

PARLIAMENT OF UGANDA

**REPORT OF THE SECTORAL COMMITTEE ON TOURISM, TRADE AND
INDUSTRY ON THE INQUIRY INTO THE GOVERNANCE OF; AND VALUE
FOR MONEY FOR BUDGETARY APPROPRIATIONS TO COOPERATIVES.**

Parliament Buildings

Kampala

October 2023

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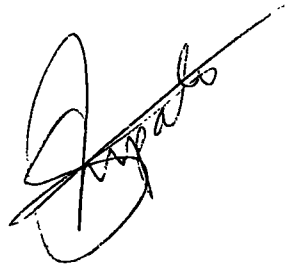
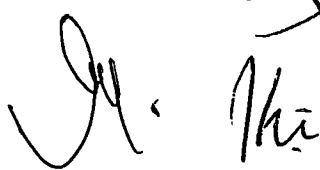
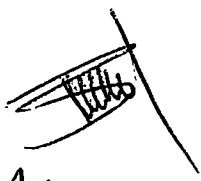
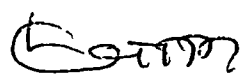
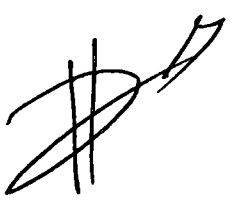




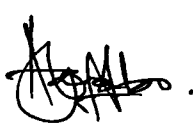

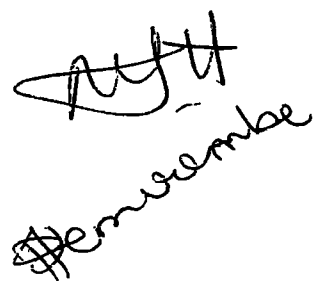


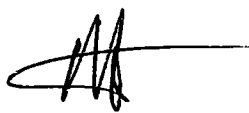








List of Acronyms

AG	Attorney General of Uganda
MoFPED	Ministry of Finance, Planning and Economic Development
MoW&T	Ministry of Works and Transport
MTIC	Ministry of Trade, Industry and Cooperatives
PFMA	Public Finance Management Act
PPDA	Public Procurement and Disposal of Public Assets Authority
PSC	Public Service commission.
PSST	The Permanent Secretary/ Secretary to the Treasury
V.A.T	Value Added Tax
L.P.O	Local Purchase Order

1.0 INTRODUCTION

On 25th August, 2023, the Sectoral Committee on Tourism, Trade and Industry received instructions from the Rt. Hon. Speaker of Parliament to conduct an Inquiry into the status, governance, resourcing and value for money for public funds allocated to Cooperatives during the period of FY 2011/12 – 2022/23. The Committee has effectively carried out the inquiry as instructed and now reports.

1.1 Background:

Between 1964 and 1990 government supported cooperative financing through the cooperative bank. After restructuring of the banking industry, several banks were closed including the cooperative bank. The government undertook to compensate all depositors the full amount of their deposits, over and above the insured limit of USD 2000.

The liberalization of the economy led to closure of the cooperatives bank and due to losses arising from the 1979-2006 wars, some regional and national level tertiary cooperative unions collapsed. These included Uganda Cooperative Central Union, Uganda Cooperation Transport Union, the Cooperative Insurance of Uganda and the Cooperative Bank for Financial Services, Uganda Credit Cooperative Union for all SACCOS.

The Government took a decision to revamp the cooperatives through compensation for losses incurred during the liberation wars of 1978-79 and 1980-86. An inter-ministerial committee was put in place to verify the claims received from the cooperatives for compensation. The initial compensations were made by the Ministry of Justice and Constitutional Affairs, later on the MTIC was tasked with the responsibilities of settling the war compensation claims from the various cooperative unions and cooperative societies as approved by Parliament.

In a letter dated 25th August 2023 addressed to the Committee of Tourism, Trade and Industries, the right Hon. Speaker stated that there were some queries regarding the budgetary allocations and disbursements to various Cooperatives

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The evolution of Cooperatives in Uganda can be traced to present day Mubende District in 1913, where four farmers decided to market their crops collectively. They became known as “The Kinakulya Growers”. This was in response to the exploitative marketing systems that were against the native farmers. The colonial arrangement was that the native farmers would be engaged in the production of cash crops, such as coffee and cotton, while the Europeans and their Indian allies would concentrate on the processing and marketing of such produce.

The racial division gave Europeans and Indians a chance to gain from the production of these crops at the detriment of the Africans. They then realized that forming cooperative would give them a common voice, purpose and strong bargaining power. With the colonial administration forcing Africans to produce high quality crops and sell at low prices, some Baganda farmers in the Midwest of Buganda Region formed the above mentioned pseudo cooperative in 1913.

Cooperatives operated under those restrictions until 1946 when the cooperative ordinance was enacted to legalize their operations. However, some farmers saw it as a legislation that intended to increase government interference and control in their business and many refused to register under it and those registered were considered as stooge organizations.

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rapid, as the business handled by these cooperatives increased progressively and prosperity for the farmers was eminent.

In 1968, all cooperatives functions were handled by Min of Agriculture, in 1970 they were placed in ministry of Cooperatives and marketing, 1972 they were taken back to Min of Agriculture and in 1976, they split off and in 1981 taken back to cooperatives and marketing.

2.1 Status of cooperatives in Uganda

There are various types of cooperatives in Uganda, but the most common ones include agricultural marketing cooperatives, fishing cooperatives, consumer cooperatives, savings and credit cooperatives (SACCOs), farm supply cooperatives, dairy cooperatives, insurance cooperatives, transport cooperatives, cooperatives in crafts services, housing and building cooperatives, poultry cooperatives, mining cooperatives, industrial cooperatives, health cooperative, education cooperatives, and rural electrification cooperatives. Indeed, there could be as many types of cooperatives as the number of economic activities that are undertaken in the country.

According to MTIC, as at 30th August 2012, Uganda had a total of 13,179 cooperatives spread across the country. See table below.

46% of the SACCOs are located in the central region, followed by Western (24%), Eastern (21%) and Northern (9%). The Western dominated in area of diary and livestock (54%), while the Eastern region dominated in the area of crop farming and marking (47%).

Category	Probation	Permanent	Total
SACCOs	2,417	2,811	5,228
Agricultural Marketing	138	4,366	4,504
Diary	25	213	238
Transport	104	214	318
Housing	4	22	26

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Fishing	19	76	95
Multipurpose	111	600	711
Others	394	1,665	2,059
Grand Total	3,212	9,967	13,179

2.2 The collapse of cooperatives

The death of cooperatives started in 1971, when Idi Amin assumed the country's presidency through a coup, overthrowing Milton Obote. Military governance under Idi Amin (1971 - 1978) was unfavorable for cooperative development. The absence of the rule of law, uncertainty of the future, the international embargo on Uganda and insecurity all culminated into bad internal governance to the detriment of not just cooperatives, but the economy as a whole¹.

The subsequent periods were no better in terms of security and favorable conditions for cooperative performance. Some of the federations that had been formed in the 1960s and early 1970s, such as the Uganda Cooperative Central Union, the Uganda Wholesale Consumer Cooperative Union, and the Cooperative Bank, were adversely affected and most of them simply collapsed.

Further, Amin declared 'the economic war', expelling Asians from Uganda in 1972². The departure of other expatriates that followed, coupled with the fleeing into exile of capable leaders and managers, worsened the situation. Increasingly, pressures of economic and political self-interests, to which those in charge succumbed, invaded co-operatives, leading to mismanagement, corruption and embezzlement. This marked the beginning of the collapse of the economy, as prices of controlled crops like cotton and coffee were very low, with farmers abandoning them in favour of maize, beans and groundnuts. Cotton production fell from 466,775 bales in 1970 to 32,160 bales in 1980.

¹ Brett, E.A. (1993) Providing for the Rural Poor – Institutional Decay and Transformation in Uganda, Kampala, Fountain Press.

² Nana Afranaa Kwamong and Patrick Lubega Korugyendo, "Revival of Agricultural Cooperatives in Uganda",

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Liberalisation of the economy in the early 1990s became the last straw that broke cooperatives' back. Economic liberalization and privatisation saw the closing of the Ministry of Cooperatives, the divesting of the Cooperative Bank and the privatisation of agricultural produce marketing. The loss of their assets, including social assets, and the overnight loss of their historical monopoly over marketing and exportation, without a transition period to the new competitive environment, disabled them. It became nearly impossible for co-operatives to seize opportunities that the liberalisation policies potentially offered, losing to skilled multinationals and shrewd private business people.

The Committee applied the following methods during the investigation:

The Committee conducted visits and public hearings to selected cooperative societies in various regions of Uganda: East, West, North and Central.

The Committee held meetings at Parliament with the following:

- (Cooperatives)
- b) The Hon. Minister of Justice and Constitutional Affairs
- c) Members of Parliament
- d) The Permanent Secretary, MTIC
- e) The Commissioner for Cooperatives
- f) Technical officers from MTIC
- g) Former staff of the MTIC
- h) The Internal Auditor - MTIC
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(nn) Mr. Victor Busuulwa

3.3 Written Memorandum

The Committee received and scrutinized written memorandum submitted by the following:

- (a) Minister of Finance, Planning and Economic Development
- (b) The Attorney General
- (c) Lango Cooperative Union
- (d) The Criminal Investigation Department
- (e) The Internal Auditor General
- (f) The Inspectorate of Government
- (g) M/S Odonga Otto & Co. Advocates
- (h) M/S Mungoma Justin Co. Advocates
- (i) M/S Kirya & Co. Advocates
- (j) M/S Matovu & Matovu Co. Advocates
- (k) M/S Makada and Partners
- (l) Rwambomu Security Services Ltd
- (m) The Annual Consolidated Internal Audit Report for FY 2021-2022

3.4 The Document Review

The Committee also reviewed and scrutinized documents that were provided by the stakeholders and other documents that the Committee deemed fit to facilitate the smooth investigation of the matter in hand. These documents included;

- (a) The 1995 Constitution of the Republic of Uganda.
- (b) The Cooperative Societies (Amendment) Act 2020
- (c) The Cooperative Societies Regulations CAP
- (d) Register of members
- (e) Minutes of board meetings

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- (f) Annual general meeting Minutes
- (g) Audited financial statements
- (h) The Public Procurement and Disposal of Public Assets Act, 2003
- (i) The Public Finance and Management Act, 2015.
- (j) The Contracts Act, 2010.
- (k) The Evidence Act, cap.6.
- (l) The Anti-Corruption Act, 2009.
- (m) The Penal Code Act, Cap.120.
- (n) The Rules of Procedure of the Parliament of Uganda, 2021.
- (o) The Ministerial Policy Statement and budget estimates for FY 2021/22/-
22/23
- (p) Budget Execution Circular for FY 2021/22.
- (q) PPDA Regulations.
- (r) Case law and any others.

The documents were found to be valid, authentic and this made the Committee to rely on them. Indeed these documents enriched the investigation and final report.

4.0 COMMITTEE FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

4.1 Cooperation of Respondents

In the course of the inquiry, the Committee observed that some of the respondents whose presence could have improved on clarity and authenticity of the information, did not honor specific invitations to appear in person. For example, some current and former Members of Parliament who did not appear at the time they were required although they submitted memoranda are cases in point. In particular, Hon. Mawanda Michael Maranga, Hon. Maxwell Akora Ebong Patrick, Hon. Wamakuyu Ignatius Mudimi and Hon. Nankabirwa Ann Maria, were invited. However, upon a second invitation to Hon. Wamakuyu Ignatius Mudimi together with his cooperative board members to attend the Committee's meeting to respond to further queries, he (Hon. Wamakuyu) together with the board members did not honor the invitation. Likewise, Hon. Nankabirwa Ann Maria received a second

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invitation as Chairperson of Wamala Growers Cooperative Union Limited to attend the Committee's meeting at Parliament, she neither appeared physically nor communicated. For the case of Hon. Maxwell Akora Ebong Patrick, the Committee extended several invitations but he did not appear.

4.2 BUDGET APPROPRIATED FOR COMPENSATION OF COOPERATIVE FY 2016/17 TO FY 2022/23

In the FY2016/17, Government instituted an Inter-Ministerial Committee led by the Ministry of Trade, Industry and Cooperative to verify claims by Cooperative Societies for assets and properties that were destroyed during wars and political insurgencies. Prior to 2016/17, compensation claims to Cooperative Societies and Unions was handled by Ministry of Justice and Constitutional Affairs (MJCA), where a total of UGX6.97 bn had been paid through the MJCA to various Cooperative Societies and Unions. From 2016/17 to 2022/23, compensation claims worth UGX 137.86Bn have been paid through the Ministry of Trade, Industry and Cooperative

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A review of the Approved Budget Estimates, Ministerial Policy Statements and Budget Committee reports for FY 2016/17 to 2022/23 indicate that a total of UGX 172.77Bn has been appropriated by Parliament through Vote 015: Ministry of Trade, Industry and Cooperative for compensation of war loss claims for Cooperative Unions and Societies, as highlighted in the table below.

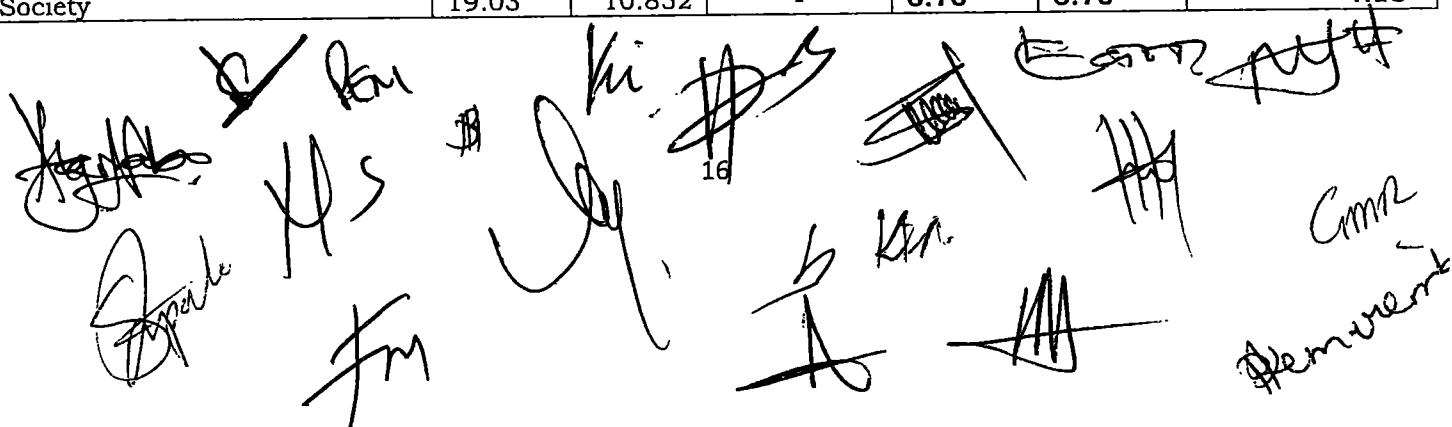
Table 1: Summary of Appropriations towards Compensation Claims

Financial Year	Approved Budget (Bn)	Supplementary Budget (Bn)	Total Appropriated (Bn)	Budget Releases (Bn)	Budget Expenditure (Bn)
FY 2016/17	5.00	0.00	5.00	5.00	5.00
FY 2017/18	2.08	1.00	3.08	2.08	2.08

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Table2: Status of war loss compensation cooperative union as at 24th -Jun- 2023

Co-operatives	Original Claim	Verified amount	Earlier FY Payment		Total amounts paid out	Outstanding Claim
	(UGX, Bn)	(UGX, Bn)	(Paid by MJCA(UGX, Bn)	Total Paid by MTIC (UGX, Bn)	Up to FY 2022/23 (UGX, Bn)	Bal Claim June 30th,2023(UGX, Bn)
Masaka Cooperative Union Ltd	18.97	17.713	0.36	15.00	15.36	- 2.35
Busoga Growers Cooperative Union Ltd	15.50	10.521	-	15.07	15.07	4.55
North Bukedi Cooperative Union Ltd	21.84	11.448	-	8.20	8.20	- 3.25
Bunyoro Growers Cooperative Union Ltd	5.29	4.856	-	2.50	2.50	- 2.36
Teso Cooperative Union Ltd	37.54	16.316	0.13	9.00	9.13	- 7.18
Lango Cooperative Union Ltd	11.61	6.436	0.71	6.22	6.94	0.50
Kigezi Growers Cooperative Union Ltd	14.68	10.192	0.46	3.50	3.96	- 6.23
Nyakatonzi Growers Cooperative Union Ltd	63.26	13.303	-	3.70	3.70	- 9.61
Kimwanyi Dairy Framers Cooperative Society	3.00	5.057	-	0.50	0.50	- 4.56
Uganda Cooperative Transport Union Ltd	18.92	13.006	-	4.30	4.30	- 8.70
East Acholi Cooperative Union Ltd	6.42	5.515	1.62	1.00	2.62	- 2.89
Bwalula Growers Coop Society Ltd	6.00	4.028	-	2.00	2.00	- 2.03
West Acholi Cooperative Union Ltd	0.52	4.952	0.20	1.00	1.20	- 3.76
Jinja Multipurpose Cooperative Society Ltd	12.50	6.807	-	6.80	6.80	- 0.01
Buyaka Growers Coop Society Ltd	17.37	5.366	-	5.37	5.37	0.00
Bumwambu Cooperative Society Ltd	22.40	15.557	-	12.70	12.70	- 2.86
Namala Growers Coop Union Ltd	23.79	5.452	-	5.45	5.45	- 0.00
West Mengo Growers Cooperative Union Ltd	47.95	14.861	-	2.00	2.00	- 12.86
East Mengo Growres Cooperative Union Ltd	23.08	17.714	-	2.50	2.50	- 15.21
Masaaba Coop. Union	9.76	7.840		7.86	7.86	0.02
Masaaba Cooperative Union Ltd	10.36	10.360	-	7.00	7.00	- 3.36
Lambuli Central Pulpery Coop Society	19.03	10.852	-	6.70	6.70	- 4.15



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Okoro Coffee Growers Cooperative Union	1.69	4.336	-	1.74	1.74	-	2.59
Banyankole Kweterana Cooperative Union	4.32	5.257	3.38	1.00	4.38	-	0.88
Bugisu Cooperative Union	15.26		-	3.00	3.00		3.00
West Nile Cooperative Union Ltd	5.18	5.175	-	2.00	2.00	-	3.18
Bwavumpologoma Growers Coop Union Ltd	101.55		-	2.75	2.75		2.75
South Bukedi Coop Union Ltd	83.00		-	0.50	0.50		0.50
Totals	620.78	232.92	6.86	140.36	147.22	-	85.70

Source: Ministry of Trade, Industry and Cooperatives and Author's Computations

Total claims amounted to UGX 620.78 bn out of which UGX 232.92 bn was verified. Of the verified amounts a total of UGX 147.22 bn has been paid as at 30th June 2023 that is, UGX 6.86 bn by MJCA and UGX 140.36 bn paid by MTIC this leaves an outstanding claim of UGX 85.70 bn

4.2 Payments Made in Excess or Outside the allocated amounts

The Committee observed that a total of UGX 48.77 bn worth of compensation paid between FY 2019/20 and 2022/23 was either made in excess or Completely Outside the amounts allocated to specific Cooperative in the MTIC Workplan. Notable Cooperatives that were paid under this category include: Lambuli Central Pulpery Cooperative Society UGX 4.70 bn; Jinja Multipurpose Cooperative Society Ltd by UGX 4.8bn; Buyaka Cooperative Society by UGX 3.5bn; Masaaba Cooperative Union by UGX 5bn; Bumwambu Cooperative Society Ltd by UGX 6.7bn; Masaka Cooperative Union by UGX 7bn and Bwavumpologoma Growers Cooperative Union Ltd by UGX 2.75bn.

EPH

Payments made in excess or completely outside the amounts Appropriated to specific Cooperative in the MTIC Workplan	
FY 2022/23	UGX. Bn
<i>Paid in excess of the Workplan</i>	
Jinja Multipurpose Coop. Society Ltd	0.50
Lambuli Central Pulpery Coop Society	2.00
Busoga Growers Coop Union	0.52

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Nyakatonzi Growers Coop Union	1.00
FY 2021/22	
<i>Paid in excess of the Workplan</i>	
Jinja Multipurpose Coop. Society Ltd	4.30
Uganda Coop Transport Union Ltd	1.80
Bumwambu Cooperative Union	3.20
<i>Paid outside the WorkPlan</i>	
East Mengo Coop Union	1.00
Bwavumpologoma Growers Coop Union Ltd	2.75
Nyakatonzi Growers Coop. Union	0.50
Lambuli Central Pulpery Coop Society	2.70
Buyaka Coop. Society	3.50
West Acholi Coop Union	1.00
Bugisu Coop. Union	1.00
FY 2020/21	
<i>Paid in excess of the Workplan</i>	
Okoro Coffee Growers Coop. Union	1.00
Masaaba Cooperative Union	5.00
Nyakatonzi Growers Coop Union	1.00
<i>Paid outside the Workplan</i>	
Bugisu Cooperative Union	2.00
East Acholi Coop Union	1.00
Bumwambu Cooperative Society	3.50
West Nile Cooperative Union	2.00
Uganda Coop Transport Union Ltd	0.50
FY 2019/20	
<i>Paid in excess of the Workplan</i>	
Masaka Cooperative Union	7.00
Total	48.77

Source: Ministry of Trade, Industry and Cooperatives and Author's Computation

BTA

5.0 THE VERIFICATION PROCESS AND ACTIVITIES

Government of Uganda while taking into account losses suffered by Cooperative Unions during the time Uganda underwent a period of instability during the 1970s and 1980s; and further taking into account its plans to revive Cooperatives through parliamentary budget appropriations allocated funds to compensate Unions.

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5.1 The Inter-Ministerial Committee

In a bid to expedite payments for war loss compensations to Cooperatives, Cabinet in 2016 constituted an Inter-Ministerial Committee herein referred to as the "Verification Committee" with the following terms of reference:

- (1) To analyse the documentary evidence concerning the War Loss Claims submitted to the Ministry of Trade, Industry and Cooperatives;
- (2) To hold meetings with Cooperative Union Officials and Community leaders to ascertain the various claims made by the Cooperative Unions;
- (3) To conduct field trips and carry out ground assessment exercises;
- (4) To verify the validity of the claims made by the Cooperatives in respect of the losses incurred;
- (5) To scientifically come up with precise values of the losses suffered; factoring in the current cost of replacing the assets, property or stock lost, time value and loss of business associated with the destruction or loss;
- (6) To liaise with other responsible Ministries, Departments and Agencies (MDAs) in determining ownership, value and authenticity of the claims;
- (7) To guide and assist the Cooperatives in formulating strategic plans upon which funds will be utilized once compensated;
- (8) To come up with recommendations on the most appropriate compensation methods; and

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- (9) To compile and submit a report with recommendations to the Permanent Secretary, Ministry of Trade, Industry and Cooperatives (*see Terms of Reference marked as Annex 1*)

The Verification Committee under the stewardship of Ministry of Trade, Industry and Cooperatives (MTIC) comprised of the following staffs who were on secondment by accounting officers of their respective government institutions:

- (1) Mr. Kavundira Leonard, Principal Cooperative Officer, MTIC/Chairperson.
- (2) Ms. Kukunda Clare, State Attorney, Ministry of Justice and Constitutional Affairs (MJCA)/Alternate Chairperson.
- (3) Mr. Ocatum Paul, Senior Cooperative Officer, MTIC /Member
- (4) Dr. Aisu Joseph Charles, Principal Veterinary Inspector, Ministry of Agriculture, Animal Industry and Fisheries/Member
- (5) Mr. Okot Kiwanuka, Economist, Ministry of Finance, Planning and Economic Development/Member
- (6) Mr. Kasigi Bill, Government Valuer, Ministry of Lands, Housing and Urban Development/Member
- (7) Eng. Santos Okello, Mechanical Engineer, Ministry of Works and Transport/Member
- (8) Mr. Sseninde Duncan, Senior Assistant Secretary, Ministry of Defense and Veteran Affairs/Member
- (9) Mr. Oyuu Geoffrey Walker, Intelligence Officer, Internal Security Organisation (ISO)/Member.
- (10) Maj. Katusiime Ian, Staff Officer, Ministry of Defense and Veteran Affairs/CMI/Member.
- (11) Mr. Ssenyonga Bashir, Principal Internal Auditor, MTIC/Member
- (12) Eng. Lumonya Jacob, Principal Executive Engineer, Ministry of Works and Transport/Member
- (13) Ms. Tusubira Scovia, Training Officer, MTIC/Senior Administrative Assistant.
- (14) Ms. Namutamba Lydia, Personal Secretary, MTIC/Secretary
- (15) Ms. Komol Rufina, Cooperative Officer, MTIC/Secretary

5.2 The verification activities:

The verification committee was mandated to execute the following:

- (1) To analyse and study details of the claims;
- (2) To ascertain the value of the assets/property lost;
- (3) To evaluate the current position of the cooperative unions/societies in terms of structure and management;
- (4) To ascertain the exact number of property, livestock destroyed and lost;
- (5) To discuss and determine the claimants a modest package for compensation; and
- (6) To seek evidence of the past disbursement of funds to the cooperative by government as compensation.

In order to achieve the above, the verification team embarked on the following activities:

- (1) Analyzed the extent of vandalisation, loss of assets and property;
- (2) Reviewed the historical information that gave an insight about the claims;
- (3) Assessed the extent of loss based on documentation provided, independent witnesses' testimonies and claims by the claimants and make recommendations; and
- (4) Carried out any other stakeholders necessary in execution of the tasks.

On 21st September 2023 while interfacing with the Committee on Tourism, Trade and Industry, the Chairperson of the Verification Committee, Mr. Kavundira Leonard; and Mr. Mpakibi W. Robert informed Members that it was always the Accounting Officer, who selected when and which cooperative to verify. It was the Accounting Officer who would give schedules and approve facilitation for the Verification Committee.

The verification reports of each cooperative filed by the Committee would subsequently form the basis upon which to guide and inform Government on specific budget lines to allocate to different cooperatives.

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Observation(s) of the Committee

The Committee on Tourism, Trade and Industry established that there were two verification committees, the first being an 'Inter-Ministerial Committee' constituted by Cabinet, and the second which was constituted by the Permanent Secretary, MTIC, Ms. Geraldine Ssali (*see the parallel verification committee marked as Annex 2*).

The Committee further established that although the Inter-Ministerial Committee did its work, it was rendered redundant by the establishment of a parallel verification committee.

5.3 The Parallel Verification Committee

The Committee established the following:

- (1) That despite the existence of the Inter-Ministerial Committee established by Cabinet to which the Permanent Secretary, MTIC, Ms. Geraldine Ssali was aware of, she in her own right as the Permanent Secretary of the Ministry of Trade, Industry and Cooperatives, in a letter dated 21st March, 2022, assigned Mr. Mpakibi W. Robert, Assistant Commissioner, Cooperative Development, Mr. Magumba Moses, Senior Cooperative Officer, Mr. Mugweri Ambrose, Cooperative Officer, Ms. Marias Kamukunda, Cooperative Officer, Mr. Okambo Rogers, Cooperative Officer and Ms. Tusubira Scovia, Training Officer, duties to verify war debt claims in respect of the following Cooperative Unions: **(6 MEMBERS FROM MTIC AND ONE GOVERNMENT VALUER)**

- (a) East Acholi Cooperative Union.
- (b) Lango Cooperative Union.
- (c) Busoga Growers Cooperative Union.
- (d) Bugisu Growers Cooperative Union.

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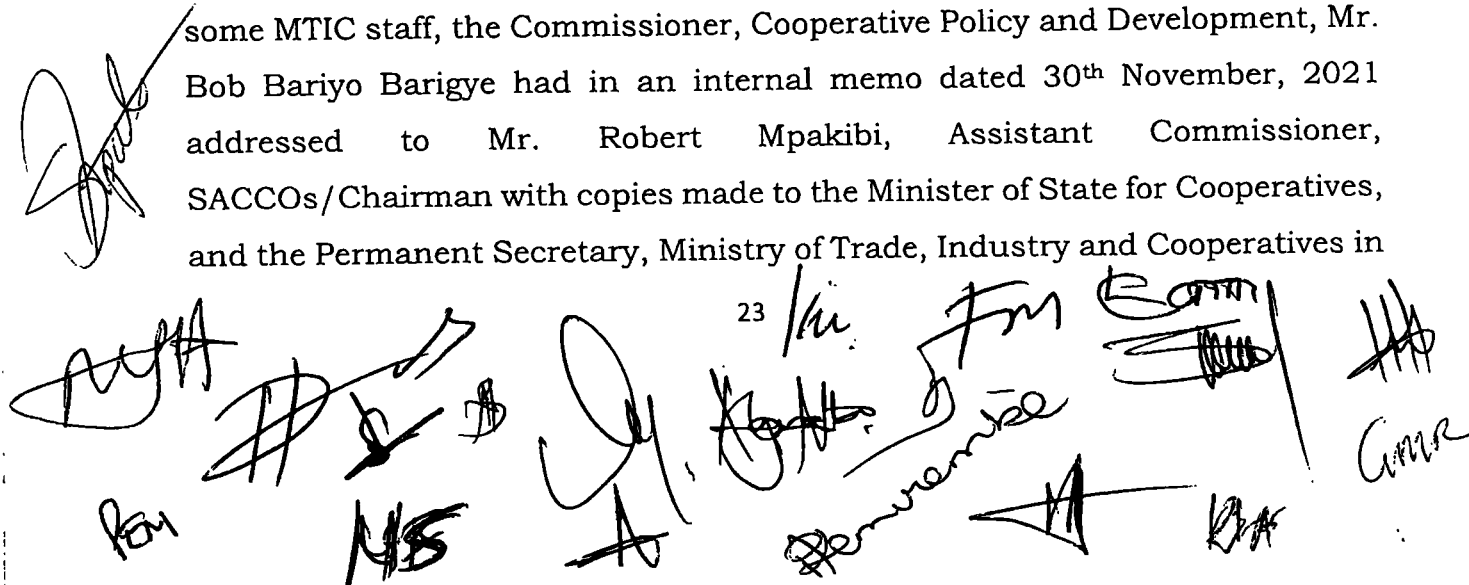
(e) Bwavu Mpologoma Growers Cooperative Union.

(2) That Ms. Geraldine Ssali, Permanent Secretary, Ministry of Trade and Industry issued the following terms of reference to guide the verification process of the aforementioned:

- (a) To develop, recommend and implement guidelines with respect to the management of claims;
- (b) To collectively review and process all claims for cooperative societies in a transparent and efficient manner;
- (c) To approve, with a quorum of committee members of not less than 5, all claims submitted for payment;
- (d) To review and analyze, for the purpose of recommending the pursuit for settlement of any claim;
- (e) To submit reports of all claims to the Permanent Secretary; and
- (f) To perform any other duties related to the execution of this exercise in a diligent and professional manner *(attach Terms of Reference....*

(see letter by the PS/Ministry of Trade, Industry and Cooperatives marked as Annex 3)

(3) That prior to Ms. Geraldine Ssali assigning duties to verify war debt claims to some MTIC staff, the Commissioner, Cooperative Policy and Development, Mr. Bob Bariyo Barigye had in an internal memo dated 30th November, 2021 addressed to Mr. Robert Mpakibi, Assistant Commissioner, SACCOs/Chairman with copies made to the Minister of State for Cooperatives, and the Permanent Secretary, Ministry of Trade, Industry and Cooperatives in

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which he (Mr. Barigye) stated that he had '**reconstituted**' the War Debts Claims Committee. In the same memo he communicated the **withdrawal** of some staff effective 1st December, 2021, and also communicated new members who were all staff of the Ministry of Trade, Industry and Cooperatives. Further, in the same internal memo, Mr. Barigye concluded by stating that '...the War Debts Claims Verification Committee has been reconstituted effective 1st December, 2021.' (see Internal Memo marked as Annex 4)

- (4) That the Commissioner, Cooperative Development, Mr. Bob Bariyo Barigye made the following oral submissions during the meeting of the Committee on Tourism, Trade and Industry held on 21st September 2023 in the East Committee Room, South Wing, Parliamentary Buildings, which suggested that he had a hand in reconstitution of the verification committee –

“MR BARIGYE: So, we had got complaints that there were situations, because of the nature of the people who were on this committee, very senior high Government officials, Chief Engineer, Chief Government Valuer.

What I proposed is to reconstitute only the MTIC team that was on that committee.

THE CHAIRPERSON: Where is this evidence? You proposed to who?

MR BARIGYE: The acting PS because I felt strongly that they needed someone at the level of commissioner to handle verifications because there were concerns that why hire a junior officer to manage this verification.

I felt strongly that we needed someone at the commissioner level. I nominated my assistant Mr Robert Mpakibi for only the Ministry team.” (see Hansard of Committee proceedings of 21st September, 2023 marked as Annex 5)

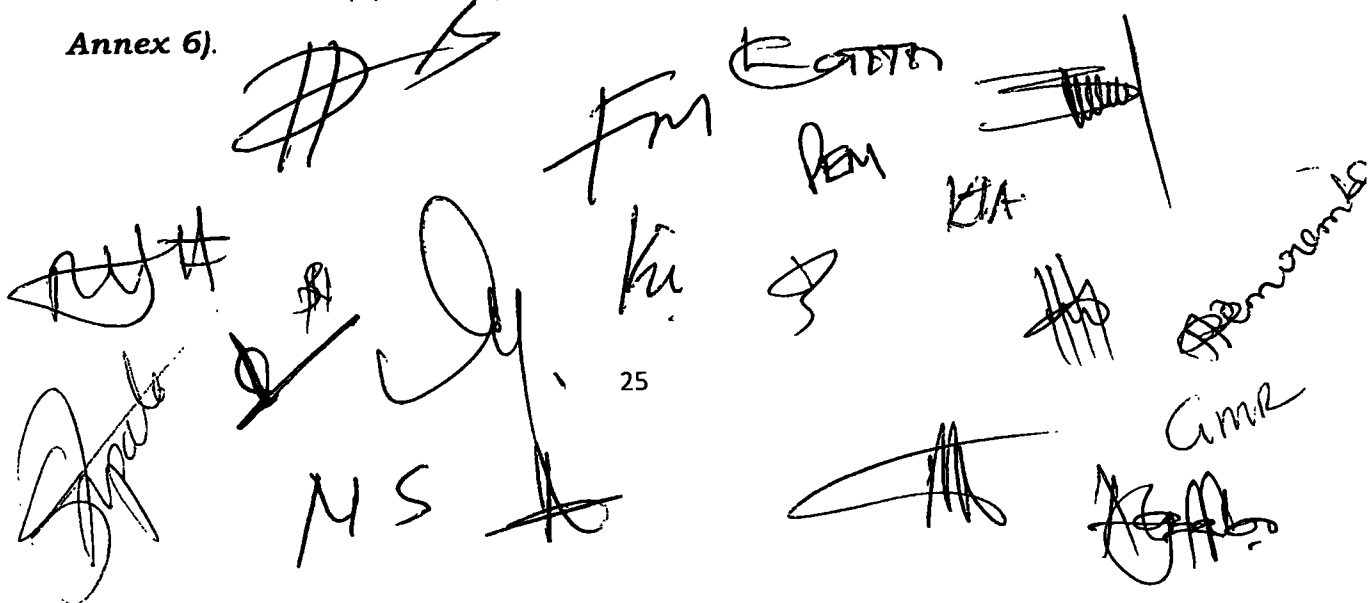
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- (5) That at its meeting held on 21st September 2023, the Committee on Tourism, Trade and Industry put to task the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali on who was responsible for creation of the new verification committee. In her own words, she stated that *'...Personally I did not create a new verification committee....The Verification Committee I found in place is what I used.'* She informed the Committee that it was during her absence that the Ag. Permanent Secretary, Mr. Joshua Mutambi working together with the Commissioner for Cooperative Development, Mr. Bob Bariyo Barigye that could probably have constituted the new verification committee.

(see Hansard of Committee proceedings of 21st September, 2023 marked as Annex 5)

- (6) That in a separate meeting held on 21st September 2023 with some members of the new verification committee, the Committee received confessions from Ms. Tusubira Scovia and Ms. Marias Kamukunda that it was actually the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali , who, in a *"pool appointment letter"* assigned them duties to verify war debt claims for specific cooperative unions. ***(play audio clip)***

- (7) That only one (1) report had been submitted to the PS MTIC by the verification committee on Bwavumpologoma Cooperative Union. However, the rest of the six (6) members on the verification committee did not participate contrary to term of reference (b) and (c) ***(see attached terms of reference marked as Annex 6).***



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Observation(s) of the Committee

The Committee observed as follows:

- (1) That the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali was responsible for usurping the powers of the inter-ministerial committee and creation of 'the new verification committee'. That Mr. Bob Bariyo Barigye was noted to have initiated the reconstitution process **OF ONLY STAFF MEMBERS OF MTIC** from the Inter-Ministerial Committee when on 21st September 2023 he submitted thus-

'So, we had got complaints that there were situations, because of the nature of the people who were on this committee, very senior high Government officials, Chief Engineer, Chief Government Valuer..... The acting PS because I felt strongly that they needed someone at the level of commissioner to handle verifications because there were concerns that why hire a junior officer to manage this verification. I felt strongly that we needed someone at the commissioner level. I nominated my assistant Mr Robert Mpakibi for only the Ministry team.'

Relatedly, in his internal memo dated 30th November, 2021 Mr. Bob Bariyo Barigye was noted to have **consulted** the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali to **reconstitute** the MTIC staff membership on the inter-ministerial committee, which he did (**see Internal Memo marked as Annex 7**)

KIA.











- (2) That there were no clear reasons or justifications given by the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali to disregard the existence of the inter-ministerial committee established by Cabinet and instead opting to **constitute** a parallel one for similar purposes and objectives. This action of creating a parallel verification committee for the

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(3) That the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali did not have the preserve or mandate authorizing her to **constitute** or **reconstitute** a verification committee over one earlier constituted by Cabinet. That without justifiable cause to create other parallel administrative cost structures, the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali openly overstepped her powers.

(5) That the parallel verification committee comprised of majorly staff from Ministry of Trade, Industry and Cooperatives; and only one staff from the Office of the Chief Government Valuer in the Ministry of Lands, Housing and Urban Development. The Committee noted that the composition lacked the required technical competencies and attributes to conduct verification exercises on war loss claims submitted by cooperatives which is why they have failed to conclusively verify any cooperative to date.

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Growers Cooperative Union. This action by the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali demonstrated inherent interests that she had in the verification of war debt claims from the aforementioned cooperative unions. During the meeting of the Committee on Tourism, Trade and Industry held on 21st September 2023, to receive oral and evidence from Ministry of Trade and Industry and Cooperatives on the Governance of; and Value for Money Budgetary Appropriations to Cooperatives, Ms. Geraldine Ssali **openly stated** to the Committee that *'.....Bwavumpologoma existed and it was founded by my grandfather, Dr Adolf Kiwanuka. They actually paid school fees for both my parents and I knew it very well. There are very big documents, if you go to Bweya right now; this cooperative existed and I knew about it. On that basis, I knew that they lost a lot, including coffee machinery. All their coffee was taken - I knew everything about it very well because that is exactly where I come from. When we wrote letters to the Secretary General, they also already had records of it and they even had SACCOs. I also found records within the Ministry of Bwavu Mpologoma and I actually have those records. So, all that it needed was for someone to register them like all the other cooperatives that had war loss, but they had not. They had written four letters to the President; I also have copies of those letters. The President had constituted, at that time, a lady called Kivenjere Hope, instructing that this cooperative be reinstated, but it never was. When I arrived, I said this would be very unfair to leave them out because I know them very well on a personal level. So, I put them back.....'* (**see Hansard of Committee proceedings of 21st September 2023 marked as Annex 8**). Upon scrutiny of the statement, the Committee was left with no choice but to conclude that the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali had vested interests in prioritizing Bwavumpologoma Growers Cooperative Union Limited for its compensation for war loss claims.

