anti-corruption instrument. The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, and technical assistance and information exchange.

Nationally, the Liberia Anti-Corruption Commission was established in 2008 by an Act of Legislature to investigate, prosecute and prevent acts of corruption of public officials in Liberia. With the National Code of Conduct mandating the declaration of assets by all public officials, and the LACC being the major repository and compliance enforcement institution of such declarations, the Body of Commissioners of the LACC, resolved to conduct periodic asset declaration verification of all public officials. Therefore, in February 2013, the Body of Commissioners commissioned the first asset verification regime.

In compliance with the February 2013 Body of Commissioners' directive, the LACC initiated the third Asset Declaration Verification exercise in September 2018, covering the 2017 and 2018 cycles of declarations. The third Asset Declaration Verification exercise is ongoing and Team VERITAS, the consortium of anti-graft institutions and relevant third-party information source entities partnering with the LACC to undertake this task, has concluded the off-site verification phase of the exercise.

The 2017 Cycle of declarations covered the period January 2015 to December 2017. There was a total of 573 declarations, comprising 126 females and 447 male public officials across 69 contributing ministries, agencies, corporations / commissions and state-owned enterprises. On the other hand, the 2018 Cycle covered the period January 2018 to March 2019 and recorded a total of 344 declarations with 79 female and 265 male declarants.

Based upon a pre-established risk criteria, subjects were selected from the pool of 2017 and 2018 declarants for the third asset declaration verification exercise. A total of 70 subjects were drawn from the 2017 cycle, constituting 12.22% of the overall 2017 cycle declarations as opposed to 52 from the 2018 cycle which constitutes 15.12% of total declaration over the period. The 2017 asset declaration verification

subjects comprised a 19:81 female to male ratio out of 30 entities, represented, while the 2018 cycle pool contains a 33:67 female to male ratio across 26 resulting entities.

Findings from the compliance checks and thorough desk reviews of the subjects' declarations reveal frequent instances of fixed assets declared not being registered with relevant national agencies through which values and ownerships of said assets can be established and cross-checked. Similarly, there were valuation inconsistencies with some declared and otherwise documented landed properties.

The instances mentioned above are inimical to transparency, especially considering that real properties are a major avenue for corruption and channeling of illicit wealth. To this end, the LACC, in continuation of its asset verification engagement, shall advance to on-site verifications and interview of subjects of such concerns.

BACKGROUND / INTRODUCTION

In fulfillment of the Article 90(c) mandate of the 1986 Constitution of the Republic of Liberia, the June 20, 2014, “ACT OF LEGISLATURE PRESCRIBING A NATIONAL CODE OF CONDUCT FOR ALL PUBLIC OFFICIALS AND EMPLOYEES OF THE GOVERNMENT OF THE REPUBLIC OF LIBERIA” was enacted. The National Code of Conduct, in Part 10, provides for the Declaration and Registration of Personal Interests, Assets and Performance/Financial Bonds by all public officials and employees of government. The NCoC specifically states under 10.2 **Repository and Contents of Declaration**, inter alia, “...All such declarations shall be accessible to both the public employer and the general public upon a court order; as well as to the Liberia Anti-Corruption Commission (LACC) for investigative purposes. ...”. Hence, the ongoing Asset Declaration and Verification exercises initiated by the LACC are in fulfillment of her constitutional duties to ensure accountability and transparency in public governance.

Asset declaration by public officials and employees of government form the basis for engaging with declarants. Whereas the verification process is not an investigation; however, preponderance of discrepancies and cloudiness of declarations may warrant administrative punishment or gravitate to full-scale investigation and subsequent prosecution, as the case may be, pursuant to Part 10.3 *Sanctions for False Declaration* of the NCoC and *PART IV – POWERS OF THE COMMISSION* of the LACC Act.

OBJECTIVES OF THE ASSET VERIFICATION EXERCISE

The major objectives of the verification exercise are to establish the truthfulness of asset declarations and also to ascertain the existence, ownership, possession (in case of assets) and completeness (in case of liabilities) and valuation of items declared to the LACC.

The asset declaration verification exercise is also intended to ensure that public officials are not engaging in illegal wealth acquisition and that their official actions are in compliance with provisions of the National Code of Conduct and relevant laws regarding transparency and accountability.

METHODOLOGY

Team Composition

The Asset Declaration Verification (ADV) Team, code named Team VERITAS, is an inter-agency collaborative team comprised primarily of the LACC with technical inputs from major anti-graft institutions and relevant, public and private, third party data and information source entities.

Team VERITAS adopted an off-site verification approach emphasizing thorough desk reviews of declarations selected for the periods under review. The process began with tallying declarations and assets mapping for the purpose of determining the concentration of fixed assets across the counties. Additionally, it also disaggregated the distribution of declarants along lines of gender, agencies and filing dates. The risk criteria were then established to guide the process of selecting subjects.

