

OPEN LETTER TO HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC OF GHANA

4th July 2017

H.E. The President
Republic of Ghana

Flagstaff House

Accra,

Attn: Nana Addo Dankwa Akufo-Addo

Dear Sir,

THE BOSTGATE SCANDAL

The BOST contaminated fuel saga is a major test case for the country's resolve to fight corruption and the lack of accountability. It is also an evidence of our state as a people, a people whose sense of reason is moderated by political colours and tribal stereotyping, with limited commitment to our nation. We have become a people with practically no values and are headed to being a real failed State. We are eroding confidence in the country's democratic path daily, but sure it shall be that one faithful day, the suppressed, the trampled, the robbed and the undermined shall awaken and uprising in a fashion not seen even by the Arab Spring. Let's watch how far we push the tolerance of the 'Nobody'.

The BOST saga to my utter disappointment has now become a debate between the communicators of the NDC and NPP over who was more a Crook. Where is the change, where is the Ghana in the hearts of politicians and where is our hope as a people? As my friend often says, eating 'Oblayo' or Ekoegbemi is the '**same thing different**'. After all, it is still corn. Mr. President, We pray that, may it not be said of your administration that you and the John Mahama administration were the same thing different. At the heart of our problems is the culture of non-accountability and political impunity. This must stop. May it be said of you that you changed the course and hope of our country for good. That change is not in the infrastructure but in our attitude as a people. An attitude of accountability and responsibility, an attitude that prioritises the good of the State over political, tribal and personal interests.

The events at BOST in the recent past and present administration smacks of excessive corruption, irresponsibility and the culture of non-accountability. These must not be part of the legacy you share for Ghana. I, therefore, urge you to publicly and independently probe the BOST of yesterday and the

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BOST of today. One thing that surely dwarfs corruption is transparency. These have been ideals that we as Ghanaians adored about you and stamped our confidence in you on December 7th 2016. You are easily the last hope for true Ghanaian democracy. May it not be said of you that all confidence in democracy was lost under your tenure.

As you contemplate on whether to respond to us or not and how, we proceed with shedding light as available to us on these scandals.

1. Off-spec, Slop, Sludge and Contaminated products.

1.1 *Baseline Brief*

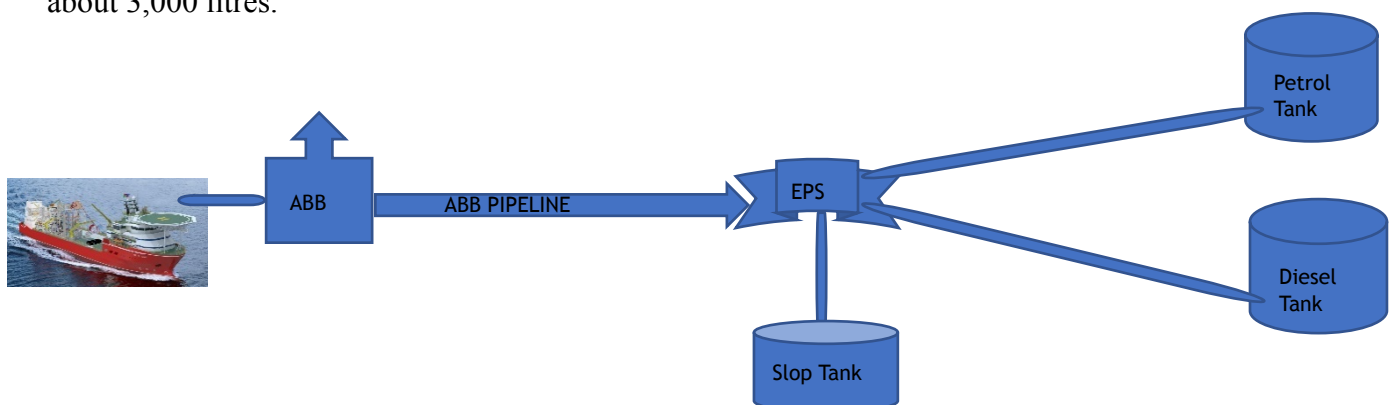
The above terms have been distorted in their use by BOST and many commentators either ignorantly, or deliberately to shield the facts and accurate analysis of the situation. While all girls are female, not all females are girls. Some are maidens and others, oldies. In the same way, while Slop, Sludge and contaminated products are off-spec, it does not make all off-spec slop.

Sludge

Sludge refers to the petroleum sediments gathered in tanks over time. It is mud-like and often collected when tanks are cleaned. Cleaning per the API rules is required every 10 years. While cleaning may be done at shorter intervals it is not that frequent.

