



Federal Republic of Somalia
House of the People
Office of Hon. Abdillahi Hashi Abib

Ref: GSH/XX/CXA/CBS_DG_1

Date: 08/08/2024

To: Deputy Governor – Central Bank of Somalia
To: Auditor General – Office of Auditor General
Cc: President – Federal Republic of Somalia
Cc: Prime Minister – Federal Republic of Somalia
Cc: Minister of Finance
Cc: All Members of Finance Committee
Cc: World Bank - Somalia
Cc: IMF - Somalia
Cc: International Donors - Somalia

Subject: Action Required to Address Governance Lapses and Employee Harassment at the Central Bank of Somalia

Dear Deputy Governor,

I am writing to you as the only legitimate official at the Central Bank of Somalia authorized to lead the institution. It has come to my attention that the President and the Governor of the Central Bank have failed to provide the official decree renewing the Governor's term, which expired in **April 2023**. Last year, I officially requested from the President and the Governor to make public the Official Decree of Re-Appointment, and as of today, there has been no response. This lapse in governance is concerning and necessitates immediate attention to ensure the smooth operation and integrity of the Central Bank of Somalia.

I am deeply concerned about the mistreatment, harassment, intimidation, and constant threats that the **so-called Governor, the General Manager (GM), and the Executive Director (ED)** have inflicted on the hardworking employees of the Central Bank of Somalia since I published my first report on the Central Bank in **July 2023**. Unfortunately, you, as Deputy Governor and a board member, have observed these abuses daily without taking any action to rectify the situation. The environment within the Central Bank of Somalia has become increasingly hostile

and toxic, creating an unbearable atmosphere for employees who are dedicated to their duties and the institution's integrity.

The situation has deteriorated to such an extent that one employee, overwhelmed by the stress and fear induced by the relentless harassment and threats from the Governor, GM, and ED, was hospitalized for heart issues. This individual health crisis underscores the severe impact of the toxic work environment on the well-being of the staff. It was only after I personally wrote to the President and made my letter public that this employee's job was reinstated and his salary released, highlighting the dire need for intervention at the highest levels to address these injustices.

Under your watch, all employees have been baselessly accused of leaking Central Bank documents, a tactic seemingly used to deflect attention from the real culprits. The GM and ED, despite clear evidence of their misconduct, continue to operate with impunity, sharing sensitive information with Villa Somalia and disregarding any semblance of accountability or transparency. This not only undermines the trust and morale of the Central Bank's employees but also erodes the institution's credibility and integrity.

Email correspondence initiated by the GM that I shared with the President and the Prime Minister illustrates a troubling scenario within the Central Bank of Somalia, where the Governor, GM, and ED have falsely accused employees of leaking sensitive documents. This accusation is not only unfounded but also hypocritical, as these very officials have been involved in leaking information and undermining each other. They have shared negative information with the State Minister of Foreign Affairs, and the Senior Advisor to the President - the current Ambassador to the Kingdom of Saudi Arabia.

It is astonishing and deeply troubling that those who leaked the Central Bank of Somalia documents to Villa Somalia are now heading the committee investigating the leaked documents. This situation not only compromises the integrity of the investigation but also casts a long shadow of doubt over the process, raising serious concerns about inherent conflicts of interest and bias.

The GM and the ED of the Central Bank of Somalia have, like all employees or contractors of the institution, signed non-disclosure agreements committing them not to disclose any Central Bank documents. Despite this, there has been a

breach of this agreement. The attached message from the ED to the GM contains accusations against the leadership of the Central Bank of Somalia, specifically targeting the Governor and Deputy Governor. The accusation is centered on their alleged failure to submit a **\$40 million Currency Project funded by the World Bank** in a timely manner. The **WhatsApp** message from the ED to the GM underscores a disturbing trend of evasion and finger-pointing. The ED's directive for the GM to forward the message to Villa Somalia further exemplifies a lack of transparency and a disregard for ethical standards in managing internal issues.