Mixed methods were used in the verification process. Due to the limited time available to the team for the exercise, the scope was narrowed to assessing financials reported and real estate listed by the declarants.

The depth of the exercise equally matched the scope due to the same time constraint. Hence, the team used prima facie to check the veracity of the information provided by the declarants. A basis check was used to ascertain whether the statements appear properly completed or if there are obvious incorrect entries, or missing information. Additionally, the team used simple verification to determine whether the declared assets appear sufficiently accounted for by declared/legal sources of income or whether declared data appear to indicate suspicious activities.

Partial audit also formed part of the verification methods. In this case, third party data was used to compare the stated data provided by the declarants.

Preliminary processing considered the following: material mistakes; incorrect completion; mistaken responses; arithmetic and logical checking; accuracy of the evaluation of the assets declared; accuracy of the financial sources declared; sufficiency of the coverage of assets with the declared sources, and to some extent, the verification of the accuracy of the data included in the declaration form.

Declarations were cross-checked for compliance and completeness as well as clarity of declared liabilities. All assets, as much as possible, were cross-checked with available relevant third-party data sources. Banking information were also cross-checked against relevant third party data sources. Non-compliances were then catalogued for further consideration.

Subjects Selection Risk Criteria

Following are the risk criteria used in the selection of subjects for the 2017 Cycle valuation exercise:

1. High-spending ministries, agencies and state-owned enterprises. The key points of reference are the national budgets (FY 2015 – 2018). Selection was made based on volume of allotments to entities over the period under consideration.
2. High revenue- and income-generating entities.

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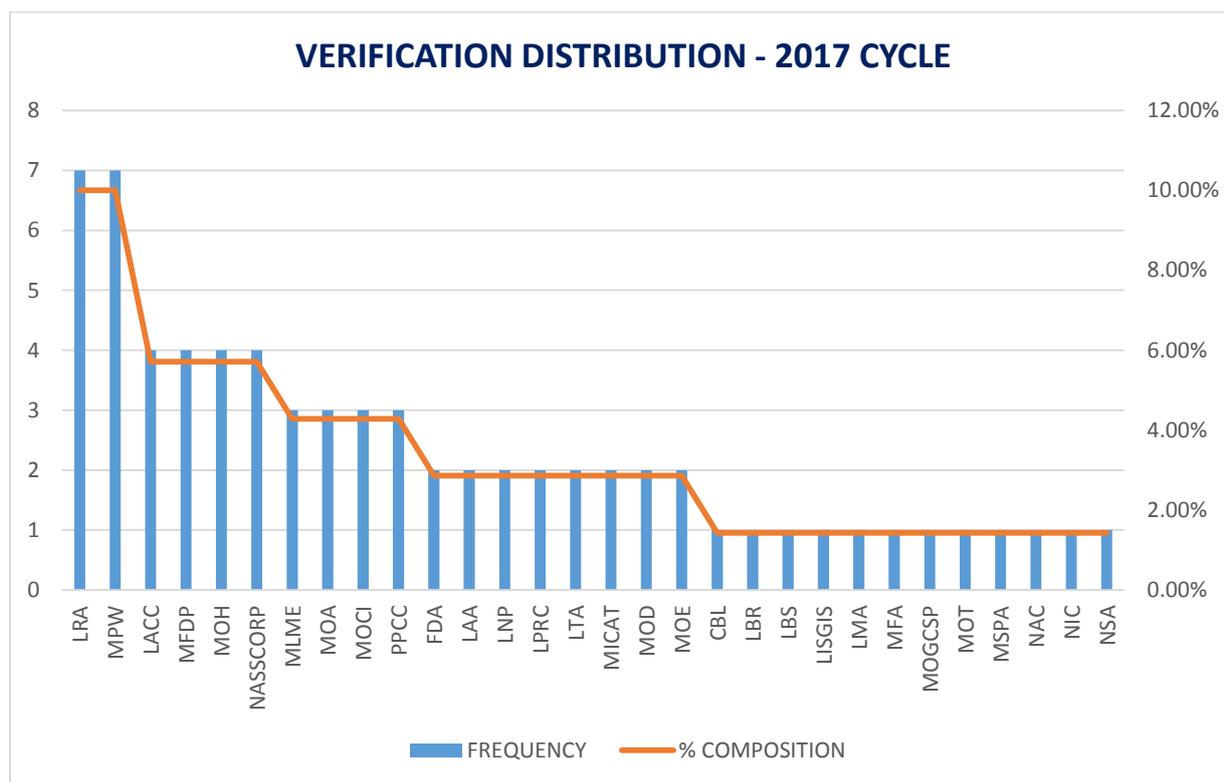
The 2017 Cycle - Asset Declaration

The 2017 Asset Declaration Cycle, abridged as 2017 Cycle, span January 2015 to October 2017. It comprises a total of 573 declarations with a 78:22 male to female declarants ratio across 68 contributing entities of the Executive Branch of Government and a noteworthy individual political aspirant. It must be pointed out that there were fewer than 3 instances where a sitting public official was assigned to a different or higher office, thus prompting a fresh declaration given the circumstance. Such declarations are treated here as independent and not a duplication.