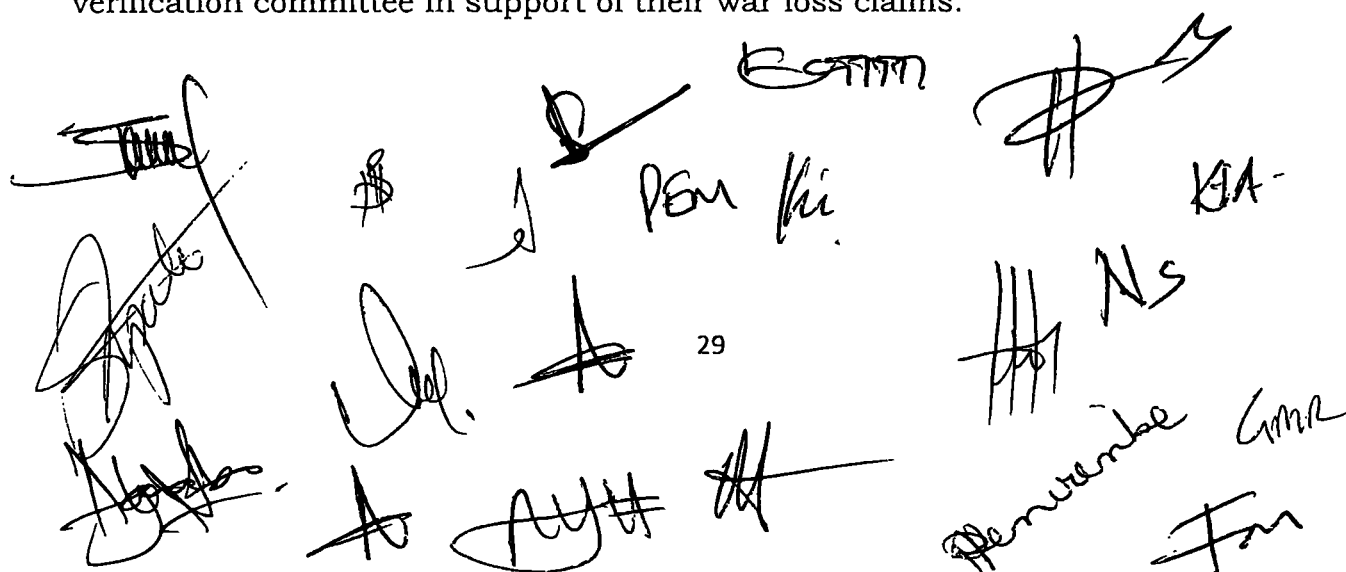
- (7) That whereas Government allocated funds to compensate cooperatives for their war loss claims and Cabinet having put in place an inter-ministerial committee to advise on the compensation to cooperatives that suffered the brunt of war in Uganda, there were no clearly prescribed verification guidelines for cooperatives to benefit from the compensation program.

Union verification criteria

The Committee established that Ministry of Trade, Industry and Cooperatives did not have a clearly laid down criteria to guide the verification committee in prioritizing verification exercises for cooperatives for their respective war loss claims. The Committee further established that whereas original claims submitted by cooperatives like Bwavu Mpologoma Cooperative Union (UGX 101.55 bn) and South Bukedi Cooperative Union (UGX 83.00 bn), were never verified, they received UGX 2.74 bn and UGX 0.50bn respectively from Government in respect of compensation for war loss claims **(see MTIC Status of War Loss Compensation for Cooperative Unions as at 24th June, 2023 marked as Annex 9).**

The Committee further established that under the directive of the Accounting Officer, some cooperatives like Masaaba Cooperative Union, Lango Cooperative Union and Teso Cooperative Union were verified on two different claims and paid before some were verified on their original claims.

The verification exercise created avenues for abuse and manipulation because individual cooperatives were the ones sourcing for witnesses to testify before the verification committee in support of their war loss claims.

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Observation(s) of the Committee

The Committee observed as follows:

- (1) that there was no criteria or policy guidelines for the verification committee on selection of claims to verify;
- (2) that that there was no prior communication neither after verification exercise was concluded, therefore denying beneficiaries information on decisions made;
- (3) that there was no avenue for redress of any cooperative after the verification committee had concluded the verification exercise in case there was dissatisfaction with the verification report;
- (4) that some cooperative unions connived with some officials of the verification committee to inflate the claims;
- (5) that the verification exercise was not necessarily a prerequisite for payment of claims as some cooperatives were paid without verification, for example Banyankole Kweterana Cooperative Union, Bwavumpologoma Cooperative Union and South Bukedi Cooperative Union, among others.

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6.0 FINDINGS AND OBSERVATIONS ON SPECIFIC COOPERATIVES.

6.1 OKORO COFFEE GROWERS CO-OPERATIVE UNION LIMITED.

Okoro Coffee Growers Co-operative Union Ltd is located in Zombo District. It was incorporated and registered in 1962 by the registrar of cooperatives with registration number 1948/Z. On the 14th of October 2019, the Union submitted a claim of **UGX 1,658,719,335 (One Billion, Six Hundred Fifty Eight Million, Seven Hundred Nineteen Thousand, Three Hundred and Thirty Five Shillings)** to the Ministry of Trade, Industry and Cooperatives.

Item	Amount (UGX)
Initial claim as per Union	1,658,719,335
Variance in Initial claim as per MTIC	1,685,860,000
Second claim	4,335,734,822
Amount verified	N/A
Amount received as per Bank Statement	1,740,000,000

The Committee however noted that the figures of the claim submitted by the Union varies from the figure of the claim submitted to the Committee by the Ministry of Trade Industries and Cooperatives. Whereas the Union submitted a total claim of **UGX 1,658,719,335 (One Billion, Six Hundred Fifty Eight Million, Seven Hundred Nineteen Thousand, Three Hundred and Thirty Five Shillings)** to the Ministry, the Ministry documents had a total claim of **UGX 1,685,860,000 (One Billion, Six Hundred Eighty Five Million, Eight Hundred Sixty Thousand Shillings)** giving a difference of **UGX 27,140,665 (Twenty Seven Million, One Hundred Forty Thousand, Six Hundred Sixty Five Shillings)**.

The Committee was further informed that the Union submitted a second claim of **UGX 4,335,734,822 (Four Billion, Three Hundred Thirty Five Million, Seven**

Hundred Thirty Four Thousand, Eight Hundred Twenty Two Shillings). The Union could not clearly explain how it arrived at the figure for the second claim. The Union stated that it arrived at the figure for the second claim through engagements with their lawyer Madira & Co. Advocates. The Union stated that for the first claim, they only took into consideration the audited accounts of the Union and their lawyers later advised them to look into other assets of the Union like motor vehicles which got lost. It was revealed that the lawyers had told them they had experience in working and helping other cooperatives with the war claims.

According to a brief from the Auditor General on the Funding to Cooperatives and Societies for the period 2011/12 – 2022/2023, it was established that Okoro Coffee Growers Cooperative Union had not yet been verified. When the Committee had an interface with Okoro Coffee Growers Cooperative Union, they claimed a team of ten officials visited them to perform the verification exercise but they were not given a verification report. However, according to a report by the Ministry of Trade Industries and Cooperatives on the Status of War Loss compensation to cooperative unions as at 24th June, 2023, the Union has so far received a total claim of **UGX 1,743,667,159 (One Billion, Seven Hundred and Forty Three Million, Six Hundred Sixty Seven Thousand, One Hundred Fifty Nine Shillings)** in the Financial Year 2020/21.

This money was paid directly to the cooperative union. The committee established that the union received **UGX 1 billion (One Billion Shillings)** on 24th November, 2020 and on 30th of the same month, they made a withdrawal of **UGX 400 million (Four Hundred Million Shillings)** and gave it to Madira & Co. Advocates. Further still, the Union received **UGX 743,667,159 (Seven Hundred Forty Three Million, Six Hundred Sixty Seven Thousand, One Hundred Fifty Nine Shillings)** on 13th April, 2021 and again made a withdrawal of **UGX 273 million (Two Hundred Seventy Three Million Shillings)** and gave to Madira & Co. Advocates, totaling to **UGX 673 million (Six Hundred Seventy Three Million Shillings)** from the **UGX**

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1,743,667,159 (One Billion, Seven Hundred Forty Three Million, Six Hundred Sixty Seven Thousand, One Hundred Fifty Nine Shillings).

The Committee was informed by the Union General Manager that Madira and Co. Advocates is a law firm that was hired by the Union to help it sort some of the legal, social and economic problems that the firm was facing at the time.

The Committee noted that the union signed a retainer ship agreement with M/S Madira & Co. Advocates on the 11th September, 2019. In the agreement, the Union was expected to pay Madira & Co. Advocates a fee of **UGX 5,000,000 (Five Million Shillings)** per month as retainer fee.

On 30th September, 2019, Madira & Co. Advocates wrote to the Chairperson of Okoro Coffee Growers Cooperative Union Ltd requesting for **UGX 871, 430,100 (Eight Hundred Seventy-One Million, Four Hundred Thirty Thousand, One Hundred Shillings)** to be released in a phased manner.

The Union informed the Committee that they engaged Madira & Co. Advocates, in a roundtable and were charged **UGX 871 million (Eight Hundred Seventy One Million Shillings)** to do all the work for a certain period of time that they did not specify. Below are the activities that Madira & Co. Advocates was expected to undertake. *(see activities in table below)*

Activity	Cost (UGX)
Legal annual retainership	60,000,000
Incidental expense travels, day out allowances	42,000,000
Legal support for development of war claims compensation	40,000,000
Land field visits to union and 40 primary cooperatives	242,400,000
Hiring land valuers and surveyors	148,000,000
Payment of statutory fees for searches, renewal of licenses etc.	12,100,000
Registration of unregistered land	38,200,000
Eviction of encroachers	92,400,000

Hiring land valuers and surveyors	148,000,000
Payment of statutory fees for searches, renewal of licenses etc.	12,100,000
Registration of unregistered land	38,200,000
Eviction of encroachers	92,400,000

Interface meetings with affected communities	14,000,000
Renewal of expired land titles	72,204,100
Verification and registration of union assets	89,300,000
Settlement of creditors	158,000,000
Meetings with Board and Management	110,000,000
Total	960,604,100

Observation(s) of the Committee

The Committee observed as follows:

- (1) that whereas Madira & Co. Advocates requested for **UGX 871,430,100 (Eight Hundred Seventy One Million, Four Hundred Thirty Thousand, One Hundred Shillings)**, the sum of the total cost as indicated in the requisition was **UGX 960,604,100 (Nine Hundred Sixty Million, Six Hundred Four Thousand, One Hundred Shillings)** thus rendering the entire document as submitted to the Committee suspect to fraud;
- (2) that whereas Madira & Co. Advocates had already been paid **UGX 673 million (Six Hundred Seventy Three Million Shillings)** for execution of legal works and services, Madira & Co. Advocates was also getting additional **UGX 5 million (Five Million Shillings)** per month as retainer fees. The Committee in its considered opinion, sees this as an anomaly. For example, while the average cost of the Union to have an annual general meeting is about **UGX 19.5 million (Nineteen Million Five Hundred Thousand Shillings)**, M/S Madira & Co. Advocates meets the Union Board and Management at a cost of **UGX 110 million (One Hundred Ten Million Shillings)**. The Committee has reason to believe that the Union concocted these figures to make accountability for the monies they paid to M/S Madira & Co. Advocates;

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For PLS Com!

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After thorough interrogation by the Committee on Tourism, Trade and Industry, Mr. Wachal, the Chairperson of the Union confessed withdrawing and giving **UGX 200,000,000 (Two Hundred Billion Shillings)** to a senior officer from the Ministry of Trade, Industry and Cooperatives in the presence of the Union Secretary Manager at the offices of their lawyer, Madira Jimmy.

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official before the Committee.

On appearing before the Committee, the official was informed of his involvement in coaching witnesses appearing before the Committee to wit he first hesitated but after further interrogation, the official from Ministry of Trade confessed to have called a member of Okoro Coffee Growers Cooperative Union, and indeed he had told him not to reveal his names. The Committee was then moved to inquire into his conduct and motive above, to wit he confessed that he was indeed a beneficiary of the money from the said Union with his other colleagues of the verification committee.

It was then established by the Committee through his confession (**Play Audio**) that he drove to Arua, picked the money and "handed it over to Mr Kavundira in Gulu at a hotel near the Administration, on Kitgum Road, old, called Churchill".

He further informed the Committee that he was working under the instructions of Mr. Leonard Kavundira, a Principal Cooperative Officer from the Ministry of Trade, Industry and Cooperatives, and also Chairperson of the Verification Committee at that time when he acknowledged that he was paid (**amount concealed for protection of the witness**) for delivering the money.

The Committee has interacted with the witness who has agreed to testify as a state witness in court, and is of the considered opinion that the above person be referred to as **STATE WITNESS X** with a purpose of protecting his identity for his personal security.

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The Committee recommends as follows:




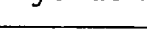






(1) That Mr. Kavundira Leonard, the Chairperson of the Inter-Ministerial Committee and also staff at the MTIC, specifically in the Department of Cooperative Development, should be investigated by the Directorate of Public Prosecutions (DPP) with the view of prosecution.

(2) That the Accounting Officer, MTIC, Ms. Geraldine Ssali who authorized payment of Okoro Coffee Growers Cooperative Union Limited prior to its verification, should be investigated by DPP with the view of prosecution under Section 79 of the Public Finance Management Act, 2015.

Bwavumpologoma Growers Cooperative Union Limited was registered on 31st December, 1953 and issued a number 821/RCS.

Item	Amount (UGX)
Initial Claim (Amount)	101, 545,600,000
Verified Claim (Amount)	Not yet
Amount received by Bwavumpologoma Cooperative	1,746,704,525
Amount not accounted for	997,815,475


No.	Type of Assets	Description
1.	Moveable Assets	Office furniture at Plot 9 Buddu Block 372, Ssenyange, Nyendo Masaka

- ## Findings

(1) Bwavumpologoma Growers Cooperative Union Limited was registered on 31st December, 1953 and issued a number 821/RCS. Masaka Diocese was the majority shareholder in Bwavumpologoma Growers Cooperative Union Limited. On 6th August 1963, the then Minister of Cooperatives, Hon. John Kakonge closed the Union. Later, the Cooperative Union merged with Masaka District Growers Cooperative to form Masaka Cooperative Union Limited.

- (2) The assets of the Cooperative Union were taken over without following the procedure set for winding up cooperatives neither were all members incorporated into the new Masaka Cooperative Union and a liquidator was not hired to value the assets of members for purposes of either distributing them among members or to incorporate those shares into the new cooperative formed.
- (3) The verbal closure of the Cooperative Union by Hon. John Kakonge was not reported to the Registrar of Cooperatives in the Ministry of Trade, Industry and Cooperatives for two years. Then the Registrar seeing no reports coming from the Cooperative Union for two years decided that it was moribund.
- (4) The fraudulent takeover of the Cooperative Union by Masaka Cooperative Union disenfranchised it together with its entire membership. On 8th June, 1999, the Cooperative Union was removed from the list of cooperatives.
- (5) On 5th October, 2021, Hon. Gume Frederick Ngobi, Minister of State for Cooperatives chaired a meeting between representatives of Bwavumpologoma Growers Cooperative Union Limited, and Masaka Cooperative Union Limited during which it was resolved that: *Bwavumpologoma Growers Union Limited did not exist; and that there was no law that stopped Bwavumpologoma Growers Cooperative Union Limited from re-registering.*
- (6) On 8th November, 2021, the Minister of State for Cooperatives raised an Internal Memo to the Permanent Secretary, Ministry of Trade, Industry and Cooperatives alluding to the meeting held on 5th October, 2021 where he stated that Government independently valued the claim and compensated Bwavumpologoma Growers Cooperative Union Limited for war losses. He further stated that *"...I find it reasonable that you register Bwavumpologoma Growers Cooperatives Union Limited to its Original status"*



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- (7) On 17th January 2022, Msgr. Dominic Ssengooba, Vicar General, Masaka Catholic Diocese wrote to the Minister of State for Cooperatives requesting for his office to authorize the revival of Bwavumpologoma Growers Cooperative Union Limited, and in the same vein be able to access a duplicate certificate and certified bylaws for their operation.
- (8) On 21st March, 2022, the Permanent Secretary Ministry of Trade, Industry and Cooperatives, Ms. Geraldine Ssali assigned a verification committee comprising of Ministry of Trade officers with terms of reference among others; collectively review and process all claims for cooperative societies in a transparent and efficient manner; submit reports of all claims to her Office.
- (9) The parallel verification committee constituted by the Permanent Secretary, Ministry of Trade, Industry and Cooperatives was not known to the Minister of State for Cooperatives. This was confirmed during the meeting of Committee on Tourism, Trade and Industry held on 21st September, 2023, when he (Hon. Gume Fredrick Ngobi,) stated *"...I can state without any fear of contradiction that the committee that was put in place that did the verification of Bwavumpologoma was unknown to me and was not the inter-ministerial verification committee"* (see **Hansard of Committee proceedings of 21st September, 2023 marked as Annex 8**).
- (10) The re-registration of Bwavumpologoma Growers Cooperative Union Limited was irregular since it was handled by the Permanent Secretary, Ms. Geraldine Ssali in her own private capacity and having vested interests in its revival. In the Committee meeting of 21st September, 2023, Ms. Geraldine Ssali was quoted to have stated *"Thank you very much, Mr Chairman. Bwavumpologoma existed and it was founded by my grandfather, Dr Adolf Kiwanuka. They actually paid school fees for both my parents and I knew it very well. There are very big documents, if you go to Bweya right now; this*

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cooperative existed and I knew about it. On that basis, I knew that they lost a lot, including coffee machinery. All their coffee was taken - I knew everything about it very well because that is exactly where I come from.

When we wrote letters to the secretary general, they also already had records of it and they even had SACCOs. I also found records within the ministry of Bwavumpologoma and I actually have those records.

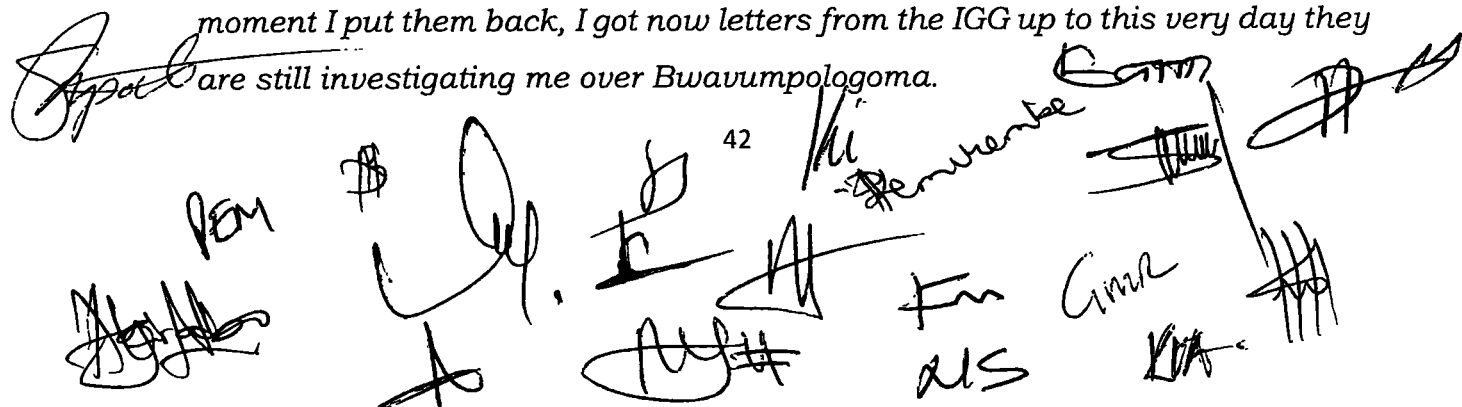
So, all that it needed was for someone to register them like all the other cooperatives that had war loss, but they had not. They had written four letters to the President; I also have copies of those letters. The President had constituted, at that time, a lady called Kivenjere Hope, instructing that this cooperative be reinstated, but it never was. When I arrived, I said this would be very unfair to leave them out because I know them very well on a personal level. So, I put them back - I am trying to submit"

Ms. Geraldine Ssali further stated that " I would like to put in context into everything that has been submitted. The first thing that was strange to me upon my arrival was that there was a big resistance into even a mere mention of Bwavumpologoma.

But now I think you all know the background, these people had resistance from the time when they were deregistered in 1968, all the way to 2000 when they were de-registered.

But having said that, immediately after we did all these official communications about Bwavumpologoma being deregistered... And I also want to apologise were I have not adhered to the laws of putting them, I want to mean that I did it in good faith. But in terms of bringing them back, the moment I put them back, I got now letters from the IGG up to this very day they are still investigating me over Bwavumpologoma.

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I have furnished them with all the information including all the statements of account for all those years that Bwavumpologoma was not moribund, it was solvent and it existed.

And I have given them the verification letters, I have given them the verification report, I have given them everything even from CGV.

Now, I did not think that this would be interpreted, not giving them funds would be interpreted as if it is not a good working relationship. This is an officer who I tasked to help put back the cooperative bank, they have been reporting to me and when I did not give them funding, it was because they had not streamlined their activities.

Until I sat them down and I told them, and when I called them, I did not even know he was not around. I called them and I told them you need to streamline all your activities and until they did that they went away, they asked me for one week, they came back they streamlined, and since then I have been paying them.

It is part of management, sometime people go off and they invest the time and resources into something that is not helping the institution and the department. And so this was me just trying to streamline things in the department of cooperatives. And also, there is no officer where I have received seven police letters demanding to see him. I had so many complaints of people from the field where the verifications were happening, I got complaints about two, three or four officers in total, but the police letters that came in were all about Bob Barigye.

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And they used to call me and they would ask me, please reign in on your officer and tell him to come to the Police, now I would ask him" (see Hansard of Committee proceedings of 21st September, 2023 marked as Annex 8)

- (11) The Permanent Secretary went ahead to compel the Registrar of Cooperatives to open a file for Bwavumpologoma Growers Cooperative Union Limited. Mr. Bog Bariyo Barigye during the Committee meeting of 21st September 2023 stated thus *"All along, Mr Chairman, I had been reluctant to issue that certificate. I had been telling her to, please, put it in writing, but she was not forthcoming with that instruction in writing. She kept telling me to issue the certificate, and I said, "No I cannot act on this instruction until it is in writing." Once she did, on the same day she wrote and sent me an empty file folder saying, "please open a temporary file for Bwavumpologoma." (see Hansard of Committee proceedings of 21st September, 2023 marked as 13)*
- (12) That Bwavumpologoma Growers Cooperative Union Limited was paid without verification. This was stated by the Commissioner for Cooperative Development, Mr. Bob Bariyo Barigye when he appeared before the Committee on Tourism, Trade and Industry on 21st September 2023. He (Mr. Barigye) stated *"True, Mr Chairperson. The verification of Bwavumpologoma was done after payment had been made" (see Hansard of Committee proceedings of 21st September, 2023 marked as Annex 8)*
- (13) That on 16th May 2021 Bwavumpologoma deposited on Wilson Kasule Martin account **UGX 350 million (Three Hundred Fifty Million)** and on the same day he withdraw the same amount.
- (14) That on 16th May 2021, Mr. Victor Busuulwa deposited **UGX 300 million (Three Hundred Million Shillings)** on Mr. Victor Busuulwa's account in

Centenary Bank Kabalagala Branch. both Wilson Kasule and Victor Busulwa hold accounts in Centenary Bank.

- (15) That on 8th December 2021, Fr Deus Sekyewo deposited 150mn on Lwanga's account and Lwanga withdraw **UGX 150 million** on 9th December 2021.
- (16) On 9th December 2012, Lwanga Francis deposited 150mn on Victor' Busuulwa's account.
- (17) On 29th November 2021, Masaka Catholic Dioceses deposited on Mr. Lwanga's account **UGX 847,808,000 (Eight Hundred Forty-Seven Million, Eight Hundred Eight Thousand Shillings)**.
- (18) On 30th November, 2021 Lwanga withdraw **UGX 604,200,000 (Six Hundred Four Million, Two Hundred Thousand Shillings)**. This corresponds with his testimony that he withdraw **UGX 446,000,000 (Four Hundred Forty Six Million Shillings)** and gave it to Mr. Victor Busuulwa. The balance is not accounted for.
- (19) That Mr. Victor Busuulwa informed the Committee that he received money to purchase machinery; and that he needed time to check his records to verify the amount. However, Mr. Lwanga Francis informed the Committee in response that they have no agreement with Mr. Victor Busuulwa to procure machinery.

Observation(s) of the Committee

The Committee observes as follows:

- (1) That on 25th November 2021, Ministry of Trade, Industry and Cooperatives paid **UGX 1,744,520,000 (One Billion, Seven Hundred Forty Four Million, Five Hundred Twenty Thousand Shillings)** to Masaka Diocesan

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That on 21st April, 2022, the Masaka Diocese deposited **UGX 746,704,525 (Seven Hundred Forty Six Million, Seven Hundred Four Thousand, Five Hundred Twenty Five Shillings)** on the Bank Account of Bwavumpologoma Growers Cooperative Union Limited creating an outstanding balance of **UGX 997,815,475 (Nine Hundred Ninety Seven Million, Eight Hundred Fifteen Thousand, Four Hundred Seventy Five Shillings)**. That the Cooperative Union further received **UGX 1,000,000,000 (One Billion Shillings)** on 05th May, 2022. Therefore, Bwavumpologoma Growers Cooperative Union Limited received a total of **UGX 1,746,704,525 (One Billion, Seven Hundred Forty Six Million, Seven Hundred Four Thousand, Five Hundred Twenty Five Shillings)**.

- (5) That there were several substantial withdrawals from the bank accounts without corresponding requisitions as shown in the table below:

Transaction Date	Transaction Description	Amount (UGX)
21.04.2022	Chq ifo Francis Lwanga	250,000,000
06.05.2022	Chq ifo Francis Lwanga	300,000,000
16.05.2022	Chq ifo Martin Wilson Kasule	350,000,000
01.07.2022	Chq ifo Francis Lwanga	22,000,000
05.08.2022	Chq ifo Francis Lwanga	35,000,000
23.08.2022	Chq ifo Deusdedit Luyimbazi	50,000,000
09.09.2022	Chq ifo Francis Lwanga	30,000,000
22.06.2023	Chq ifo Martin Wilson Kasule	200,000,000
19.07.2023	Chq ifo Francis Lwanga	50,000,000

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07.08.2023	Chq ifo Martin Wilson Kasule	30,000,000
22.08.2023	Chq ifo Deusdedit Luyimbazi	61,000,000

- (6) That there were no board minutes appointing Mr. Kasule Martin Wilson as the authorized agent for Bwavu Mpologoma Growers Cooperative Union Limited for the purchase of a coffee bean processing machine and to coordinate the borrowing process of **UGX 3,000,000,000 (Three Billion Shillings)** from Microfinance Support Centre Ltd.
- (7) That on 24th March 2022, in a letter addressed to the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, Mr. Andrew Nyumba nominated himself and Mr. Bill Kasigi as Supervisor and Government Valuer respectively to undertake verification and valuation of various properties belonging to various cooperative unions. *(see letter dated 24th March, 2022 marked as Annex 10)*
- (8) That On 16th May, 2022, Mr. Andrew Nyumba wrote to the Permanent Secretary, Ministry of Trade, Industry and Cooperatives, submitting the verification report on the loss of assets claim by Bwavumpologoma Growers Cooperative Union Limited amounting to **UGX 101,545,600,000 (One Hundred One Billion, Five Hundred Forty Five Million, Six Hundred Thousand Shillings)**. That on the same day, Mr. Andrew Nyumba wrote to the Solicitor General requesting for guidance on how to treat the claim for mesne profits yet the verification report he had submitted to Ministry of Trade had Mesne profits (for the period of 1969-2020) amounting to **UGX 74,474,000,000 (Seventy Four Billion, Four Hundred Seventy Four Million Shillings)**.

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The committee was further informed ...

- (1) That Mr. Martin Wilson Kasule and Mr. Francis Lwanga who made several withdrawals from the bank account of Bwavumpologoma Growers Cooperative Union Limited were not members of the Board or management, but rather agents.
- (2) That on 1st December, 2021 (Wednesday), Mr. Francis Lwanga gave Mr. Victor Busuulwa a husband to the PS Geraldine Sali **UGX 436,000,000 (Four Hundred Thirty Six Million Shillings)** in Nsambya as a “token of appreciation to Ms. Geraldine Ssali ” to which Mr Martin Wilson Kasule acknowledged receipt of the above sum on his behalf because Mr Victor Busuulwa refused to sign by appending his signature *(see receipt marked as Annex 11)*
- (3) That on 9th December, 2021 while at Centenary Rural Development Bank (CERUDEB) Kabalagala Branch, Mr. Francis Lwanga made a cash deposit of **UGX 150,000,000 (One Hundred Fifty Million Shillings)** on bank account belonging to Victor Busuulwa at Till No.4019 *(see cash deposit marked as Annex 12);*
- (4) That while appearing to respond to the above, Mr. Martin Wilson Kasule was requested to make a call to Mr. Francis Lwanga which he did and Mr. Francis Lwanga upon asking him to tell the Members who were present the total amount that was given to Mr. Victor Busuulwa , confirmed the two figures above but also informed the Committee on Tourism, Trade and Industry of another **UGX 350,000,000 (Three Hundred Fifty Million Shillings)** in cash that was given to Mr. Victor Busuulwa in Nsambya. He further informed the Committee that the money was sent to Mr. Martin Wilson Kasule’s bank account who went with Mr. Victor Busuulwa

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- (5) to CERUDEB Kabalagala Branch; they both stood at the counter together, Mr. Martin Wilson Kasule withdrew the money and it was immediately banked on Mr. Victor Busuulwa's bank account. None of the two left the Bank Hall with cash (*Play audio*). This brings the total amount of money given to Mr. Victor Busuulwa allegedly as a token of appreciation to Ms. Geraldine Ssali to **UGX 936,000,000 (Nine Hundred Thirty Six Million Shillings)**.
- (6) That the Committee is further privy to information that the original certificate of Bwavumpologoma Growers Cooperative Union Limited had been retained by Ms. Geraldine Ssali in a bid to continue extorting money from the Union. The Committee is therefore astonished, perplexed and unnerved that of the **UGX 2,744,520,000 (Two Billion, Seven Hundred Forty Four Million, Five Hundred Twenty Thousand Shillings)**, the Union received only **UGX 1,808,520,000 (One Billion, Eight Hundred Eight Million, Five Hundred Twenty Thousand Shillings)** for its activities, after the deduction of the above '*token of appreciation of UGX 936,000,000 (Nine Hundred Thirty Six Million Shillings)*' to Ms. Geraldine Ssali .
- (7) During the Committee meetings Mr. Francis Lwanga further informed the committee that they even gave a loan to Mr. Victor Busuulwa amounting to **UGX 150,000,000 (One Hundred Fifty Million Shillings)** which he received in cash making a total of **UGX 1,086,000,000 (One Billion, Eighty Six Million Shillings)**
- (8) That whereas Mr. Martin Wilson Kasule termed the said fee as a token of appreciation to Ms. Geraldine Ssali, the Committee has since established that the funds were actually a 'kickback' to the PS, MTIC for her role in the re-registration and payment process of Bwavumpologoma Growers Cooperative Union Limited.

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- (9) That since Bwavumpologoma Growers Cooperative Union Limited had lost all its assets when it was merged with Masaka Cooperative Union Limited, and later de-registered, it goes without saying that the Union had no justification to benefit from war loss compensation.
- (10) That after thorough analysis of the bank statements the following was discovered to collaborate the testimonies by Mr. Martin Wilson Kasule and Mr. Lwanga Francis

A) Indeed on the 16th of May 2022 Mr Martin Wilson Kasule received **UGX 350,000,000 (Three Hundred Fifty Million Shillings)** on his bank account held in centenary bank "JOURNAL CREDIT CHQ FRM WAVU MPOLOGOMA GROWERS COOPERATI" and on the same day Mr Martin Wilson Kasule withdrew the entire sum of **UGX 350,000,000 (Three Hundred Fifty Million Shillings)** in cash. Similarly on 16th of May 2022 Mr Victor Busuulwa made a cash deposit on his bank account of **UGX 300,000,000 (Three Hundred Million Shillings)** in the same bank which was only less by **UGX 50,000,000 (Fifty Million Shillings)**. The following events collaborate Mr Martin Wilson Kasule's testimonies when he informed the committee that " *Bwavumpologoma sent me the UGX 350,000,000 on my bank account, I was standing with Mr Victor at the Centenary Bank till in Kabalagala, I handed it over to him and he immediately deposited it on his account when I was watching, we were both still at the till*" (see deposit slip marked as Annex 13)

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B) Furthermore, while analyzing the bank statement, Rev. Fr. Deusdedit Ssekyewa made a cash deposit of **UGX 150,000,000 (One Hundred Fifty Million Shillings)** and on 9th December, 2021, Mr. Lwanga Francis withdrew **UGX 150,000,000 (One Hundred Fifty Million Shillings)**, at the bank account held in CERUDEB. It was then discovered that indeed Mr Francis Lwanga made cash deposit of **UGX 150,000,000 (One Hundred Fifty**

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Million Shillings) on 9th December 2021 “DEPOSIT CASH FRANCIS LWANGA” and that Mr Victor Busuulwa received the above funds. **(see cash deposit slip marked as Annex 14)**

Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) The relevant state agencies like the DPP and Inspectorate of Government (IGG) should use their special powers to further investigate with the view of prosecuting all the mentioned persons.
- (2) The Permanent Secretary, MTIC, Ms. Geraldine Ssali and any other public officer(s) involved **should immediately be interdicted** in order to pave way for further investigations.

6.3 WEST MENG0 GROWERS COOPERATIVE UNION LIMITED

West Mengo Growers Cooperative Union Limited, is a registered Cooperative with the Registrar of Cooperative Societies. It was registered on 2nd September 1948; and is one of the oldest Unions in the country.

Item	Amount (UGX)
Amount claimed	47,950,000,000
Amount verified	14,861,192,413
Amount disbursed by Government (to the third party)	2,000,000,000
Amount received by the Cooperative	50,000,000

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Assets that were submitted for verification

No.	Type of Assets
1	10 square miles of land at Kiganda
2	Factory building at Kibibi Butambala
3	Factory building at Kiddumule Gombe District
4	Store and administration building at Kibibi
5	Store and administration building at Kiddamule
6	Staff residences at Kibibi
7	Equipment and machinery at Kiddamule Factory
8	Three stores of processed coffee
9	Three stores of Kiboko
10	One store containing 4,000 bags of processed coffee
11	500 heads of cattle
12	Motor vehicles lost
13	Kawempe stores vandalized coffee lost

Findings

- (1) Mr. Musa Bagaala, the Ag. Accountant, informed the Committee that West Mengo Growers Cooperative Union Executive Committee had resolved to use M/S J.M Musisi Advocates for the purpose of pursuing the compensations. The agreement was made on 4th November 2022. However, he further informed the Committee that the Union leadership was convinced by Hon. Mawanda Michael Maranga, Member of Parliament representing Igara County East in the 11th Parliament of Uganda, to get another lawyer who would help them to follow up the claims and he (Hon. Mawanda) recommended M/S Mungoma Justin & Co. Advocates.

- (2) The Secretary Manager, Mr Lubega Moses Kitaakule stated as follows 'when we were transacting with him, he asked us whether the Union has a lawyer. We told him we had a Union lawyer called Mr. Kajeke who is here with us. He

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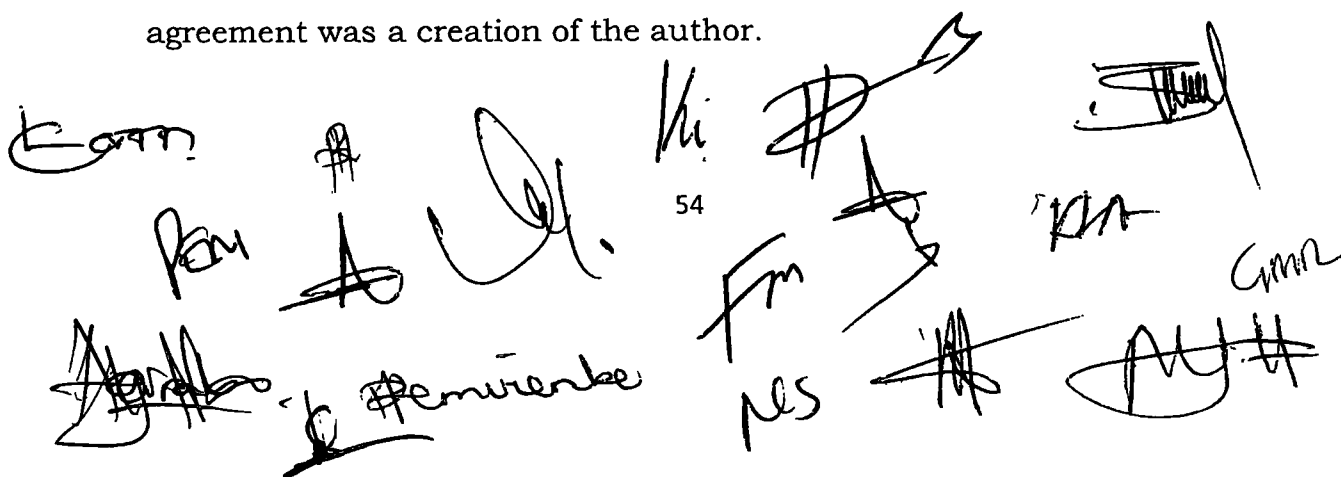
then said that Kajeke may not handle these issues because he knows a lawyer who has been handling such issues called Mr Mungoma. So, that was double punishment. We side-lined our lawyer and entered into an agreement with a person we had never seen before, but we relied on the advice of the person to whom we were referred.” (see Hansard of Committee proceedings for 26th September 2023 marked as Annex 15)

- (3) Mr. Lubega further informed the Committee that Hon. Mawanda helped them to draft the agreement with the law firm which read as follows –

“At the special general meeting held on 16th July 2023, it was proposed and unanimously resolved to appoint M/S Mungoma Justin & Co. Advocates of P.O Box 22191 as the lawyers with instructions to demand, pursue and recover the Union’s claim from government. The said lawyers shall receive the said compensation and upon recovery and receipt, pay off accumulated monies due to the claimant and the balance be credited to West Mengo Growers Cooperative Union Ltd. The costs involved in the recovery were to be met by the lawyers who would deduct their costs and fees upon recovery, after consultations with the executive committee entrusted with coordination of the union”. The agreement was signed by the Secretary Manager, Mr. Lubega Moses and the Treasurer, Mr. Damiano Musisi.

- (4) Mr. Lubega further informed the Committee that the agreement they were made to sign indicated that out of 705 members, 288 members attended and resolved to contract M/S Mungoma Justin & Co. Advocates, but the membership of West Mengo Growers Cooperative Union Limited does not total to that number. Mr. Lubega submitted further that West Mengo Growers Cooperative Union Limited never held such a meeting, and that the agreement was a creation of the author.