The GM has admitted to forwarding this sensitive information to external parties, specifically the **State Minister of Foreign Affairs and the Senior Advisor to the President, who also holds the position of the current Ambassador to Saudi Arabia**. This action represents a significant breach of protocol and confidentiality, undermining the established procedures designed to safeguard sensitive information. Such unauthorized dissemination of information compromises the integrity and credibility of the Central Bank, potentially exposing it to severe repercussions. This incident necessitates a thorough investigation and the implementation of stringent measures to prevent future occurrences, ensuring that all personnel strictly adhere to established protocols and maintain the highest standards of confidentiality.

It is truly astounding that the Governor has consistently failed to hold the GM and ED accountable for their blatant breach of the non-disclosure agreement. Their failure to act on such a clear violation undermines not only the integrity of their office but also the essential principles of governance. By allowing these breaches to go unpunished, they send a dangerous message that accountability is optional, thereby eroding trust and credibility within the institution. Equally egregious is that these same officials are engaging in a systematic harassment campaign against CBS staff for crimes they never committed. This pattern of baseless accusations and unjust treatment is a stark demonstration of the abuse of power and a profound disregard for the rule of law. Such actions not only perpetuate a culture of fear and injustice but also betray the very ideals of fairness and due process that should be at the heart of any responsible institution. This misuse of authority for personal vendettas reflects a troubling deviation from ethical governance, further discrediting the leadership and damaging the institution's reputation.

Your silence and failure to report to the board are understandable, given that some board members have conflicts of interest and are personally benefiting by siding with the Governor. This was evident in the last board meeting on **July 13-14, 2024**, where these members supported the blatant violation of the **CBS Act and the Civil Servant Law by approving the hiring of the GM and the ED as permanent employees**. This decision was made with the full support of a board with conflicts of interest despite the clear stipulation that anyone over the age of 60 must retire.

It is worth noting that the GM and the ED have been serving in their roles for over four years as consultants. This prolonged tenure as consultants is in

direct violation of the **Bank's Personnel Policy**, which outlines specific guidelines and tenure limits for such positions. Additionally, this situation contravenes the approved resolutions of the Bank's Board, which have established clear directives regarding the employment terms and conditions for these roles. The continued engagement of the GM and ED as consultants, despite these policies and resolutions, raises concerns about compliance and governance within the Bank and with a board guided by personal interests over the rule of law.

The **Retirement Act of Civil Servants**, endorsed by the President, delineates crucial parameters concerning the retirement age and the comprehensive applicability of the law. **Article 3** unambiguously defines the retirement age, establishing a clear benchmark for all civil servants. Article 4 meticulously outlines the scope of the legislation, leaving no room for ambiguity. Significantly, **Article 4, clause (1)**, explicitly encompasses employees of the Central Bank within its ambit. This deliberate inclusion is a critical aspect, as it ensures that the retirement age and associated benefits for Central Bank employees are governed uniformly under the same rigorous standards that apply to all other civil servants. Such a provision is not merely administrative but a decisive step towards uniformity and equity within the public sector, highlighting a commitment to fair treatment and standardized regulations for all public service employees, including those within pivotal financial institutions.

It is important to note that during a meeting in **February 2023**, the **Bank's Board passed Resolution No. (77)**. This resolution explicitly states that the positions of GM and ED will be transitioned into permanent roles. Upon the expiration of the current employment contracts of the individuals presently holding these positions (**June 1, 2024**), these positions were to be opened for competition among the bank's employees. This decision is presented to promote internal career growth and ensure that these key leadership roles are filled by individuals who have demonstrated their competence and commitment within the bank. You failed to implement the **Bank's Board Resolution No. (77)** by allowing the Governor and corrupted board to hire the GM and ED as permanent employees, which violated the same resolution they approved in February 2023.

Had you upheld **Resolution No. (77)**, the transition to permanent roles would have implied a significant shift in job security and organizational dynamics, potentially affecting employee morale and performance. While the intention to foster internal growth is commendable, the execution of this resolution must be

closely scrutinized to prevent any undermining of the bank's integrity and to ensure that the most qualified and deserving candidates are chosen for these pivotal positions.

You failed to enact the **CBS HR Policy, Article 32, Clauses 8 (1, 2, 3, & 4)**, which strictly prohibits the hiring of individuals over the age of 60. This highlights the failure of the Central Bank's commitment to age-based employment regulations. This policy is designed to cultivate a youthful and innovative workforce, ostensibly to enhance professional development opportunities for younger employees. Both the Governor and Board have flagrantly undermined the reform by rehiring retirees over the age of 60 as permanent GM and ED. This move not only directly contravenes the goals of the retirement program but also obstructs the infusion of new perspectives and innovative ideas that were supposed to rejuvenate the institution. By reinstating older personnel, the leadership has effectively reversed the intended impact of the reform, perpetuating inefficiencies and stagnation within the Bank.