Of the total declarations, the Ministry of Internal Affairs contributed 15.01%, followed by the Liberia Revenue Authority with 8.2%, the Ministry of Foreign Affairs with 5.58%, NASSCORP with 3.49% and the Ministry of Public Works with 3.14%. The Central Bank of Liberia is ahead of the remaining list of 63 other contributing entities along with an individual private citizen.

The 2017 Cycle - Asset Verification

Upon the risks criteria set for selection of subjects for verification in the 2017 Cycle, the process proceeded. A total of 70 declarations were selected for verification out of the pool of 573, constituting **12.22%**. Drawn from a total of 30 entities, the 2017 Cycle verification pool comprise 18.57% females and 81.43% males. The LRA and MPW each account for 10% of total declarations verified. LACC, MFDP, MOH and NASSCORP follow with 5.71% each of total declarations verified. The Ministries of Lands, Mines and Energy, Agriculture, Commerce and Industry and the Public Procurement and Concessions Commission share the third highest frequency with 4.29% each. The remaining 20 contributing entities constitute a combined 40% of total declarations verified in the 2017 Cycle.



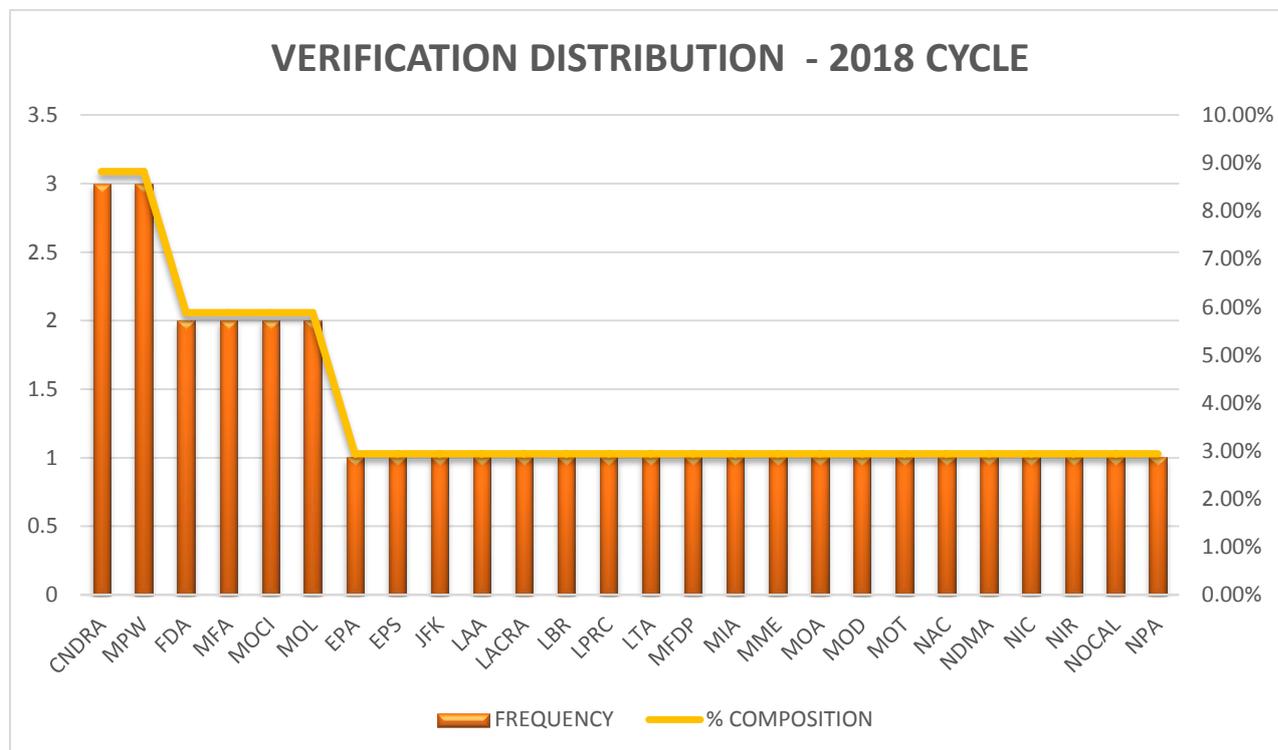
The 2018 Cycle - Asset Declaration

The 2018 Cycle span March 2018 to March 2019 and recorded a total of 344 declarations. Of this amount, total female declarations constitute 23% compared to 77% male. There were submissions from a total of 80 entities of the Executive Branch of Government, including the Presidency. The Ministry of Internal Affairs contributed the most declaration with 9.3%, followed by the Ministry of Foreign Affairs with 4.65% and the Ministries of Education, Justice, State for Presidential Affairs, Public Works and the National Fisheries and Aquaculture Authority each contributing in the range of 3%. The remaining 73 contributing entities formed a combined 69.77% of total declarations.