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- (5) Mr. Bagaala, the Union's Secretary Manager, informed the Committee that Hon. Mawanda told them that-

*"....in order to complete this deal together with his team, we were to give them **UGX 2 billion**. We told him that as a union, we did not have it. Then he said if I provide it, will you pay it back when the money is out? We said, yes because we had heard that we were going to get **UGX 14 billion**, which we did not expect. For someone to say that I will take **UGX 2 billion** - Of course, all these were not in writing but verbal".*

- (6) Mr. Bagaala further informed the Committee that he was aware that the Union had received **UGX 2,000,000,000 (Two Billion Shillings)** in two equal instalments on 19th November 2021 and 03rd May 2022 through Mungoma Justin & Co. Advocates. That on a date he could not recall, he (Mr. Bagaala) together Mr. Lubega met in Hon. Mawanda's Office at the Parliamentary Buildings where he suggested a **UGX 50 million (Fifty Million Shillings)** as a token. He therefore, asked them to go to **M/S Mungoma Justin's law chambers**. Mr. Bagaala informed the Committee that Counsel Mungoma took them to Kenya Commercial Bank (KCB) on Kampala Road from where each of them signed for **UGX 25 Million (Twenty Five Million Shillings)** totaling **UGX 50 million (Fifty Million Shillings)**. Mr. Bagaala told the Committee that him and Mr. Lubega did not read through the documents that they signed to receive the said money.

Efforts by the Committee to have physical interaction with Hon. Mawanda were to no avail. The Honorable Member instead opted to submit written memoranda.

In his written submission of 11th October, 2023, Hon. Mawanda stated that payments in respect of compensation to West Mengo Growers Cooperative Union were received by M/S Mungoma Justin & Co. Advocates. His (Hon. Mawanda) submission to the Committee was accompanied by payment vouchers that

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indicated payments made to and from Mungoma Justin & Co Advocates as detailed below:

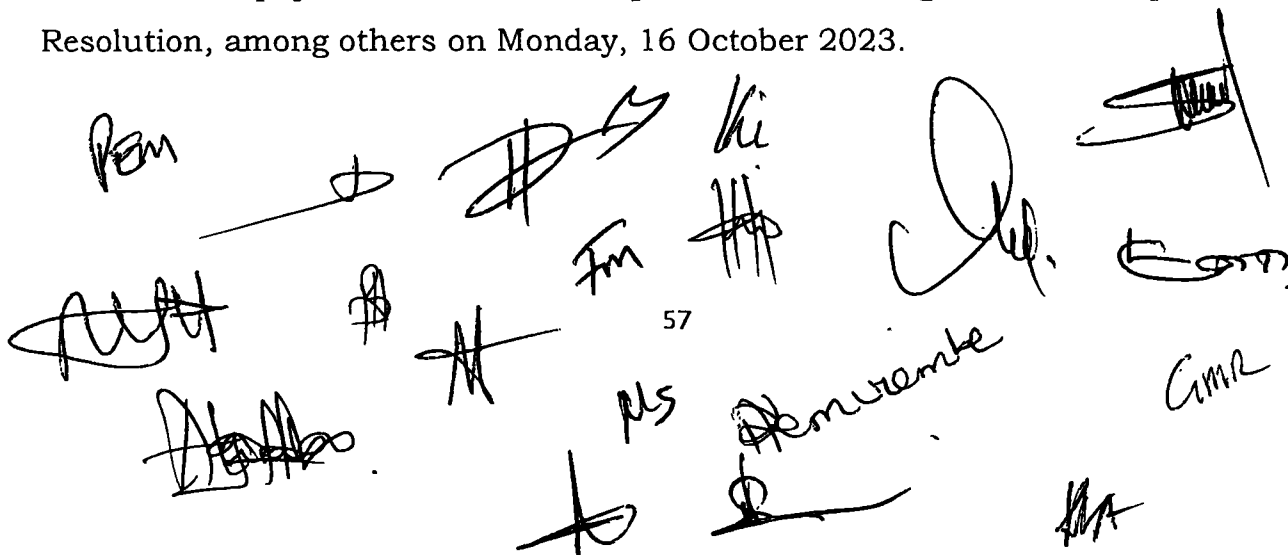
Date	Payee	Recipient	Amount (UGX)	Reason
20/11/21	Mungoma Justin & Co Advocates	Edward Mpoza Katuluba	82,000,000	Compensation from government to West Mengo Growers Cooperative Union (war losses)
25/11/21	Mungoma Justin & Co Advocates	Lubega Moses Kitaakule Bagala Musa Kikka	25,000,000 25,000,000	No reason given
25/11/21	Mungoma Justin & Co Advocates	Lubega Moses & Bagala Musa Kikka	50,000,000	payment for compensation for war losses
25/11/22	West Mengo Coop Union	Mungoma Justin & Co Advocates	78,000,000	Legal services for negotiating war claims compensation
27/11/21	Mungoma Justin & Co Advocates	Edward Katuluba	200,000,000	compensation for war losses
30/11/21	Mungoma Justin & Co Advocates	Edward Katuluba	190,000,000 150,000,000	compensation for war losses

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			250,000,000	
10/5/22	West Mengo Coop Union	Mungoma Justin & Co Advocates	210,000,000	Legal services for negotiating war claims compensation
14/5/22	West Mengo Coop Union	Mungoma Justin & Co Advocates	200,000,000	Legal services for negotiating war claims compensation
10/6/22	West Mengo Coop Union	Mungoma Justin & Co Advocates	29,000,000	Legal services for negotiating war claims compensation
			1,489,000,000	

Notwithstanding the above accountabilities as submitted by Hon. Mawanda, the Committee is perplexed at how the Honorable Member, who is neither a beneficiary, a shareholder in West Mengo Growers Cooperative Limited nor a partner in M/S Mungoma Justin & Co. Advocates, would have access to such accountability documents.

Whereas the Committee tried to reach out to M/S Mungoma & Co. Advocates to no avail; in his submission, Counsel Mungoma Justin stated that he was informed by Hon. Mawanda that he was required to appear before the Committee on Tourism, Trade and Industry in regard to submission of evidence on war loss compensations. He submitted payment vouchers, receipts and acknowledgement of receipts, Board Resolution, among others on Monday, 16 October 2023.



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Observation(s) of the Committee

The Committee observed as follows:

- (1) There was no written agreement between M/S Mungoma Justin & Co. Advocates and West Mengo Growers Cooperative Union Limited, but it was Counsel Mungoma Justin's verbal submission that the law firm would retain **UGX 2,000,000,000 (Two Billion Shillings)** as legal fees out of the **UGX 14,000,000,000 (Fourteen Billion Shillings)** that the Union had claimed as compensation. The Committee notes that Section 10 of the Contract Act provides that *'a contract the subject matter of which exceeds 25 currency points (UGX 500,000) SHALL be in writing.'* It was the observation of the Committee that there was no legal contract between the parties since the subject matter was UGX 14,000,000,000 and not reduced in writing.

In the case of Visare Uganda Limited versus Muwema & Co. Advocates and Solicitors, Hon. Justice Stephen Mubiru ruled that-

"Contracts under which an advocate is employed by a client have peculiar and distinguished features which differentiate them from ordinary contracts. It is a requirement of Section 51(1) of the Advocates Act that fee agreements; (a) be in writing; (b) be signed by the persons to be bound by it; and (c) contain a certificate signed by a notary public (other than a notary public who is a party to the agreement) to the effect that the person bound by the agreement had explained to him or her the nature of the agreement and appeared to understand the agreement. A copy of the certificate of the agreement has to be sent to the Secretary of the Law Council by prepaid registered post. If any of these requirements have not been satisfied, noncompliant agreement are not enforceable (see Section 51(2) of the Act)"

- (2) The Committee observed that the payment vouchers submitted by Hon. Mawanda Michael and Counsel Mungoma Justin were neither received nor

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acknowledged by the purported beneficiaries save for the **UGX 50,000,000 (Fifty Million Shillings)** which the Members of the Board admitted to have received in cash from Counsel Mungoma Justin from KCB Bank.

- (3) The Committee while scrutinizing the Internal Audit Report of MTIC for the period of FY 2021/22 established that the war claim compensation to West Mengo Growers Cooperative Union Limited was raised as an audit query which was not responded to.
- (4) According to Regulation 29 of the Cooperative Societies Regulations, SI No.112-1, the duties of the Treasurer of a registered society shall include (a) his or her attendance at all meetings of the society and its committees; (b) the collection and receipt of all money payable to the society, and the issue of receipts for those monies. From the foregoing, the Committee established that the purported receipts submitted by Counsel Mungoma Justin bore the stamp of 'the Chairman of the Union'. The payment vouchers.
- (5) Section 51(1) of the Advocates Act requires that agreements under Section 48 and 50 of the Advocates Act concerns remuneration of advocates must be in writing, be signed by the persons to be bound by it and contain a certificate signed by a notary public (other than a notary public who is a party to the agreement). The Committee therefore observed that the undertaking is not enforceable under the law.

Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) That M/S Mungoma Justin & Co. Advocates should be referred to the Uganda Law Council for professional misconduct.

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- (2) That the IGG should investigate the Accounting Officer, MTIC and all persons involved in payments to M/S Mungoma Justin & Co. Advocates on behalf of West Mengo Growers Cooperative Union Limited without a board resolution and instructions to receive money on their behalf with the view of prosecution.
- (3) That the Criminal Investigations Department should conduct investigations into the circumstances under which Hon. Mawanda Michael Maranga, Member of Parliament representing Igara County East in the 11th Parliament of Uganda, got involved in the war loss compensation payments for West Mengo Growers Cooperative Union Limited.

6.4 BUMWAMBU GROWERS COOPERATIVE SOCIETY LTD

Bumwambu Growers Cooperative Society Ltd is located in Sironko District. It was registered on the 4th of April 1951 with a certificate number 339. On the 18th of February 2015, the Society submitted a total claim of UGX 22.4 billion to the Ministry of Trade Industries and Cooperatives.

On the 15th of October 2021, the society wrote to the Permanent Secretary Ministry of Trade Industries and Cooperatives introducing M/S Kirya and Co. Advocates as the Society's Advocates and Legal Consultants. In the Letter the firm was mandated to follow up the Society's claim for Compensation from government of Uganda. The same letter further states that the proceeds of the claim were to be channeled through M/S Kirya & Co. Advocates with DFCU Bank Ltd, Ndeeba branch.

According to a report by the Ministry of Trade Industries and Cooperatives on the status of war loss compensation to cooperative unions as at 24th June 2023, out of the **UGX 22.4 billion** claim submit by the society, **UGX 15.56 billion** was verified for payment. The same report states that Bumwambu Growers Cooperative Society

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Ltd has so far received **UGX 11.2 billion** in compensation, out of which **UGX 10.2 billion** was channeled through M/S Kirya & Co. Advocates.

Item	Amount (UGX)
Claim	22,400,000,000
Amount verified	15,557,159,236
Amount received by the Cooperative from MTIC	1,000,000,000
Amount received MTIC to law firm	10,200,000,000
Total Amount received	11,200,000,000
Legal fees 10%	1,020,000,000
Amount expended by the union	13,790,000,000
Amount expended in excess	2,590,000,000

The Committee was informed that out of the **UGX 11.2 billion** received, **UGX 8.54 billion** was spent on the acquisition of 1,532 acres of land owned by Simu Oil Company Ltd. In the agreement that was signed between Simu Oil Co. Ltd and Bumwambu Growers Cooperative Society Ltd, each acre of land was valued at UGX 6,000,000 per acre which translates to a total value of **UGX 9.192 billion** for all the 1,532 acres of land. This implies that the cooperative society still owes Simu Oil Company Ltd **UGX 0.652 billion**.

Whereas the Society had already paid **UGX 8.54 billion** for the land, the committee established that no due diligence was carried out before the purchase. The committee further established that the Society was not in possession of the title even after paying 93% of the total value of the land.

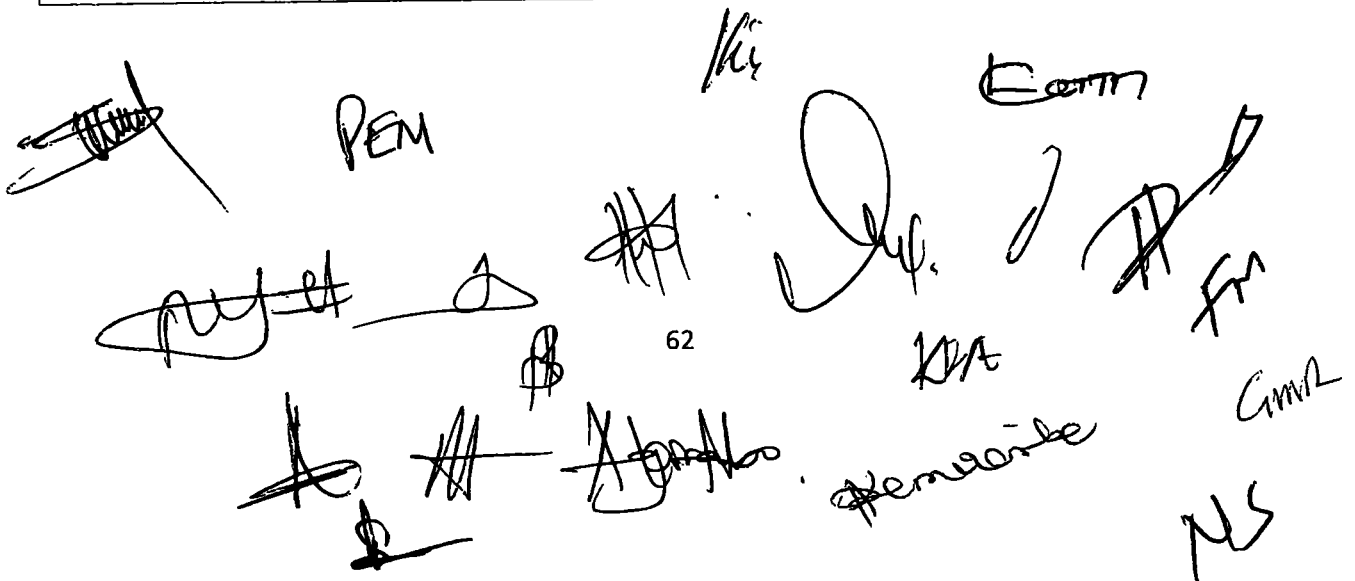
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- Amr
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Bumwambu Growers Cooperative Society Ltd.

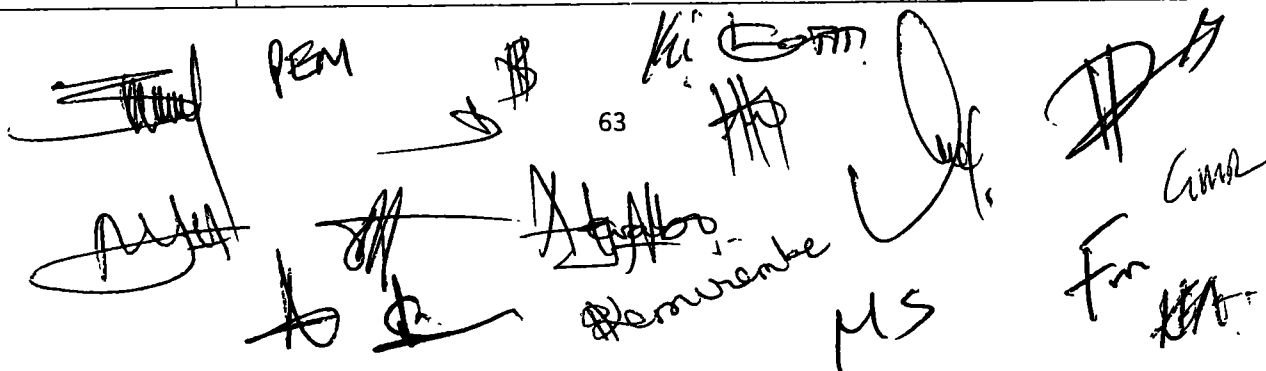
Expenditure made by Kirya and Co Advocate on instructions of Bumwambu cooperative society for receipts presented by Kirya & Co Advocates

Date	Details of payment	Amount
19/10/2021	Land block 4 plot 199	200,000,000
19/10/2021	Land block 4 plot 199	35,000,000
5/11/2021	Land block 4 plot 199	100,000,000
28/10/2020	Land block 4 plot 199	500,000,000
15/10/2021	Land block 4 plot 199	165,000,000
4/10/2021	Land block 4 plot 199	116,000,000
4/6/2023	Land block 4 plot 199(Akamba Paulo)	200,000,000
4/6/2023	Land block 4 plot 199 (Rajnish Jain)	400,825,000
12/5/2022	Land block 4 plot 199 (Rajnish Jain)	70,000,000
6/5/2022	Land block 4 plot 199 (Rajnish Jain)	110,000,000
14/2/20222	Land block 4 plot 199 (Rajnish Jain)	114,000,000
15/2/2022	Land block 4 plot 199 (Rajnish Jain)	45,000,000
22/11/22	Land block 4 plot 199	250,000,000
19/11/2021	Land block 4 plot 199	535,000,000
Total		2,840,825,000

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OTHER INSTRUCTIONS TO PAY

Date	Details for payments	Amount (UGX)
22/10/2020	Simu Oil co LTD alc 0010288088 Tropical bank	2,700,000,000
22/10/20	Bumwambu Growers coop society A/c 0111367809852 DFCU	150,000,000
22/10/2020	Musiwa Haruna (money Lender)	300,000,000
4/10/2021	Simu Oil co LTD alc 0010288088 Tropical bank	1,710,000,000
4/10/2021	Bumwambu Growers coop society A/c 0111367809852 DFCU	90,000,000
11/11/2021	Simu Oil co LTD alc 0010288088 Tropical bank	1,500,000,000
11/11/2021	Bumwambu Growers coop society A/c 0111367809852 DFCU	300,000,000
8/2/2022	Simu Oil co LTD alc 0010288088 Tropical bank	1,080,000,000
6/6/2023	Simu Oil co LTD alc 0010288088 Tropical bank	1,350,000,000
3/11/2020	Mawanda Michieal DFCU (A/c No 01073000453455)	250,000,000
3/11/2020	Bumwambu Growers coop society A/c 0111367809852 DFCU	150,000,000
13/11/2021	Mawanda Micheal A/c No 01073000453455)	200,000,000
4/6/2023	Wogambula Wilson wamakuyu& makoba Christopher Aching(Bumwambu growers coop society) Cash receipt.	150,000,000
	Total	9,930,000,000


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The committee reviewed expenditure instructions issued by Bumwambu Cooperative Union to Kirya and Company advocates and established that the cooperative's expenditure amounted to **UGX 13,790,000,000** which was over and above the payments compared to **UGX 11,200,000,000** received from the MTIC which leaves **UGX 2,590,000,000** as excess expenditures which makes the explanation tendered unbelievable and renders the accountability doubtful.

This would imply that accountability was fictitious since the cooperative couldn't have spend in excess of funds received from MTIC

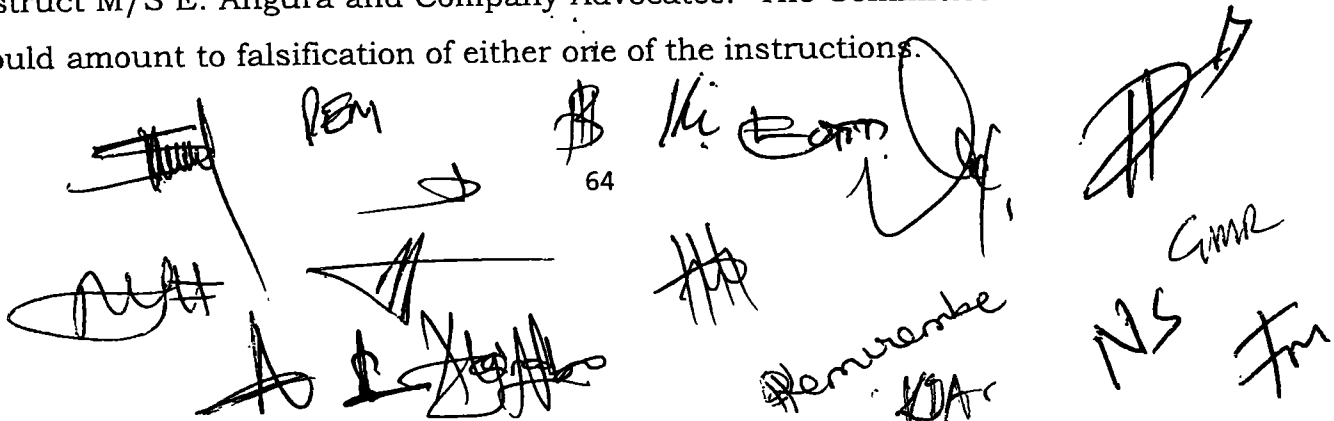
6.5 BUYAKA GROWERS COOPERATIVE SOCIETY LIMITED.

The Cooperative Society was registered in 1949. The Committee conducted documentary review and established that the Society initially appointed M/S. E. Angura and Company Advocates MIN/ECM/113/2020 and the appointment was effective 5th March, 2020 for two years. According to the MoU executed between the Society and M/S. E. Angura and Company Advocates, it was 6th March, 2020 the law firm was to be paid a consideration of 5% of the value of the compensation money from the Government of Uganda for legal representation and consultancy work.

However, the Committee observes that this communication was never received by the MTIC and would therefore not have formed a biding document to bind the MTIC.

The Committee was however surprised that the cooperative also appointed another law firm; M/S Mungoma, Mabonga, Wakhaka & Co. Advocates to carry out the same task. The instruction of appointment was issued on 4th August 2020 under min MIN/ECM/113/2020 arising from a meeting held on 5th March 2020. The Committee established that this was the same information used to purportedly instruct M/S E. Angura and Company Advocates. The Committee notes that this would amount to falsification of either one of the instructions.

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The Committee was informed by the Chairperson of the Society that an officer from MTIC, a one Kavundira Leonard advised him to get another lawyer to wit he introduced Kirya and Company Advocates who he said would be in position to pursue their claim from the Ministry. However, there is no documentary evidence as to instructions issued to the said law firm by the Society.

The Society Chairperson further informed the Committee that on 24th March, 2023, himself and the Society Manager were called by Mr. Kavundira who informed them that he (Mr. Kavundira) had some money for the Society. The trio met at Peace Restaurant where Mr. Kavundira attempted to hand them UGX 200,000,000 in cash. It is at this point that the Society Chairperson and Manager requested that the trio proceeds to DFCU Bank at Jinja Road, which request Mr. Kavundira agreed to. The UGX 200,000,000 was subsequently banked on the Society's bank account on 24th March, 2023. This claim is confirmed by the Society' bank statement.

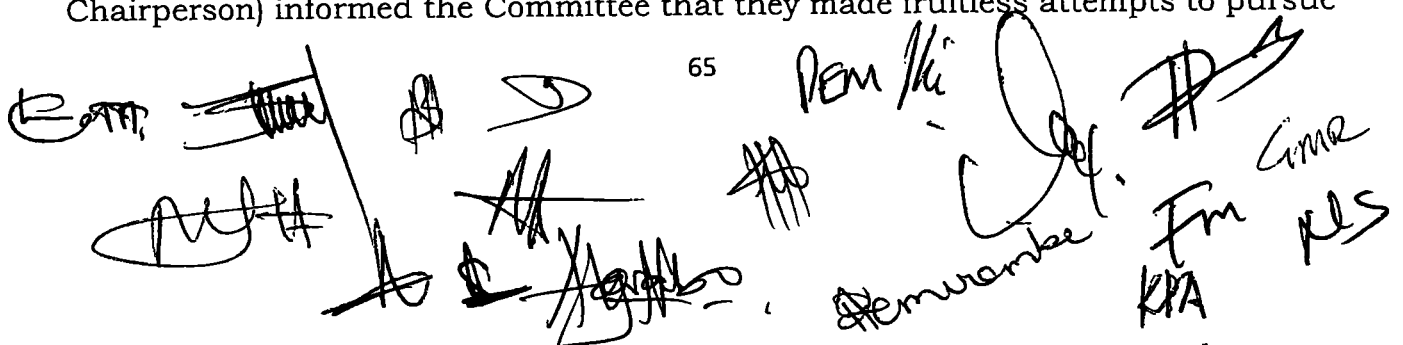
The Chairperson further informed the Committee that the same Mr. Kavundira from MTIC introduced another lawyer called Ezra from Probata Advocates to the Chairperson saying that he was very competent even in sourcing machines. He alleged that during the meeting, another official from MTIC a one Mutegeki David introduced himself as legal officer at MTIC was around. It was the submission of the Chairperson of the Society that the Society consequently undertook an MoU with Probata Advocates to wit the law firm was entitled to 40% of the compensation from the Government of Uganda.

Upon execution of the said MoU, the Chairperson, Secretary Manager and the Treasurer to the Society were invited by Mr. Kavundira, Mr. Mutegeki and a lawyer from Probata Advocates called Ezra

, to go and bank another UGX 290,000,000 on the Society's bank account in DFCU. When asked about the balance of the claim, the Chairperson was informed by Mr. Kavundira and Ezra that the same had been retained for buying machines. He (the Chairperson) informed the Committee that they made fruitless attempts to pursue

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the balance due to the Society to the extent of making appointments with the PS MTIC to find out the status of their payments to no avail.

Item	Amount (UGX)
Initial Claim (Amount)	17,372,340,000
Verified Claim (Amount)	5,366,412,800
Amount received by Cooperative on Bank Acc. received UGX 290m from Kirya & Co Advocates and UGX 200m from Probata Advocates as per cooperative bank statement.	490,000,000
Kirya & Co Advocates received Probarta Advocates. Total received through 3 rd Party payment.	UGX 3,868,714,611(Paid 1,550,000,000 to Hon. Mawanda, paid UGX 200,000,000 to Hon Akamba Paul. Cash payments to Buyaka UGX 550,000,000 less Legal fees of UGX 386,871,461 (UGX 413,128,539) not accounted for. 1,500,000,000 5,368,714,611
Legal Fees 10% for Kirya & Co Advocates.	386,871,461
Amount not accounted for	4,878,714,611
Amount paid in Excess of verified amount.	2,301,811

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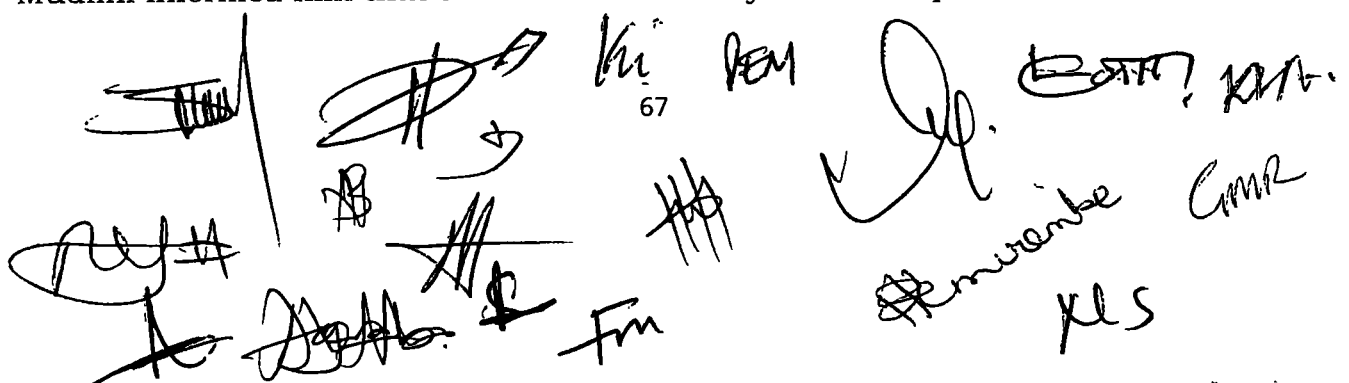
The committee established that **UGX 5,366,412,800** was verified for payment. That in **FY 2021/2022 UGX 3,500,000,000** was paid and in **FY 2022/2023 UGX 1,868,714,611** amounting to **UGX 5,368,714,611**, which was remitted to Kirya and Co. Advocates; and Probata Advocates by MTIC. This would indicate that the Society was paid in excess of **UGX 2,301,1811**.

The Committee was astonished that to date, the bank statement of the Society only reflects a receipt of only **UGX 200,000,000** banked by Mr David Watuwa. That on the 18th/ 11/2021 the Cooperative received **UGX 290,000,000** from Kirya & Co Advocates. This implies that a balance of **UGX 4,878,714,611** was paid but is still unaccounted for.

The Committee established that **UGX 1,500,000,000** was received by Probata Advocates for and on behalf of Buyaka Cooperative Society. That **UGX 3,868,714,611** was received by Kirya and Co. Advocates, which was meant for onward transmission to Buyaka Cooperative Society. The committee was left in a state of a **multi hydrant cracker choker** that out of the **UGX 5,368,714,611** the cooperative had only received **UGX 490,000,000**.

The committee interacted with Counsel Kirya of M/S Kirya & Co Advocates to wit he stated that he was introduced to the Union board members by Hon. Mudimi in a meeting held in his (Hon. Mudimi) office at Parliament. That in attendance at the meeting as Hon. Mawanda and the two board members from Buyaka Cooperative society i.e. Mr Masaba Fred, the Chairperson and Mr Watuwa David, the treasurer. That subsequently a Resolution was extracted and that there was a verbal agreement where the law firm would get 10% as legal fees for payments. That Hon. Mudimi suggested that the lawyer should take 10% (**play audio**)

It was counsel Kirya's submission that during one of their meetings with Hon. Mudimi informed him that the Union would buy land in Kapchorwa in Soi County

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and that the Union would buy it and that he was instructed to pay money to WIMU Investments, which belongs to Hon. Mudimi.

Counsel further submitted that Hon. Mudimi would give instructions on how the funds were to be expended. That hon. Mudimi instructed him to pay UGX 1,050,000,000 to Hon. Mawanda. That Hon. Mudimi also instructed him to pay UGX 200,000,000 to Hon. Akamba Paul and UGX 550,000,000 to Buyaka Grower's Cooperative Ltd, among other instructions.

The Committee observed that whereas Counsel Kirya stated that Hon. Mudimi was the one giving financial instructions yet there was no evidence that he (Hon. Mudimi) was not a member of Buyaka Grower's Cooperative Society, no written instructions were submitted by Counsel Kirya from Hon. Mudimi to execute payments as stated above.

The above accountabilities notwithstanding, UGX 413,128,539 was left unaccounted for by M/S Kirya & Co Advocates against the UGX 3,868,714,611 that was received

The Committee received written submission from Probata Advocates and interfaced with a lawyer from the said law firm, a one Mr. Muyanja Eddie Bakumpe who stated that Ezra Kabali was not an employee of Probata Advocates but rather Masereje & Co. Advocates. That he (Mr. Ezra Kabali) only came to the law firm through a junior counsel at the law firm called Ms. Hanifa Najingo. He further stated that the cooperative came with the Chairperson Masaba Fred, Secretary Manager, Mr Watuwa David and a one Mr. Ezra Kabali to their office.

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That the Cooperative came with a prepared MOU and Powers of Attorney, and that they executed the agreement with the cooperative without the input of Counsel Eddie Muyanja. That Mr. Ezra Kabali was their agent. Counsel Eddie Muyanja submitted that once the funds from MTIC hit the said account, they made a cash withdraw of **UGX 1,500,000,000** together with all the officers aforementioned.

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That he attached a cheque in favour of Mr. Ezra Kabali in order to withdraw the cash. That this money was withdrawn in the presence of Cooperative members. (See attached marked D).

Counsel Eddie Muyanja also submitted an acknowledgement of receipt of payment from Mr Masaba Fred, the Chairperson, Mr Watuwa David, the Secretary Manager and in presence of Kabali Ezra. (See attached marked E).

It should be noted that Counsel Eddie Muyanja further submitted pictures which he took using his telephone, which indicted the said cooperative officers, Mr. Kabali Ezra with bags purportedly for carrying the funds which they had been received. (See attached marked F). He further stated that he was only given UGX 32,000,000 which was his entitlement.

The committee also observes that during the field visit, the Chairperson of the Cooperative Society, Mr. Masaba Fred informed the committee that he had met a one Mr. Mutegeki David, a lawyer from MTIC. He even went ahead to provide the said lawyer's telephone contact and also identified him through a photo shown to him.

However, during his appearance at Parliament, Mr Masaba denied ever having been involved with the said lawyer which was contrary to what he had earlier informed the Committee. This inconsistency in evidence by the Chairperson would undertone conspiracy to commit a felony between the Society leadership and MTIC officials.

The Committee observed that this absurdity would only be attributed to fraud by MTIC officials, Board members of the Cooperative Society and lawyers aforementioned and only purported to use the said cooperative to defraud, swindle, cheat, trick and hoax the Ugandan government.

While interfacing with the Hon. Akamba Paul on 18th October, 2023, the Committee established that the **UGX 200,000,000 (Two Hundred Million Shillings)** that he

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(Hon. Akamba Paul) lent out to Hon. Wamakuyu Ignatius Mudimi, were in his (Hon. Wamakuyu) private capacity as a colleague Member of Parliament; and that the said loan had been paid off by the Hon. Member.

Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) That the Criminal Intelligence and Investigations Department (CIID) should conduct investigations into the circumstances under which Members of Parliament; namely, Hon. Mudimi Ignatius Wamakuyu and Hon. Mawanda Michael Maranga got involved in the war loss compensation payments for Buyaka Growers Cooperative Society Limited.
- (2) That Mr. Kirya Julius of M/S Kirya & Co. Advocates, and Mr. Ezra Kabali of Masereje & Co. Advocates should be referred to the Uganda Law Council for appropriate action on account of their professional misconduct and non-remittance of some funds to Buyaka Growers Cooperative Society Limited.
- (3) That the CIID should investigate Mr. Ezra Kabali for holding out as a lawyer from Probata Advocates whereas not, contrary to Section 381 of the Penal Code Act, Cap 120.
- (4) The CIID should investigate the Chairperson of Buyaka Growers Cooperative Society Limited, Mr. Masaba Fred and the Treasurer, Mr. Watuwa David for giving contradictory and inconsistent information to the Committee and their involvement in misappropriation of funds meant for the Cooperative Society.
- (5) The Buyaka Cooperative completes payment to WIMU Enterprises Limited in fulfilment of the sale agreement for plot 659, Block 2, Kapkware Parish, Soi County Area 348.8049 hectares and immediately upon such payment, the directors of WIMU enterprise should cause the transfer of the land to the Cooperative Society.

Cooperative Society.

6.6 EAST ACHOLI COOPERATIVE UNION LIMITED.

East Acholi Cooperative Union Ltd started in 1951, with physical location in Guu Ward Ginnery Ward, Paidong Division, Kitgum District. The Union operates across four districts; Kitgum, Lamwo, Agago and Pader. It is a member based secondary level co-operative union.

According to the verification committee report, the Union submitted that the liberation war between 1978 and 1985-6 eroded the business and asset base of East Acholi Cooperative Union that affected its productivity.

Item	Amount (UGX)
Initial Claim	6,417,427,637
Verified amount	5,514,804,831
Amount received from MTIC	1,000,000,000
Amount received from Ministry of Justice and Constitutional Affairs	1,621,173,637

The Chairperson of the Union, Ms. Aceng Allen informed the Committee that M/S Odonga Otto & Co. Advocates was imposed on the Union by officials from MTIC who advised them to use his services to claim for war loss compensation. It was her submission that when she, on behalf of the Union, objected to the same, the said law firm instituted a suit against the Union for non-compliance. Subsequently the Union '*was forced*' into signing a consent with the law firm to wit the law firm would retain 30% of the monies paid by Government.

Immediately upon executing the consent judgment with M/S Odonga Otto & Co. Advocates wherein the Law firm was to receive 30% of the compensation for war claims, the Union was paid **UGX 1,000,000,000 (One Billion Shillings)**. On 13th November 2020, the Secretary Manager of the Union, the Accountant and Cashier, who were the official signatories of the Union authorized the bank to deduct from the Union Account **UGX 300,000,000 (Three Hundred Million Shillings)** and

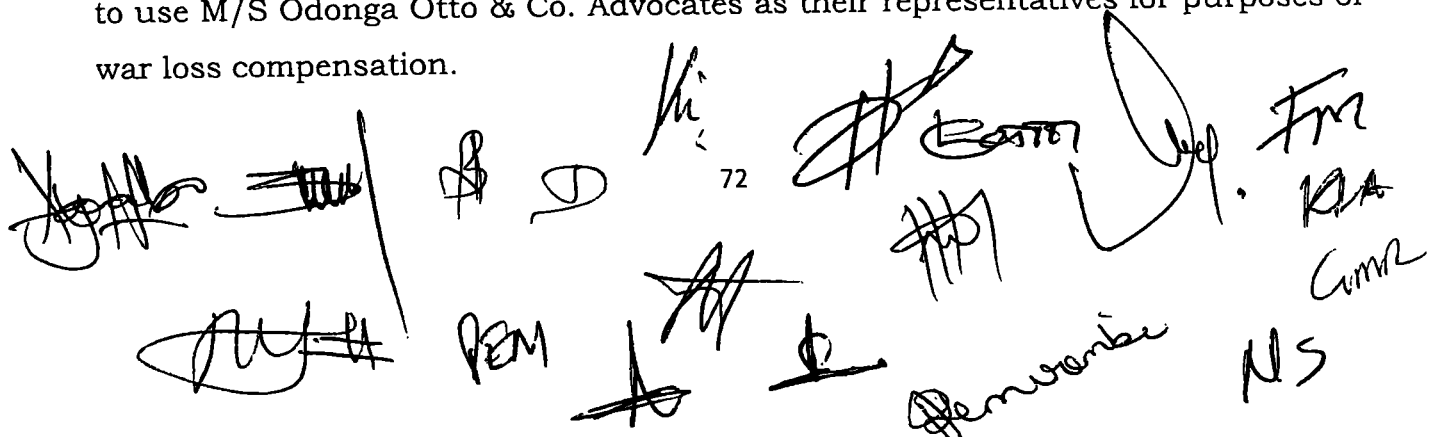
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transfer to M/S Odonga Otto and Co. Advocates account no.950 102 0000 1953 held at Bank of Baroda. The instruction was to cover all future instalments for every release obtained from government in relation to the claim.

Ms. Aceng Hellen the Chairperson of the Union testified before the Committee that she, together with the Union Treasurer, Mr. Opio Severoni Asony met the late Rt. Hon. Speaker, Jacob Oulanyah in Arua in October 2020 where he tabled the proposal that the claim of the Union would be paid at once but at a cost of **UGX 300,000,000 (Three Hundred Million Shillings)**. Since the Union did not have such an amount of money at the time, it was the testimony of Ms. Aceng Hellen that the two, the Treasurer and herself delivered **UGX 100,000,000 (One Hundred Million Shillings)** in December 2020 to the late Rt. Hon. Speaker of Parliament of Uganda at his residence in Muyenga. *(Play audio)*

Ms. Aceng further informed the Committee that **STATE WITNESS Y** from MTIC drove himself up to Kitgum and picked **UGX 130,000,000 (One Hundred Thirty Million Shillings)** from Acaki Hotel in 2020 for onward delivery to the Chairperson of the Verification Committee, Mr. Leonard Kavundira. She further informed the Committee that **UGX 60,000,000 (Sixty Million Shillings)** was brought to the finance team of the Ministry of Trade in Kampala.

In a bid to substantiate the claims of the leadership of the Union, the Committee established that there was indeed a civil suit instituted against the East Acholi Cooperative Union Limited and the Attorney General by Hon. Odonga Otto and M/S Odonga Otto & Co. Advocates under Miscellaneous Cause No.235 of 2020 pursuant to which a consent judgement was extracted instructing the Union to pay 30% to the said claimants in the suit. The Committee asked the Hon. Minister to substantiate on the allegations made by the Union that he had conditioned them to use M/S Odonga Otto & Co. Advocates as their representatives for purposes of war loss compensation.

