

20<sup>th</sup> April, 2018

Acting Executive Chairman,  
Economic and Financial Crimes Commission,  
No 5, Fomella Street,  
Off Adetokunbo Ademola Crescent,  
Wuse II,  
Abuja.



Dear Sir,

**DEMAND FOR INVESTIGATION INTO SHELL'S ALLEGED LOSS OF 9,000 BARRELS OF CRUDE OIL TO THEFT FROM THE PIPELINE NETWORK OF ITS NIGERIAN OPERATION PER DAY IN 2017 FISCAL YEAR.**

The above subject matter refers.

The Human and Environmental Development Agenda Resource Centre is a non-governmental organization and non-partisan human rights and development league. It has the mandate to protect and promote universally recognized human rights, accountability and environmental justice in Nigeria and Africa, in accordance with international standards. These objectives are pursued through research and publications, campaigns, human rights education and empowerment projects and programmes.

According to a report by SaharaReporters on the 10<sup>th</sup> of April, 2018, it was reported that Royal Dutch Shell, a parent of Shell Plc in Nigeria, lost 9,000 barrels of crude oil to theft from the pipeline network of its Nigerian operation per day in 2017 fiscal year. This was made known in its "Report on Payments to Governments for the Year 2017" released on the 9<sup>th</sup> of April 2018.

Shell reported that out of the 29 countries, Nigeria receives the highest payment from the oil major. Nigeria in 2017 was paid \$4.32bn which was 19% higher than the pay received in 2016. The company also gave record of payments to the Federal government for production entitlement, royalties, taxes, fees and others, made in 2016 and 2017. However, the company's payment as provided/drawn from the report is analyzed below;

- I. In 2017 the company paid \$765.526m to Federal Inland Revenue Service as taxes while in 2016 the company paid \$1.18bn. This indicates that the company paid more in taxes in 2016 than it did in 2017.
- II. The company in 2017 paid \$3.197bn to Nigerian National Petroleum Corporation (NNPC) for production entitlement, while a lesser amount of \$2.172bn was paid in 2016.



III. In 2017, \$160.71m and \$239,189 were paid to the Department of Petroleum Resources in royalties and fees respectively, while in 2016 \$245.769m and ₦34.24m.

IV. The company paid ₦79.675m to Niger Delta Development Commission in fees.

In addition, the company also reported that though the number of oil spillage from its operations in Nigeria increased from eight (8) in 2016 to nine (9) in 2017, the volume of oil spilled in operational incidents decreased to 100 tons, compared to 300 tons in 2016. It also said that the number of sabotage-related spills in 2017 increased to 62 from 48 in 2016. In other word, this means that there has been a big difference in the volume of oil spill when compared with the number of oil spill, as such it is questionable.

Conclusively, we believe that your commission will take appropriate measure as may be necessary to investigate the above allegations of 9,000 barrels daily loss of the company and subsequent prosecution of all indictable officials and to ensure that all loopholes that encourage corruption practices in the oil industry is blocked and prevented. It are convinced beyond reasonable doubt that this loss is as a consequence of conspiracy between officials of the oil company and certain public officials in the petroleum ministry. Your action should be taken as a matter of urgency in view of the fact that, the oil industry is a major economic strength of the country and should be taken with a sense of priority and urgency whenever corruption allegations are made. This is in order for corruption not to have a common place in the oil industry.

We look forward to your prompt response.

Yours Faithfully,



**Olanrewaju Suraju**  
(Chairman)