The 2018 Cycle Asset Verification

A total of 52 declarations were selected out of a pool of 344 for verification in the 2018 Cycle. This constitutes 15.12% of total declarations. The 2018 Asset Verification Cycle of subjects comprise 32.69% women and 67.31% men across 26 contributing entities with the Center for National Documentation and Records and the Ministry of Public Works each accounting for 8.82% of total verifications. The Forestry Development Authority, Ministry of Foreign Affairs, Ministry of Commerce and Industry and the

Ministry of Labor jointly contribute an even spread of 24% of total verifications. The remaining 20 contributing entities account for a cumulative 58.82%.



FINDINGS

1.0 Complete banking information not disclosed.

There was a single instance where a declarant declared only one account. Considering that all public officials receive salaries (Liberian Dollar and US Dollars components) through banks, all declarants must have two bank accounts. Therefore, a declarant who only provided one account is suspected to have at least one undisclosed alternative account.

1.1 Suspicious bank loans and repayment plans.

Team VERITAS found 1 instance where bank loan was advanced to a declarant with repayment scheduled for a 12-month period. Further examination of the loan in comparison to the declarant's income, as indicated in the asset declarations, reflects that even the declarant's sworn, combined gross salary and allowance would not be sufficient to absorb or liquidate the amount borrowed by the declarant within the agreed repayment period. The suspicion surrounding the amount borrowed and the repayment period vis-a-vis the declarant's sworn income could provide a basis for illicit fund flows as well as money laundering.

1.2 Acquisition/appreciation of real property under “unexplained circumstance”.

About 2 properties declared do not commensurate with the income of the declarants. Consequently, the value of properties accumulated over said period far outweighs the cumulative salaries and allowances generated during the same period. This creates more questions as to how the properties were financed, if the salaries and allowances were the only sources of income for declarants in this category. It is important to note that real property accumulation is one method by which illicit or ill-gotten wealth is hidden.

1.3 Real properties declared not registered with the Liberia Revenue Authority.

Thirty percent (30%) of properties declared by subjects were discovered not to be registered with the Liberia Revenue Authority real estate registry. Indication is that these properties are not tax compliant and this is a grave transgression of 4.1 **Responsibility to the State and the Public Service** of the National Code of Conduct which provides that “All public officials and employees of government have constitutional and civic responsibilities ...over and above the good conduct and ethical issues... He or she therefore shall uphold the Constitution and abide by laws, statutes, rules and regulations of the Republic of Liberia....” And real property tax compliance is both a civic and constitutional responsibility.

1.4 Conflicting property valuation.

There are 28% of instances of notarized property valuations declared by subjects with the LACC that do not commensurate with values declared with other sources.

CONCLUSIONS

The methods applied led to the identification of some manifest discrepancies between the declarations and third party sources. After the examination of subject's declarations, it became evident that 40% of real estate declared presented one or more discrepancies ranging from conflicting valuation to non-registration and tax non-compliance.

The "unexplained" financial trends of real property acquisition or appreciation observed over the periods under review were reflected in 5% of subjects' declarations.

In order to address the discrepancies and material misrepresentations, the LACC will further investigate the declarants suspected of the various transgressions listed in the findings. Based on further findings, appropriate sanctions will be recommended in keeping with the National Code of Conduct for Public Officials and other related penal laws.

ACKNOWLEDGEMENTS

The Body of Commissioners of the LACC extends sincere thanks and appreciation to the Government of the Republic of Liberia, especially the President, His Excellency, Dr. George Manneh Weah, for the continuous support to the work and operation of the Commission in its fight against corruption.

We also seize the opportunity to thank our many international partners for the sustained support – financial and capacity building – in equipping us to fight corruption and foster the cultures of accountability and transparency. We especially thank the European Union, through her National Authorizing Office, the United States Agency for International Development (USAID), the United Nations Development Program (UNDP), the World Bank, the Swedish Agency for International Development (SIDA), the African Development Bank, etc. for your unwavering partnership and support.

Our deep appreciation goes to all collaborating agencies that partnered with us to make this undertaking a success. Finally, our sincere thanks go to Team VERITAS for

the commitment and dedication you demonstrated in making this task an awesome reality. Your service to country and your resolute professionalism are commendable.