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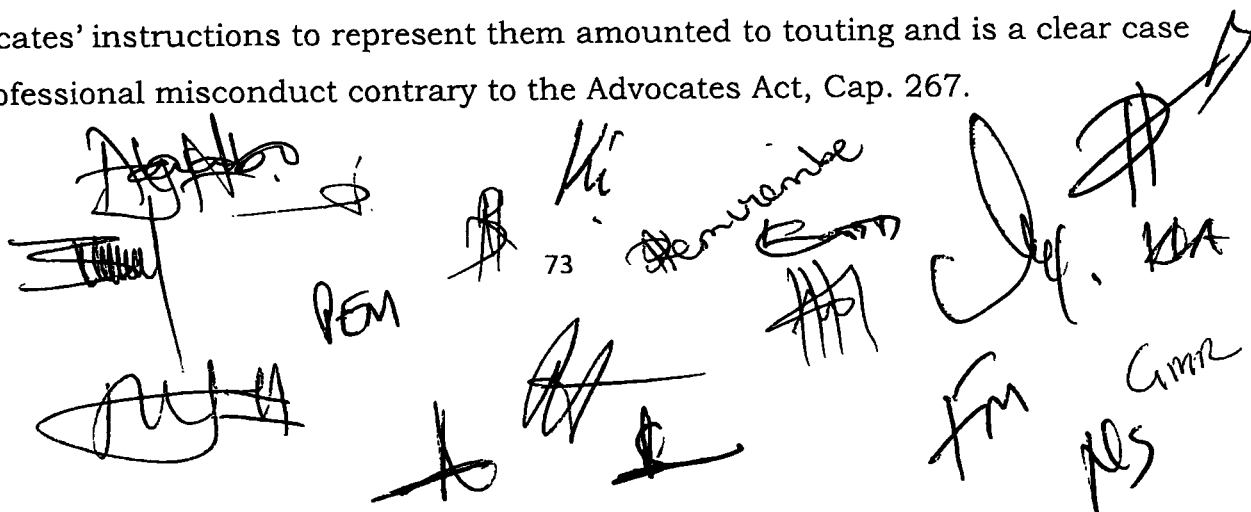
In his response the Minister stated that; ***"Hon. Odonga Otto said, I come from this place, I have a law firm, why don't you allow me to get a job?"*** he further stated that ***"they could have easily refused, I did not force them. But Odonga Otto is a Member of Parliament, he is a colleague..... like you come, if you want to be assisted, you are a member of Parliament, I will treat you differently and then I gave them an option, well, this is a member of Parliament, you use him. I did it.....that one I cannot deny but they had an option to refuse."***

Incidentally, the Committee noted that as soon as the leadership of the Union consented to use the legal services of M/S Odonga Otto & Co. Advocates, the Union was paid.

The Committee observed that based on the confession of the Minister, that the conduct of the Minister, Hon. Gume Frederick Ngobi, amounts to influence peddling and abuse of office contrary to Section 11 of the Anti Corruption Act, 2009.

The Committee invited Hon. Odonga Otto and M/S Odonga Otto & Co. Advocates to substantiate on the allegations levelled against him. The Hon. Member submitted written memorandum on the 16th of October 2023 which included the consent judgement and instructions. The Committee was already in possession of this information and therefore observes that Hon. Odonga Otto and M/S Odonga Otto & Co. Advocates did not have any further information to substantiate the allegations levelled against the Hon. Member and the law firm.

The Committee further observed that Hon. Odonga Otto's conduct of instituting a civil suit against the Union to compel them to issue M/S Odonga Otto & Co. Advocates' instructions to represent them amounted to touting and is a clear case of professional misconduct contrary to the Advocates Act, Cap. 267.

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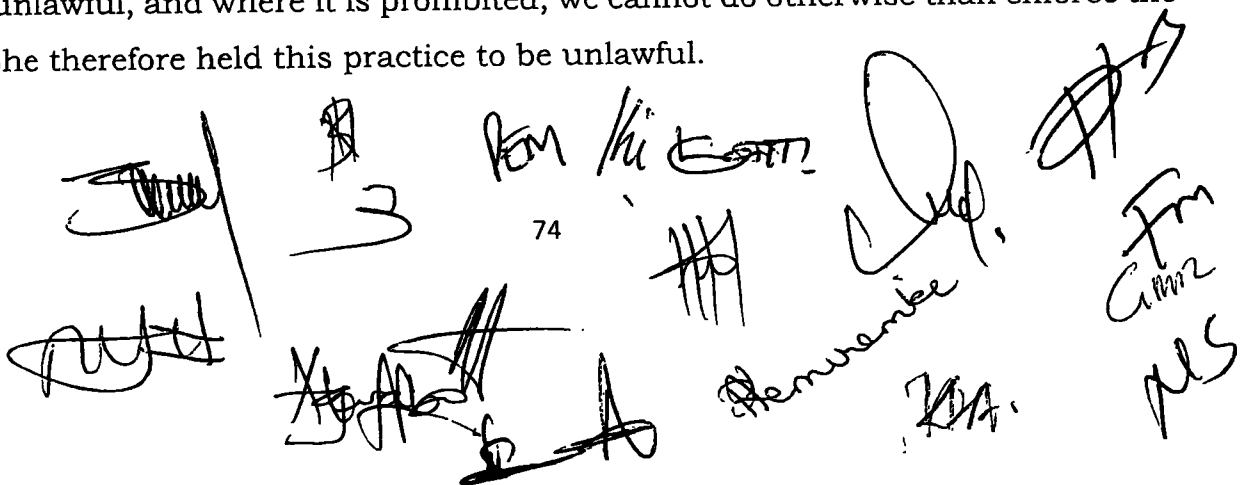
According to section 75 of the Advocates Act, Cap 267, acting as a tout is prohibited as follows;

(1) Any person who, on behalf of any advocate, or for his or her own account, acts as a tout commits an offence.

(2) For the purposes of this section, "tout" means a person who, in consideration of any payment or other advantage to himself or herself, procures the employment in any legal business of any advocate, or proposes to an advocate to procure him or her employment or other advantage.

The Committee further observed that from the total amount of **UGX 1,000,000,000 (One Billion Shillings)** received by the Union, only **UGX 410,000,000 (Four Hundred Ten Million Shillings)** was available to the Union for the actual purpose for which it was appropriated. This is a clear exhibition of the extent to which the war loss compensation policy is grossly undermined and abused.

The Committee further observed the agreement was 'champertous'. The Lady Justice Irene Mulyagonja in the case of **Shell (U) Ltd 9 Others V Rock Petroleum & 2 Ors** Misc. App No. 645 of 2010 held that champertous agreements and maintenance is known among lay persons as buying into another's lawsuit and also means sharing in the spoils of litigation. She further held that champerty is an aggravated form of maintenance. Lady Justice Mulyagonja in the Shell Uganda Ltd case (supra) made reference to a decision of Lord Denning in **Re Trepca Mines Ltd** and held that the reason why the common law condemns champerty is because of the abuses to which it may give rise. The common law fears that the champertous maintainer might be tempted, for his own personal gain, to inflame the damages, to suppress evidence, or even to suborn witnesses. He added that such fears may be exaggerated; but, be that so or not, the law for centuries has declared champerty to be unlawful, and where it is prohibited, we cannot do otherwise than enforce the law. She therefore held this practice to be unlawful.

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"...A contract is formed by an offer by one person that is then accepted by another. Both parties must have the legal capacity to make such a contract. Both parties must intend that their behavior shall result in a legal contract."

The Committee is of the considered view that Hon. Odonga Otto and M/S Odonga & Co. Advocates instituted a law suit against East Acholi Cooperative Union Limited and the Attorney General for purposes of sharing in the war loss compensation due to the Union by the Government of Uganda. This is a clear case of champerty which is immoral, illegal and against public policy.

Recommendation(s) of the Committee:

The Committee recommends as follows:

- (1) That the Attorney General should move court in Miscellaneous Cause No.235 of 2020 to have the said court order vacated and set aside;
- (2) East Acholi Cooperative Union Limited is advised to lodge a complaint with the Uganda Law Council for professional misconduct prescribed under Section 74 of the Advocates Act, Cap 267 against Hon. Odonga Otto and M/S Odonga Otto & Co. Advocates, and that Uganda Law Council should take appropriate action.
- (3) That the DPP and IGG should investigate Mr. Kavundira Leonard, the Chairperson of the inter-ministerial verification committee with the view of prosecution.

6.7 WAMALA GROWERS COOPERATIVE UNION LIMITED.

According to the Certificate of Registration, Wamala Growers Co-operative Union Limited was incorporated on 12th December, 1968 under section 5(2) of the Cooperative Societies Statute, 1991.

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Wamala Growers Cooperative Union Ltd (WGPU) operates in the districts of Mityana, Kiboga, Kyankwanzi, Mubende and Kasanda.

The first time Wamala Cooperative Union Limited made a claim for war loss was in 1995 and the claim was for **UGX 1,387,839,500 (One Billion, Three Hundred Eighty Seven Million, Eight Hundred Thirty Nine Thousand, Five Hundred Shillings)**. This was considered under the Ministry of Justice and Constitutional Affairs.

Subsequently, the **Report of the Cooperative War Loss Claim Verification Committee for Wamala Growers Cooperative Union Limited, 2021** revealed that the Union had lodged a claim amounting to **UGX 23,793,000,000 (Twenty Three Billion, Seven Hundred And Ninety Three Million)**.

The Union in its claim for compensation submitted the following;

- (1) Kiboko coffee and Fair to average Quality clean coffee(FAQ) lost between 1983 and 1985 from Masodde Coffee Factory, Kateera Coffee Factory, Mityana Coffee Factory and Kasenyi Coffeee Factory;
- (2) Kiboko Coffee lost amounted to 9,870,000kgs while Coffee Fair to average Quality (FAQ) amounted to 462,000 kgs.

There is no mention of the loss of coffee in the 1995 claim of the Cooperative which claim was verified and part payment made by the General Kahinda Otafiire Verification Committee.

Item	Amount (UGX)
Initial claim (Amount)	23,793,000,000
Verified Claim(Amount)	5,451,900,000
Amount received from MTIC to 3 rd party i.e. M/S Bailey & Co Advocate.	5,448,371,957

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Amount received from Bailey & Co Advocates to the Union bank account.	629,000,000
Money given to 3 rd parties upon instructions by the union.	2,004,700,000
Unaccounted for Funds.	2,814,671,957

In the Board meeting held on 04th June 2020, it was resolved that Bailey Ociba of M/s Bailey & Company Advocates be appointed the union's agent to handle the payments from Government. In the resolution it is stated that **"the board chairman is hereby empowered to issue instructions to Counsel Bailey Ociba of M/S Bailey & Company Advocates to make payments in instalments to persons who facilitated the compensation process, who are well known to the said Counsel"**.

The Committee was left in state of bewilderment as to the fact that the Union instructed its lawyer to pay out monies to persons that helped facilitate them to get the war loss compensation. According to the Power of Attorney signed between the parties on 7th Aug 2020 the Union would instruct its lawyers on how to disburse the said funds.

Upon further interrogation of one of the witnesses on the afore mentioned issue, the Committee established that indeed 3rd party payments were made on the instructions of the Board to various individuals and unspecified stakeholders who had "smoothened" the payment process for the war claim due to the Cooperative Union. See tables here below.

Payments given by the board on 29th June 2021.

No.	Item	Amount (UGX)
1.	Trade	75,000,000
2.	PSST	20,000,000

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3.	DB	25,000,000
4	Gen	20,000,000
5	Parliament	95,000,000
6	Operations	120,000,000
7	Legal	60,000,000
10	Total	415,000,000

Signed by Leornard Semakula Chairperson Board of Directors.

Payment Instructions on 9th April 2021.

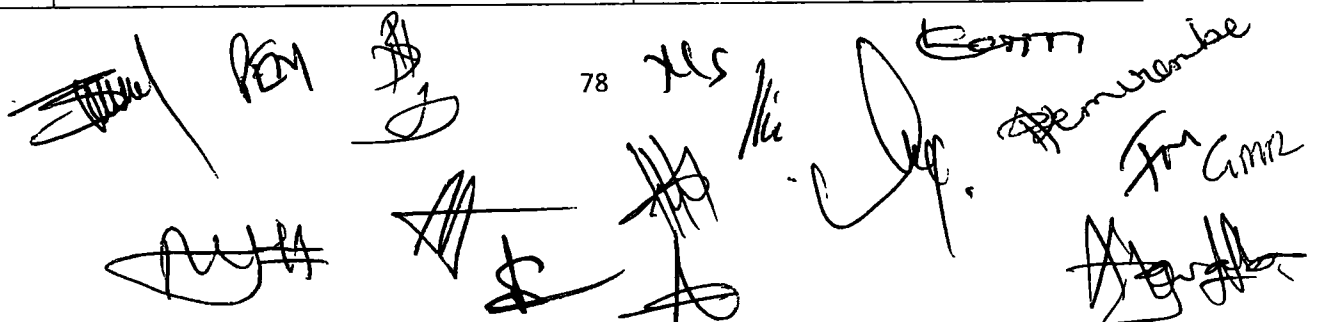
No	Item	Amount (UGX)
1	Trade	100,000,000
2	Fin	40,000,000
3	DB	50,000,000
4	A/C	20,000,000
5	Fin	20,000,000
6	Parliament	100,000,000
7	Operations	150,000,000
8	Audit	20,000,000
9	Legal	60,000,000
10	TOTAL	560,000,000

Signed by Mr. Herbert Kiza Kizito, Secretary Manager.

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Payment Instructions on 24th November 2020

No	Item	Amount (UGX)
1	Trade	147,400,000
2	Fin	265,400,000
3	Parliament	290,000,000
4	Operations	300,000,000
5	Verification	147,900,000


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Cooperative Union has received only **UGX 629,000,000 (Six Hundred Twenty Nine Million Shillings)** from M/S Bailey & Company Advocates. The Union has also received funds amounting to **UGX 94,480,000 (Ninety Four Million, Four Hundred Eighty Thousand Shillings)** from the former Chairman Mr. Semakula Leonard between the period of 05/07/2021 and 21/01/2022. The Committee observed that these payments and funds that the former Chairperson brought and were purportedly received by the Union raised suspicion since the receipt numbers were sequencing each other. This is quite intriguing and the Committee is constrained to believe that the receipts were genuine for purposes of accountability.

Recommendation(s) of the Committee

The Committee recommends that the DPP and IGG should carry out further investigations with the view to prosecute all the persons, groups and institutions mentioned to have illegally received funds meant for the cooperative union.

6.8 JINJA MULTI-PURPOSE COOPERATIVE SOCIETY LIMITED (JMCSL).

Item	Amount (UGX)
Initial Claim (Amount)	12,500,000,000
Verified Claim (Amount)	6,807,011,299
Third party payments (Matovu & Matovu Advocates)	6,800,000,000
Amount received on Bank Account of the Cooperative	1,030,000,000
Amount unaccounted for	5,770,000,000

According to the Registration Certificate, the Cooperative Society was registered on 13th October, 1982 under the Cooperative Societies Act, 1971 as a General Merchandise Milling Cooperative.

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The Committee was informed by Mr. Magero Henry the Chairman of the Cooperative Society, that a claim was made on 28th April, 2021 for war loss for **UGX 12,500,000,000 (Twelve Billion Five Hundred Million Shillings)** after the Jinja District Commercial Officer, Mr. Muganza James informed him of the same. It was the submission of Mr. Lubanga Ngobi, the Secretary Manager of the Cooperative Society, that at the time when the District Commercial Officer informed them about laying claim for war loss compensation, the Cooperative Society was defunct (**Play audio**). This assertion is buttressed by the Committee's finding that the Cooperative Society had never held an AGM, had no audited books of accounts and the Chairman, Mr. Magero Henry was receiving funds in cash for and on behalf of the Cooperative Society on several occasions.

In a receipt of 30th November, 2021, Mr. Magero Henry, the Chairman of Jinja Multi-Purpose Cooperative Society, received **UGX 300,000,000 (Three Hundred Million Shillings)** (*see receipt marked as Annex 16*) and on 3rd February, 2023, he (Mr. Magero) acknowledged receipt of **UGX 450,000,000 (Four Hundred Fifty Million Shillings)** from Matovu & Matovu Advocates, in cash.

The Committee established through information submitted by the Ministry responsible for Finance, detailed remittances directly from the Bank of Uganda, Government of Uganda Single Account that; Matovu & Matovu Advocates received **UGX 6,800,000,000 (Six Billion, Eight Hundred Million Shillings)** as outstanding payment for Jinja Multi-Purpose Cooperative Society and that the monies were dispatched in several transactions.

Findings

The Committee finds that;

- (1) Jinja Multi-Purpose Cooperative Society Limited was one of the Cooperatives which were paid under the initiative of the PS and Accounting Officer, Ms. Geraldine Ssali without initiation of the payment of the claim by the User Department of Cooperatives within the Ministry, and minutes of the war claims verification committee. This is further confirmed by the Internal Audit

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Report of the MTIC for FY 2022/23 (*see table extracted from the marked as Annex 17 and authorisation memo of the PS, MTIC*);

- (2) The registrar of Cooperatives grossly failed in his mandate as provided for under sections 22 and 23 of the Cooperative Societies Act, 2020. Section 22 of the Cooperative Societies Act, 2020 requires that Cooperative Societies should cause their books of account to be audited and where a society cannot afford to do so, the Registrar of Cooperatives may appoint an auditor to undertake the exercise. The Cooperative Society completely had no audited books of accounts.
- (3) The Committee further received and heard several allegations. In a bid to account for the monies received, Mr. Magero Henry, the Chairperson of the Cooperative Society informed the Committee at Jinja District Council Hall on the 4th of September 2023, that he gave **UGX 2,000,000,000 (Two Billion Shillings)** to Mr. Muganza James, the Jinja District Commercial Officer, in cash withdrawn from Orient Bank Jinja Branch. He further informed the Committee that this money was requested for by the aforementioned Officer and that it was for the purpose of **“facilitating MTIC officials especially the Verification Committee and their bosses”**. However, no evidence was tendered to support the allegation. He also revealed to the Committee that he would pick the money in cash from the Cooperative Society's bank account held with Standard Chartered Bank and hand it over to Mr. Muganza James, for onward transmission to the purported beneficiaries (**Play Audio**). The District Commercial Officer, Mr. Muganza James who was present during the meeting denied the allegations and stated that his only involvement was to mobilise the Cooperative Society to avail themselves for verification as he was instructed by an official from MTIC called Kavundira Leonard.

- (4) The Committee also found that through a resolution of the Cooperative Society of 2nd March 2022 under Minute No. 04/Ex/003/22, it was resolved that a power of Attorney be executed in favour of John Matovu SC, T/A M/s Matovu & Matovu Advocates to demand and receive the Society's compensation claim from the Government of Uganda. According to the Powers of Attorney registered on 6th October 2021, legal counsel was supposed to engage the Government of Uganda in regard to the compensation for war loss. The law firm **was contracted to pursue the war claims of** Cooperative Society at a professional fee of 40% of the claim for compensation whenever it would be paid by the Government of the Republic of Uganda. **(See MOU of 29th July 2019 marked as Annex 18)**
- (5) When Mr. John Matovu was, tasked to account for the **UGX 5,770,000,000 (Five Billion, Seven Hundred Seventy Million Shillings)**, he stated that only 40% of the above was taken by his law firm and the rest was taken in cash by the chairperson of the Cooperative Society, Mr. Magero Henry. When the Committee further tasked him (Mr. Matovu) to justify the law firm taking 40% as professional fees, he asserted that *'I could have taken 10% which the law firm normally charges, but getting money from Government is **very, very expensive.**'* From the above statement, the Committee tasked him (Mr. Matovu) to elaborate; and in his response, he stated –
"Are you in Uganda or you are not Ugandans.....?" "If you are in Uganda, then you know what I am talking about"
"You MPs are protected, I am just a senior counsel, these are powerful people and dangerous....leave me alone, leave me alone, leave me alone please" (play audio)

The General Manager, Mr. Lubanga Ngobi, informed the Committee that he had only met Mr. John Matovu once when signing the MOU and that much of the monies not accounted for were remitted in cash to the Chairman of the Society,

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Mr. Magero Henry, who would meet with the Commercial Officer, Mr. Muganza James and legal counsel in the bank.

Observation(s) of the Committee

It is the Committee's considered opinion that the professional fees of 40% were unreasonably high.

Recommendation(s) of the Committee

The Committee recommends as follows:

- (a) That the DPP, and IGG should carry out further investigations into the conduct of the Jinja District Commercial Officer, Mr. Muganza James; the Chairperson of the Cooperative Society, Mr. Magero Henry, the Treasurer, Mr. Ntuyo Haruna and the Secretary Manager, Mr. Lubanga Ngobi, for their conspiracy to commit a felony contrary to Section 390 of the Penal Code Act, Cap 120.
- (b) That the Jinja District Commercial Officer, Mr. Muganza James should, with immediate effect, be interdicted to pave way for further investigations.

6.9 NORTH BUKEDI COOPERATIVE UNION LIMITED

North Bukedi Cooperative Union Limited (NBCUL) is a marketing enterprise that was established in 1953. Its membership of 75 is drawn from the societies in the districts of Pallisa, Budaka, Kibuku and Butebo.

Item	Amount (UGX)
Amount of claim	21,838,541,954
Amount verified	11,447,612,322
Amount Disbursed	8,200,000,000
Amount lost	N/A

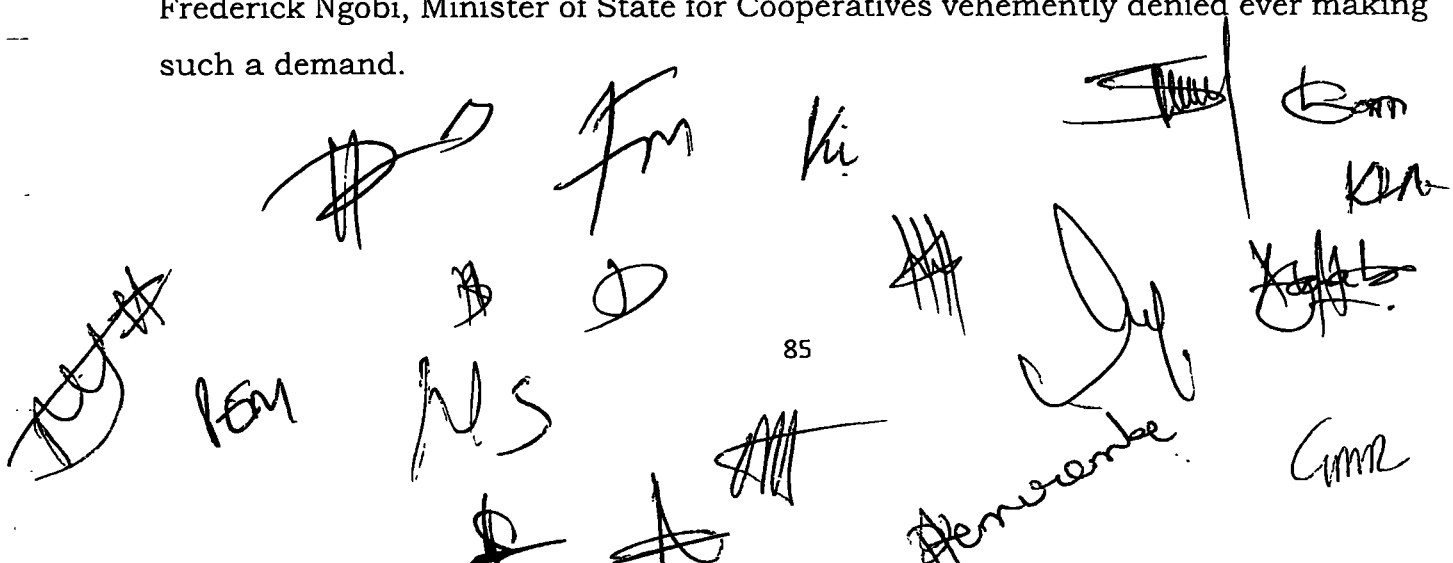
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According to MTIC, the Union made a claim of **UGX 21,838,541,954 (Twenty One Billion, Eight Hundred Thirty Eight Million, Five Hundred Forty One Thousand, Nine Hundred Fifty Four Shillings)** and **UGX 11,447,612,322 (Eleven Billion, Four Hundred Forty Seven Million, Six Hundred Twelve Thousand, Three Hundred Twenty Two Shillings)** was verified for compensation. Payments to the Union were made in three installments as follows: **UGX 2,400,000,000 (Two Billion, Four Hundred Million Shillings)** in FY 2019/2020; **UGX 3,200,000,000 (Three Billion, Two Hundred Million Shillings)**, in FY 2020/2021; **UGX 2,000,000,000 (Two Billion Shillings)** in FY 2021/2022; and **UGX 600,000,000 (Six Hundred Million Shillings)** in FY 2022/2023. This indicates that **UGX 8,200,000,000 (Eight Billion, Two Hundred Million Shillings)** was paid to the Union.

The Committee established that this Union received the said funds on their bank account and that no third party payments were made thereto. However, the Chairperson of the Cooperative Union, Mr. Gundi Farouk informed the Committee that the State Minister for Cooperatives, Hon. Gume Frederick Ngobi had earlier approached him and asked for 50% of the funds because he helped the Cooperative Union receive the earlier payment.

The Union Chairperson, Mr. Gundi Farouk informed the Committee that he rejected the said proposal by the Minister and was later not surprised when the Union received only **UGX. 600,000,000 (Six Hundred Million Shillings)** in FY 2022/23.

While appearing before the Committee on 5th October, 2023, the Hon. Gume Frederick Ngobi, Minister of State for Cooperatives vehemently denied ever making such a demand.

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Observation(s) of the Committee

The Committee observed as follows:

- (1) That the leadership of the cooperative ably provided accountability for money received and satisfied the committee members in respect to the terms of reference given to it.
- (2) That North Bukedi Cooperative Union Limited was a clear demonstration that indeed a Union can receive money without involvement of a third party, stay clear from fraud and uphold the objective of the Government's Policy to compensate cooperatives.

Recommendation(s) of the Committee

The Committee recommends that the Union leadership should maintain the status quo of keeping proper books of accounts, and continue to desist from tendencies of corruption and personal gratification at the expense of members of the unions which tendencies have been exhibited by other cooperatives.

6.10 KIMWANYI DAIRY FARMERS COOPERATIVE SOCIETY LIMITED

Kimwanyi Dairy Farmers Cooperative Society Limited was registered on 7 May 1973 under the certification No. 2890/RCS by the Office of the Registrar of Cooperative Societies. The Cooperative Society is situated on 640 acres of land on Bulemezi Block, 349, Plot 72 at Namakokolo LC1, Mukula Mpwedde, Kasangombe in Nakaseke District. Kimwanyi Dairy Cooperative Society Limited had 58 members.

Kimwanyi Dairy Farmers Cooperative Society lodged in a claim amounting to **UGX 13,476,938,000 (Thirteen Billion, Four Hundred Seventy Six Million, Nine Hundred Thirty Eight Thousand Shillings)** for the listed assets, property, cattle, and farm equipment lost during the liberation wars and insurgencies in the table below:

[Handwritten signatures and initials are present below the text, including "NS Ki", "PBM", "Fm", "Cm2", and others.]

No.	Item lost	Number/Quantity
1	Fresian cows	640
2	Fresh milk	588,000 litres annually
3	Cows (local breed)	1,569
4	Goats	1,050
5	Sheep	174
6	Local chicken	16,550
7	Local eggs	514,800
8	Cassava	20 acres
9	Sweet potatoes	20 acres
10	Green Bananas (matooke)	20 acres
11	Beans	4 acres
12	Cabbage	1 acre
13	Maize	20 acres
14	Coffee	10 acres
15	Tractor	1
16	Tractor trailer	1
17	Ploughing unit	1
18	Leyland truck	1
19	Pick up Stout	1
20	Motor bike	1
21	Bicycles	4
22	Coolers	3
23	Milk packing machine	1
24	Fridge	1
25	Milk cans	10
26	Stainless buckets	6
27	Water system (est)	1

28	Furniture & Fittings	
29	Farm equipment	
30	Electric motor	
31	Scale	
32	Cattle Dip,	
33	Barbed Wire fence	
34	Building	

The Inter-ministerial verification Committee chaired by Mr Kavundira recommended that **UGX 5,016,595,000 (Five Billion, Sixteen Million, Five Hundred Ninety Five Thousand Shillings)** be extended to Kimwanyi Dairy Farmers Cooperative Society as full and final payment for ex-gratia for the loss suffered as a result of the war. The Cooperative Society has so far received **UGX 500,000,000 (Five Hundred Million Shillings)** directly from Ministry of Trade, Industry and Cooperatives for war loss compensation. According to their Board resolutions the money was spent as follows:

Payee	Item	Amount (UGX)
Troy Trading Company Ltd	Assorted coffee processing Machine	200,000,000(partial)
Alto Advocates	Legal fees	50,000,000
China Huangpai Food Machinery (U)	Maize milling machine	92,450,000
Mutyaba Ivan	6 Acres of Land	34,000,000 (partial)
Lule Enock	13 Acres of Land	72,500,000(partial)
Total		448,950,000

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Observation(s) of the Committee

The Committee observed that Kimwanyi Dairy Cooperative Society Limited did not use third parties to receive money from Government.

Recommendation(s) of the Committee.

The Committee recommends that the Cooperative Society leadership should maintain the status quo of keeping proper books of accounts, and not using any law firm as a third party to receive their war loss compensation claims.

6.11 TESO COOPERATIVE UNION LIMITED.

Teso Cooperative Union was registered on 31st July 1954 according to the certificate of Registration. The Vice Chairperson of the Union, Ms. Apio Deborah Florence, informed the Committee that her Board was new with the exception of Reverend John Enudu. That the previous board was disbanded by the AGM on grounds of incompetence, dishonesty and lack of accountability. She stated that the Chairperson is Hon. Elijah Okupa who was unable to attend the meeting.

Ms. Apio Deborah Florence informed the Committee that the Union engaged the services of various law firms to wit M/S Illukor & Co. Advocates whom they dropped for M/S Isodo & Co Advocates. She further informed the Committee that the Union has a Memorandum of Understanding with M/S Isodo & Co Advocates in which it was agreed that 35% of the compensation from the Government of Uganda would accrue to the law firm upon payment (*see contract/retainer agreements marked as Annex 19*)

Be that as it may, the Committee observed that if only **UGX 5,840,000,000 (Five Billion, Eight Hundred Forty Million Shillings)** had been received by the Union as alleged by the Reverend, this would leave a balance of **UGX 3,291,000,000 (Three Billion, Two Hundred Ninety One Million Shillings)** that has not been received by the cooperative Union.

The Committee established that on 22nd June 2017 the Union engaged services of **M/S Ilukor Advocates & Solicitors** for a contract and retainer ship agreement for a period of three (3) years. That the Union was supposed to pay a retainer fee of **UGX 134,000,000 (One Hundred Thirty Four Million Shillings)** per year and that they were entitled to **35%** from government compensation for war claims upon payment. This was irregular for a law firm to get that huge amount at the expense of the beneficiaries and it kills the intention of the entire scheme of the war losses compensations to cooperatives. *(see MoU attached as Annex 20)*

The Committee further established that the same Union on 30th August 2019 engaged services of another law firm **M/S Isodo & Co Advocates** on a retainer agreement after Mr Isodo taking the Union and its leadership to court miscellaneous cause No 009 /2019 M/S Isodo & Co. Advocates vs. Etori Joseph, Ogunia Benjamin and Teso Cooperative Union Limited *(see Notice of Motion for an Order of Mandamus to appoint M/S Isodo & Co. Advocates and revoke Ilukor & Co. Advocates attached as Annex 21)*. The intended purpose of the lawsuit was to compel them to sign a resolution re-instating him as the Teso Cooperative Union Lawyer for among others in charge of receiving war loss compensation money on their behalf. This action of taking the Union to court amounts to touting which is not acceptable in legal practice profession contrary to section 75 of the Advocates Act, Cap 267.

The Committee established that the lawsuit was not heard conclusively as the Chairperson of the Board who had initially declined from appending his signature

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on the Board Resolution did so, and therefore there was no more need to proceed with the matter, since the Petitioner had received the remedy he sought for in court.

The Committee was astonished to find that **M/S Isodo & Co Advocates** upon receiving the cooperative money paid himself a tune of **UGX 240,000,000 (Two Hundred Forty Million Shillings)** in a disguise of payment for arrears for informal instructions executed by the law firm on behalf of the Union prior to war loss compensation for period between **2015-2018**. The Committee is alive to the fact that the said monies were paid by the Union even when there was no formal agreement between the parties and no resolution to that effect. The Committee notes that this was an irregular payment because instructions of such nature from the Union should have been initiated by the Board of management formally.

The Committee was dismayed by the fact that the Union engaged 2 law firms at the same time for the same instruction to receive money from government for war claims compensation. This committee observes that this was extravagant, over generous, profligate and reckless on the side of the Union and it can cause financial loss to the cooperative in case the terminated firm in particular the **M/S Ilukor Advocates & Solicitors** seek court intervention.

The Committee was privy to information that the former Principal Accountant of MTIC, Mr. Balikuddembe Henry received **UGX 140,000,000 (One Hundred Forty Million Shillings)** from Witness XY at Forest Mall, Kampala. However, when the Committee put it to Mr. Balikuddembe Henry on the said allegation, he denied having received money amounting to **UGX 140,000,000 (One Hundred Forty Million Shillings)** at Forest Mall, Kampala.

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Recommendation(s) of the Committee

The Committee recommends that the DPP, and IGG should institute investigations against the former Principal Accountant MTIC, Mr. Balikuddembe Henry for his role in the loss of UGX 140,000,000 (One Hundred Forty Million Shillings) that belonged to Teso Cooperative Union Limited.

6.12 KIGEZI GROWERS COOPERATIVE UNION LIMITED.

Kigezi Growers Cooperative Union Limited it is an agricultural produce marketing organization covering Rukungiri, Kanungu, Kabale and Kisoro Districts. It was registered on 13th November 1961.

Item	Amount (UGX)
Amount claimed	14,684,577,000
Verified claim	10,191,561,330
Amount received by the Cooperative Union	3,500,000,000
Outstanding balance	6,691,561,330

Assets that were submitted for verification

No.	Item
1	Dip tank
2	Vehicles
3	Caterpillar generator
4	Fuel consumed by 21 vehicles
5	Gunny bags

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Findings

The Committee finds that:

- (1) Kigezi Growers Cooperative Union entered into agreement on 25th February 2020 with Kibakwi Agencies Ltd for consultancy services in the matter of a claim against Government of Uganda. **(see MoU marked at Annex 22)**
- (2) The Union had made an initial claim amounting to **UGX 20 billion (Twenty Billion Shillings)** but later revised the claim to **UGX 14,684,577,000 (Fourteen Billion, Six Hundred Eighty Four Million, Five Hundred Seventy Seven Thousand Shillings)** and the verified amount subsequently **UGX 10,191,561,330 (Ten Billion, One Hundred Ninety One Million, Five Hundred Sixty One Thousand, Three Hundred Thirty Shillings)**.
- (3) The Union had so far been paid **UGX 3.5 bn (Three Billion, Five Hundred Million Shillings)** and all the money was received on Union's account.
- (4) The Union paid Kibakwi Agencies Ltd **UGX 1,150,000,000 (One Billion One Hundred Fifty Million Shillings)** on the **UGX 3,500,000,000 (Three Billion, Five Hundred Million Shillings)** it had received instead of **UGX 1,050,000,000 (One Billion, Fifty Million Shillings)** which represents 30% of the sum received as per the agreement.

Observation(s) of the Committee

The Committee observed that:

- (1) Mr. Godfrey Kwizera of Kibakwi Agencies Limited approached the Chairman of Kigezi Growers Cooperative Union Limited in Mbarara and suggested to him that he could assist the Union in securing the compensation from Government and signed agreement with Kigezi Growers Cooperative Union Limited with a contract fee of 30% for consultancy services.

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- (2) The Board Members got to know the excess payment of **UGX 100,000,000 (One Hundred Million Shillings)** to Kibakwi Agencies through investigations done by the Inspectorate of Government.
- (3) The contract fee of 30% of the stated sum as consultancy fees from every payment received by Kigezi Growers Cooperative Union Limited from the Government of Uganda was unreasonable.

Recommendation(s) of the Committee

The Committee recommends that Kigezi Growers Cooperative Union Limited should make a claim of **UGX 100,000,000 (One Hundred Million Shillings)** from Kibakwi Agencies Limited, which was an excess payment made to the consultant by the Union.

6.13 BUSOGA GROWERS COOPERATIVE UNION LIMITED.

According to the Certificate of Registration, Busoga Growers Cooperative Union Limited was registered in 1952 (*see Certificate*). The Union currently has a total of 230 primary societies (beneficiaries).

The Committee established through information of remittances availed to it by the Ministry responsible for Finance that the Union's war compensation was paid to Matovu & Matovu Advocates, and Makada & Partners amounting to a total of **UGX 15,070,263,780 (Fifteen Billion, Seventy Million, Two Hundred Sixty Three Thousand, Seven Hundred Eighty Shillings)**.

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Item	Amount (UGX)
Initial Claim (Amount)	15,498,820,000
Verified Claim (Amount)	10,521,300,000
Amount received by Cooperative	6,020,000,000
(Matovu & Matovu Advocates)	13,070,268,780
(Makada & Partners)	2,000,000,000
Third party payments (Total)	15,070,268,780
Amount Paid in excess of verified amount	4,548,968,780
Amount unaccounted for that remained with the law firms	9,050,268,780

In a letter of 5th October 2023, Makada & Partners Advocates & Solicitors informed the Committee that Makada & Partners Advocates & Solicitors became aware of that Busoga Growers Cooperative Union was pursuing a war loss compensation claim with the office of the Solicitor General through the Jinja District Commercial Officer, James Muganza in 2016. It was the submission of the law firm that Mr. James Muganza recommended them to assist the Cooperative Union and the recommendation culminated into an MOU which was signed between the Union and the Law Firm on the **5th of January 2018** for a claim of **UGX 9,762,400,000 (Nine Billion, Seven Hundred Sixty Two Million, Four Hundred Thousand Shillings)** the law firm was mandated to receive payment on behalf of Busoga Growers Cooperative Union, deduct 10% as professional fees, necessary costs and disbursements then pay the balance on their request. The services of the law firm were terminated in June 2019 after the law firm had received **UGX 2,000,000,000 (Two Billion Shillings)** on behalf of the Union.