Slop

Slop refers to a mixture of different products (fuels, water etc) which interface in the normal course of operating depots. Every modern depot has a slop tank as part of its engineering make up. At BOST slop is mainly created when a given type of product (eg. Diesel) is dislodged from the export pump station (EPS) by the pumping of a different type of product (e.g. petrol) from the All Buoy Berth central pipe line. To ensure the incoming petrol does not get contaminated by the diesel in the EPS, the dislodged diesel is pushed into the slop tank. The size of the slop tank at the BOST Accra Plains Depot (APD) is 75,000 litres. The maximum dislodged from the EPS during any import is about 3,000 litres.



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Typically, slop is not sold. It is tested and a blending plan put in place (in collaboration with the NPA) to restore its quality and sold as normal products. In fact, users of petroleum tank farm facilities hardly hear of slop and the management of it.

In respect of contaminated products, improper products or chemicals are introduced into good products in a way that materially distorts the quality of the product. Contaminated products are not sold but corrected through blending. Blending refers to the mixture of different quality products to achieve a desired specification.

Off-Spec

Off-spec refers to all products not meeting a given specification. Slop, sludge and contaminated products are all Off-spec. As observed above all products are treated differently, disposed differently and have different uses. It is, therefore, disingenuous to simply address slop and product contamination as off-spec in the ongoing saga.

1.2 Implications for BOSTGATE

1.2.1 Awuah-Darko Era

- a. Prior to the advent of the Awuah-Darko era, selling 'slop' was not a norm. Awuah-Darko, introduced the art and act of enjoying slop trade.
- b. In 2016, about 59 Cargo product changeovers were recorded at the ABB. This will imply that at 3000 ltrs per dislodgement in the EPS for every cargo changeover, the total slop realisable at BOST should be about 177,000 ltrs for the whole of 2016.
 - a. It is, therefore, suspicious to observe reports of 12.4mn litres of slop sold under Awuah-Darko. Should these reports be accurate, as demanded of you in your oath of office, we expect that you initiate immediate investigations into this matter and prosecute Mr. Awuah-darko and all persons involved.

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- c. We ought to be advised why products were sold as slop instead of taking product remedial steps to limit any form of commercial loss faced by the State.

1.2.2 The Alfred Obeng Era

- d. Reference to the baseline brief above, the BOST situation in which petrol was pumped into diesel was not slop but simply a contaminated product situation.
- e. It was wrong and improper for contaminated products to be sold.

2. BOST CONTAMINATION

2.1 Baseline Brief

Reports from BOST officials indicate that the contamination was a result of the displacement of petrol in the ABB pipeline into a diesel shore tank at BOST. This we find very surprising. It definitely must be the first time ever. It is almost impossible.

Prior to the discharge of any cargo through the ABB pipeline, there are pre-berthing meetings in which BOST is represented together with the operator of the ABB facility and the owners of the products to be discharged among others. Information on the type of product to be displaced in the pipeline would be discussed and noted by all. The operators of the ABB facility (KMS) liaise with the managers of the BOST APD facility (TSL) before discharge is done. No party commences operations blindly.

Please bear in mind that the BOST depot is managed by TSL limited who is paid about USD300,000 monthly (previously USD600,000) as management fees.

2.2 Implications for BOSTGATE

2.2.1 Alfred Obeng Era

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- f. This kind of contamination can only be a function of malice or extreme negligence. Negligence in that, Kpone Marine Services (KMS) may have advised BOST/TSL wrongly on the type of product being displaced in the pipeline or BOST/TSL may just have wrongly opened the petrol tank valves instead of the diesel tank valves.
- g. Reference to negligence in point 'a' above, where KMS may have wrongly indicated the type of product in the pipeline, it must be held fully liable and not BOST. Where the wrong valves may have been opened to displace the pipeline cargo, TSL as managers of the depot must be questioned. They have responsibility for the management of the depot. They determine and designate appropriate tanks to receive each cargo. They also authorise actions and inactions in the depot. It is, therefore, expected that in the occurrence of this type of contamination, either TSL or KMS (or their predecessor) would have been held accountable.
- h. It is scandalous why BOST will want to bear the liabilities relating to this contamination instead of holding TSL or KMS responsible.

3. Sale of Contaminated Products

3.1 Baseline Brief

We have conferred with many past and present officials of BOST, TOR and the NPA and have been advised that never has contaminated products been sold to anyone before. It is, therefore, wrong for anyone to claim it is a normal practise. Contaminated products are simply treated by suppressing the less dominant fuel using huge volumes of high quality versions of the dominant fuel. In this case, you will require high quality diesel.

