

*Excerpts from the daily Beninese newspaper "Le Challenge," 10-11 March 2008*

*Report on Benin Council of Ministers meeting*

The Council of Ministers met during an ordinary session on Wednesday March 5, 2008.

During the meeting, the Council of Ministers reviewed and approved the management audit report of the Association PADME and additional information received by the President. The work of the Commission of the General Inspectorate of Finance which conducted the audit revealed poor corporate governance in the management and internal controls of the Association PADME. This poor governance is characterized, among other facts, by:

1. Mismanagement of the loan portfolio with misuse of funds by PADME's officers through the creation of fictitious loans recognized by thirty-nine (39) officers for a total amount of more than a billion CFA francs.

The main officers are:

- Mr. Ange Nounahon for a total amount of FCFA 405,106,188;
  - Mr. Fortuné Codo for a total amount of FCFA 105,299,634;
  - Mr. Patrick Gousanou for a total amount of FCFA 93,773,386;
  - Mr. Remy Toviho Sossinou for a total amount of FCFA 52,079,983;
  - Mr. Antoine Sonou for a total amount of FCFA 39,242,934;
  - Mr. Mathias Voglozin for a total amount of FCFA 36,293,915;
  - Mr. Jean Gouthon for a total amount of FCFA 35,593,153;
  - Ms. Amour Sewanou for a total amount of FCFA 32,195,549;
2. The non-supervision of PADME activities given multiple trips of its director-general, Mr. René Azokli, who has no deputy or technical director since 2005. He calculated his own travel abroad as follows:
    - 172 days in 2005
    - 151 days in 2006
    - 57 days in 2007 as of July 31, 2007
  3. A loss of FCFA 1,504,167,295 in 2006 caused by the introduction of fictitious or irregular loans and other malfeasance;
  4. The fanciful level of high salaries (outside the salary scale) to the Director General. In addition, the Commission's work led to the discovery of a network of people providing forged guarantees for loans.

Given all the above, which clearly proves that the various bodies have failed in the management of the Association PADME, the Council of Ministers has given the following instructions:

1. To the Minister of Microfinance, Youth and Women's Employment, Small and Medium Enterprises in order to:

- Break the employment contract of Mr. René Azokli, the director general of the Association PADME
  - Terminate Mr. Raymond Fafoumi's duties as president of the executive board of the association;
  - Proceed to the replacement of other members of the executive board of the association PADME;
  - Impose appropriate administrative sanctions to the PADME officers who created fictitious loans;
2. To the Judicial Officer for the Treasury to recoup through all the legal means:
    - The fictitious loans, of which the balance is FCFA 967,747,631.
    - The superfluous money perceived on travel missions abroad, up to FCFA 10,859,000
  3. To the Minister of Justice, Legislation and Human Rights to take legal action against all those involved in the case.

Finally, the Minister of Microfinance, Youth and Women's Employment, Small and Medium Enterprises is instructed to take appropriate measures, and to promptly introduce to the Council of Ministers proposals to improve the management of PADME and the implementation of best practices in microfinance while executing the necessary restructuring of the Association.