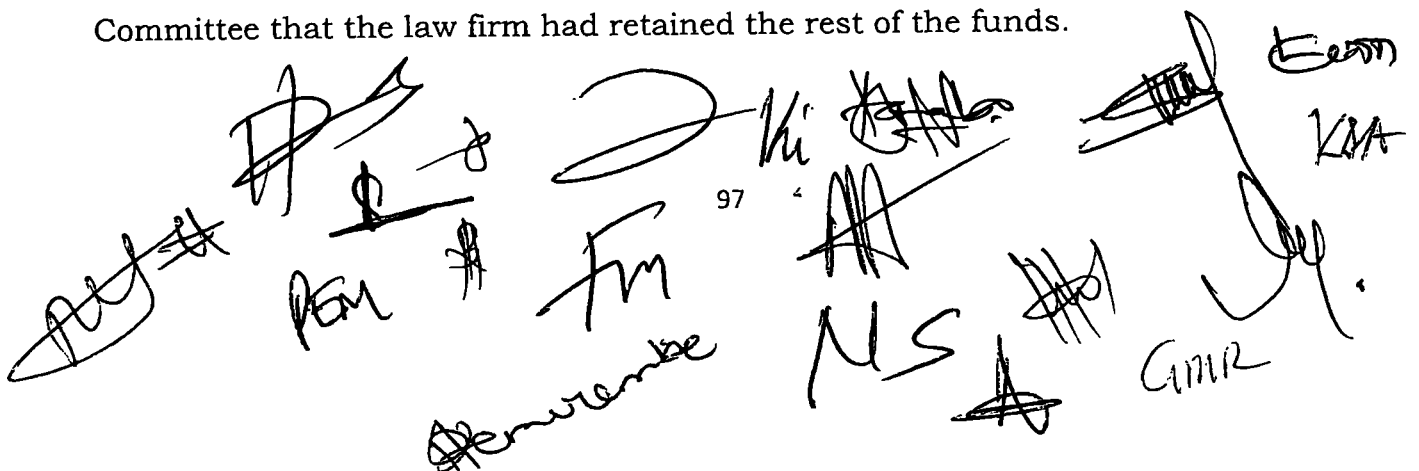
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Information submitted by the Ministry responsible for Finance indicates that on 17th July 2018, Makada and Partners Advocates received **UGX 1,000,000,000 (One Billion Shillings)** as payment of outstanding war debt for Busoga Growers Cooperative and 2nd August 2018 another **UGX 1,000,000,000 (One Billion Shillings)** on their account in Cairo Bank. The Bank/ Account statement submitted by the Law Firm did not provide for the period within which the funds were disbursed by the Ministry on their account. However, in a communication of termination of services to M/S Makada & Partner Advocates, the Union acknowledged receipt of **UGX 2,000,000,000 (Two Billion Shillings)** less the 10% fee agreed as professional fees.

It was established by the Committee that upon the termination of the MOU with Makada & Partner Advocates, the Union undertook a Memorandum of Understanding (MoU) on 29th July 2019 in the interest of Matovu and Matovu Advocates which law firm would take 40% of the compensated amount from Government as professional fees.

The Committee was amazed by the change of advocates which culminated into payment of 40% as opposed to 10%. This defeats reasonableness and common sense.

However, the Committee established that despite the Union's claim having been paid by MTIC, in excess, the Union only received **UGX 6,020,000,000 (Six Billion, Twenty Million Shillings)** on its bank account. This meant that **UGX 9,050,268,780 (Nine Billion, Fifty Million, Two Hundred Sixty Eight Thousand, Seven Hundred Eighty Shillings)** was unaccounted for as it did not reflect on the Cooperatives' bank account. When the Committee inquired as to why this was the case, Mr. Ntuyo Haruna, the Cooperative Treasurer informed the Committee that the law firm had retained the rest of the funds.



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Regulation 8(1) of the Advocates (Professional Conduct) Regulations provides that “an advocate shall not use money held on behalf of a client either for the benefit of himself or herself or any other person” and further under Regulation 29, an advocate is implored to account promptly and correctly for all monies held in respect of the client “A lawyer who does not remit clients funds commits an offence and the client is at liberty to proceed against such lawyer as per the law.”

The Committee further inquired into how the Union had earmarked the said law firms, Mr. Ntuyo responded that it was the former Permanent Secretary, MTIC, the late Ambassador Julius Onen, who advised the Union to engage services of lawyers ***‘if they were to ever get their monies from government’***. He (Mr. Ntuyo) further informed the Committee that the Registrar of Cooperatives referred them to the aforementioned law firms.

KRA

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While appearing before the Committee on 11th October 2023, Senior Counsel John Matovu submitted that he was approached by Mr. Muganza, the Commercial Officer for Jinja District and requested to provide legal representation to the Union. It was the submission of the Counsel that he could have charged 10% of the compensated amount but he had to charge 40% because “business with government is very expensive.” Senior counsel Matovu John further implore the Members of the Committee to ask questions like “Ugandans” and not to pretend as if they do not live in Uganda. When tasked to explain why he found it regular and seemingly acceptable to pay the Union members in cash despite the fact that the MOU required that funds be remitted to the Union account, Senior Counsel submitted that this was the instructions of his client and that at times, the client was the one legally advising legal counsel as opposed to him advising them. He

submitted that the cash transactions were demanded specifically and under a lot of pressure (**Play audio**). Without divulging any further details, Senior Counsel informed the Committee that Law firms were used as 'pawns' and or 'clearing houses' for other third party interests.

Observation(s) of the Committee

The Committee observes that the payment for war loss compensation to Busoga Growers Cooperative Union Limited was in excess by **UGX 4,548,968,780 (Four Billion, Five Hundred Forty Eight Million, Nine Hundred Sixty Eight Thousand, Seven Hundred Eighty Shillings)** of the verified amount of **UGX 10, 521,300,000 (Ten Billion, Five Hundred Twenty One Million, Three Hundred Thousand Shillings)** since the Union was paid a total of **UGX 15,070,268,780 (Fifteen Billion, Seventy Million, Two Hundred Sixty Eight Thousand, Seven Hundred Eighty Shillings)**.

It is the considered opinion of the Committee that the over payment was a reckless act by the Permanent Secretary; and Accounting Officer, Ms. Geraldine Ssali which occasioned financial loss to Government in accordance with Section 20 of the Anti-Corruption Act, 2009.

Recommendation(s) of the Committee

KMA

The Committee recommends as follows:

- (1) that MTIC should always carry out pre-audit of all payments of the MTIC prior to any expenses to avoid such losses as in this case of **UGX 4,548,986,780 (Four Billion, Five Hundred Forty Eight Million, Nine Hundred Eighty Six Thousand, Seven Hundred Eighty Shillings);**
- (2) That the then Accounting Officer, who is the Permanent Secretary, MTIC, Ms. Geraldine Ssali should be held personally liable for causing financial loss in the excess payment of **UGX 4,548,986,780 (Four Billion, Five**

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Hundred Forty Eight Million, Nine Hundred Eighty Six Thousand, Seven Hundred Eighty Shillings); and

- (3) That the Permanent Secretary, MTIC, Ms. Geraldine Ssali should cause the recovery of **UGX 4,548,986,780 (Four Billion, Five Hundred Forty Eight Million, Nine Hundred Eighty Six Thousand, Seven Hundred Eighty Shillings)** that was paid in excess to Busoga Growers Cooperative Union Limited.

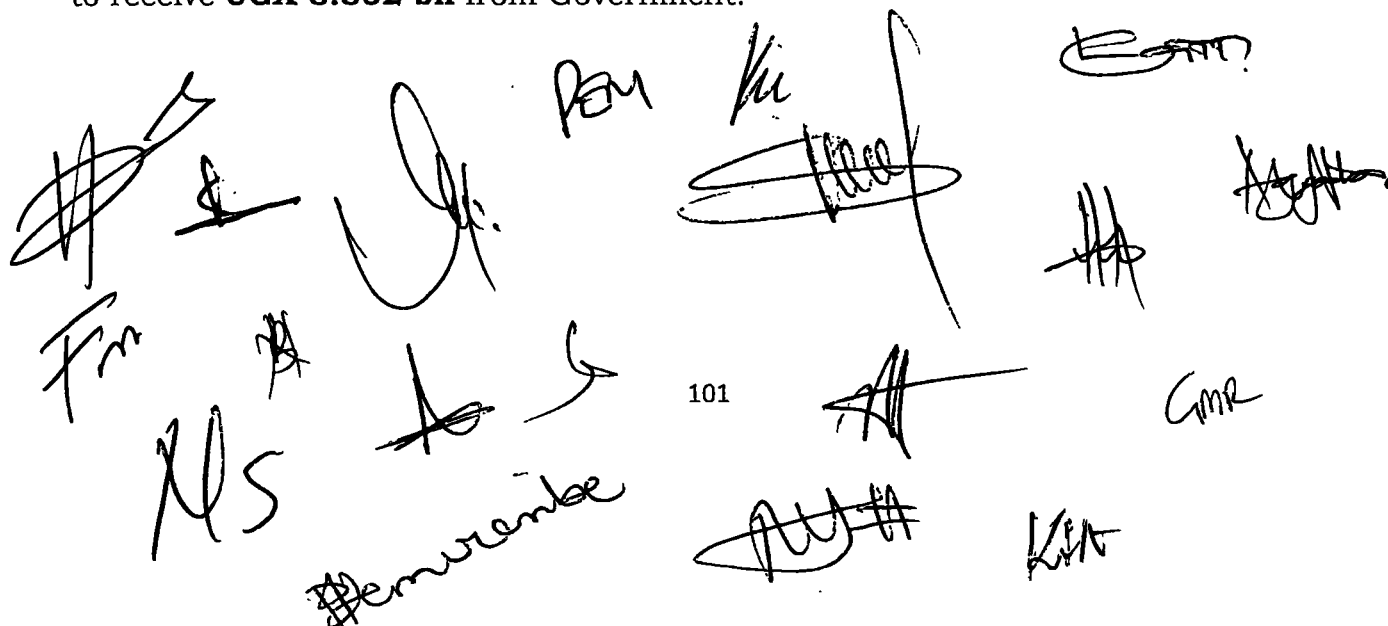
6.14 UGANDA COOPERATIVE TRANSPORT UNION LIMITED (UCTUL).

Uganda Cooperative Transport Union Limited (UCTUL) is a tertiary cooperative registered on 17th July 1973, with its physical location at Plot 41 Kawempe, Bombo Road.

The UCTUL commenced its operations 1973 following the exit of the Asian community from Uganda with the aim of transporting crops from District cooperatives to marketing boards, processing centres, ports, and exports.

The Union made a claim of **UGX18.92bn** and upon conclusion of the verification exercise, the verification committee concluded that the Union be given **UGX13.006 bn.**

The Union contracted the services of M/S Nandaah, Wamukoota & Co. Advocates to receive **UGX 3.302 bn** from Government.

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However, after this, they still changed and said, "No, this one can't allow, we want you to sign with Nassuuna."

THE CHAIRPERSON: Who told you to sign with Nassuuna?

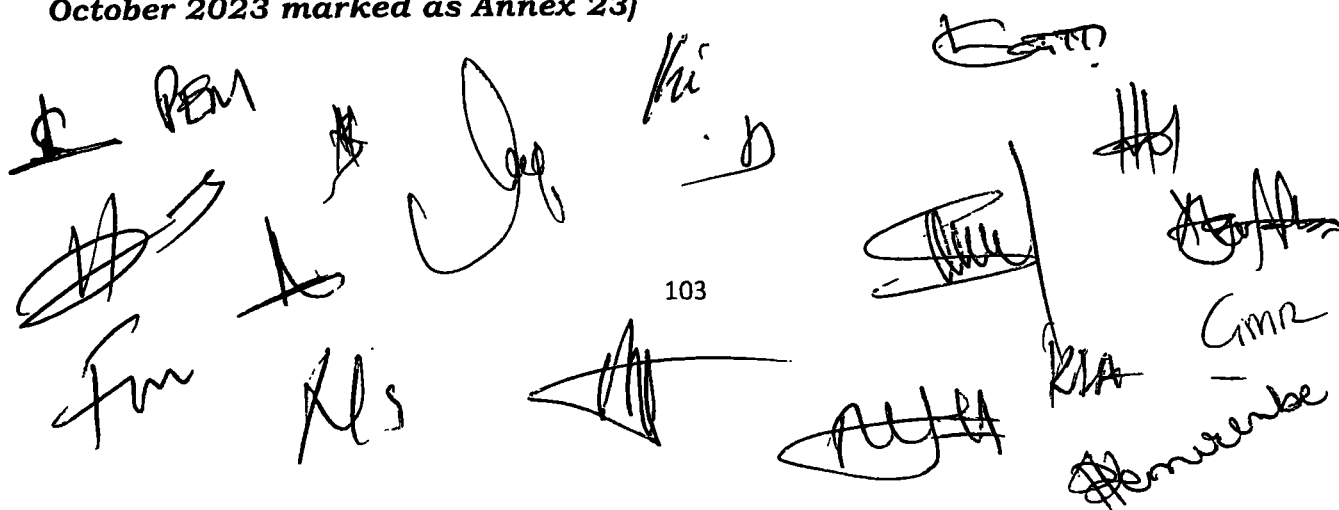
MR MUSILA: The same Ddamulira of Ezra and Kabaale Advocates – if my CEO could chip in from here.

MR JOSHUA ATUKUNDA (CEO): They requested that that alone could not guarantee their figure. So, they told us to change our lawyers so that the money could go through Nassuuna, who is purportedly the PS's lawyer.

THE CHAIRPERSON: Nassuuna and who?

MR JOSHUA ATUKUNDA: Well, I didn't know much but I told the Union Chair that we could not get into risking the Union money with someone we don't know. If they can't go by this, let the money remain. It is Union money we will get it an opportune time. However, they scraped us off the list – because they had told us that they were going to give us Shs 3billion on condition that it passes through Nassuuna, who would give us what she felt we had to receive and the rest remains there. When we refused to that arrangement, they scrapped us off the list and said, "For you, you will never receive money from here."

The Chairman of the Union, Hon. Musila John informed the Committee that they went ahead to sign an agreement after being promised to be paid **UGX 3 billion (Three Billion Shillings)** in subsequent financial years. The Chairman of the Union informed the Committee that the Union had so far received **UGX 615,000,000 (Six Hundred Fifteen Million Shillings)** on their account. However, in a letter written to Board of Uganda Cooperative Transport Union Limited dated 5th October 2023, M/S Nandaah Wamukoota and Co. Advocates confirm the receipt of **3.042bn** on behalf of the Union as war loss compensation. **(see letter dated 5th October 2023 marked as Annex 23)**



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Date	Money received from MTIC by law firm (UGX)	Money disbursed to Union Account (UGX)
21/6/2021	502,000,000	
22/6/2021		220,000,000
29/6/2021		145,000,000
12/11/2021	1,000,000,000	
19/11/2021		250,000,000
19/2/2022	2,300,000,000	
5/5/2022		600,000,000
4/5/2022	500,000,000	
5/5/2022		243,000,000
Total	4,302,000,000	1,458,000,000

The Committee established that whereas the law firm confirmed receipt of **UGX 3.402 billion** on behalf of the Union but in the details provided in their letter the total amount received is **UGX 4.302 billion** which far beyond the **UGX 3.402 billion**.

The Committee was privy to a letter dated 5th October, 2023 in which M/S Nandaah Wamukoota & Co. Advocates wrote detailing to the Union Board amounts of money received from Ministry of Trade, Industry and Cooperatives due to the Union; and the transfer of some amounts to the Union.

The Chairperson of the Union, Hon. Musila John while appearing before the Committee on Tourism, Trade, Industry and Cooperatives denied that the Union received the funds reflected in the aforementioned letter, indicating that the Union was only aware of **UGX 615,000,000 (Six Hundred Fifteen Million Shillings)** it received. The Chairperson of the Union further indicated that the Union was not aware of the funds that **M/S Nandaah Wamukoota & Co. Advocates** received from

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Ministry of Trade, Industry and Cooperatives, and the payments transferred to the Union as alluded to in the letter of 5th October, 2023.

Observation(s) of the Committee

The Committee made the following observations:

- (1) That whereas the Union leadership denied ever receiving **UGX 1,458,000,000 (One Billion, Four Hundred Fifty Eight Million Shillings)** from M/S Nandaah Wamukoota & Co. Advocates, the Union's Bank Statement issued from Bank of Africa reflected a credit transaction of the exact amount coming in from the law firm.
- (2) That the Union's bank statement does not reflect a credit transaction of **UGX 615,000,000 (Six Hundred Fifteen Million Shillings)** from M/S Nandaah Wamukoota & Co. Advocates as alleged by the Union leadership. The Committee is constrained to come to a conclusion that the Union leadership failed to account for **UGX 1,458,000,000 (One Billion, Four Hundred Fifty Eight Million Shillings)**.
- (3) That whereas M/S Nandaah Wamukoota & Co. Advocates in a letter dated 5th October, 2023 to the Union indicated receipt of UGX 3.042 bn, the accountabilities of the breakdown of how funds were expended exceeded UGX 3.402 billion to wit **UGX 4,302,000,000** was indicated as having been expended. The Committee finds it quite inconceivable that the expenditures exceeded the actual amount received.
- (4) That whereas the Chairperson of the Union, Hon. Musila John submitted to the Committee that the Union had agreed to pay M/S Nandaah Wamukoota & Co. Advocates a 30% as payment for legal fees to receive funds due to the Union for war loss compensation, the Committee was astonished that actually the law firm retained 66.1% and only remitted 33.9% to the Union.

actually the law firm retained 66.1% and only remitted 33.9% to the Union.

However, in the same letter dated 5th October, 2023, the law firm signed off by reminding the Union that it was aware of the expenditures that were made for and on behalf of the Union.

Date	Amount (UGX)	Bank	<u>Deposited By</u>
22/06/2021	220,000,000	Bank of Africa	Nandaah Wamukoota & Co. Advocates
29/06/2021	145,000,000	Bank of Africa	Nandaah Wamukoota & Co. Advocates
19/11/2021	250,000,000	Bank of Africa	Nandaah Wamukoota & Co. Advocates
10/02/2022	600,000,000	Bank of Africa	Nandaah Wamukoota & Co Advocates
05/05/2022	243,000,000	Bank of Africa	Nandaah Wamukoota & Co Advocates
Total	1,458,000,000		

Source: Bank Statement.

MA.

- (5) That the known business location and telephone contacts of M/S Nandaah Wamukoota & Co. Advocates could not be traced despite various efforts to reach the law firm, hence invitation letters to attend meetings of the Committee on Tourism, Trade and Industry to submit oral and written evidence on the subject matter, were returned to the Clerk to Parliament. However, during the interaction with the Committee, the Union leadership

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submitted a letter dated 5th October, 2023 from the M/S Nandaah Wamukoota & Co. Advocates providing details of receipts of money from MTIC and some transfers of money to the Union's bank account, amounting to **UGX 1,458,000,000 (One Billion, Four Hundred Fifty Eight Million Shillings)**. This clearly indicates that the Union leadership is still in touch with the elusive M/S Nandaah Wamukoota & Co. Advocates. The Committee therefore notes that there was lack of cooperation between it (the Committee) and the Union leadership.

Recommendation(s) of the Committee

The Committee recommends that the DPP should investigate the Union leadership and M/S Nandaah Wamukoota & Co. Advocates for conspiracy to commit a felony, contrary to Section 390 of the Penal Code Act, Cap 120.

6.20 LANGO COOPERATIVE UNION LIMITED.

The Union was registered on 4th September, 1956 as Lango Cooperative Union Limited under registration No. 1252.

During the field interface with the Committee, the Union was represented by Tonny Ogwal the Vice Chairperson and Robert Akona the Treasurer and other board members, who stated that the Union made a claim of **UGX 11,609,600,000 (Eleven Billion, Six Hundred Nine Million, Six Hundred Thousand Shillings)** and that the amount verified was **UGX 6,435,620,000 (Six Billion, Four Hundred Thirty Five Million, Six Hundred Twenty Thousand Shillings)**. That the Union received **UGX 5,700,000,000 (Five Billion, Seven Hundred Million Shillings)** on its bank account. In a letter to the Commissioner, Cooperative Development dated 17th September, 2014, the Union's former Chairperson, Mr. Johnson S.O Engole acknowledged receipt of **UGX 712,000,000 (Seven Hundred Twelve Million Shillings)** from Ministry of Justice and Constitutional Affairs.

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2021/2022, amounting to a total of UGX **6,935,620,000 (Six Billion, Nine Hundred Thirty Five Million Six Hundred Twenty Thousand Shillings)** from MTIC.

The Committee further established that the Union had indeed earlier in 2014 received **UGX 712,000,000 (Seven Hundred Twelve Million Shillings)** from MTIC. In the communication dated 17 September, 2014 the former Chairperson Johnson. S.O Engole wrote to the Commissioner for Cooperative Development indicating that they had received the same from the Ministry (*see letter dated 17th September, 2014 marked as Annex 24*).

The Committee further established from the Ministry of Finance, Planning and Economic Development that Lango Cooperative Union Limited had received **UGX 6,223,620,000 (Six Billion, Two Hundred Twenty Three Million, Six Hundred Twenty Thousand Shillings)** on their Union bank account in Housing Finance Bank. This therefore would mean that with the acknowledgement of **UGX 712,000,000 (Seven Hundred Twelve Million Shillings)** from former chairperson would imply that the Union has received UGX **6,935,620,000 (Six Billion, Nine Hundred Thirty Five Million, Six Hundred Twenty Thousand Shillings)** from government for war loss compensation.

The Committee observes that since the verified claim for the Union was **UGX 6,435,620,000 (Six Billion, Four Hundred Thirty Five Million, Six Hundred Twenty Thousand Shillings)** and **UGX 6,935,620,000 (Six Billion, Nine Hundred Thirty Five Million, Six Hundred Twenty Thousand Shillings)** paid from Government would imply that **UGX 500,000,000 (Five Hundred Million Shillings)** was paid in excess to the Union by Government.

The Committee further observes that this payment in excess would only be attributed to the *laissez faire*, negligent and reckless conduct of the MTIC officials. It is quite inconceivable that Government pays a cooperative in excess and no effort had been made by the MTIC to recall the excess payment.

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The Chairperson of the Union Hon. Maxwell Akora submitted a written memorandum stating as follows:

That the Union had received **UGX 5,723,620,000 (Five Billion, Seven Hundred Twenty Three Million, Six Hundred Twenty Thousand Shillings)** on the Union Bank Account from MTIC for war loss compensation and that they had used the said funds to pay off outstanding loans to Micro Finance Support Centre Ltd and settle legal fees, court bailiffs, salary arrears, gratuity, and terminal benefits of former staff.

As a means of providing accountability for the entire verified amount of **UGX 6,435,620,000 (Six Billion, Four Hundred Thirty Five Million, Six Hundred Twenty Thousand Shillings)**, Hon. Maxwell Akora submitted that **UGX 712,000,000 (Seven Hundred Twelve Million Shillings)** was paid to the Union earlier through the MoJCA, receipt of which was acknowledged by the former Board Chairman, Mr, Johnson Engole. This confirms that LCU received the verified claim of **UGX 6,435,620,000 (Six Billion, Four Hundred Thirty Five Million, Six Hundred Twenty Thousand Shillings)** in full.

The Chairperson of the Union, Hon. Maxwell Akora further stated that all the monies for compensation were received by the Union through its bank account. He further stated that the Union holds Annual General Meetings (AGM) of its members after the end of each financial year at which the audited accounts, annual report, work plan and maximum liability are presented and approved by the AGM. That during his tenure he has held 4 Annual General Meetings.

He further stated that the Union had made a 2nd war loss claim and that it was approved for a sum of **UGX 8,667,648,027 (Eight Billion, Six Hundred Sixty Seven Million, Six Hundred Forty Eight Thousand, Twenty Seven Shillings)** as additional war claims due to the Union, pending validation by the Internal Auditor General. That however the report has not been forwarded by the PS MTIC to PS/ST

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for validation. That in FY 2022/2023 the Union received **UGX 500,000,000 (Five Hundred Million Shillings)** on 4th May 2022.

The Committee observes that whereas the Chairperson of the Union indicated that the Union made another war loss claim for **UGX 8,667,648,027 (Eight Billion, Six Hundred Sixty Seven Million, Six Hundred Forty Eight Thousand, Twenty Seven Shillings)** which was the basis for the payment of **UGX 500,000,000 (Five Hundred Million Shillings)** on 4th May 2022 from the MTIC, there was no evidence provided that the Union had made another claim or even a verification to that effect. The Committee has reason to believe that the payment made on the 4th May 2022 of **UGX 500,000,000 (Five Hundred Million Shillings)** was an excess payment to the Union.

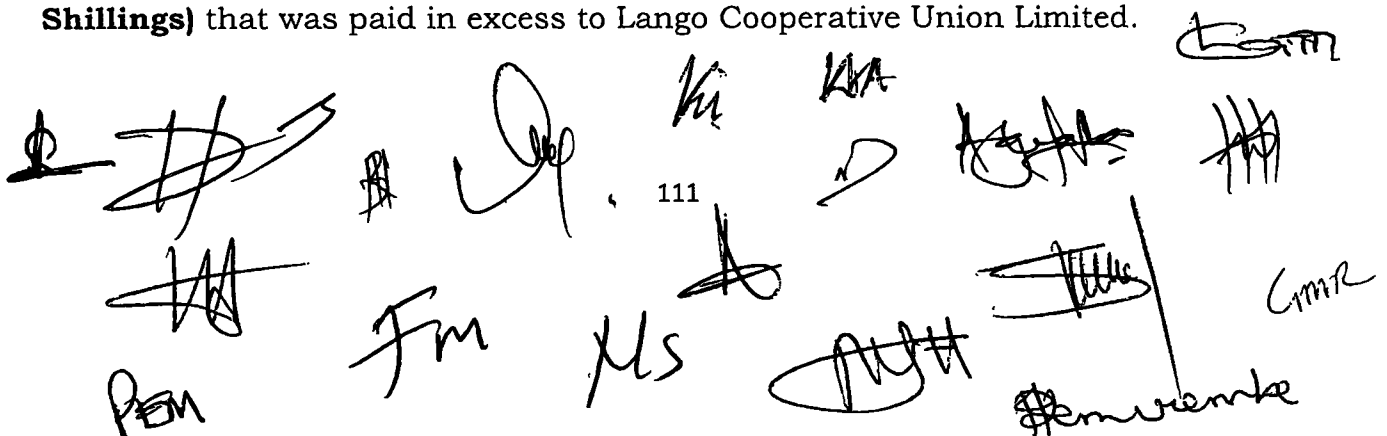
The Committee established that the Cooperative has made several payments to different companies, *(some of which are owned by Board Members)* and bought assets in a lieu of the payments made from government. The said accountabilities should be subjected to audit under sections 22 and 23 of the Cooperative Societies Act, 2020 to ascertain whether indeed the said items were expended.

The Committee therefore finds that the excess payment of **UGX 500,000,000 (Five Hundred Million Shillings)** was irregular and that MTIC was at all material times aware that the aforementioned amount was an overpayment to Lango Cooperative Union Limited, and had never made any effort to recover the money or correct the anomaly.

Recommendation(s) of the Committee

The Committee recommends that the Permanent Secretary, MTIC, Ms. Geraldine Ssali should cause the recovery of **UGX 500,000,000 (Five Hundred Million Shillings)** that was paid in excess to Lango Cooperative Union Limited.

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6.15 BUMWAMBU GROWERS COOPERATIVE SOCIETY LIMITED.

Bumwambu Growers Cooperative Society Ltd is located in Sironko District. It was registered on the 4th of April 1951 with a certificate number 339. On the 18th of February 2015, the Society submitted a total claim of UGX 22.4 billion to the Ministry of Trade Industries and Cooperatives.

On the 15th of October 2021, the society wrote to the Permanent Secretary Ministry of Trade Industries and Cooperatives introducing M/S Kirya and Co. Advocates as the Society's Advocates and Legal Consultants. In the Letter the firm was mandated to follow up the Society's claim for Compensation from government of Uganda. The same letter further states that the proceeds of the claim were to be channeled through M/s Kirya & Co. Advocates with DFCU Bank Ltd, Ndeeba branch.

According to a report by the Ministry of Trade Industries and Cooperatives on the status of war loss compensation to cooperative unions as at 24th June 2023, out of the **UGX 22.4 billion** claim submit by the society, **UGX 15.56 billion** was verified for payment. The same report states that Bumwambu Growers Cooperative Society Ltd has so far received **UGX 11.2 billion** in compensation, out of which **UGX 10.2 billion** was channeled through M/S Kirya & Co. Advocates.

Item	Amount (UGX)
Claim	22,400,000,000
Amount verified	15,557,159,236
Amount received by the Cooperative from MTIC	1,000,000,000
Amount received MTIC to law firm	10,200,000,000
Total Amount received	11,200,000,000
Legal fees 10%	1,020,000,000
Amount expended by the union	13,790,000,000
Amount expended in excess	2,590,000,000

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The Committee was informed that out of the **Shs 11.2 billion** received, **Shs 8.54 billion** was spent on the acquisition of 1,532 acres of land owned by Simu Oil Company Ltd. In the agreement that was signed between Simu Oil Co. Ltd and Bumwambu Growers Cooperative Society Ltd, each acre of land was valued at Shs 6,000,000 per acre which translates to a total value of **Shs 9.192 billion** for all the 1,532 acres of land. This implies that the cooperative society still owes Simu Oil Company Ltd **Shs 0.652 billion**.

Expenditure made by Kirya and Co Advocate on instructions of Bumwambu cooperative society for receipts presented by Kirya & Co Advocates

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MS

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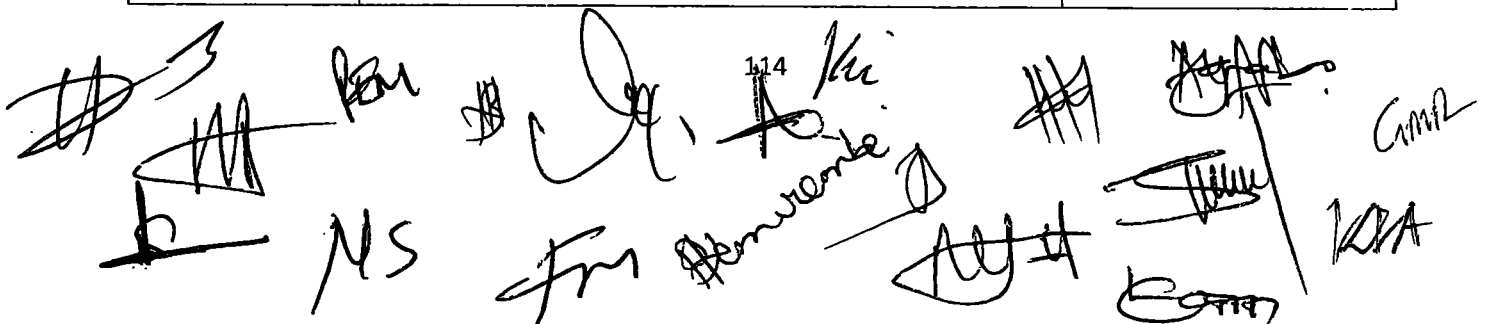
GMR
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4/6/2023	Land block 4 plot 199(Akamba Paulo)	200,000,000
4/6/2023	Land block 4 plot 199 (Rajnish Jain)	400,825,000
12/5/2022	Land block 4 plot 199 (Rajnish Jain)	70,000,000
6/5/2022	Land block 4 plot 199 (Rajnish Jain)	110,000,000
14/2/2022	Land block 4 plot 199 (Rajnish Jain)	114,000,000
15/2/2022	Land block 4 plot 199 (Rajnish Jain)	45,000,000
22/11/22	Land block 4 plot 199	250,000,000
19/11/2021	Land block 4 plot 199	535,000,000
Total		2,840,825,000

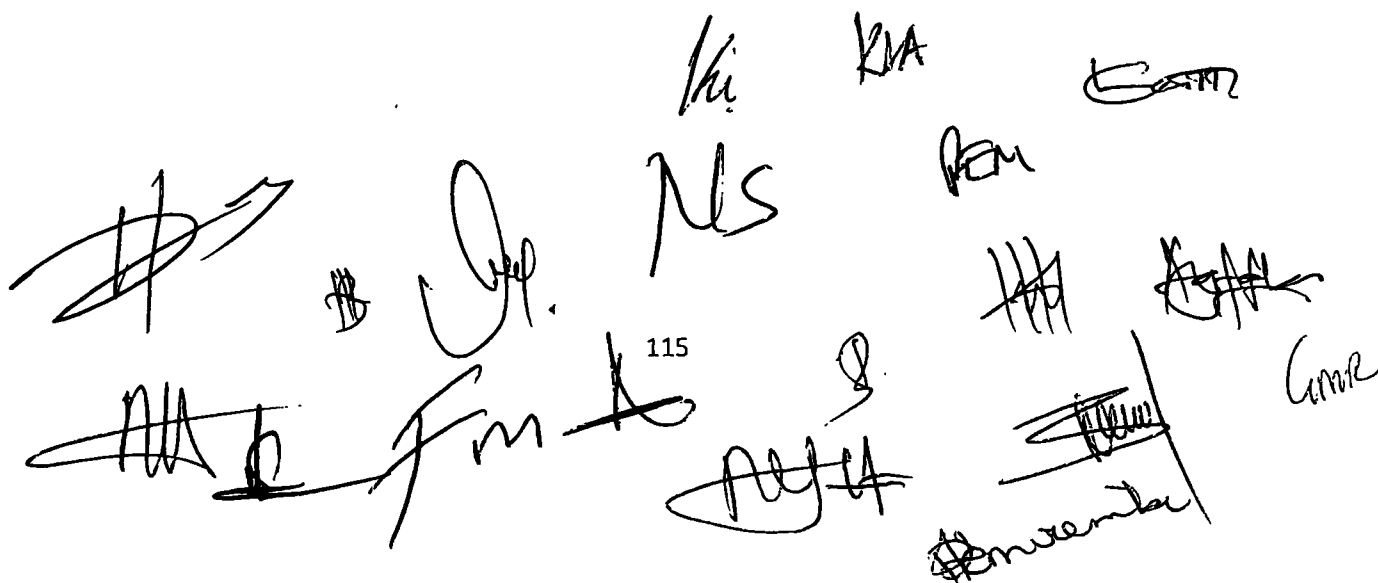
OTHER INSTRUCTIONS TO PAY

Date	Details for payments	Amount (UGX)
22/10/2020	Simu Oil co LTD alc 0010288088 Tropical bank	2,700,000,000
22/10/20	Bumwambu Growers coop society A/c 0111367809852 DFCU	150,000,000
22/10/2020	Musiwa Haruna (money Lender)	300,000,000
4/10/2021	Simu Oil co LTD alc 0010288088 Tropical bank	1,710,000,000
4/10/2021	Bumwambu Growers coop society A/c 0111367809852 DFCU	90,000,000


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11/11/2021	Simu Oil co LTD alc 0010288088 Tropical bank	1,500,000,000
11/11/2021	Bumwambu Growers coop society A/c 0111367809852 DFCU	300,000,000
8/2/2022	Simu Oil co LTD alc 0010288088 Tropical bank	1,080,000,000
6/6/2023	Simu Oil co LTD alc 0010288088 Tropical bank	1,350,000,000
3/11/2020	Mawanda Michieal DFCU (A/c No 01073000453455)	250,000,000
3/11/2020	Bumwambu Growers coop society A/c 0111367809852 DFCU	150,000,000
13/11/2021	Mawanda Micheal A/c No 01073000453455)	200,000,000
4/6/2023	Wogambula Wilson Wamakuyu & Makoba Christopher Aching (Bumwambu Growers Coop Society) Cash receipt.	150,000,000
	Total	9,930,000,000

The Committee reviewed expenditure instructions issued by Bumwambu Cooperative Union to Kirya and Company advocates and established that the cooperative's expenditure amounted to UGX 13,790,000,000 which was over and above UGX 11,200,000,000 received from the MTIC, leaving UGX 2,590,000,000 as excess expenditures which makes the explanation tendered unbelievable and renders the accountability doubtful.



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- Top left: A large, stylized signature.
- Top center: 'Ki' and 'NS'.
- Top right: 'KIA' and a signature.
- Middle left: 'J. J.' and 'Fm'.
- Middle center: '115' and a signature.
- Middle right: 'NS' and a signature.
- Bottom left: 'Fm' and a signature.
- Bottom center: 'NS' and a signature.
- Bottom right: 'NS' and a signature.

The Committee recommends that the DPP, and the IGG should investigate the Cooperative on accountability that appears fictitious and doubtful.

South Bukedi was registered on the 4th of June, 1952 under certificate No 500. It is located in Tororo with 172 primary cooperatives.

Item	Amount (UGX)
Amount Claimed	83,000,000,000
Amount Verified	Not Verified
Amount Received	500,000,000
Amount Lost	N/A

The Committee tasked the Chairperson of the Board, Hon Ekanya Geoffrey to explain how the union received money before verification and he answered “*Mr Chairman, as South Bukedi, we submitted our claim through our lawyers with attachments. The verification team came and while they were with us the union, they told us that some documents were missing and so, we had to get some of the documents – land titles, log books and some documents from URA – the verification has been going on and is not complete. We believe that when it is completed, we will get the figure that will be confirmed. So, I think advancing us UGX 500million out of*

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the UGX 83 billion - compared to what other unions got, we thought that were not considerate but you know when you are a beggar, you have no choice."

When tasked to give accountability of the money, the board chairperson Hon Ekanya submitted that, *“we decided to clear some debt which was less than UGX 100 million, we invested the bulk of the money which we are trading with. As of now our cash base is over 300m in business. We also paid rent for our office. We have been conducting training of our primary societies and recruiting more members”* as accountability for the money.

Observation(s) of the Committee

The Committee observed that South Bukedi Cooperative Union Ltd was paid **UGX 500,000,000 (Five Hundred Million Shillings)** without verification. This augments the Committee's concern that a verification report was not a prerequisite requirement for payment of war loss compensation. South Bukedi Cooperative Union is one of the Unions that was paid at the instructions of the Permanent Secretary, Ms. Geraldine Ssali, Ministry of Trade, Industry and Cooperatives, without a requisition from the User Department in contravention of Section 45 of the Public Finance Management Act, 2015.

Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) That the Head of the Uganda Public Service should take disciplinary action against the Permanent Secretary, MTIC, Ms. Geraldine Ssali in order to pave way for further investigations in the management of war loss compensation to South Bukedi Cooperative Union Limited;
- (2) That MTIC should immediately conduct verifications of claims submitted by South Bukedi Cooperative Union Limited to ascertain the outstanding balances, if any;

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balances, if any;

- (3) That no further payments in respect of war loss compensations should be made to South Bukedi Cooperative Union Limited until verification of their claim is concluded.

6.19 WEST ACHOLI COOPERATIVE UNION LIMITED.

West Acholi Cooperative Union Limited was registered on 17th November 1960. The Union is a secondary cooperative and constitutes 99 primary cooperative societies, out of which 45 are active. The Union operates in the Districts of Nwoya, Gulu, Omoro and Amuru.

Item	Amount (UGX)
Initial claim	5,796,254,000
Verified amount	4,952,000,000
Amount received on the Union account from Ministry of Trade, Industry and Cooperatives	1,000,000,000
Amount received from Ministry of Justice and Constitutional Affairs	196,000,000
Payment to third party by the Union (Century Advocates)	400,000,000

According to the Verification Committee Report, the justification for award of **UGX 4,952,000,000 (Four Billion, Nine Hundred Fifty Two Million Shillings)** was as follows:

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- Top center: The letters "NS" and "Fm".
- Top right: The letters "hi" and a signature.
- Middle left: A signature and the letters "NS".
- Middle center: A signature and the letters "Fm".
- Middle right: A signature and the letters "KIA".
- Bottom left: A signature and the letters "REM".
- Bottom center: A signature and the letters "Fm".
- Bottom right: A signature and the letters "Gmr".

Type	Number	Rate	Sub total (UGX)
Breeding bulls	15	3,000,000	45,000,000
Breeding cow	287	2,500,000	717,500,000
Calves	127	500,000	63,500,000
Dip tank	1	40,000,000	2,156,000,000
Barded wire	14 rolls x 2,200	70,000	2,156,000,000
Fencing poles	50 pieces x 2,200	15,000	1,650,000,000
Farm water reticulation	Assorted	280,000	280,000,000
Total			4,952,000,000

The Secretary Manager, Mr. Oyen Patrick and the Chairperson of the Union Mr. Oyugi Jackson while interfacing with the Committee informed the Committee that the Union contracted the legal services of **M/S Century Advocates** upon recommendation by the State Minister for Cooperatives, Hon. Gume Frederick Ngobi. That subsequently the Union undertook an MOU with the said law firm in which it was resolved that a “commission of 50% of any amount paid by the Government to be paid to M/S Century Advocates”. The State Minister for Cooperatives, Hon. Gume Ngobi, while interfacing with the Committee, informed the Committee that he had decided to advise the Union to advertise in a newspaper of wide circulation as a confirmation of the arrangement between M/S Century Advocates and the Union since several individuals had purportedly approached his office claiming to act for and on behalf of the Union for purposes of war claim compensation. The Union indeed to put a notice to that effect in the Monitor Newspaper of Friday 3rd March 2023.