Our checks also indicate that in this case, 95 parts of the high-quality product will be required to blend 5 parts of contaminated products. This translates into BOST needing about 95mn litres.

Please bear in mind that BOST has a diesel storage capacity at the depot of 109.25 million litres. Also note that products at BOST are comingled. This means that importers do not have isolated tanks for each of their imports.

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The only responsible use of contaminated products is for the boosting of the viscosity of residual fuel oil (RFO) which is often used by industries for their boilers. Simply put one may use the contaminated fuel as a thinner for RFO like how we use ‘thinner’ to lighten oil paints.

3.2 Implications for BOSTGATE

- a. With products comingled, it would have been very viable to ride on the back of other user products to correct blend the products in small portions over a period of time which may not exceed 2months in total.
- b. The total RFO consumption in Ghana stands under 800,000 litres per month (NPA 2017 data). It is, therefore, inconceivable how one can seek to use 5million litres as a ‘thinner’ for RFO. How much at all will be required to thin it?
- c. It is therefore, suspicious what the true purpose of the purchase by Movenpina and Zupoil.

4.0 Licensing or No licensing

4.1 Baseline Brief

The NPA ACT 691 is very clear on this matter. Section 11 **(I)** of Act 691 states that “A person shall not engage in a business or commercial activity in the downstream industry unless that person has been granted a licence for that purpose by the Board.”

It has been argued that there are no licensed waste oil processing companies. This is untrue. Glasbrown Ltd and Batcco Investments are duly licensed with the NPA to operate as waste oil processing companies. They have been in operation for over 3years.

4.2 Implications for BOSTGATE

1. Awuah-Darko and Alfred Obeng led BOST to engage in illegal transactions if the persons involved were not duly licensed by the National Petroleum Authority.
2. It is again suspicious why BOST knowingly dealt with persons without legitimate standing or capacity.

5.0 Process of Sale

Needless to say, the process was not competitive nor transparent. It is too suspicious.

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6.0 Release of products to the market.

6.1 Baseline Brief

A contamination of diesel by petrol moderates first and foremost, the density of the composite product as well as the Initial Boiling Point (IBP). The key specifications to look out for in a situation like this are the densities and IBP. Changes in densities are a function of blending. This implies that to increase density you mix existing products with products of higher density and to reduce density, you mix existing products with products of lower densities. This relationship is typically linear in that if you take one litre of a product with a density of $800 \frac{kg}{m^3}$ and you mix it with another litre of a product of 1000 density, you will get 2 litres of a composite product of $900 \frac{kg}{m^3}$.

$$\Rightarrow \frac{(1ltr \times 800) + (1ltr \times 1000)}{2} = 900$$

In the case of the IBP, the relationship in blending is not linear but unique subject to the chemical composition of both products. As a result, if you blend a litre of a product of an IBP of 100 with another product of an IBP of 200 you will **NOT** get an IBP of 150.

$$\Rightarrow \frac{(1ltr \times 100) + (1ltr \times 200)}{2} \neq 150$$

To ascertain whether the quality of products found in ZUPOIL were the same as the products lifted from the BOST tank, the NPA commissioned a test of the product at ZUPOIL and at BOST. Three samples were taken from ZUPOIL in three different tanks and one sample taken from the BOST tank with the contaminated products. These were tested at the ToR and Intertek laboratories. The results are as follows;

Test Parameter	Bost Tank	Zupoil 1	Zupoil 2	Zupoil 3
Density @ 15° ($\frac{kg}{m^3}$)	806.9	817.4	829.5	823.2
IBP °c	52	50	52	56

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Please note that the density standard for diesel is $820\frac{kg}{m^3}$ (min) to $850\frac{kg}{m^3}$ and minimum IBP expected in 160.