In 2019, the Central Bank invested millions of dollars to retire employees aged over 60. This financial commitment was aimed at revitalizing the institution by integrating fresh talent and advancing younger, skilled professionals into critical roles. The initiative was framed as a progressive step towards modern management practices, designed to enhance the Bank's effectiveness and operational efficiency. However, the intended reform has been severely compromised by the actions of the Governor and a corrupted board. This deviation from

the original plan represents a significant setback to the Central Bank's efforts to align with contemporary management principles, undermining both the institution's operational integrity and the morale of its workforce.

During the Board meeting on **July 13-14, 2024**, it was blatantly evident that the board members with vested interests, who were benefitting personally from siding with the Governor, failed to fulfill their fiduciary duty by not acting in the best interest of the bank. This is a stark contrast to the **July 2022** board meeting when the same board members unanimously endorsed **Resolution No. 77**. This resolution, aimed at strengthening the Bank's leadership and ensuring a transparent and merit-based process for filling the GM and ED positions, was initially hailed as a step towards accountability and good governance. However, the **July 2024** meeting has revealed a troubling inconsistency in the board's

stance, suggesting that personal gain and undue influence have taken precedence over the institution's integrity and the well-being of its employees. This shift not only erodes trust in the Bank's governance but also calls into question the commitment of these board members to uphold the principles of fairness and transparency they once supported.

It is deeply concerning that you, as the Deputy Governor, are aware of these events and remain silent without fulfilling your fiduciary duty to report these matters to the board and other relevant authorities. Your silence and inaction are not only disappointing but also dangerous for the institution's credibility and the well-being of its employees. It is imperative that you take immediate and decisive action to address these issues, uphold the principles of good governance, and restore trust within the Central Bank of Somalia. Failing to act not only undermines your role and responsibilities as Deputy Governor but also perpetuates a culture of impunity and corruption within the institution.

As a member of the Federal Parliament of Somalia, I demand that you take immediate action to address these issues and restore governance, transparency, and accountability within the Central Bank of Somalia. It is imperative that the well-being of employees and the integrity of the institution be prioritized over personal interests and conflicts of interest.

Thanks



Yours sincerely,

Dr. Abdillahi Hashi Abib - BA, MA, MASc, Ph.D
Member of Foreign Affairs Committee
Federal Republic of Somalia the House of People
Mogadishu, Somalia
MP- HOP #201 Awdal Region and Gebileh District
Leader of the Accountability and Transparency Caucus of the House of People
E: abdillahi.abib@parliament.gov.so
W: + 1-571-436-7586
M: + 252-6108-22469

EMAIL I

From: Mohamed Abdi Mohamed <gm@centralbank.gov.so>
Sent: Tuesday, April 25, 2023 12:06:42 PM
To: Ismail <ismail.ii@centralbank.gov.so>
Subject: Oracle contract

Dear Ismael,

The Governor is requesting update about the Oracle contract \$132k. IT department has submitted to Midnimo and he didn't process. This is very critical services that we negotiated down to \$132k. I need this to be processed today. If not please call me.

Mohamed Mohamed

From: Mohamed Abdi Mohamed <gm@centralbank.gov.so>
Sent: Wednesday, April 26, 2023 5:17 AM
To: Ismail <ismail.ii@centralbank.gov.so>
Cc: Abdirahman Mohamed Abdullahi <Governor@centralbank.gov.so>; Ali Yassin <Deputy.Governor@centralbank.gov.so>
Subject: Re: Oracle contract

Dear Ismael,

I am not aware the decree of the governor's instruction that you talking about. Please send me the decree.

Mohamed Mohamed

On Apr 25, 2023, at 5:53 PM, Ismail <ismail.abdi@centralbank.gov.so> wrote:

Dear GM

I haven't seen that contract yet but let me kindly remind you that a decree by the Governor instructs that any amount above 100K must have a Board of Directors approval.