The Union leadership insisted on receiving the compensation on the account of the Union as opposed to that of the law firm.

KM

The Committee observed that the MOU with M/S Century Advocates was signed on **2nd October 2021** after the Union had been verified for payment and as such

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Ben *Hemurise* *119* *Ki* *for* *CMR* *MS*

According to the Commission Agreement entered into on **8th October 2021** between the Union and the law firm, the Union was supposed to immediately transfer the commission of 50% within a period of 10 days following the payment of the entire compensation amount by the Government.

As if that was not enough, the MOU further prescribed that if the Union did not pay any amount due to the law firm under the agreement, the law firm would charge the Union interest on the overdue amount at the rate of 8% per month which interest would accrue until the date of actual payment and the law firm would institute civil proceedings against the Union for recovery of the fee, damages and costs.

WTA

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perplexity that the same purported legal representatives had acknowledged receipt of four hundred million from the Union on **25th November 2021**, a time when the said loan was already subsisting. The Committee notes with sadness that this was only 6 days after the Union had been paid on **19th November 2021**. The Law firm put their interests first before the interests of the Union and therefore has no moral authority to show concern for the non-payment of subsequent funds due to the Union. The fact that the Union was paid only a month after contracting the services of the law firm underscores their negligible contribution in ensuring the payment of the claim.

Mr. Ochaya, the Union Treasurer informed the committee that even though they signed the MOU giving the lawyers 50%, he was uncomfortable with it. The Secretary Manager got a call from a lawyer who introduced himself as Andrew and asked to use him to get the rest of the balance owed to the Union from the Ministry but he asked for 60% of the fee as he had to pay some people off in the Ministry. The Union leadership rejected this proposal and the lawyer said, that **"the Union would never get their balance if they do not use him"**. According to the Union, this disagreement with the lawyer Andrew explains why they have never got any more money from the Ministry.

It was the submission of the Union leadership that the Union would prefer not to receive their compensation through a law firm if given an option.

The Union leadership who appeared before the Committee prayed that Parliament should stop the payment of their compensation through law firms or third parties who are taking obscene percentages from them, unfairly. They wished that the MOU could be terminated before further payments are made. The Committee was concerned that despite the Union leadership having the legal capacity to terminate the MOU with M/S Century Advocates, they seemed helpless for fear of consequences of deliberately not being considered or blocked from receiving any further outstanding payments in respect of settlement of war losses.

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It is the Committee's observation that had the Union not been coerced into undertaking a completely unnecessary MOU which deprived them of 50% of their compensation claim, the Union would have been able to redeem the Union properties and would not be under such threat of loss.

Observation(s) of the Committee

The Committee observes that the requirement to utilise the services of a law firm was unnecessarily imposed upon the Union by the Minister resulting into the unwarranted payment of **UGX 400,000,000 (Four Hundred Million Shillings)** to Century Advocates. It is the Committee's considered opinion that the said transaction was executed on the basis of undue influence and coercion.

Section 2 of the Contracts Act 2010 defines "coercion" to mean the commission or threatening to commit any act forbidden under any law or the unlawful detaining or threatening to detain any property, to the prejudice of any person with the intention of causing any person to enter into an agreement.

Section 13 of the Contracts Act 2010 provides for the free consent of parties to contract to the effect that consent of parties to a contract is taken to be free where it is not caused by coercion, undue influence, or fraud. Further in section 14(1) of the Act, a contract is induced by undue influence where the relationship subsisting between the parties to a contract is such that one of the parties is in a position to dominate the will of the other party and uses that position to obtain an unfair advantage over the other party.

Under section 14 (2) for the purposes of subsection (1), a party is taken to be in a position to dominate the will of another party, where the party holds a real or apparent authority over the other party or the party stands in a fiduciary relationship to the other party among others.

The Committee observed that the contract with the law firm was a culmination of undue influence by the Hon. State Minister for Cooperatives

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Recommendation(s) of the Committee

The Committee advises the West Acholi Cooperative Union Limited to lodge a complaint against Century Advocates to the Law Council for having solicited their instructions through undue influence.

6.21 NYAKATONZI GROWERS COOPERATIVE UNION LIMITED.

The Union was formed and registered on the 11th of January 1957 under the Cooperative Societies' Act Cap.112 with certificate number 1200/RCS. The Union is owned by 61 member Cooperative Societies with an average of 250 members making a total membership of over 15,500. It is located on Kasese – Fort Portal Road, plot 9 – 15, in Kasese District.

Nyakatonzi Growers Cooperative Union Limited claimed **UGX 63,256,211,240** for assets, property, stocks and equipment lost during the liberation war. These included; 1 Mercedes Benz 280 Saloon, 2 Tata Lorries, 1 Leyland Lorry (10 tyres), 1 Isuzu Trooper, 1 complete Engine Tata Lorry, assortment of motor vehicle spares, 84 Tyres size 1200 x 20 each valued at 2,000,000, 37 Tyres size 650 x 16 each tyre at 1,000,000, 4,666 gunny bags, Oil drums (19 drums no,40), Diesel litres 8,712, Petrol litres 6674, ground nuts 217 bags of 100kg, Beans 576 bags of 100kg and Coffee 813 tons.

The verification Committee recommended that Nyakatonzi be considered for compensation to the tune of **UGX 13,501,455,586 (Thirteen Billion, Five Hundred One Million, Four Hundred Fifty Five Thousand, Five Hundred Eighty Six Shillings)** as ex gratia payment for the loss suffered as result of wars. According to the MTIC the Union received **UGX 180,000,000 (One Hundred Eight Million Shillings)** in FY 2017/2018, **UGX 2,000,000,000 (Two Billion Shillings)** in FY 2020/2021, **UGX 500,000,000 (Five Hundred Million Shillings)** in FY 2021/2022 and **UGX 1,000,000,000 (One Billion Shillings)** in FY 2022/2023,

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totaling to **UGX 3,680,000,000 (Three Billion, Six Hundred Eighty Million Shillings)**.

However, the Union only acknowledged and accounted for **UGX 3,500,000,000 (Three Billion, Five Hundred Million Shillings)**. It was the Committee's Union's submission that they were not aware of the **UGX 198,000,000 (One Hundred Ninety Eight Million Shillings)** sent by the MTIC in FY 2017/18 as claimed by MTIC. There was no evidence of payment from MoFPED and MTIC.

Item	Amount (UGX)
Amount claimed	63,256,211,240
Amount verified	13,501,455,586
Amount received	3,500,000,000
Amount unaccounted for	2,860,000,000

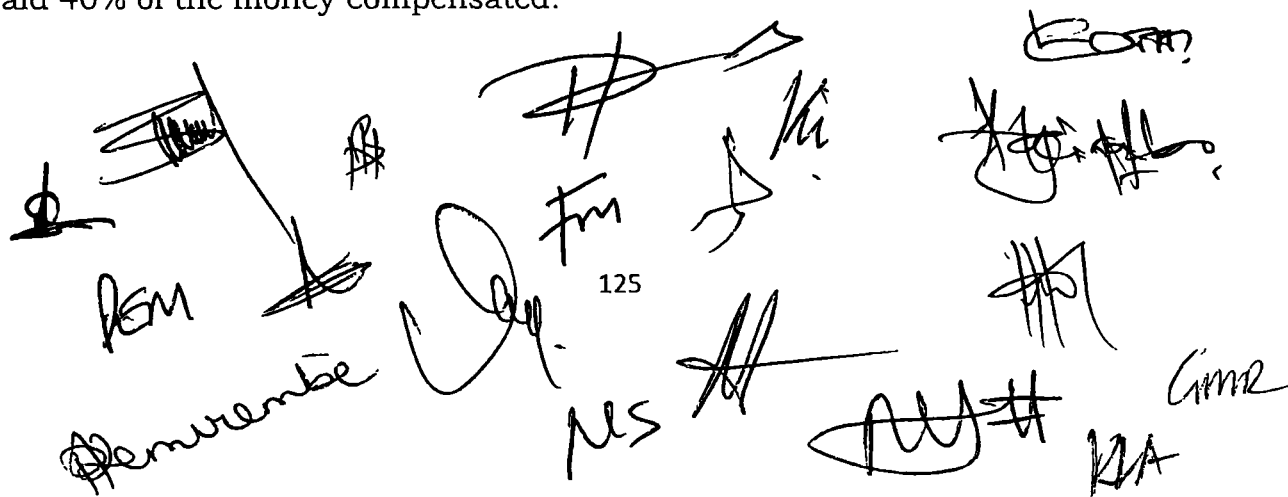
The Union's bank statements shows the following major transactions after compensation deposits were made.

Date	Compensation deposit (UGX)	Debits (UGX)	Transaction description
23/11/2020	2,000,000,000		
24/11/2020		40,000,000	Withdraw for Operations
30/11/2020		1,000,000,000	Transfer to Nyakatonzi
30/11/2020		600,000,000	Transfer to Tropical Law Advocates
30/11/2020		200,000,000	Transfer to Nyakatonzi
2/01/2021		50,000,000	Withdraw for Supplier
2/01/2021		50,000,000	Withdraw for Supplier
22/01/2021		50,000,000	Withdraw for Operations

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12/11/2021	500,000,000		
22/11/2021		40,000,000	Withdraw for Operations
22/11/2021		60,000,000	Withdraw for Operations
23/11/2021		50,000,000	Withdraw for Operations
1/12/2021		150,000,000	Transfer to Nyakatonzi
20/12/2021		5,000,000	Withdraw for Operations
21/12/2021		150,000,000	Transfer to Nyakatonzi
5/1/2022		40,000,000	Withdraw to Pay Farmers
5/1/2022		2,000,000	Withdraw to pay Farmers
6/1/2022		1,000,000	Withdraw for Operations
13/1/2022		1,200,000	Withdraw for Business
26/1/2022		4,000,000	Withdraw for Business
2/02/2023	1,000,000,000		
7/02/2023		200,000,000	Withdraw for farmers
8/02/2023		100,000,000	Withdraw for Business
9/02/2023		200,000,000	Withdraw for Business
10/02/2023		400,000,000	Transfer to Tropical law advocates
10/02/2023		100,000,000	Transfer to Tropical Law Advocates

During the investigation, the Secretary Manager informed the Committee that the board signed a Memorandum of Understanding with Tropical Law Advocates to support them in claiming for the war loss compensation and that they were to be paid 40% of the money compensated.



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Observation(s) of the Committee

The Committee observes that, apart from money which was transferred directly to the bank account of Tropical Law Advocates as legal fees, amounting to **UGX 640,000,000 (Six Hundred Forty Million Shillings)**, the accountability for the rest of the compensation amount of **UGX 2,860,000,000 (Two Billion, Eight Hundred Sixty Million Shillings)** fell short of evidence of expenditure of funds to the intended beneficiaries since money was withdrawn in cash from the bank by various individuals and no cash receipts were submitted to ascertain that the same had been remitted to the actual/final intended beneficiaries.

6.22 BUGISU COOPERATIVE UNION LIMITED (BCUL).

Bugisu Cooperative Union (BCU) was registered as a Cooperative Union in July 1954. Membership is drawn from the societies in Bulambuli, Mbale, Sironko and Bududa Districts. The member societies are primary grower's organizations producing Arabica coffee. BCU is governed by the Board of Directors comprising of nine members.

Item	Amount (UGX)
Amount claimed	15,260,000,000
Amount verified	N/A
Amount received by the Cooperative Union 30 th June 2023	3,000,000,000
Outstanding amount	N/A

Assets that were submitted for verification

No.	Type of Assets
1	Cattle ranch
2	Stock loss (coffee stock)
3	Vehicles

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According to MTIC, the Bugisu Cooperative Union made a claim of **UGX 15,260,000,000 (Fifteen Billion, Two Hundred Sixty Million Shillings)** for war loss compensation for properties lost due to the war insurgencies from the period of 1979 to 1986.

The Committee was informed by the verification committee that a verification exercise on war losses on Bugisu Cooperative Union Limited was conducted on 4th April, 2020 but the verification report was not ready.

The Committee established that the BCU was paid **UGX 2,000,000,000 (Two Billion Shillings)** in FY 2020/2021 and **UGX 1,000,000,000 (One Billion Shillings)** in FY 2021/2022 amounting to **UGX 3,000,000,000 (Three Billion Shillings)**. The General Secretary of the Union informed the Committee that the Union had so far received only **UGX 1,000,000,000 (One Billion Shillings)** from MTIC out of the **UGX 3,000,000,000 (Three Billion Shillings)**.

In a letter of 12th April 2022, the PSST questioned as to why the MFPED released funds for compensation to cooperatives including BCU to the MTIC but the Ministry had not remitted the same to BCU. The PSST advised the PS MTIC to ensure that the appropriated funds under cooperatives are accordingly transferred to the earmarked beneficiaries and that compensations should be to those cooperatives that have been fully verified and validated by the internal auditor general (*see letter dated 12th April, 2022 attached as Appendix __*).

The Committee was informed that BCU engaged the services of M/S Nandaah Wamukoota & Co Advocates to follow up the war loss compensation. This was premised on the fact that Parliament had appropriated funds for compensation to unions including BCU but BCU had not received the funds. The law firm was engaged to follow up the compensation but it did not act as a 3rd party, when the funds were released, they were paid into the Union's account. *KIA*

Furthermore, the Committee established from MTIC's Internal Audit Report for FY 2022/23, inappropriate distribution of funds to Cooperative Unions in regards to

the supplementary appropriation by Parliament, where concern was raised that BCU had not been paid as per the schedule; because **UGX 2,000,000,000 (Two Billion Shillings)** was appropriated but only **UGX 1,000,000,000 (One Billion Shillings)** released. Audit advised management to strictly follow appropriating entity in distribution of funds to Cooperative Unions.

The Committee was informed by the BCU leadership that between 2010 to 2015, BCU operations and management had been taken over by Government of Uganda through the Registrar of Cooperatives Societies. During that time, some properties belonging to BCU were reportedly mismanaged and destroyed. BCU therefore made a claim for compensation for government takeover amounting to UGX 38,993,642,225 since the Union lost various items during the takeover. This claim does not form part of the war claim.

The Committee established that some primary societies that subscribed to BCU such as Buyaka Growers Cooperative Society Limited and Gumutindo Coffee Cooperative Enterprises Limited submitted war loss claims and were subsequently and paid.

Observation(s) of the Committee

The Committee observed as follows:

- (1) That despite the PS MTIC receiving guidance from the former PSST, Mr. Keith Muhakanizi that cooperatives should be paid upon verification, BCU was paid **UGX 3,000,000,000 (Three Billion Shillings)** without verification;
- (2) That while MFPED released **UGX 3,000,000,000 (Three Billion Shillings)** as funds for war loss compensation to BCU, BCU acknowledges only **UGX 1,000,000,000 (One Billion Shillings)** for this purpose, and that the **UGX 2,000,000,000 (Two Billion Shillings)** related to another payment by Government, not war loss compensation.

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Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) That MTIC should, in their payment voucher to BCU provide for specific descriptions of the payments due to the BCU.
- (2) That MTIC should immediately conduct verifications of claims submitted by Bugisu Cooperative Union Limited to ascertain the outstanding balances, if any.
- (3) That no further payments in respect of war loss compensations should be made to Bugisu Cooperative Union Limited until verification of their claim is concluded.

6.23 LAMBULI CENTRAL PULPERY COOPERATIVE SOCIETY LIMITED.

Lambuli Central Pulpery Cooperative Society was incorporated on 4th August, 1967. The Committee established that the Society engaged Makada and Partners Advocates which would get 5% of the compensation for war loss claims from Government of Uganda. According to the Special Powers of Attorney, this instruction was given under MIN. NO. CM/003/03/2021. The Committee however, notes that the same instrument was signed in 2023.

The Cooperative Society initially claimed **UGX 19,300,000,000** and **UGX 10,852,320,500** was verified. The Chairperson of the Cooperative Society, Hon. Wamakuyu Ignatius Mudimi informed the Committee that the entity had got only **UGX 950,000,000** and that *'the lawyer had retained the balance'*.

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Item	Amount (UGX)
Initial claim as per the Society	19,300,000,000
Amount verified by MTIC	10,852,320,500
Amount received through third party	6,700,000,000
Amount received by the Society	3,212,000,000
Amount disbursed to third parties under instruction to the law firm	3,071,659,833
Legal fees (5%)	335,000,000
Amount unaccounted for	81,340,167

The Committee established that in the **FY 2021/2022 UGX 2,700,000,000 (Two Billion, Seven Hundred Million Shillings)** was paid and in **FY 2022/2023, UGX 4,000,000,000 (Four Billion Shillings)** was paid to Makada and Partners Advocates amounting to **UGX 6,700,000,000 (Six Billion, Seven Hundred Million Shillings)**. The Cooperative Society received **UGX 850,000,000 (Eight Hundred Fifty Million Shillings)** on its bank account. The Committee established further through M/S Makada and Partners that the Cooperative Society had instructed the law firm to make cash payments and bank transfers to other creditors of the Cooperative. This is contrary to what the Chairperson of the Cooperative Society, Hon. Wamakuyu Ignatius Mudimi, had submitted before the Committee.

Further, during the hearing the Chairperson of the Cooperative Society, Hon. Wamakuyu Ignatius Mudimi informed the committee that his cooperative had received **UGX 950,000,000 (Nine Hundred Fifty Million Shillings)**. Upon scrutiny of the Cooperative Society's bank statement, the Committee established that only **UGX 850,000,000 (Eight Hundred Fifty Million Shillings)** had been credited on the Cooperative Society's bank account by M/S Makada and Partners. That **UGX 100,000,000 (One Hundred Million Shillings)** had been erroneously

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credited on the Cooperative Society's bank account and therefore a reversal for a wrong entry was made by the bank.

The Committee was also privy to the minutes of the executive committee meeting held on 17th November, 2021 wherein it was stated that funds should be managed by the Attorney M/S Makada and Partners Advocates. However, this particular instruction did not constitute the special powers of attorney signed by the parties which only instructed the M/S Makada and Partners to receive, handle the funds with guidance from management and committee members of Lambuli Central Pulpery Cooperative Society Ltd (*see Executive Committee minutes marked as Annex 25*). In the instant case therefore, the Committee observed that the latter takes precedence over the former.

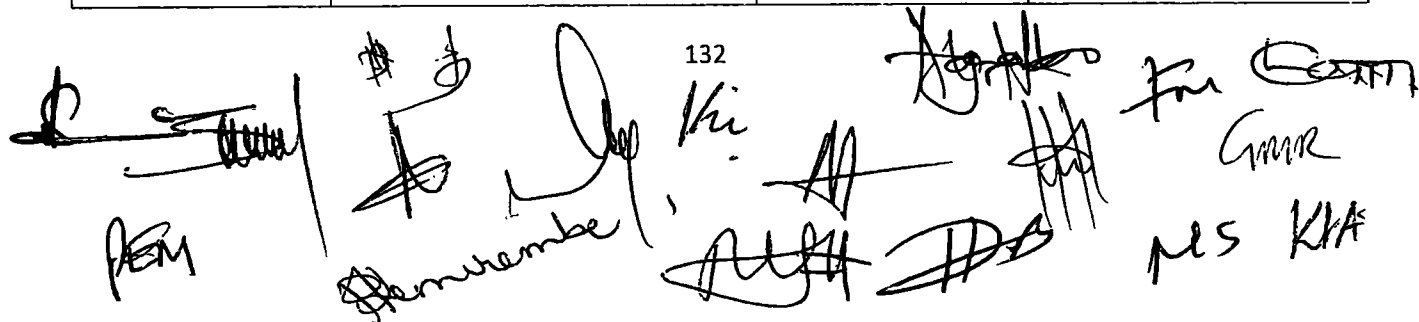
The Committee further established that the Cooperative Society through several instructions authorized payments of proceeds received from Government of Uganda of compensations to several third parties by both cash and bank transfers.

In line with number 4 above, the Chairman Hon. Wamakuyu Ignatius Mudimi and Secretary Manager Mr. Masaba Jackson Frank authored letters to M/S Makada and Partners Advocates and Solicitors instructing the law firm to make disbursements of funds to third parties.

Date	Payee	Reason	Amount (UGX)
17.11.2021	Lambuli Central Pulpery Cooperative Society Ltd	Partial disbursement (deposit)	500,000,000
	Lambuli Central Pulpery Cooperative Society Ltd	Cash	201,000,000
Total			701,000,000
25.11.2021	Masaba Cooperative Union Ltd	Loan	50,000,000

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	Lambuli Central Pulpery Cooperative Society Ltd	Cash	160,000,000
	Lambuli Central Pulpery Cooperative Society Ltd	Cash	30,000,000
Total			240,000,000
14.02.2022	Masaba Cooperative Union Ltd	Loan	150,000,000
	Arap Simba Hardware	Construction materials and iron sheets	328,000,000
	Cash withdrawal	Payment of property plot 66 Kumi Road Mbale City	550,000,000
Total			1,028,000,000
03.02.2023	Lambuli Central Pulpery Cooperative Society Ltd	Partial disbursement (deposit)	350,000,000
	Wimud Creations Ltd	Loan	250,000,000
	Rajnish Jain	Loan	270,000,000
Total			870,000,000
21.03.2023	Wiljon Estates	Construction materials	30,000,000
	Generous Investments Ltd	Construction materials	50,000,000
	Rajnish Jain	Loan payment	150,000,000
Total			230,000,000
29.03.2023	Wimu Creations Ltd	Loan on account of Masaba Coop	100,000,000



 PEM

 Murembe

 Ki

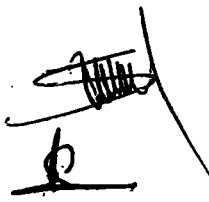


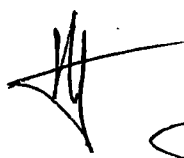
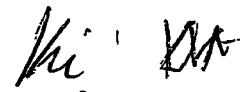



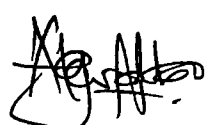


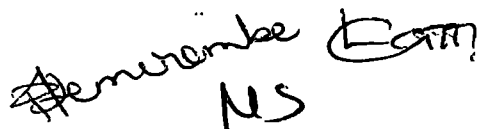
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	Generous Investments Ltd	Construction materials	27,000,000
	Kathaiawar Engineering Works Ltd	Construction materials	
	Wolimbwa Justine	Payment for land	28,000,000
Total			162,000,000
14.06.2023	Wimud Creations Ltd	Loan on account of Masaba Coop Union	132,500,000
	Generous Investments Ltd	Construction materials	70,315,000
	Wamakuyu Ignatius Mudimi	Payment for land	115,000,000
	Akamba Paul	Loan repayment	161,000,000
	Rajnish Jain	Loan repayment	263,000,000
	Upendo Familia Investments Ltd	Loan repayment	33,844,888
	Begko Microfinance Ltd	Loan repayment	36,000,000
	Great Cash Solution Ltd	Loan repayment	25,000,000
	Uganda Clays Ltd	Payment for max pans	15,929,933
Total			836,659,833
Grand Total			4,192,659,833

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**Lambuli Cooperative
Society Receipts**

Date	Receipt No.	Received from	Being payment for	Amount (UGX)
17.11.2021	55	M/S Makada	Cash advance to LCP	201,000,000
25.11.2021	59	M/S Makada	Cash Advance to LCP	160,000,000
26.11.2021	60	M/S Makada	Cash Advance to LCP	30,000,000
02.12.2022	64	M/S Makada	Cash Advance to LCP	20,000,000
15.02.2022	86	M/S Makada	Cash (Plot 66 Kumi Road)	550,000,000
22.02.2022	98	M/S Makada	Cash (Plot 4A Gangama Road, Mbale City)	500,000,000
08.02.2023	201	M/S Makada	Cash Advance to LCP	228,000,000
10.02.2023	202	M/S Makada	Cash Advance to LCP	200,000,000
14.02.2023	203	M/S Makada	Cash Advance to LCP	40,000,000
15.02.2023	204	M/S Makada	Cash Advance to LCP	100,000,000
21.03.2023	230	M/S Makada	Cash Advance to LCP	34,000,000

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For GMR
Mwambiwa Com
NS

24.03.2023	235	M/S Makada	Cash Advance to LCP	275,000,000
22.03.2023	236	M/S Makada	Cash Advance to LCP	205,000,000
27.03.2023	238	M/S Makada	Cash Advance to LCP	50,000,000
28.03.2023	239	M/S Makada	Cash Advance to LCP	12,000,000
16.06.2023	241	M/S Makada	Cash Advance to LCP	100,000,000
22.06.2023	242	M/S Makada	Cash Advance to LCP	400,000,000
23.06.2023	243	M/S Makada	Cash Advance to LCP	75,000,000
03.07.2023	244	M/S Makada	Cash Advance to LCP	22,000,000
Total Frm Makada				3,202,000,000

While interacting with the Committee on 18th October, 2023, Hon. Akamba Paul submitted that he received a refund of UGX 161,000,000 (One Hundred Sixty One Millions Shillings) from Hon. Wamakuyu Ignatius Mudimi in respect of loan repayment (inclusive of interest).

Observation(s) of the Committee

The Committee observed as follows:

- (1) That payments **to third parties were made** on instructions of the Chairperson of the Cooperative Society, Hon. Wamakuyu Ignatius Mudimi

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and the Secretary Manager, Mr. Masaaba Jackson Frank and without any reference to any minutes of meetings the Cooperative Society;

- (2) That several payments were made to different individuals and companies with the description that the Cooperative Society was making loan repayments to those individuals and companies. The Committee was unable to establish as to whether the said payments were loans given to either individuals or the Cooperative Society, in view of the fact that the instructions were issued by the Cooperative Society Chairperson and the Secretary Manager without approval by the Board of the Cooperative Society to borrow and to repay the loan.
- (3) That the above payments were given accountability by the Cooperative Society's lawyer. However, **UGX 81,340,167 (Eighty One Million, Three Hundred Forty Thousand, One Hundred Sixty Seven Shillings)** remained unaccounted for.

Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) That the CIID should carry out further investigations to establish:
 - (a) whether the Board of Lambuli Central Pulpery Cooperative Society Limited approved the loans; and
 - (b) whether the loan repayments were approved by the Board of Lambuli Central Pulpery Cooperative Society Limited.
- (2) That Lambuli Central Pulpery Cooperative Society Limited is advised to follow up with M/S Makada and Partners for **UGX 81,340,167 (Eighty One Million, Three Hundred Forty Thousand, One Hundred Sixty Seven Shillings)** that remains unaccounted for.

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6.24 BANYANKOLE KWETERANA COOPERATIVE UNION LIMITED.

Banyankole Kweterana Cooperative Union (BKCU) is a registered Cooperative Union No.1490 with the Registrar of Cooperatives on 17th May 1958. BKCU is a secondary Union with a membership base of 350 registered primary cooperative societies in the following districts: Mbarara, Bushenyi, Ntungamo, Mitooma, Sheema, Ibanda, Isingiro, Kiruhura, Rwampara, Buhweju and Rubirizi. BKCU flourished and grew rapidly into Uganda's largest coffee union.

Like other unions of the time, the operations of BKCU were seriously affected during the 1979 and 1985 liberation wars. BKCU was one of the Cooperatives due for compensation by the Government of Uganda to the tune of **UGX18,801,262,985 (Eighteen Billion, Eight Hundred One Million, Two Hundred Sixty Two Thousand, Nine Hundred Eighty Five Shillings).**

Item	Amount (UGX)
First claim of 1986	1,627,242,789
Approved Claim in 1996	941,134,850
Second claim of 2003	13,935,864,572
Approved claim in 2005	4,315,665,578
Amount received by third parties	3,384,844,589
Amount received by the Union	1,000,000,000
Outstanding balance	871,955,839

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Assets that were submitted for verification

No.	Item
1	2 ranches in Kiruhura District
2	1 ranch in Rubirizi District
3	1 ranch in Mbarara District
4	Land at Nyamitanga Division Mbarara
5	Grading machine in Kakoba Mbarara
6	40 trucks and a land rover

The current Chairperson informed the Committee that on 29th June 2006, BKCU received **UGX 1,000,000,000 (One Billion Shillings)** and was paid to "Gen Salim Saleh" and Lubega for loan repayment that had earlier been obtained from the bank and they had failed to repay.

The following accountability for the funds was provided as illustrated below:

No.	Date(s)/Period	Particulars	Amount (UGX)
1.	31/03/2009	BKCU	118,000,000
		Commissioner of Cooperative Supervisory Account	19,000,000
		Job Coffee factory	350,000,000
		Tax Deposit	18,000,000
		Legal fees	105,000,000
		Disbursement	90,000,000
		Unaccounted for	50,000,000
Sub total			750,000,000
2.	1/4/2009 to	BKCU	671,900,000
	31/3/2010	Legal fees	135,726,688

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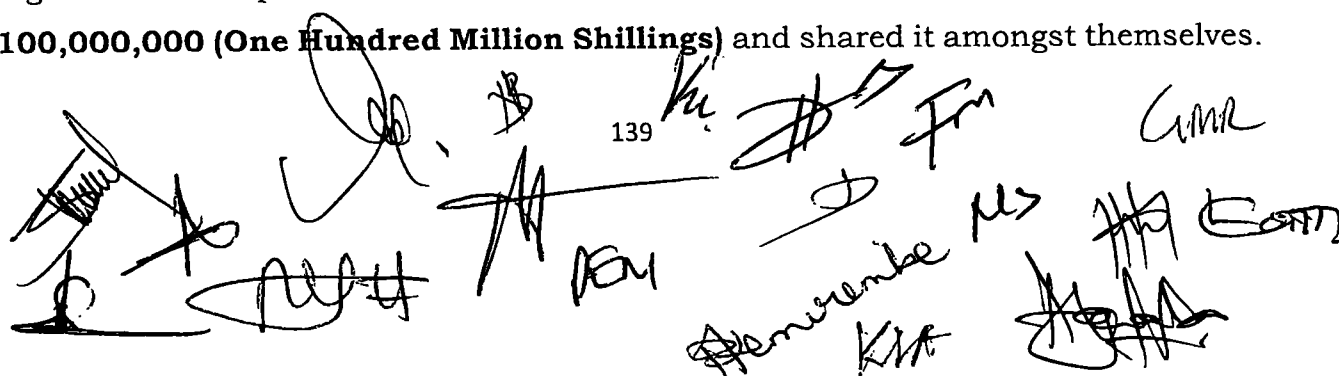
		Land transfer fees & Tax	24,500,000
		Disbursements	72,717,901
Sub total			904,844,589
3.	05/01/2010	No Accountability	200,000,000
4.	26/04/2010	No Accountability	180,000,000
3.	27/04/2012	BKCU	70,000,000
		Legal fees	15,000,000
		Disbursements	15,000,000
Sub total			100,000,000
4.	13/11/2012	BKCU	70,000,000
		Legal Fees	15,000,000
		Disbursements	15,000,000
	Sub total		100,000,000
	15/07/2013	BKCU	105,000,000
		Legal fees	22,500,000
		Disbursements	22,500,000
Sub total			150,000,000
Grand Total			2,384,844,589

They received **UGX 1,000,000,000 (One Billion Shillings)** from MTIC. That the lawyers received cash and sometimes they used to pay loans to the union. "The former chairperson Mr. Baigana Lauben knows where the rest of the money".

The Board started in May 2023 but they don't have most records and have been sketching for the same.

That Natukunda Emmanuel and Nelson Nuhabwewa withdrew **UGX 200,000,000 (Two Hundred Million Shillings)** out the **UGX 1,000,000,000 (One Billion Shillings)** to which they claimed that it was to facilitate MTIC officials particularly registrar of cooperatives Mr. Bob Bariyo Barigye and also withdrew **UGX 100,000,000 (One Hundred Million Shillings)** and shared it amongst themselves.

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Mr. Natukunda Emmanuel former Chairperson stated that he received only **UGX 1,000,000,000 (One Billion Shillings)** during his tenure when he took over in 2021. "That he gave **UGX 200,000,000 (Two Hundred Million Shillings)** to Osbert Tumwine the lawyer to take to the Ministry of Finance and Mr. Bob Bariyo Barigye from MTIC". "Whenever they went to MTIC, they would pay some token to the ministry officials, the MTIC officials informed him that the **UGX 200,000,000** was for the officials". When the committee tasked Mr. Bob Bariyo Barigye to substantiate, he denied all these allegations.

He further confirmed that Peter Kiwanuka was given UGX 80,000,000 as being legal fees. However, the committee was dismayed to learn that actual beneficiary of the funds was Osbert Tumwine to whom it was delivered in cash by Nelson Nuhabwewa at MTIC offices in Kampala.

The Committee observes that the Union made a claim of **UGX 4,315,665,578** and was verified for **UGX 6,315,665,578**. That in earlier FYs the cooperative received **UGX 3,483,865,050** and in **FY 2020/2021 UGX 1,000,000,000**. The committee further established that only **UGX 1,000,000,000** was credited on to the bank account of the Union. That balance accruing to the cooperative is **UGX 1,831,800,528**.

However, the Committee was astounded at the revelation that actually **UGX 412,219,200** was accounted for by the Union. This would mean that **UGX 3,230,000,000** is not accounted for whereas it was sent from government.

The Committee further observes that there were no clear accounting protocols by the board as there were receipts or vouchers to prove that certain payments were made.

The Committee observes that there is no appreciation of the rationale for compensation to the cooperative by the Government of Uganda. The Co-op did not have any record of compensation to the supposed beneficiaries and to what extent

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That the government policy to compensate unions for war losses was used as a means of facilitating corruption, bribery, abuse of office inter alia both within the Unions and MTIC. The claims for compensation were majorly instituted upon instructions from government officials who would then benefit themselves through the said claims as they deemed fit.

The Committee is privy to information that it is true and confirmed that the General Manager Mr. Niwahebwa Nelson, Chairman, Mr. Natukunda Emmanuel and the Treasurer, Mr Kaggwa Andrew received the union funds totalling to UGX 281,260,000 without any legal claim vouchers approved by the authorised general manager and chairman as listed below in regard to the bank statement acquired:

No	Name	Cheque	Amount (UGX)
1	Mr. Natukunda Emmanuel	1213 1233	200,000,000 6,860,000 206,860,000
2	Mr. Niwahebwa Nelson	1268 1289	25,000,000 10,000,000 35,000,000
3	Mr, Kaggwa Andrew	1216 1217	15,000,000 15,000,000 9,400,000 39,400,000
	Grand total		281,260,000

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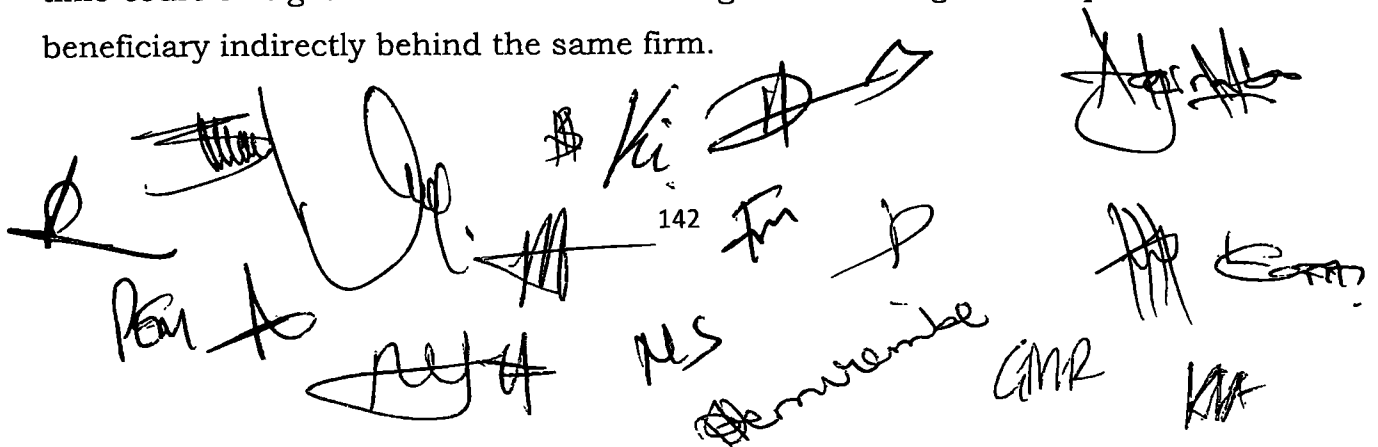
Ampurire Associated Advocates of Mbarara Firm, has been providing legal services for BKCUC within the Union area of operation in Mbarara, whereas Bashasha Partners was handling legal matters majorly in Kampala. Rwambomu Security Services Ltd established that there are no board minutes mandating the above firms to provide legal services since the purported minutes of the board meeting held on 28th October 2019 at Kakoba under agenda No. 10(d) identification of other legal service firms, was not confirmed by the board chairman (Mr. Mwijuka Douson Karibahena) though it was confirmed by the general manager who is suspected to have developed the minutes by himself.

Ampurire Associated Advocates acknowledged receipt of Ugx 30,000,000 for reviewing the union policies, following up on the ranch compensation from government of Uganda from lawyers handling the same case in Kampala and yet the purported minutes of the board meeting held on 28th October 2019. Ampurire Associated Advocates are not allowed to provide legal services beyond the union area of operation of BKCUC; Ankole Region.

Observation(s) of the Committee

There are no minutes of the board meeting of BKCUC confirmed by the AGM allowing the general manager to process the payment to M/S Ampurire Associated Advocates of UGX 30,000,000 for the reviewing of the union policies. The firm was advanced 100percent of the charges before the work was done.

M/S Ampurire Associated Advocates in their requisition addressed to the general manager to process of **UGX 27,000,000 (Twenty Seven Million Shillings)** dated 9th December 2021 comprises of two different cases of which suit no. 097/2021 and another unknown one without a court reference were paid for and the same time court charges are not fixed since the general manager is suspected to be a beneficiary indirectly behind the same firm.

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They received unclear legal responses, favouring the General Manager to keep paying more funds on unclear terms for the same cases and this has made the Union to keep losing more funds in a manner of fraud (attached and marked 'A4').

Unauthorized legal firm in the names of Kasimbazi & Co. Advocates (represented by purportedly a lawyer called Kato Isaac) was paid UGX 15,000,000 (Fifteen Million Shillings) for unseen legal service which was not attached on the claim voucher and even the General Manager failed to justify what the lawyer, Mr. Kato Isaac did for them.

There was no Letter of engagement between the Union and M/S Kasimbazi & Co. Advocates, particularly lawyer Kato Isaac. Efforts to locate M/S Kasimbazi & Co. Advocates and Mr. Kato Isaac were futile.

It was established that the Board was operating without an approved budget by the AGM as required by the Cooperative laws.

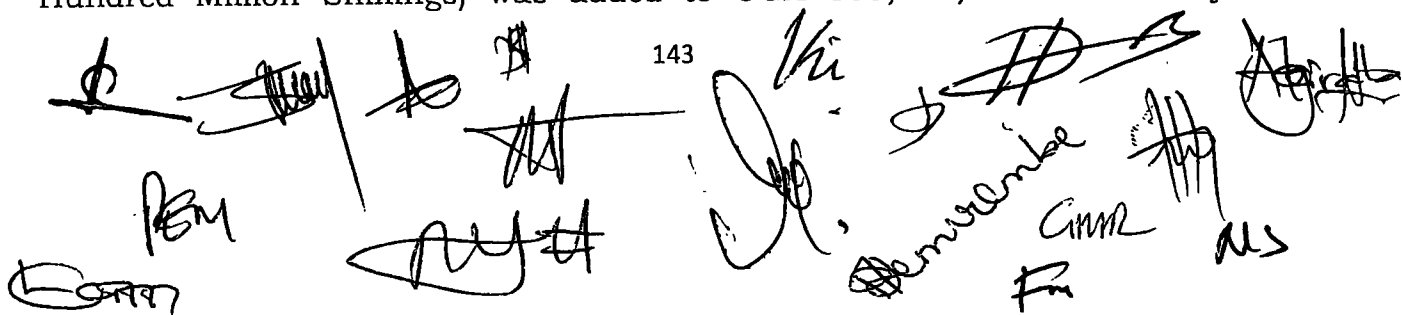
There was no Supervisory Committee in place to do checks and balances.

