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of the Global Fund

UGANDA GOVERNMENT REVIVES PROSECUTIONS OVER THEFT OF GLOBAL FUND MONEY

The government of Uganda has agreed, after a two-year delay, to start seeking prosecutions of numerous people, including former government ministers, who were involved in stealing Global Fund money. The decision to unblock the stalled prosecutions came as a result of pressure from donor governments.

Three years ago, the Fund suspended all of its Uganda grants for four months after it learned, via a Ugandan whistleblower who had approached GFO, of “serious mismanagement of the grants” by a Project Management Unit within the Ministry of Health.

Subsequently, a Ugandan Presidential commission of inquiry into the affair concluded that Uganda’s then Minister of Health, Maj. Gen. Jim Muhwezi, had lied to the inquiry under oath. The commission recommended that he and two junior ministers “be investigated further with a view to prosecution” for perjury, for causing financial loss, and for providing false documents, and that they be required to return Global Fund money that they had misused. (See GFO Issue 60, at www.aidspace.org/gfo.)

The commission of inquiry, which lasted nine months, received evidence from 150 witnesses. The inquiry’s report 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 the former ministers, to be investigated by the legal authorities.

During the following two years, however, almost nothing was done. This led to considerable distress among donor governments. Finally, in April, the Norwegian AIDS Ambassador, who represents Norway and several other European countries on the Global Fund board, wrote to the Global Fund’s Inspector General. In her letter, she said “The Government of Uganda gave their commitment [in 2006] to specified

courses of action, including follow-up criminal investigations, with a view to prosecuting those found culpable. However..., no such investigations have taken place... This case [is] an important test of the political will in fighting corruption in the country... This is a situation that calls for active engagement and follow up by the GFATM.”

Within less than four weeks, the Global Fund’s Inspector General, John Parsons, was in Uganda meeting with top government officials. “There is frustration among the donor community that there was no action taken against the culprits,” he told the press. “The purpose of my visit is to send a strong signal that the Global Fund board is serious [about the issue]. It is tremendously important to us that what was due to be recovered, has been recovered.”

An editorial in the Uganda Monitor speculated that the reason that the suspects had not been investigated and charged was “chronic laxity on the part of government in fighting corruption. This laxity also points to a ploy to cover up for the GF thieves, most of whom have strong connections to the state.”

During Parsons’ visit, the government provided assurances that teams from the Director of Public Prosecutions and the Criminal Investigations Department are now working on the matter, and that a number of the cases should be in the courts by August. Support is to be provided by three staff from the UK Serious Fraud Office; additional help is likely from the European Anti Fraud Office.

[Editor’s note: In 2005, when GFO received the whistle-blower’s email that led to the Uganda investigations, there was no Inspector General at the Global Fund. Future whistle-blowers who wish to report misconduct or wrongdoing in any Global Fund-related context, particularly regarding the use of Global Fund money, are advised to contact the Global Fund’s Inspector General directly. They can do so confidentially and/or anonymously by emailing inspector.general@bluewin.ch or by phoning +41-22-341 5258. (For further details, see www.theglobalfund.org/en/about/oig.) If for any reason they want an alternative option, they can confidentially contact the editor of GFO, who is identified at the end of this newsletter. Aidspan, publisher of GFO, is entirely independent of the Global Fund.]

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