



Independent observer
of the Global Fund

UGANDAN GOVERNMENT OFFICIAL JAILED FOR TEN YEARS FOR STEALING GLOBAL FUND MONEY

A Ugandan government official who set up a company in 2005 to serve as a Global Fund Sub-Recipient has been sentenced to ten years in prison for stealing \$56,000 of Global Fund money and for producing forged documentation as to how the money was used.

The official's company, the Uganda Centre for Accountability (UCA), had been given a contract to monitor other Global Fund Sub-Recipients and to ensure that their work was in conformity with approved work plans and budgets. In fact, though, UCA performed almost no such monitoring work.

"The accused set up a company which to his knowledge was a mere sham, only intended to feather his own nest with ill-gotten money," said Justice J.B. Katutsi, head of Uganda's Anti-Corruption Court. "In siphoning funds meant to alleviate and ease the suffering of the victims of HIV/AIDS, TB and malaria, he is no better than a mass murderer. The time for reckoning is now. Impunity must be looked in the face and told 'no more of this'."

The imprisoned official, Teddy Ssezi Cheeye, rose to prominence in the early 1990s as editor of Uganda Confidential, a newsletter that specialised in exposing financial scandals in government. "At his peak," said one commentator, "he was the most feared journalist in town, a blustering crusader against graft, theft of public money and corruption in all its manifestations." However, Cheeye eventually had to file for bankruptcy after losing several libel cases.

In 2002 Cheeye was given a prominent government position, when he became Director of Economic Monitoring in Uganda's spy agency, the Internal Security Organisation, which is part of the President's Office. He was responsible for gathering intelligence on the country's economic and financial performance.

At the same time as performing this government work, Cheeye established UCA, with himself as Managing Director and his wife as Secretary. Within days of UCA receiving \$56,000 to perform its GF-related work, all the money was withdrawn from the bank. Subsequently, the company produced documentation showing how the money had been used, but this documentation was established by the court to be fraudulent. (A former UCA employee testified to the court that he was compelled by his boss, Cheeye, to create false documentation. He complied with the order, but subsequently resigned.)

Relatives of Cheeye, who said he would pay back most of the stolen money, wept as the ten-year sentence was read out.

A few days before Cheeye was found guilty, Fred Kavuma, a former television producer, became the first person to be convicted by the Ugandan Anti-Corruption Court over mis-use of Global Fund money. He was sentenced to five years in prison for obtaining \$19,000 of Global Fund money by false pretences, and was ordered to refund the money. He obtained the money to air HIV/AIDS sensitisation programmes, but put the money to personal use and submitted forged receipts to the Ministry of Health.

These two cases took four years to move from original whistle-blower allegations to final convictions. In June 2005, Aidspace, publisher of GFO, received an email from a Ugandan reader of GFO describing mis-use of Global Fund money in Uganda. Aidspace put the whistle-blower in contact with the Global Fund's legal department. Following an investigation, the Fund temporarily suspended all of its grants to Uganda, saying it had learned of "serious mismanagement of the grants" within the Ministry of Health. A public commission of inquiry was then set up by the Ugandan President. That inquiry issued a report in mid-2006 which stated that about \$1.6 million of Global Fund money had been misappropriated or could not be accounted for, and called for a total of 373 suspects, including a former minister of health and two deputy ministers, to be investigated by the legal authorities. In 2008, Western donor governments, Ugandan civil society and the Global Fund complained that two years had passed without further action taking place. The Ugandan government then set up an Anti-Corruption Court as a new division of the High Court, and charged it with looking into the Global Fund-related cases identified by the inquiry. With leadership from the Office of the Inspector General at the Global Fund, the British Serious Fraud Office and the European Anti-Fraud Office provided the Ugandan government with considerable assistance in conducting its criminal investigations. The two recent convictions were the first to be handed down by the Anti Corruption court. Further convictions in Uganda are expected during the coming months, and the Global Fund expects to provide similar assistance in other countries. (See also GFO Issues 49, 53, 60 and 90 at www.aidspace.org/gfo.)

[Editor's note: Anyone who wishes to report misconduct or wrongdoing in any Global Fund-related context, particularly regarding the use of Global Fund money, is advised to contact the Global Fund's Inspector General. This can be done confidentially and/or anonymously by emailing inspector.general@theglobalfund.org. An alternative is to confidentially contact the Executive Director of Aidspace, who is also editor of GFO and is identified at the end of this newsletter. No information submitted to Aidspace will be published or passed to anyone else without the explicit permission of the person supplying the information.]

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