The Operations/Extension Officer's term of service had ended and he applied for the renewal but he was denied and directed to handover the office to the General Manager without consulting the Board basing on fabricated or forged minutes of the purportedly minutes of the Board that he claimed to have sat on 25th October 2021 and yet the Board had never sat on that day.

The Union operated without the Internal Audit Department for the compliance as required according to the BKCU union terms and conditions in their policy manual.

According to the Chairman's recorded statement of BKCU, UGX 200,000,000 (Two Hundred Million Shillings) was added to UGX 800,000,000 which they had

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requested from the Ministry of Finance and Economic Planning by people known to Mr. Tumwiine who received the said money from him (Chairman) for them (ministry officials MTIC), but he never acknowledged receipt of the money.

The Union had MoU with Inspire Logistics to act as an agent to claim the war loss compensation from the Government but when the Union received the funds, the General Manager paid another party (Mr. Kiwanuka Peter Kawesi) and this showed that the MoU was none existent.

Recommendation(s) of the Committee

The Committee recommends as follows:

- (1) That the involvement of the Commissioner for Cooperative Development, Mr. Bob Bariyo Barigye in the receipt of **UGX 200,000,000 (Two Hundred Million Shillings)** of the Union should be investigated by the DPP and IGG with a view to prosecute.
- (2) That the former Treasure of the Union, Mr. Natukunda Emmanuel, and the former Chairperson of the Union, Mr. Nelson Nuwahebwa and others who shared the **UGX 100,000,000 (One Hundred Million Shillings)** should be further investigated by the CIID for purposes of recovering the said amount of money.

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- Top center: A signature with a large 'H' and 'Fm' below it.
- Top right: A signature with 'Ki' above it.
- Middle left: A signature with 'Juy.' below it.
- Middle center: The initials 'MS'.
- Middle right: A signature with 'KRA' below it.
- Bottom left: A signature with 'Rem' next to it.
- Bottom center: A signature with '144' above it.
- Bottom right: A signature with 'Emmanuel' and 'GMR' below it.

6.25 MASAABA COOPERATIVE UNION LIMITED

That the cooperative was registered in 1964 was originally dealing in cotton. The committee established that the cooperative made a claim of **UGX 10,360,000,000** and that **UGX 10,360,000,000** was verified for payment. That in the financial year 2020/2021 **UGX 7,000,000,000**. From the above it would indicate that the said union has a balance of **UGX 3,360,000,000**.

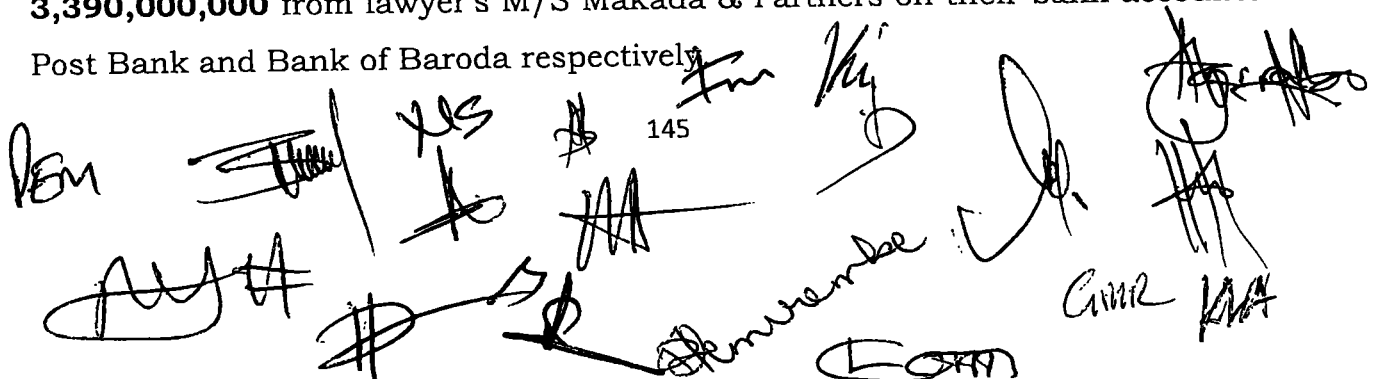
The committee has established that there is another cooperative Union in the names of Masaaba Cooperative Union. The said Union made a claim of **UGX 9,762,500,000** and was verified for **UGX 7,838,499,100**. The committee established that **UGX 5,000,000,000** was paid in FY 2016/2017 in FY 2017/2018 **UGX 2,020,000,000** in FY 2018 /2019 **UGX 838,499,100** was paid. This would indicate that the cooperative was fully paid by MTIC.

The committee while on the field visit and Parliamentary hearings the inquired into whether there were more than one Masaaba Cooperative Union and payments made there to. The committee had since established that Masaaba Cooperative Union Limited and Masaaba Cooperative Union are one and the same although the MTIC had captured then differently to input that they are different.

This fact was buttressed by the Union members who appeared before the committee and stated that these where one and the same and that there is no ghost Union before the committee. They stated that they made 2 war loss claims to wit the 1st claim was verified for **UGX 7,838,499,100** and the 2nd claim was verified for **UGX 10,360,000,000**. This would indicate that Masaaba Cooperative Union Ltd was entitled to **UGX 18,198,499,100** as war loss compensation.

During the hearing the Board informed the committe that they had received **UGX 3,390,000,000** from lawyer's M/S Makada & Partners on their bank accounts of Post Bank and Bank of Baroda respectively

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The committee established that there was a Memorandum of Understanding was executed between M/S Makada & Partners and Masaaba Cooperative Union to with the law firm was authorised to receive payment, and deduct fees of 10% and subsequently remit the balance to Masaaba Cooperative Union.

The committee established from Makada & Partners through the law firm's submission that they remitted some payments directly on Union bank account and some payments were paid to the client in cash for reasons that they required to make urgent disbursements and also avoid any garnishee on their bank account by several debtors.

The law firm attached their bank statements to ascertain the payments that they remitted to the Union. They also attached receipts and acknowledgments of cash payments paid to the Union board.

Item	Amount (UGX)
Initial Claim	
Verified Claim	18,198,499,000
Amount received from MTIC	14,838,499,000
Amount received on Union Bank Account.	3,390,000,000
Cash Acknowledgements	9,764,649,100
Legal Fees (10%)	1,483,849,900
Unaccounted for Funds	200,000,000

Observation(s) of the Committee

The Committee observed as follows:

- (1) That from the Ministry of Finance, Planning and Economic Development, Masaaba Cooperative Union ltd received **UGX 14,838,499,100** as at 2021 a payment made to M/S Makada & Partners. The Committee established that M/S Makada & Partners has credited the Union's Bank accounts with **UGX**

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3,390,000,000 through their bank statements at Post Bank, and Bank of Baroda.

- (2) That the cash acknowledgements amounting to **UGX 9,764,649,100 (Nine Billion, Seven Hundred Sixty Four Million, Six Hundred Forty Nine Thousand, One Hundred Shillings)** were by the Union Chairperson Mr. Wakholowa Bwayo Eddy, the Union Treasurer, Mr. Wasike Joseph, Mr. Murombo Charles the secretary Manager signed acknowledging the same. However even after the same accountability was considered the committee established that there were unaccounted for funds from the law firm amounting to **UGX 200,000,000 (Two Hundred Million Shillings)**.
- (3) That there were no available minutes of the AGM instructing lawyers in this regard to receive all the funds. The committee established that the law firm was specifically instructed to receive payments related to the first claim of **UGX 7,838,499,100 (Seven Billion, Eight Hundred Thirty Eight Million, Four Hundred Ninety Nine Thousand, One Hundred Shillings)**. The committee established that the payments made to the said law firm outside the instructions were irregular.

Recommendations of the Committee

The Committee recommends as follows:

- (1) That Masaaba Cooperative Union Limited is advised to follow up with M/S Makada and Partners in respect of the **UGX 200,000,000 (Two Hundred Million Shillings)** that is unaccounted for.
- (2) That the CIID should carry out investigations on transactions involving colossal sums of cash amounting to **UGX 9,764,649,100 (Nine Billion, Seven Hundred Sixty Four Million, Six Hundred Forty Nine Thousand,**

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One Hundred Shillings) that was paid directly to individual members of Masaaba Cooperative Union Limited by M/S Makada and Partners.

- (3) That the PS, MTIC, Ms. Geraldine Ssali should be investigated in her involvement for paying Masaaba Cooperative Union Limited, **UGX 7,000,000,000 (Seven Billion Shillings)** through M/S Makada and Partners without formal instructions from the Union.

6.26 BUNYORO GROWERS COOPERATIVE UNION LIMITED

According to the certificate of Registration, Bunyoro Growers Co-operative Union Limited is registered under section 5 of the Co-operative Societies Act, 1970 on 25th January 1954 under certificate No. 831 by B. Batchelor, Registrar of Co-operative Societies.

The Union's headquarters are located along Masindi Hoima Road in Masindi Municipality with its members spread in the districts of Masindi, Hoima, Kiryandongo, Buliisa and Kikuube in the Albertine Region.

The Union offered marketing services to its primary cooperative societies which were confronting difficulties in buying members' crops like coffee, tobacco, cotton and other produce. Other services included extending credit, training cooperators, transporting produce, delivering agricultural inputs and advisory extension services.

Item	Amount (UGX)
Claim	5,289,625,000
Amount Verified	4,855,500,000
Third party payment M/S Kabega & Co. Advocates by MTIC	2,500,000,000

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Payment to the Union from the law firm.	UGX 1,400,000,000
Third Party payment to Union	600,000,000 (24%)
Payment for previous legal fees.	500,000,000
Unaccounted for Funds	Nil

Mr. Bagada Philemon Rugaaju, the Chairperson of Bunyoro Growers Cooperative Union limited informed the Committee that due to several unsuccessful attempts to pursue their claim, on 1st August 2019, under Min. 24/2019, the Board resolved that M/S Kabega, Bogezi & Bukenya Advocates be contracted as a firm to assist the Union pursue the claim on its behalf.

The Committee established that on 8th November 2019, a special Board Meeting was held at the Union's Head Office for specifically considering the progress on war claims. Under Min:33/2019- Reactions, Members wanted to know whether the option of percentage payment had a maximum which would not surpass a legal threshold to which Counsel Kabega replied that percentage would be determined based on levels of negotiations which was within and acceptable by law.

Consequently, on 12th November 2019, M/S Kabega, Bogezi & Bukenya Advocates, represented by Musa Kabega under took an MOU with Bunyoro Co-operative Union Ltd represented by Barugahara Barnabas and Bagada Rugaaju Philemon for remuneration of 24% to be paid on probate basis based on the amount paid by the Government to the Union.

All payments by Government to the Union were to be made through the M/S Kabega, Bogezi & Bukenya Advocates, who would on probate deduct all equivalent of 24% and remit the balance on net to the Union as follows;

- (a) 20% towards settlement of the outstanding and /or unsettled legal fees for services rendered by the law firm to the Union relating to court appearances,

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- pursuit for recovery of land, perfection of title, recovery of rent arrears among others;
- (b) 24% being remuneration for the service rendered during the verification of the war and service to be rendered for the recovery of the verified compensation claim;
- (c) 6% to be aggregately after full recovery.

The Committee scrutinized information submitted by the MOFPED and established that on 20th November 2020, M/s Kabega, Bogezi & Bukenya Advocates received **UGX 2,000,000,000** (Two Billion) and **UGX 500,000,000** (Five hundred million) on 11th Nov 2021 as outstanding debt to Bunyoro Growers Cooperative Union Ltd amounting to UGX 2,500,000,000 (Two Billion and five hundred thousand).

Scrutiny of the Bank Statements of the Union indicates that on 4th December 2020, Kabega Musa made a cash deposit of UGX 1,000,000,000 (One Billion only) on the account of the Union in Stanbic Bank.

That a one Aturinda made deposits of UGX 400,000,000 (Four Hundred) under a description for war claims on the Union account in Absa Bank.

The Committee was also informed by the board that they made a payments of UGX 500,000,000 (Five Hundred Million) was paid to their lawyer. That their lawyer M/S Kabega, Bogezi and Bukenya Advocates represented in various law suits and non-contentious matters.

That he represented them in

- (1) civil suit No. 16 of 2010 Western Uganda Cotton Company ltd Vs Bunyoro Growers Co-operative Union ltd & Anor
- (2) Civil suit No. 056 of 2011 Bunyoro Growers Cooperative Union Vs Cotton Development Organization.
- (3) Civil Suit No. 04 of 2018 Ian Musinguzi Vs Bunyoro Cooperative Union ltd
- (4) Civil suit No. 122 of 2022 Bunyoro Growers Cooperative Union ltd Vs Continental Tobacco Uganda ltd.

- (5) Recovery of land from Uganda Investment Authority of 300 acres.
- (6) And perfection of their land titles.


Observation(s) of the Committee

The Committee observes that the Union was organized in as far as their books of accounts and exhibits a subsisting and beneficial relationship with its primary societies.






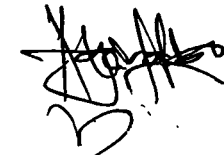


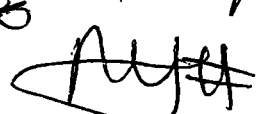
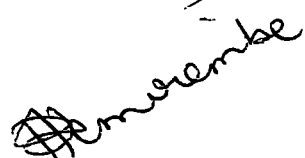


6.27 WEST NILE CO-OPERATIVE UNION LIMITED

According to the Report of the Ministry of Trade, Industry and Cooperatives on the status of war loss compensation of Cooperative Unions and Societies as of 30th June 2023, West Nile Cooperative Union had an original claim of UGX 5, 175,000,000 (Five Billion and one hundred and seventy five million only).

According to the Valuation Report of West Nile Co-operative Union Properties (War loss claim) prepared by the Office of the Government Valuer, in the Ministry of lands, Housing and Urban Development, of May 2023, it was the opinion of the Chief Government Valuer, Andrew Nyumba that the compensation award due to the West Nile Cooperative Union for the affected properties is in the sum of UGX 16,004,044,290 (Sixteen million four million forty four thousand two hundred ninety) inclusive of 30% statutory disturbance allowance.

The Committee observes that contrary to the Valuation Report referred to above, MTIC status of war loss compensation for Cooperative Unions and Societies as at 30th June 2023 indicates that the Union was not verified. 

However, according to MTIC, the Union was paid an amount of UGX 2,000,000,000 (Two Billion Uganda Shillings) in the FY 2020/2021. This is buttressed and proved through the Ministry of Finance payment register, where in it is evident that the

      
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Union was paid in two instalments of UGX 1,000,000,000 each on 20th November 2020 and 6th April 2021.

Observation(s) of the Committee

The Committee observes as follows:

The Committee observes that the MTIC paid UGX 2,000,000,000 (Ugx Two Billion) to the Union in the FY 2020/21 without verification. The valuation Report of the Chief Government Valuer did not amount to a verification Report of the Inter Ministerial Committee and should have been one of the documents relied on by the Inter Ministerial Committee while undertaking the verification exercise. Since the valuation report of properties was not a verification report, it is the Committee's considered opinion that MTIC paid the Union without basis.

The Committee is dismayed that despite having an inter-ministerial Committee which was set up by Cabinet, the PS, and accounting Officer MTIC authorized payment to the Union without verification. Accordingly, verification was not considered a prerequisite requirement for payment of war loss compensation claims.

The Committee concludes that there was no criteria for payment of claims which subjected the compensation process to abuse and rendering it ineffective. Whereas some verified claims are not yet paid, an unverified claim, in this case was paid without basis. The basis of payment should have been the "verification Report" arising from a conclusive verification exercise undertaken by the Inter ministerial verification Committee.

Other matters concerning the Union.

While interfacing with the Committee, the Union presented a "petition for intervention of Government to settle unpaid continental tobacco Uganda (C.T.U) which is due since 2018 to farmers of West Nile Cooperative Union limited and the request is if, if it can be through a supplementary budget provision."

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The Union prayed that;

- (a) That the Rt. Hon. Speaker in consultation with the office of the President, Prime Minister should direct the Ministry of Finance Planning and Economic Development to expeditiously introduce supplementary Budget of UGX 9,708,095,300 to pay tobacco farmers in West Nile Region;
- (b) That the above request for payments be channeled (released) through West Nile Cooperative Union Limited Bank Account for smooth and transparent delivery and applications.
- (c) That the Rt. Hon. Speaker of Parliament requests His Excellency the President, on behalf of the Union, to give the Union an appointment to meet and interact with the President and share views and ideas for Regional Socio-economic development so that the Union can benefit from the President's rich experiences and ensure that West Nile progresses.

The Committee was constrained and could not address these issues of the Union since the issues were not within the terms of reference of the Committee pertaining this specific information.

Recommendations of the Committee

The Committee recommends as follows:

- (1) That MTIC should immediately conduct verifications of claims submitted by West Nile Cooperative Union Limited to ascertain the outstanding balances, if any.
- (2) That no further payments in respect of war loss compensations should be made to West Nile Cooperative Union Limited until verification of their claim is concluded.

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6.28 MASAHA COOPERATIVE UNION LIMITED

Masaka Cooperative Union Limited is located in Greater Masaka Region. It was registered in 1951 as Maska District Union Limited under Reg. No. 389. The creation of Rakai District ignited the change of name to Masaka Cooperative Union Limited. The Union grew to serve 243 affiliated primary societies each of which with at least 100 members. Currently the Union serves primary societies and communities in the present Districts of Sembabule, Kalungu, Masaka, Rakai, Bukomansimbi, Kyotera, Kalangala and Lwengo.

The overall objective of the creation of Masaka Cooperative Union was to collect and sell members' coffee and cotton.

War claim details:

Amount Claimed (UGX)	18,965,039,527
Verified Amount (UGX)	17,712,728,071
Amount paid through the third parties (M/S SOZI & Partners advocates	15,000,000,000
Amount Received by the Union	11,250,000,000
Outstanding balance (UGX)	2,712,728,071

Assets that were submitted for verification

No.	Item
1	Loss of Vehicles
2	Unpaid coffee
3	Spares and accessories
4	Sale of Villa Maria and Kyabiri Coffee factories
5	Sale of Kayugi Dairy Farm
6	Sale of Lugusulu Ranch

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Findings

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98 Masaka Cooperative Union engaged M/S Sozi & Partners Advocates to act on behalf of the Union on the matter pertaining to the claim and collection of compensation of **UGX. 17,712,728,071 (seventeen billion seven hundred twelve million seven hundred twenty eight thousand seventy one)** from Government of Uganda on the account of properties that were destroyed during 1979 and 1981-1986 liberation wars.

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98 M/S Sozi & Partners Advocates were to handle the war loss compensation and the terms for the undertaking was considered at not more than 25% of the funds secured.

Observations.

M/S Sozi & Partners Advocates deposited Ushs. 11,250,000,000 on the bank account of Masaka Cooperative Union in Tropical Bank. M/S SOZI & Partners Advocates was paid Ushs. 3,750,000,000/= which is 25% of Ushs. 15,000,000,000/-

The Internal Auditor General in his report for period 2011/2012-2022/23, raised the following anomalies in the approved compensation for Masaka Cooperative Union:

- i) Vehicles approved claim of UGX 245,000,000 (Two hundred forty-five million) was not supported with evidence that these vehicles were taken by the NRA during the war.
- ii) Vehicles worth UGX 115,000,000 (one hundred fifteen million) were not registered in the names of Masaka Cooperative Union and as such, it could not be ascertained that they were owned by the union.

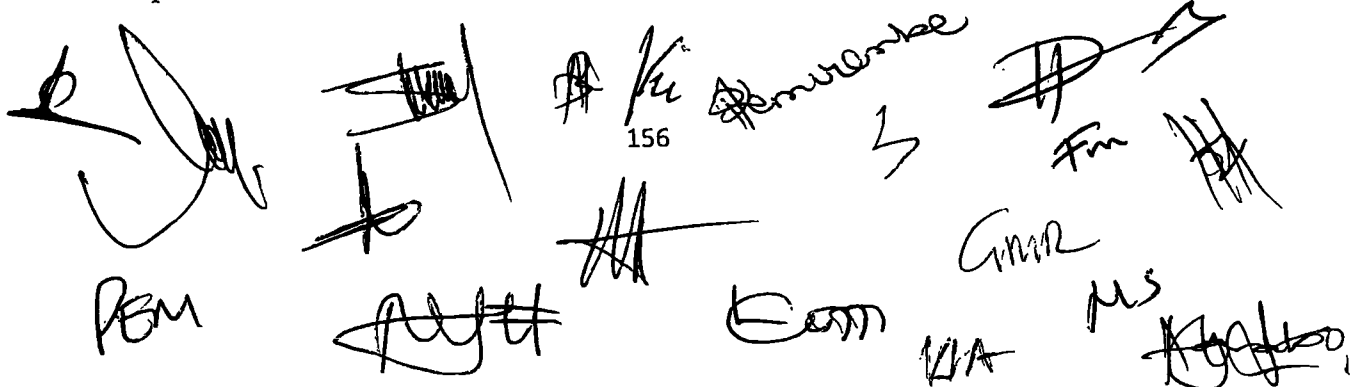
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- iii) The audited financial statements of the union were not provided to ascertain the losses incurred by the cooperative for that period.
- iv) The loss of UGX 1,097,000,000 (one billion ninety-seven million) incurred as a result of a forced sale of villa coffee factory was not supported with the report of the chief government valuer.
- v) Cattle claim of UGX 5,271,500,000 (five billion two hundred seventy-one million five hundred thousand) arising from loss due to forced sale of 35 pure German Friesians and 67 cross breed cattle on Kayugi Dairy Farm was not supported by any record to show that the cooperative union had the said cattle.
- vi) There were no records to show that the union had 62 local cows, 132 heifers, 50 steers 115 heifer calves and 11 bull calves on Lugusulu ranch leading to claim amounting to 4,661,780,500 (four billion six hundred sixty-one million seven hundred eighty thousand five hundred shillings).

7.0 GENERAL OBSERVATIONS OF THE COMMITTEE

The Committee observed the following:

- (1) *That whereas compensation for war losses primarily targeted cooperatives unions, some primary cooperative societies submitted claims to Government for compensation and were paid, yet by structure they are members of secondary cooperatives. The Committee further observed that there are risks of duplication of claims submitted by primary cooperatives;*
- (2) *That prior to the start of the ongoing verification process, there were 21 cooperatives that had been identified and verified to receive war loss compensations. However, the Committee observes that some of the original 21 cooperatives have never been compensated to date. Instead, new cooperatives that came on board much later have been verified and paid or*


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- (c) up to date and proper records of formation, accounts, registration certificates, membership register, assets register and operational manuals;

whereas the above were requirements, the Committee observed that most cooperatives did not have them which is contrary to Section 18A (1) of the Cooperative Societies Act 2020;

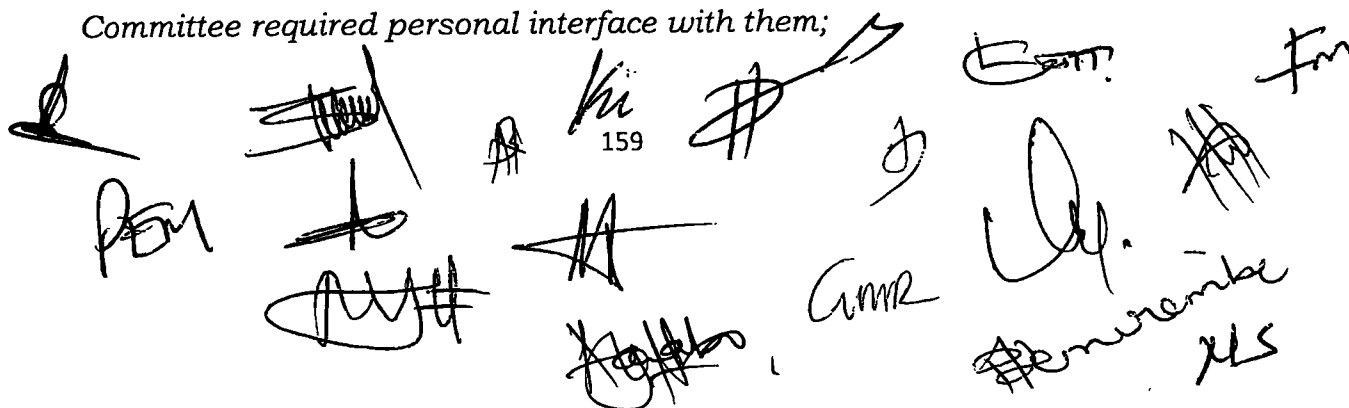
- (6) That whereas it is a requirement that cooperatives should have financial statements in place and audited regularly, over 55 cooperatives had not submitted their files for audit. This was observed by the Internal Auditor General Report, therefore it was not possible to confirm the authenticity of the claims. The Committee observes that this could pose risks of having non existing cooperatives being compensated.
- (7) That most payments for war loss compensation were not made directly to the beneficiary cooperatives but were advanced to law firms for onward remittance to the beneficiaries. The Committee further observed that this was a very risky procedure considering that most cooperatives were left at the mercy of the law firms who would remit the funds as and when they deemed fit;
- (8) That whereas Parliament appropriates specific budget lines to cooperatives, some cooperatives are allocated funds over and above their verified claims while others not listed on the payment schedules are actually paid. The Committee further observes that this undermines the objectives of appropriation by Parliament. Furthermore, this could imply that there was collusion and biasness in the process thereby creating unfairness and lack of transparency in the settlement of the outstanding compensation funds;

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- (9) That some compensations were made on unverified claims. The Committee observes that payment of unverified claims makes it difficult for Government to plan and budget for funds for compensation;
- (10) That some cooperatives were paid in excess of the amounts verified. This indicates lack of due diligence and possible fraud;
- (11) That there was a general lack of appreciation of the rationale for compensation to cooperatives for war losses by the Government of Uganda. That cooperatives did not have any record of compensation to the supposed beneficiaries and the extent to which they were to be compensated;
- (12) That the Government Policy to compensate cooperatives for war losses was to a large extent misused as a means of facilitating corruption, bribery, abuse of office inter alia both within the cooperatives and MTIC. The claims for compensation were majorly instituted upon instructions from government officials who would then benefit themselves through the said claims as they deemed fit;
- (13) That there was no dispute as to war loss compensation upon verification as such, the Committee finds the role to be played by law firms or third parties in the war loss compensation negligible where Government of Uganda has the good will to compensate the cooperatives;
- (14) That during this inquiry, some current and former Members of Parliament who were implicated for having either directly or indirectly influenced payments to respective cooperatives for war loss compensations, did not fully cooperate with the Committee in its bid to ascertain the veracity of the allegations leveled against them. Some submitted general written memoranda whereas the Committee required personal interface with them;

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- (15) That on 6th October, 2023, the Committee received the legal opinion of the Learned Attorney General concerning the inquiry into the governance of and value for money for budgetary appropriations to cooperatives, and was guided. In the case of **Saleh Kamba & Anor v Attorney General & 4 Ors (Constitutional Petition No. 16 of 2013) [2014] UGCC 5 (21 February 2014)** Constitutional Court Considered the supreme Court decision in **Bank of Uganda vs Banco Arabe Espanol, Civil Appeal No.1 of 2001** where in Court held that the Attorney General's opinion "**should be accorded the highest respect by such a public institution in so far as that opinion affects the rights and interests of third parties,**"; and
- (16) That whereas there were third party payments to among others, lawyers and consultants, some of the witnesses that appeared before the Committee acknowledged their willingness to have remit taxes if required.

8.0 GENERAL RECOMMENDATIONS OF THE COMMITTEE

The Committee recommends as follows:

- (1) That MTIC should formulate and develop strategic guidelines to facilitate proper utilization of war loss compensation funds for the benefit of the cooperatives;
- (2) That the Registrar of Cooperatives in MTIC should play a supervisory role in ensuring that war loss compensation funds reach the targeted beneficiaries;
- (3) That Government of Uganda should condition any further payments for war loss compensation not to be remitted through law firms or any other third party for that matter as their contribution is negligible and inconsequential in the process;

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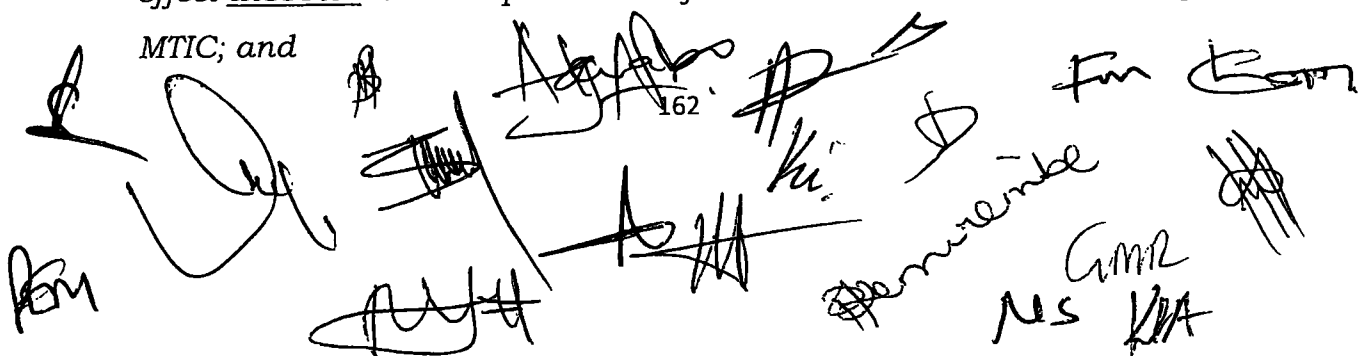
- (4) That all the aggrieved cooperatives are advised to petition the Law Council to take appropriate action against the law firms and lawyers in personal conduct, for professional misconduct;
- (5) That the DPP, and IGG should invoke their special powers of investigation provided for under Section 33 of the Anti-Corruption Act, 2009 to conduct further investigations on the following current and former Members of Parliament on their personal involvement and influence peddling in the affairs of cooperatives and specifically mismanagement of war loss compensation funds:
- (a) Hon. Mawanda Michael Maranga, Member of Parliament representing Igara County East in the 11th Parliament of Uganda – for his involvement in West Mengo Growers Cooperative Union Limited, Buyaka Growers Cooperative Society Limited and Bumwambu Growers Cooperative Society Limited.
- (b) Hon. Wamakuyu Ignatius Mudimi, Member of Parliament representing Elgon County in the 11th Parliament of Uganda – for his involvement in Lambuli Central Pulpery Cooperative Society Limited, Bumwambu Growers Cooperative Society Limited, Masaaba Cooperative Union Limited and Buyaka Growers Cooperative Society Limited.
- (c) Hon. Nankabirwa Ann Maria, former Woman Representative for Kyankwanzi District in the 9th and 10th Parliament of Uganda – for her involvement in Wamala Growers Cooperative Union Limited;
- (6) That the DPP should invoke its special powers of investigation provided for under Section 33 of the Anti-Corruption Act, 2009 to conduct further investigations on the following lawyers on their personal involvement and professional misconduct in regard to war loss compensation to cooperatives:

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- (a) Mr. Ezra Kabali who conveniently traded as M/S Probata Advocates, M/S Masereje & Co. Advocates and M/S Kabali Ezra & Co. Advocates - in Buyaka Growers Cooperative Society Limited, Uganda Cooperative Transport Union Limited, East Mengo Growers Cooperative Union Limited and West Acholi Cooperative Union Limited; and
- (b) Mr. Nandaah Wamukoota of M/S Nandaah Wamukoota & Co. Advocates for his professional misconduct - in Uganda Cooperative Transport Union Limited;
- (7) That MTIC should not make any further payments in relation to war loss compensation to any cooperative without verification of war loss claims as a prerequisite requirement;
- (8) That MTIC should develop standards and guidelines for qualification of cooperatives for war loss compensation; and cooperatives once verified and paid should be declared ineligible to file new claims for compensation;
- (9) That MTIC should implement the War Loss Compensation Policy in a coordinated manner and in conformity with appropriate laws of Uganda specifically the Public Finance Management Act, 2015;
- (10) That MTIC should develop and implement an appeal mechanism for purposes of enabling cooperatives to seek redress in circumstances where cooperatives are not satisfied with the verification process and/or decisions of the war loss compensation verification committee;
- (11) That MTIC should with immediate effect **reinstate** the Inter-ministerial war loss verification committee as constituted by Cabinet and with immediate effect **dissolve** all other parallel verification committees constituted by the PS, MTIC; and

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(12) That Uganda Revenue Authority takes special interest in war loss compensations to ensure that all third parties who benefited from the process fulfil applicable tax obligations, if any, as required under the law.

9.0 CONCLUSION

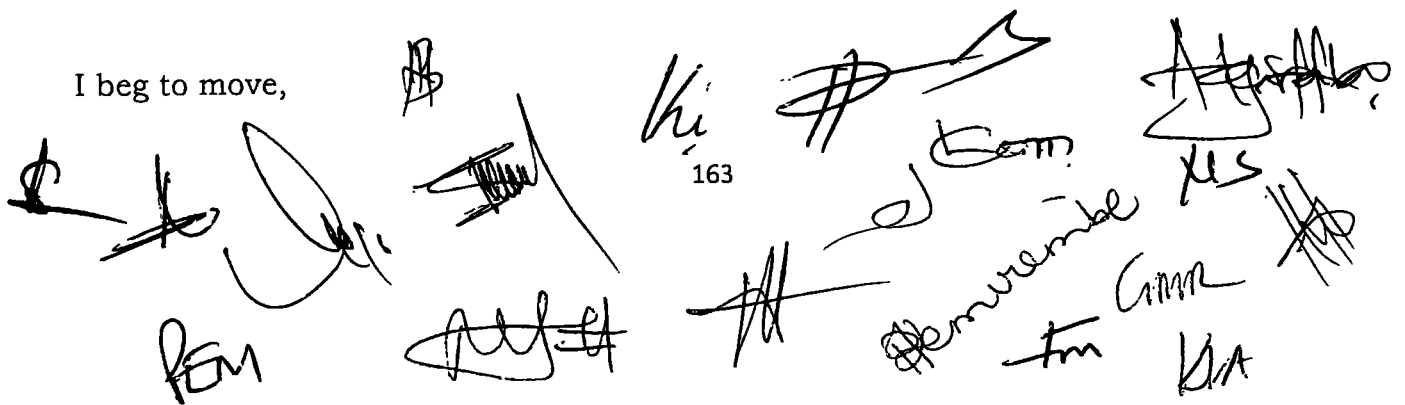
The Committee observed that the Ministry of Trade Industry and Cooperatives was carrying out the verification and payment of war debt claimants concurrently. The committee in its wisdom does not find this feasible. The compensation of war debt claimants is an exercise that started way back in 1986.

It is therefore, inconceivable that the verification process is still an on-going exercise! Without completion of the verification, we shall experience more claimants coming up, multiple payments of the same claimants and also ghost claimants. This will continue to cause Government financial losses; it is therefore right and fitting to have the whole compensation exercise well streamlined, by completing the verification process and then compensation/payment of all the claimants that would have been duly verified.

While considering the Ministerial Policy Statements and Budget Estimates for MTIC for FY 2022/23, the Committee on Tourism, Trade and Industry recommended that the MTIC should halt the payment for war loss compensation and concentrate on the verification exercise of all cooperatives. This would guide Parliament as regards the exercise of appropriation, and also eradicate ghost claimants; multiple claims and payments; and above all, it would curtail opportunistic behavior by players in the compensation process.




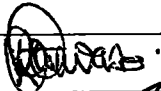
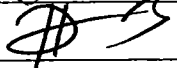
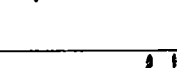
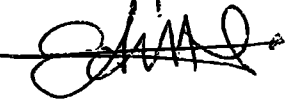

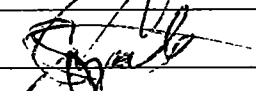


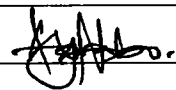

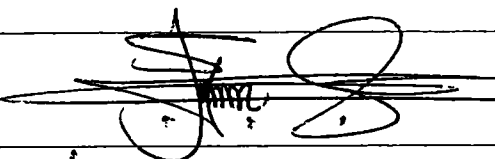

The Committee on Tourism, Trade and Industry therefore reiterates the aforementioned recommendation and prays that Parliament adopts this report.

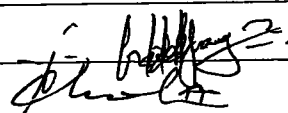
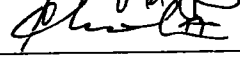
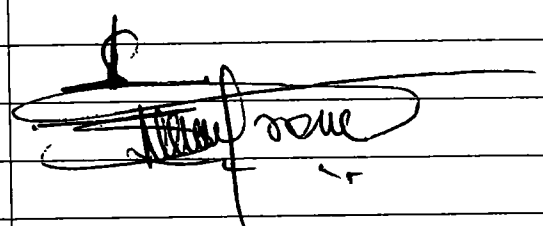
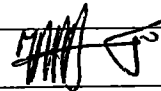
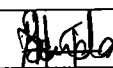




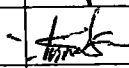
I beg to move,

A collection of handwritten signatures and initials in black ink. Some are clearly legible, such as 'Ki', 'Cam', 'KES', 'Gimm', 'KA', 'Rem', and 'Murembi'. Others are stylized or scribbled. The number '163' is written in the center.

163

**REPORT OF THE SECTORAL COMMITTEE ON TOURISM, TRADE AND
INDUSTRY ON THE INQUIRY INTO THE GOVERNANCE OF; AND VALUE FOR
MONEY FOR BUDGETARY APPROPRIATIONS TO COOPERATIVES**

NO.	NAME	PARTY	SIGNATURE
1.	Hon. Mwine Mpaka Rwamirama	NRM	
2.	Hon. Catherine Lamwaka	NRM	
3.	Hon. Afidra Ronald Olema	NRM	
4.	Hon. Aleper Margaret Aachilla	NRM	
5.	Hon. Atukwasa Rita	INDPT	
6.	Hon. Amooti Bright Tom	NRM	
7.	Hon. Awor Betty Engola	NRM	
8.	Hon. Edakasi Alfred Elalu- Olale	NRM	
9.	Hon. Gafabusa Richard Muhumuza	NRM	
10.	Hon. Isabirye, David Aga	FDC	
11.	Hon. Lukyamuzi Kalwanga, David	NUP	
12.	Hon. Kayemba, Geoffrey Ssolo	NUP	
13.	Hon. Kemirembe Pauline Kyaka	NRM	
14.	Hon. Kirabo Agnes	NRM	
15.	Hon. Koluo Joseph Andrew	INDEP	
16.	Hon. Mbwatekamwa Gaffa	NRM	
17.	Hon. Mushemeza Elijah Dickens	INDEP	
18.	Hon. Nayebele Sylvia	NRM	

19.	Hon. Odero Godfrey Were	INDEP	
20.	Hon. Okello Geoffrey Charles	DP	
21.	Hon. Osoru Mourine	NRM	
22.	Hon. Ssimbwa Fred	NUP	
23.	Hon. Wakayima Hannington	NUP	
24.	Hon. Kato Muhammad	NRM	
25.	Hon. Lutaaya Geoffrey	NUP	
26.	Hon. Olobo James	NRM	
27.	Hon. Kamugo Pamela Nadiyo	NRM	
28.	Hon. Namukuta Brenda	NRM	
29.	Hon. Avako Melsa Naima Gule	NRM	
30.	Hon. Awich Jane	NRM	
31.	Hon. Kaala Kevin Ojinga	NRM	
32.	Hon. Kinobere Herbert	NRM	
33.	Hon. Kirumira Hassan		
34.	Hon. Byakatonda Abdulhu	INDPT	
35.	Gen. Wilson Mbasu Mbadi	UPDF	
36.	Hon. Ogwal, Cecilia Atim	FDC	
38.	Hon. Mwijukye Francis	FDC	
39.	Hon. Apio Otuko Eunice	UPC	
40.	Hon. Avako Melsa Naima Gule	NRM	

TERMS OF REFERENCE FOR THE COOPERATIVE SOCIETIES/UNIONS WAR LOSS CLAIMS COMPENSATION VERIFICATION COMMITTEE

PREAMBLE

The primary purpose of the Verification Committee is to provide Government of Uganda with adequate information upon which to settle the Claims. The Committee is required to research, develop, assemble, record and analyze all available information relative to the claims/loss. They are also required to formulate and clearly express consistent **scientific findings of facts, conclusions, and recommendations.**

Members of the Verification Committee are required to note that the Claimants bear the burden of proof with respect to both the extent of damages and should adduce all the necessary evidence. In cases where the claimants cannot provide sufficient evidentiary support in support of their claim, the Committee is required to apply a standard of proof that is scientifically and technically appropriate.