6.2 Implications for the BOST Saga

6.2.1 Alfred Obeng Era

- a. The results indicate that the original contaminated products lifted from BOST at a density of 806.9 has been blended by Zupoil with heavier diesel to yield higher densities observed in sample Zupoil 1, 2 and 3.
- b. When blending occurs, volume increases (additional products are introduced to mix the existing products). The NPA in its reports indicated it was unable to account for about 55 or 47 thousand litres during its first search. This indicates that there were no surplus volumes.
- c. The above results yields a sample average density of $819.25\frac{kg}{m^3}$
- d. Assuming Zupoil accessed the heaviest allowable diesel of $850\frac{kg}{m^3}$ density to blend the products in its custody, it will require about 189,165 litres to achieve the density in point 'c' above. If the quality accessed by Zupoil was $840\frac{kg}{m^3}$, it would have required a minimum 280,329 litres.
- e. If no products were released to market, the NPA would have observed a minimum $471,000 \text{ ltrs} + 189,165 = 751,329 \text{ ltrs}$.
- f. NPA observed a total volume of 471,000 ltrs in Zupoil's facility and not the minimum expected of 751,329ltrs.
- g. Point 'f' above confirms the release of the contaminated products to the market. It also confirms that Zupoil and Movenpinaa have possibly misled Ghana by their false representations.
- h. Inferring from the above, about 200,000 thousand to 300,000 litres of contaminated products have surely been released to the market. This is a fact and known in truth by the

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relevant authorities. Anyone with “ears” on the ground in Tema is aware of yards in which these products were traded. The products were nicknamed “Abolobo.” If the President is unaware, then he either has an incompetent intelligence system or he is being clearly lied to.

- i. Any reference to the consistency of the IBP as argument against any claim of product release to the market is ill informed and moot because the IBP as indicated earlier is not linear.

7.0 The BOST and NPA inconsistencies

7.1 BOST

- i. BOST in its communication has deliberately clouded the facts of the matter by referring to the products as off-spec to legitimise its actions in line with Awuah-Darko’ previous suspicious slop trades.
- j. The BOST PRO and Senior Union President were categorical on Joy Fm many times that the volume released to Zupoil was just 100,000 litres. To our utter shock, the NPA on the same day of the BOST claim confirmed that 471,000 litres had been released to Zupoil and an additional 380,000litres loaded but seized. Why was BOST blatantly and deliberately lying to the public?
- k. In the same interview above, in one breath, the PRO indicated that products had been sold to some steel factories and in another breath, she said that there no products were released to any industry.
- l. BOST in its press statement on the 22nd of June 2017, indicated that it had inspected the premises of Zupoil and was convinced that their storage facility could accommodate could accommodate the volume of product. Mr. President our intelligence indicates that the Zupoil makeshift facility has a maximum 500 thousand litre capacity and not 5 million litres or the 5 million suggested in the press release.

7.3 NPA

- m. The NPA reported that it could not account for 47,000 litres out of the 471,000 litres during its first inspection. In an interview later with Joy FM (two days later), it reports that the

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product was found in another tank at Zupoil. How could this be? Tanks are visible to any technical person in this industry. How did a tank suddenly surface overnight? This does not add up. It only tells one story, COVER UP and CONTAMINATION OF THE TRUTH!

8.0 Other Issues

- n. The cartel ring involved in this trade are the same ring of entities driving the fuel smuggling and export product dumping menace. This continues to rip the country off over Ghs800mn cedis every year.
- o. The current BOST saga presents the perfect opportunity to start nipping this menace in bud. Unfortunately, as we are aware, most of these activities have had the blessing of politicians and security officials just like the cocaine and galamsey trade. The President's management of this situation will go a long way to show whether he is implicit in this rumours or not.
- p. There are many more unauthorised tanking facilities within the Kpone and Ashaiman areas being used to facilitate the illegal and criminal trade of fuel.

9.0 Recommendations.

- 1. Commission a public and independent investigation into the slop trade of Mr. Awuah-Darko and Mr. Alfred Obeng Boateng. This will show the President's commitment to fighting corruption.
- 2. Review the contamination process and hold the appropriate entity (entities) responsible. We believe BOST may not be the liable party.
- 3. Retrieve all contaminated products available in the Zupoil facility into the BOST system. This will ensure better security and safety of the products. The Zupoil facility is a makeshift facility which poses a serious safety and security risk to all. It is also an unlicensed facility.
- 4. Immediately shut down the Zupoil facility and undertake an urgent raid of all unauthorised storage facilities in Kpone and Ashaiman.

10.0 Conclusion

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We voted for change, not impunity. We voted for the restoration of honour in governance and not its dissipation.

The public representations by Mr. Kennedy Agyapong that Mr. Alfred Obeng Boateng massively bankrolled your campaign and the seemingly concerted efforts by Government officials to ‘contaminate’ the truth scares us the most. Is Ghana now up for the highest bidder?

This is not the Nana Addo we followed and campaigned for. This is not the Nana Addo we admired and surely this is not the type of governance Ghanaians deserve.

You asked us to be citizens not spectators. Here we are responding to your call. May it not be that you speak Poetry and act Prose.

Mr. President, please show us the real you.

Signed

Deeply Concerned Ghanaians

Cc: Chairman, Council of State