I can process but we have settle what to do with the governor's instructions.

Ismail

From: Abdirahman Mohamed Abdullahi <Governor@centralbank.gov.so>
Sent: Wednesday, April 26, 2023 3:57 PM
To: Ismail <ismail.ii@centralbank.gov.so>
Cc: Ali Yassin <Deputy.Governor@centralbank.gov.so>; Mohamed Abdi Mohamed <gm@centralbank.gov.so>
Subject: RE: Oracle contract

Dear Ismail,

Oracle is CBS supplier of all our databases, both on premises and cloud, and we have ongoing contract with it. CBS pays hundreds of thousands of dollars every year for different pieces of services provided by Oracle. This is not sustainable, therefore we sent four senior members of CBS to Dubai to conduct final negotiations with the vendor. The new contract is a result of the hard negotiations by our team which focused on the CBS IT infrastructure optimization and cost efficiency, The amended contract will enhance the IT security of the bank to ensure full business continuity in case of disaster, but .will also reduce cost significant only going forward. As the GM will note, the negotiations with oracle have started long time ago, if fact well before the new Board resolution was passed by the end of February, which sets new threshold for the procumbent requiring approvals. The procedure for the new procurement threshold is currently under development. Meanwhile we need to urgently confirm the agreed service with Oracle within the deadline given to us. This is a business security matter and cannot be delayed. It must be prioritized urgently!

Best,
Abdirahman

Re: Oracle contract

Mohamed Abdi Mohamed <gm@centralbank.gov.so>

Sun 4/30/2023 8:49 AM

To: Ismail <ismail.1234@centralbank.gov.so>; Mohamed Ismail Abdullahi <mohamed.1234@centralbank.gov.so>

Cc: Ali Yassin <Deputy.Governor@centralbank.gov.so>; Abdirahman Mohamed Abdullahi <Governor@centralbank.gov.so>; Ahmed Muse Mohamed <ahmed.muse@centralbank.gov.so>; Jidle Abdikhadar Alimire <jidle.alimire@centralbank.gov.so>

Dear Ismael and Midnimo.

Please explain to me why you are not preparing Oracle Contract that you have over a month ago? Midnimo has all the required documentations to prepare the Oracle contract and forward to the Management in order to make a final decision.

Ismael,

Please note that you cannot take vacation until you resolve this issue.

Ahmed Muse, do not process Ismael's vacation until we resolve this issue.

Mohamed



EMAIL II

----- Forwarded message -----

From: Mo Abdi <mmfaracadde2@gmail.com>
Date: Wed, Apr 26, 2023 at 3:15 PM
Subject: Fwd: Draft Letter
To: <hagiawes@gmail.com>

I need feedback before I finalize.

Mohamed Mohamed

Begin forwarded message:

From: Mo Abdi <mmfaracadde2@gmail.com>
Date: April 26, 2023 at 3:14:10 PM GMT+3
To: Mohamed Mohamed <MMFARACADDE2@gmail.com>, Ahmed Bashir Hundubey <ahmed.hundubey@centralbank.gov.so>
Subject: Draft Letter

25th April, 2023
His Excellency,
Hon Hassan Sheikh Mohamud,
President & Commander-in-chief of the Defence Forces of the,
Federal Republic of Somalia.

Your Excellency,

RE: MISCONDUCT, DISRUPTIVE BEHAVIOR & INSUBORDINATION OF THE DEPUTY GOVERNOR OF CENTRAL BANK (DR.ALI YASSIN SHEIKH ALI)

Greetings your Excellency , I would like to thank you for your continuous support you have granted us in the managing of our Central Bank of Somalia.

On April 2023, the deputy governor of central bank wrote a letter requesting for change of authorized signatures to the account held at the federal reserve of New York without an express permission from the bank management. The letter purported to have removed the current bank signatories and replacing them with the names of the clansmen of the deputy governor which is a grave mistake since he was not authorized to write it.

The motive which made the deputy governor to write the letter is not known but it from the microscopic look of things it is purely an act of misconduct, disruptive behavior and insubordination to the bank management which has raised an alarm to our international partners and send a wrong message to them which if not arrested at this stage will lead to a negative energy engagement to our credible international partners.

Your Excellency, the conduct of the deputy governor shows that he does not respect the bank policies , procedures and well established protocols, the governor is the only one mandated to write such kind of a letter which has got a far reaching implications to our institution but by doing things behind the back of the governor of central bank it is going to result into two centres of powers which will result into

chaos further the actions of the deputy governor has polarized other staff members of the bank which has led them to be demoralized leading into a toxic working environment of the staff. If the conduct of the deputy governor is not going to be stopped the credibility of the bank will be in tenuous which will result into the international partners having a lot of rhetorical questions on our policy management. Already the Federal Reserve Account officials are very concerned of this behavior which is a violation of the internal control and procedures of both institutions. The actions of the deputy might lead to freezing of the CBS federal reserve account which took us 25 years to activate. I hope you will be able to take necessary actions as soon as it's possible.

Best Regards



EMAIL III

----- Forwarded message -----

From: Mo Abdi <mmfaracadde2@gmail.com>

Date: Sun, Apr 2, 2023 at 2:50 PM

Subject: Fwd: Joojinta qarashaadka aan daruuriga ahayn Si kumeel Gaar ah.

To: <hagiawes@gmail.com>

FYI confidential.

Ninka cusub Waa fududyahay, wax shaqo ahna mayaqaan, sharciga iyo policy mid ixtiraam maleh.

Sidaa ula soco. There is serious confusion in the bank.

Mohamed Mohamed

Begin forwarded message:

From: Mohamed Abdi Mohamed <gm@centralbank.gov.so>

Date: April 2, 2023 at 2:33:07 PM GMT+3

To: Mo Abdi <mmfaracadde2@gmail.com>

Subject: Fw: Joojinta qarashaadka aan daruuriga ahayn Si kumeel Gaar ah.

FYI

From: Abdirahman Mohamed Abdullahi <Governor@centralbank.gov.so>

Sent: Sunday, April 2, 2023 10:31 AM

To: Mohamed Abdullahi Muse <mohamed.muse@centralbank.gov.so>; Khalif Mohamud Elmi

<khalif.elmi@centralbank.gov.so>; Mohamed Hasan Hashi <Mohamed.Hashi@centralbank.gov.so>;

Ahmed Muse Mohamed <ahmed.mohamed@centralbank.gov.so>; Mahad Shide

<mahad.abdillahi@centralbank.gov.so>; Mohamed Ibrahim Saney

<Mohamed.saney@centralbank.gov.so>; Mohamed Abdi Mohamed <gm@centralbank.gov.so>; Ismail

<ismail.abdi@centralbank.gov.so>; Ahmed Mohamed Rooble <Ahmed.Roble@centralbank.gov.so>;

Awil Adan Mohamud <awil.mohamud@centralbank.gov.so>; Hussein Osman

<Hussein.Osman@centralbank.gov.so>; Mohamed Olow <Mohamed.Olow@centralbank.gov.so>; Ali

Abdulwahid Mohamed <Ali.Mohamed@centralbank.gov.so>

Cc: Ali Yassin <Deputy.Governor@centralbank.gov.so>

Subject: RE: Joojinta qarashaadka aan daruuriga ahayn Si kumeel Gaar ah.

ASC,

Dhammaan shaqaalaha, agaasimeyaasha iyo xubnaha kale ee maamulka ee email-kan hoose waxaan lala socodsiiinayaa in aysan gurin go'aan wax looga beddelayo hannaanka maamulka maaliyadda oo kasoo baxay maamulka bangiya. Bangigu wuxuu leeyahay sharci, siyaasad maamul maaliyadeed, guddoon iyo mas'uuliyado kala cad. Qof kasta oo bangiga ka shaqeeya darteed waxaa waajib ku ah inuu sidooda ugu dhaqmo nidaamka iyo kala dambaynta sharciga bangiga. Sidaas daraadeed, waxba kama jiraan qoraalka hore la'idiinku soo diray.

Waad mahadsan tihiiin,

Best regards,

image001.png

Abdirahman M. Abdullahi

Governor

Central Bank of Somalia

Mogadishu, Somalia

M: +252 613 800 400

|

email: governor@centralbank.gov.so

W: +47 458 83 046

|

Web: www.centralbank.gov.so

Twitter/ @CBS_Governor

|

Facebook.com/CBSsomalia