TERMS OF REFERENCE

The terms of reference under this assignment include, but are not limited to the following;

1. Collectively review and process **legitimate** claims from Cooperative Societies/Unions in a transparent and efficient manner ;
2. Review and analyze, for the purpose of recommending the pursuit for settlement of any claim;
3. Approve, with at least two thirds of all Committee members, or at least seven members, claims submitted for payment;
4. Submit a Comprehensive Report of verified amounts claimed by the Cooperative Societies/Unions; and
5. Perform any other duties related to the execution of this exercise in a diligent and professional manner.

In addition to the Terms of reference outlined above, the Verification Committee members are required to establish appropriate procedures and guidelines to implement this assignment.

Nov. 23, 2020-

1.2 COMPOSITION OF THE COOPERATIVE WAR LOSS VERIFICATION COMMITTEE

The Verification Committee was comprised of Technical Officers from a number of Government Ministries, Departments and Agencies as outlined below:

No.	Name	Designation	Institution	Committee position
1.	Mpakibi Waiswa Robert	Assistant Commissioner/ SACCOs	Ministry of Trade, Industry and Cooperatives	Chairperson
2.	Kavundira Leonard	Principal Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member
3.	Kukunda Clare	State Attorney	Ministry of Justice and Constitutional Affairs	Alternate Chairperson
4.	Ocatum Paul Joseph	Senior Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member
5.	Babirye Lucy	Senior Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member
6.	Dr. Aisu Joseph Charles	Principal Veterinary Officer	Ministry of Agriculture, Animal Industry and Fisheries	Member
7.	Okot Kiwanuka	Economist	Ministry of Finance, Planning and Economic Development	Member

8.	Kasigi Bill	Government Valuer	Ministry of Lands, Housing and Urban Development	Member
9.	Eng. Santos Okello	Mechanical Engineer	Ministry of Works and Transport	Member
10	Eng. Lumonya Jacob	Principal Engineer	Ministry of Works and Transport	Member
11	Sseninde Duncan	Senior Assistant Secretary	Ministry of Defence	Member
12	Oyuu Geoffrey Walter	Intelligence Officer	Internal Security Organisation	Member
13	Lt Col Africano Abasa	Senior Analyst	Ministry of Defence / CMI	Member
14	Tusubira Scovia	Training Officer	Ministry of Trade, Industry and Cooperatives	Secretary / Administrative Assistant
15	Namutamba Lydia	Personal Secretary	Ministry of Trade, Industry and Cooperatives	Secretary
16	Komol Rufina	Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Secretary

1.2 COMPOSITION OF THE COOPERATIVE WAR LOSS CLAIM VERIFICATION COMMITTEE

The Verification Committee was comprised of; Technical Officers from a number of Government Ministries, Departments and Agencies as outlined below:

No.	Name	Designation	Institution	Committee position
1.	Mpakiibi Waiswa Robert	Assistant Commissioner SACCOS	Ministry of Trade, Industry and Cooperatives	Chairperson
2.	Kasigi Bill	Government Valuer	Ministry of Lands, Housing and Urban Development	Member
3.	Magumba Moses	Senior Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member
4.	Tusubira Scovia	Training Officer	Ministry of Trade, Industry and Cooperatives	Member
5.	Mugweri Ambrose	Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member
6.	Kamukunda Marias	Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member
7.	Okambo Rogers	Cooperative Officer	Ministry of Trade, Industry and Cooperatives	Member

*Received on
21st sep 2023
Jad*

1.1 THE TERMS OF REFERENCE FOR THE VERIFICATION COMMITTEE ON COOPERATIVE WAR LOSS CLAIMS

- (a) Develop, recommend and implement guidelines with respect to the management of claims
- (b) Collectively review and process all claims for cooperative societies in a transparent and efficient manner
- (c) Approve, with a quorum of committee members of not less than 5, all claims submitted for payment
- (d) Review and analyse, for the purpose of recommending the pursuit for settlement of any claim
- (e) Submit reports of all claims to the Permanent Secretary; and
- (f) Perform any other duties related to the execution of this exercise in a diligent and professional manner

Annex D: MTIC Verification Committee

TELEGRAMS: "MINTRADE"
TELEPHONES: +256-414-343947, 230916, 256395,
314000
Fax: +256-414-347286
Email: mintrade@mtic.go.ug, ps@mtic.go.ug
Website: www.mtic.go.ug
IN ANY CORRESPONDENCE ON
THIS SUBJECT, PLEASE QUOTE NO. COP06/01



THE REPUBLIC OF UGANDA

MINISTRY OF TRADE, INDUSTRY
AND COOPERATIVES,
FARMERS' HOUSE, PLOT 6/8,
PARLIAMENTARY AVENUE
P.O. BOX 7103,
KAMPALA, UGANDA

March 21, 2022

Mr. Mpakibi Waiswa Robert	-(A/CCD) ✓
Mr. Magumba Moses	-(SCO) ✓
Mr. Mugweri Ambrose	-(CO) ✓
Ms. Marias Kamukunda	-(CO) ✗
Mr. Okambo Rogers	-(CO) ✗
Ms. Tusubira Scovia	-(Training officer) ✗

*Selection -
How much*

Ministry of Trade, Industry and Cooperative
KAMPALA

VERIFICATION OF WAR DEBT CLAIMS FOR COOPERATIVE UNIONS.

I am glad to assign you duties to verify war debts claims for the following
Cooperative Unions:

No	Cooperative Union
1	East Acholi
2	Lango Cooperative Union
3	Busoga Growers Cooperative Union
4	Bugisu Growers Cooperative union
5	Bwavu Mpologoma Growers Cooperative Union

Your terms of reference under this assignment include, but are not limited to the
following;

- Develop, recommend and implement guidelines with respect to the management of claims
- Collectively review and process all claims for cooperative societies in a transparent and efficient manner
- Approve, with a quorum of committee members of not less than 5, all claims submitted for payment
- Review and analyze, for the purpose of recommending the pursuit for settlement of any claim.
- Submit reports of all claims to the permanent secretary; and
- Perform any other duties related to the execution of this exercise in a diligent and professional manner.

"BUY UGANDA BUILD UGANDA" (BUBU)

Seel

76re: The exercise is expected to be complete within two weeks .
You are there for requested to submit a budget that will facilitate the exercise
accordingly



Geraldine Ssali

PERMANENT SECRETARY

Copy : Hon Minister – Ministry of Trade Industry and Cooperatives
Hon Minister of state for Cooperatives
Registrar of Cooperative Societies

"BUY UGANDA BUILD UGANDA" (BUBU)

Internal Memo

Annex E: Internal Change
in MTIC Team
on Verification Comm.

TO: Mr. Robert Mpakibi (Assistant Commissioner, SACCOs/
Chairman, War Debts Claims Verification Committee)

C.C: MSC

C.C: PS

FROM: Commissioner, Cooperative Policy and Development

DATE: November 30, 2021

RECONSTITUTION OF THE WAR DEBTS CLAIMS VERIFICATION COMMITTEE

The above subject matter refers.

In pursuance of routine staff rotation, capacity building and enhancing technical expertise, I have, in consultation with the Permanent Secretary, reconstituted the War debts Claims Verification Committee.

The following staff have been withdrawn effective December 1, 2021;

1. Mr. Leonard Kavundira (Principal Cooperative Officer)
2. Mr. Paul Ocatum (Senior Cooperative Officer)
3. Ms. Lucy Babirye (Senior Cooperative Officer)
4. Ms. Rufina Komol (Cooperative Officer)
5. Ms. Scovia Tusubira (Training Officer)

The new members, effective December 1, 2021 are as follows; (*copies of their letters of assignment are attached*)

1. Mr. Robert Mpakibi (Assistant Commissioner/SACCOs-Remains Chairman)
2. Mr. Moses Magumba (Senior Cooperative Officer)
3. Mr. Ambrose Mugweri (Cooperative Officer)
4. Ms. Winnie Turyamureba (Senior Cooperative Officer)
5. Mr. (Eng.) Kassim Semanda (Senior MSME Officer- Technology, Research, Innovation and Processing-

Please take further note that any other member outside this department, but from MTIC should be formally assigned by the Permanent Secretary.

The purpose of this Memo, therefore, is to inform you that the War Debts Claims Verification Committee has been reconstituted effective December 1, 2021.

Ministry of Agriculture, Forestry and Fisheries Industry and Cooperatives

Status of war loss compensation Cooperative Unions and Societies as at 30th June 2023

Verified Cooperative Unions	Original Claim (UGX)	Verified amount (UGX)	Earlier FY Payment (From MICA)	Amounts Retired FY2016/2017	Amounts Retired FY 2017/2018	Amount Retired FY2018/2019	Amount Retired FY2019/2020	Amount Retired FY 2020/2021	Amount Retired FY 2021/2022	Amount Retired FY2022/2023	Outstanding Claim Bal at June 30 th 2023
1 Masaka Cooperative Union Ltd	18,965,039,527	17,712,728,071	362,353,400	-	-	-	12,000,000,000	3,000,000,000	-	-	2,350,374,671
2 Busoga Growers Cooperative Union Ltd	15,498,820,000	15,070,263,780	-	-	-	3,000,000,000	4,200,000,000	6,000,000,000	1,350,000,000	520,268,780	5,000
3 North Bukedi Cooperative Union	21,838,541,954	11,447,612,322	-	-	-	-	2,400,000,000	3,200,000,000	2,000,000,000	600,000,000	3,247,612,322
4 Bunyoro Growers Cooperative Union Ltd	5,289,625,000	4,855,500,000	-	-	-	-	-	2,000,000,000	500,000,000	-	2,355,500,000
5 Teso Cooperative Union	37,541,045,000	16,315,541,500	131,000,000	-	-	1,000,000,000	1,000,000,000	3,000,000,000	3,000,000,000	1,000,000,000	7,184,541,500
6 Masaaba Cooperative Union	9,762,500,000	7,838,499,100	-	5,000,000,000	2,020,000,000	838,499,100	-	-	-	-	-
7 Lango Cooperative Union Ltd	11,609,600,000	6,435,620,000	712,000,000	-	-	-	1,000,000,000	4,000,000,000	1,223,620,000	-	500,000,000
8 Kigezi Growers Cooperative Union Ltd	14,684,577,000	10,191,561,330	458,682,000	-	-	-	-	3,000,000,000	500,000,000	-	6,232,879,330
9 Nyakatonzi Growers Cooperative Union	63,256,211,240	13,303,455,586	-	-	198,000,000	-	-	2,000,000,000	500,000,000	1,000,000,000	9,605,455,586
10 Kimwanyi Dairy Farmers Cooperative Society	3,000,000,000	5,056,595,000	-	-	-	-	-	-	-	500,000,000	4,556,595,000
11 Uganda Cooperative Transport Union Ltd	18,924,528,378	13,005,759,377	-	-	-	-	-	502,592,777	2,800,000,000	-	9,703,166,600
12 East Acholi Cooperative Union	6,417,427,637	5,514,804,831	1,621,173,637	-	-	-	-	1,000,000,000	-	-	2,893,631,194
13 Bwalula Growers Coop Society	6,000,000,000	4,028,160,930	-	-	-	-	-	-	-	2,000,000,000	2,028,160,930

Verified Cooperative Unions Ltd	Original Claim (UGX)	Verified amount (UGX)	Earlier FY Payment (From MICA)	Amounts Retired FY2016/2017	Amounts Retired FY 2017/2018	Amount Retired FY2018/2019	Amount Retired FY2019/2020	Amount Retired FY 2020/2021	Amount Retired FY 2021/2022	Amount Retired FY2022/2023	Outstanding Claim Bal at June 30th, 2023
14 West Acholi Cooperative Union Ltd	517,750,000	4,952,000,000	196,000,000	-	-	-	-	-	1,000,000,000	-	3,756,000,000
15 Cooperative Society Ltd	12,500,000,000	6,807,011,299	-	-	-	-	-	-	5,300,000,000	1,500,000,000	7,011,299
16 Buyaka Growers Coop Soc	17,372,340,000	5,366,412,800	-	-	-	-	-	-	3,500,000,000	1,868,714,611	2,301,811
17 Bumwambu Cooperative Society Ltd	22,400,000,000	15,557,159,236	-	-	-	-	-	3,500,000,000	5,200,000,000	2,500,000,000	4,357,159,236
18 Wamala Growers Coop Union	23,793,000,000	5,451,900,000	-	-	-	-	-	5,448,371,957	-	-	3,528,043
19 West Mengo Cooperative Union	47,950,000,000	14,861,192,413	-	-	-	-	-	-	2,000,000,000	-	12,861,192,413
5 East Mengo Cooperative Union	23,082,127,000	17,714,000,000	-	-	-	-	-	-	1,000,000,000	1,500,000,000	15,214,000,000
16 Masaba Cooperative Union	10,360,000,000	10,360,000,000	-	-	-	-	-	7,000,000,000	-	-	3,360,000,000
17 Lambuli Central Pulpery Coop Union	19,030,000,000	10,852,320,500	-	-	-	-	-	-	2,700,000,000	4,000,000,000	4,152,320,500
Sub Total	409,793,132,736	222,698,098,075	3,481,209,037	5,000,000,000	2,218,000,000	4,838,499,100	20,600,000,000	43,650,964,734	32,573,620,000	16,988,983,391	93,366,821,813

Un-verified War Loss Claims to Cooperative Unions	Original Claim	Not-Verified Amt	Earlier FY (From MICA)	Amount Retired FY2016/2017	Amounts Retired FY 2017/2018	Amount Retired FY2018/2019	Amount Retired FY2019/2020	Amount Retired FY 2020/2021	Amount Retired FY 2021/2022	Amount Retired FY 2022/2023	Bal Claim June 7th, 2023
1 Okoro Coffee Growers Cooperative Union	1,685,860,000	4,335,734,822	-	-	-	-	-	1,743,667,159	-	-	2,592,067,66
2 Banyankole Kwererana Cooperative Union	4,315,665,578	6,315,665,578	3,483,865,050	-	-	-	-	1,000,000,000	-	-	1,831,800,52
3 Middle North Cooperative Union	4,068,835,000	Not verified	-	-	-	-	-	-	-	-	4,068,835,00
4 Kidda Cooperative	5,700,000,000	Not verified	-	-	-	-	-	-	-	-	5,700,000,00

Un-verified War Loss Claims to Cooperative Savings and Credit Unions	Original Claim	Net-Verified Amt	Earlier FY (from MoCA)	Amount Retired FY2016/2017	Amounts Retired FY 2017/2018	Amount Retired FY2018/2019	Amount Retired FY2019/2020	Amount Retired FY 2020/2021	Amount Retired FY 2021/2022	Amount Retired FY 2022/2023	Bal Claim June 7th, 2023
5	Bugisu Cooperative Union	15,260,000,000	15,260,000,000	-	-	-	-	2,000,000,000	1,000,000,000	-	12,260,000,000
6	Central West Nile Cooperative Union	2,074,550,000	Not verified	-	-	-	-	-	-	-	2,074,550,000
7	Kabarole Cooperative Society	11,622,640,000	Not verified	-	-	-	-	-	-	-	11,622,640,000
8	Kasagga Growers Coop	188,810,000	Not verified	-	-	-	-	-	-	-	188,810,000
9	Nakasongol a Growers Cooperative Society	2,000,000,000	Not verified	-	-	-	-	-	-	-	2,000,000,000
10	Mutajwaha Growers Cooperative Society	3,243,000,000	Not verified	-	-	-	-	-	-	-	3,243,000,000
11	Buliama growers Cooperative Society	27,560,000	Not verified	-	-	-	-	-	-	-	27,560,000
12	Kakumiro Growers Cooperative Union Ltd	12,200,000	Not verified	-	-	-	-	-	-	-	12,200,000
13	Akumulikite Growers Cooperative Society	222,171,600	Not verified	-	-	-	-	-	-	-	222,171,600
14	West Nile Cooperative Union	1,093,000,000	Not verified	-	-	-	-	2,000,000,000	-	-	1,093,000,000
15	Madi Cooperative Union	5,175,000,000	5,175,000,000	-	-	-	-	-	-	-	3,175,000,000
16	Gamatumbel Growers Coop	13,919,295,016	Not verified	-	-	-	-	-	-	-	13,919,295,016
17	Society	23,666,970,000	Not verified	-	-	-	-	-	-	-	23,666,970,000

Un-verified War Loss Claims to Cooperative Unions	Original Claims	Not-Verified Amt	Earlier FY (from MCA)	Amount Retired FY2016/2017	Amounts Retired FY 2017/2018	Amount Retired FY2018/2019	Amount Retired FY2019/2020	Amount Retired FY 2020/2021	Amount Retired FY 2021/2022	Amount Retired FY 2022/2023	Bal Claim June 7th, 2023
18 Bwawumpol ogoma Coop Union Ltd	101,545,600,000	Not verified							1,744,520,000		99,801,080,00
19 Kidera Growers Coop Union	8,040,400,000	Not verified									8,040,400,00
20 Namukunju Mpatabulira Coop	7,545,250,000	Not verified									7,545,250,00
21 Toro Dairy Coop Society Ltd	5,184,000,000	Not verified									5,184,000,00
22 Mutakuka ma Growers Coop	5,002,000,000	Not verified									5,002,000,00
23 Afric Coop Society Ltd	35,000,000,000	Not verified									35,000,000,00
24 Bubulo Mutambi Eyonga Growers CS Ltd	11,482,500,000	Not verified									11,482,500,00
25 Bushangiri Growers Coop Society	6,468,000,000	Not verified									6,468,000,00
26 Bwamba Rweruzori Growers Coop Union	16,172,505,100	Not verified									16,172,505,10
27 Kamara Mpaka Growers Coop Society	16,210,000	Not verified									16,210,00
28 Katira Kakoli Growers Coop Society Ltd	11,422,351,330	Not verified									11,422,351,33
29 Lima Mushuri Growers Coop Society Ltd	6,982,500,000	Not verified									6,982,500,00
30 Lwakhakha Growers Coop Society Ltd	4,875,000,000	Not verified									4,875,000,00
31 Mugisha Growers Coop Society Ltd	12,412,000	Not verified									12,412,00
32 Navandio Bagonza Nyuma	10,880,000,000	Not verified									10,880,000,00

Un-verified War Loss Claims to Cooperativ e Unions	Original Claim	Not-Verified Amt	Earlier FY (from M/C/A)	Amount Retired FY2016/2017	Amounts Retired FY 2017/2018	Amount Retired FY2018/2019	Amount Retired FY2019/2020	Amount Retired FY 2020/2021	Amount Retired FY 2021/2022	Amount Retired FY 2022/2023	Bal Claim June 7th, 2023
Coop Society											
Sebei Elgon Cooperative Union Ltd	7,152,120,000	Not verified									7,152,120,00
33 South Bukedi Coop Union											
34 Ltd	83,000,000,000	Not verified								500,000,000	82,500,000,00
Wakisi Growers Coop	11,351,700,000	Not verified									11,351,700,00
35 Society Ltd											
Kihonda Growers Coop	0										
36 Society Ltd											
Sub Total	426,408,105,624	31,086,400,400	3,483,865,050					6,743,667,159	2,744,520,000	2,744,520,000	415,841,408,23
GRAND TOTAL	836,201,238,360	253,784,498,475	6,965,074,087	5,000,000,000	2,218,000,000	4,838,499,100	20,600,000,000	50,394,631,893	35,318,140,000	19,733,503,391	509,208,230,05

NOTES

1/12/2021 Wednesday

I have received 436 million

Uganda Shillings from

MR. LUSANA FRANCIS

[Signature]

1/12/21

Annexure 11

Jinja Multipurpose Co-operative Society Ltd

Bankers
I & M

Reg.No.4119, Bittuli, Butagaya Sub County

P.O BOX 289, JINJA

0752510045/0772474298/0750517643

Email: jinjamultipurposecooperate@gmail.com

Dealers in; Transport, Timber, Furniture making, Farm produce, Animal feeds & General Merchandise

Ref No:

JMCS/022/023

Date:

03/02/2023

RE: ACKNOWLEDGEMENT OF RECEIPT OF SHS. 450,000,000/-

This is to acknowledge receipt of payment received from:

Maloru and Maloru advocates.

Amounting to Uganda Shs. 450,000,000/- (in words)

Four hundred fifty million Shilling only

on behalf
of our society.

We thank you very much for this close cooperation in our effort to
re-activate business activities of the society.

With cooperative greetings.


Signed by;


CHAIRMAN

17(21/2021


Acknowledgement of Receipt.
Shs 120,000,000/2 (one hundred twenty
millions only)

- I Magaro Henry acknowledge
receiving Shs 120,000,000/2 one hundred
twenty million Shillings only from
Markon and Markon Advocates
on behalf of Jiji Multipurpose
Co-operative Society Ltd.

- Magaro Henry 
Chairman.

26/10/2021

Acknowledgment of Receipt of
Shs 190,000,000/- (One hundred ninety
million shs) from Matovu and Matovu
Advocates being full and payment
for money received on behalf of
Tinja Multipurpose Co-operative
Society Ltd. from the Min of
Trade and Co-operatives for
the Month of Oct 2021

Mogoro Henry 
Chairman.

15/10/2021

PAGE NO. :

DATE

Acknowledgement of Receipt

I Henry Magero hereby
acknowledge receipt of Shs
160 000 000/- One hundred and
Sixty millions only from
Matovu and Matovu Advocates
on behalf of Funga Multipurpose
Co-operative Society Ltd.

Henry Magero

Chairman



18/10/2021

F

Acknowledgment Receipt 56
Shs 250,000,000/-

• I Magaro Henry hereby acknowledge receipt of Shs 250,000,000/- (Two hundred fifty millions shillings only) received from Matover and Matover advocates on behalf of Tinja Multipurpose Society Ltd.

Magaro Henry

CHAIRMAN.

18/11/2021



Acknowledged Receipt for
Shs 480,000,000

Mr. Magro Henry acknowledge
receiving Shs 480,000,000 (Four
hundred eighty millions from
Matovu and Matovu advocates -
on behalf of Tingo Multi-purpose
Co-operative Society Ltd.

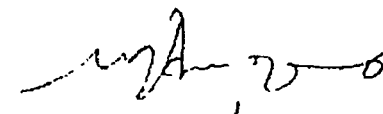
[Signature] Chairman.

11/03/022

This to acknowledge receipts

of the ~~145,000,000/-~~ = 145,000,000/-
(One hundred forty five million

shillings on behalf of JINSA MULTIPURPOSE
Co-operative Society Ltd for onward
Settlement of credit claims from
Macdonald and Macdonald & Co Advocates

Signed 
Mayes Henry
Chairman.

10/02/22

Acknowledgement of payment
Shs 545,000,000


- I have received Shs 545,000,000
(Five hundred forty five million
Shillings only) being payment
for the War Loss claim from
Mrs Malovu and Malovu Co. Ltd.
on behalf of Jingo Multipurpose
Co-operative Society Ltd.

Mogoro Henry Mwanza
Chairman.

2025 15
9/05/2022

Acknowledgement of Payment
£980,000,000/2

I have received the £980,000,000/2
(nine hundred and eighty million
sterlings) from Matovu and
Matovu Co. Advocates being claim
payment from the War Loss ~~claim~~
on behalf of Linyi Multipurpose
Co-operative Society.

Magaro Henry 
Chairman.

06/05/022

Acknowledgement of money received
Shs 180,000,000/-

I acknowledge receipt of Shs
180,000,000/- (one hundred and
eighty million) received from
M/s Matovu and Matovu Co. Advent
on behalf of Timp Multipurpose
Co-operative Society Ltd.

Mageo Henry



Chairman

THE REPUBLIC OF UGANDA

IN THE MATTER OF THE CONTRACT ACT 2010

AND

IN THE MATTER OF BUSOGA GROWERS COOPERATIVE UNION LIMITED

MEMORANDUM OF UNDERSTANDING

This Memorandum is made this 29th day of July 2019 by and between

BUSOGA GROWERS COOPERATIVE UNION LIMITED

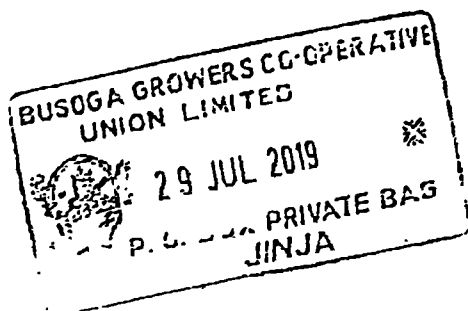
of.....represented by Ibanda Alamanzani (Chairman) Ngobi Moses (Secretary Manager) and Ntuyo Haruna (Treasurer) (Hereinafter referred to as "The Cooperative" which expression shall where the context so admits include their assignees and successors in title) on the one part.

AND

MATOVU AND MATOVU ADVOCATES of P.O Box 24813 Kampala (Hereinafter referred to as "The Advocates" which expression shall where the context so admits include their assignees and successors in title) on the other part

WHEREAS

- (i) The Cooperative is claiming compensation from the Government of Uganda for loss incurred during the war that ushered the current government into office.
- (ii) The Government of Uganda agreed to compensate the cooperative for the said loss.
- (iii) The cooperative has engaged the Advocates as their lawyers to pursue the said compensation from government.



Several handwritten signatures are present. One large signature is at the top right, and several others are below it, including one that appears to be 'Haruna'.

NOW THIS MEMORANDUM WITNESSETH AS FOLLOWS:

1. In consideration of a sum of 40% of the total sum due to the cooperative, paid by the cooperative to the Advocates as fees, the Advocates shall pursue all monies due to the cooperative.
2. In the event that the compensation due to the cooperative is paid in installments, the amount due to the Advocates shall in turn be paid pro rata.
3. In the event that any party wishes to terminate this memorandum, the intending party shall give 3 months written notice to the other party.
4. It is agreed that confidentiality of information shall be maintained by both parties at all times and neither party shall divulge any information to a third party without consent of the other party.
5. This memorandum shall be governed by all the relevant laws of the Republic of Uganda
6. Transfer the balance to our Bank account detailed below
Our Bank details to date:
Bank: ORIENT BANK (JINJA BRANCH)
Account Name: BUSOGA GROWERS COOPERATIVE UNION LIMITED
Account Number: 40794034010112

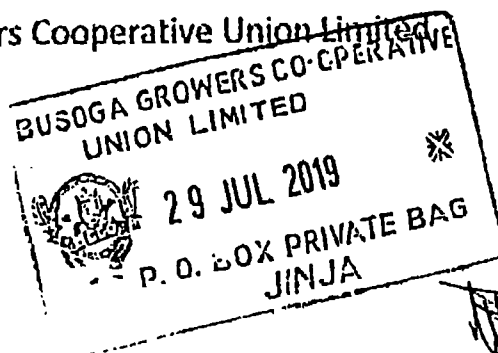
IN WITNESS WHEREOF the parties hereto have affixed their hands the day and year first above mentioned.

Signed by the said

IBANDA ALAMANZANI.

For and on behalf of

Busoga Growers Cooperative Union Limited



"The Cooperative"

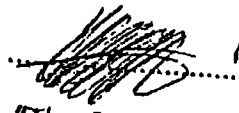
(Chairman)

Signed by the said

NGOBI MOSES

For and on behalf of

Busoga Growers Cooperative Union Limited

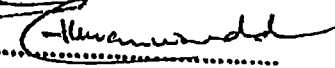

"The Cooperative"
(Secretary Manager)

Signed by the said

NTUYO HARUNA TAMUZADDE

For and on behalf of

Busoga Growers Cooperative Union Limited


"The Cooperative"
(Treasurer)

In the Presence of

JAMES MUGANZA


'WITNESS'

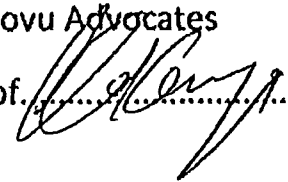
(District Commercial Officer, Jinja District)

Signed by the said

JOHN MATOVU

For and on behalf of

Matovu and Matovu Advocates

In the presence of 

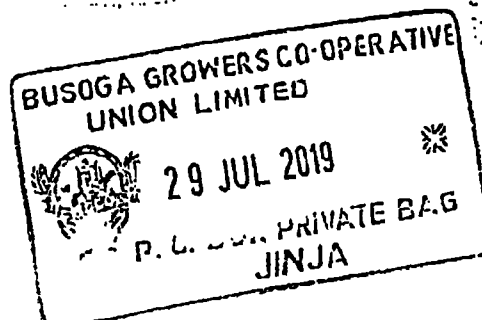

"The Advocates"

Drawn by

Matovu and Matovu Advocates

Plot 54 Kampala road

Damanico Building



THE REPUBLIC OF UGANDA
THE ADVOCATES ACT CAP. 267 LAWS OF UGANDA
IN THE MATTER OF A MEMORANDUM OF UNDERSTANDING
BETWEEN TESO COOPERATIVE UNION LIMITED AND M/S
ISODO & Co. ADVOCATES

CONTRACT/ RETAINER AGREEMENT

THIS AGREEMENT made this...^{20th}.....day of ^{August}..... 2019
at Soroti between **TESO COOPERATIVE UNION** [hereinafter
referred to as the "client" which expression shall where the context
so admits include her successor in title and/ or assignees on the one
part];

AND

Messer's **ISODO & Co. ADVOCATES** Ariyet House 1st Floor Room D
& N Plot 10 Solot Avenue, P.O.Box 660 SOROTI [hereinafter referred
to as the "Firm" which expression shall where the context so admits
include her successor in title and/ or assignees on the other part]; and
all referred to as "parties" where applicable.

Therefore, this agreement **WITNESSETH AS FOLLOWS;**

WHEREAS the client being an entity registered under the
Cooperative Societies Ordinance, 1946 [Cooperative Societies Act
cap. 112] in Uganda is desirous of engaging the Firm to handle all its
cooperative legal matters;

AND

WHEREAS the Firm being a duly registered legal entity with licensed
lawyers to run the business of legal services in Uganda is able, ready
and willing to provide such legal services upon the terms and
conditions hereinafter stipulated;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS;

1. That the client shall hire and retain the legal services of the Firm
for a fixed term of 3 years. Upon expiry, this agreement shall
automatically be renewed by both parties for another term unless

1 | Page

either party advances plausible reasons affecting the fundamental performance pointing to breach of this agreement.

2. THE CLIENT'S DUTIES/ RESPONSIBILITIES

The client shall employ the Firm and the Firm shall serve the client;

- a) As its legal representative and consultant in all litigation matters pertaining to the estate.
- b) As its property manager and debt collector that, is explicitly permitted to receive and/ or recover all monies due to the client.
- c) As its legal advisor on property, employment and Administrative matters and,
- d) On any other matters as shall be assigned to the Firm from time to time related to the above.

3. THE FIRM'S DUTIES/ RESPONSIBILITIES

The Firm shall handle all the client's matters as undertaken or any other related works in Uganda on the following conditions;

- a) The client shall refer all her legal engagements to the Firm unless for some reason the Firm cannot handle the same or unless the Firm shall expressly advise the client to refer such work to another Firm of legal practitioners or such related entities.
- b) The Firm shall not accept instructions against the client from any other person during the subsistence of this agreement.
- c) The Firm shall faithfully, diligently and professionally advise the client in all matters referred to it by the client and shall expeditiously prosecute or defend any proceedings of the client with all professional diligence.
- d) The Firm shall have power without express instructions to act in any legal manner to protect the interests of the client in emergencies when it is not possible to reach the client on time.

- e) It is understood that the Firm shall perform its best under its operational circumstances to expeditiously handle and resolve all matters that shall be assigned to them by the client.

4. DISBURSEMENTS & OTHER RUNNING COSTS.

- a) In matters of litigation, the Firm shall meet all stamp duties, filing fees and other necessary disbursements in pursuit of any litigation as the same are deemed to be catered for under the retainer fee paid to the Firm. In the event that there is an engagement that will require the Firm's services outside Uganda, the client shall meet the full costs of such travel and upkeep.
- b) Upon successful determination of any litigation, the Firm shall take full advantage of the costs awarded and recovered.

5. CONFIDENTIALITY

The Firm shall not except in proper exercise of their duties of providing legal services to the client or as required by law, divulge any information concerning the business or finances or any other information of a confidential nature.

6. REMUNERATION

In consideration thereof the Firm shall be entitled to: -

- a) The annual retainer fees of UGX 96,000,000/= [Ninety Six Million Shillings Only], payable upfront at the start of each year, being a *pro rata* calculation of UGX 8,000,000/= [eight Million Shillings Only] per month.
- b) The Firm shall be entitled to a commission of 20% for any sum collected from debtors or property management on behalf of the client. This commission may be partially or fully recovered from the debtor in the event that the debtor obliges to pay.
- c) In respect of any compensation from government or any other entity, the Firm is obliged to pursue the same and shall be entitled to 25% of the sums paid as its commission. The rate offered is

Signed & sealed by;

ETOORI JOSEPH – Chairperson.....

OGUNIA BENJAMIN-Secretary/Manager.....

CLIENT

OKELLO OKWII ALEX- Treasurer.....

Witnessed in approval on behalf of the client by;

1. **AANYU AUJO HELLEN** – [Vice Chairperson]

2. **ENUDU JOHN** – [Member Kaberamaido]

3. **ETEKU ANTHONY EJERU** – [Member Serere]

4. **ASAKO ANNA GRACE** – [Member Kumi]

5. **IMAKU MARGARET** – [Member Soroti]

6. **ODONGO CHARLES RAPHAEL**- Member Bukedea

Signed & sealed by;

SAMUEL ISODO – Managing partner

For & on behalf of

M/S Isodo & Co. ADVOCATES

Witnessed in approval on behalf of the Firm by;

Agnes Wazemwa [Advocate]

Drawn by
The parties

SAMUEL ISODO
FIRM Advocate &
Commissioner for Oaths
P.O.Box 660, Soroti

AGNES WAZEMWA
ADVOCATE
077468896

THE REPUBLIC OF UGANDA

THE ADVOCATES ACT, CAP 267 LAWS OF UGANDA

IN THE MATTER OF THE CONTRACT ACT, NO. 7 OF 2010

AND

IN THE MATTER OF MEMORANDUM OF UNDERSTANDING BETWEEN
TESO CO-OPERATIVE UNION LIMITED AND M/S ILUKOR
ADVOCATES & SOLICITORS.

CONTRACT/RETAINERSHIP AGREEMENT.

THIS AGREEMENT is made this 22nd day of June, 2017 at
Kampala

BETWEEN

TESO CO-OPERATIVE UNION LIMITED of P.O. Box. 231, Soroti district. (hereinafter referred to as "the Client" which expression shall where the context so admits include her Successors in title and/or Assignees) of the one part).

AND

MESSRS ILUKOR ADVOCATES & SOLICITORS of Impala House, 2nd Floor Annex, Suite 04, Kimathi venue Opp. KCCA Main gate, P.O Box 73393, Kampala (Hereinafter referred to as "the Firm" which expression shall where the context so admits include her Successors in title and/or Assignees) of the other part). All herein referred to as "Parties"

WHEREAS the client being an entity duly registered under Co-operative Societies Ordinance, 1946 in Uganda is desirous of engaging the Firm to handle all its Co-operative matters (legal and Administrative).

AND WHEREAS the Firm being a legal entity dully registered in Uganda is able, ready and willing to provide such legal services upon the terms and conditions hereinafter stipulated;

NOW THEREFORE THE PARTIES AGREE as follows:

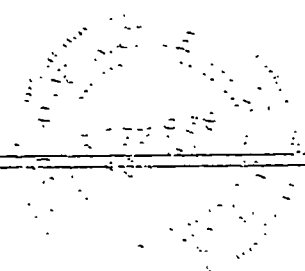
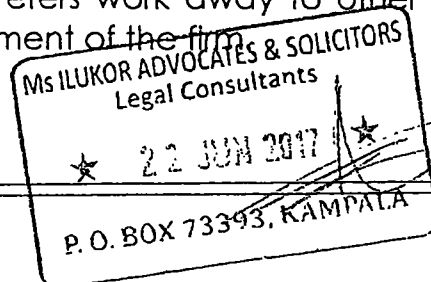
1. The parties hereby agree that, this agreement shall be for a fixed term of **three (3) years** and shall be renewed upon communication from either party for another term of **three (3) years**.

Ms ILUKOR ADVOCATES & SOLICITORS
Legal Consultants

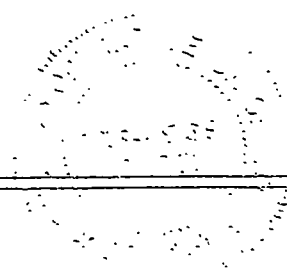
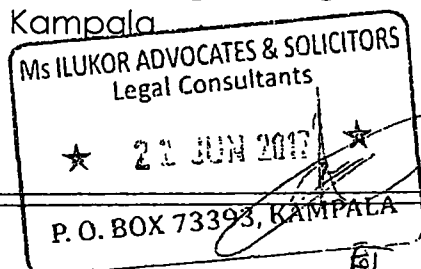
★ 22 JUN 2017 ★

P. O. BOX 73393, KAMPALA

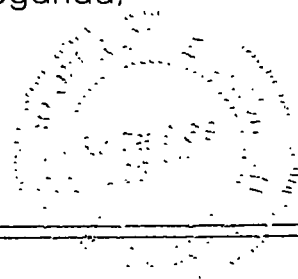
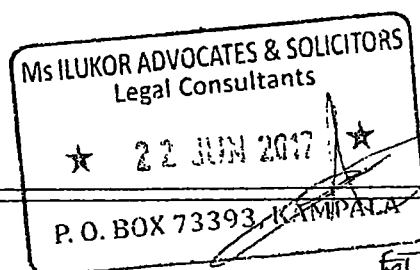
2. The Client shall employ the Firm and the Firm shall serve the client as;-
 - a It's legal representative and consultant in all litigation matter pertaining the estate.
 - b It's property manager and debt collector that, is explicitly permitted to receive all monies due to the client for and on behalf of the client, make full disclosure and remit money recovered due the client.
 - c it's legal advisor on property, employment and Administrative matters.
 - d Any other matter as shall be assigned to the firm from time to time related to the above.
3. In consideration thereof the firm shall be entitled to; -
 - a The annual Retainer fees of **Ugx. 134, 000, 000** (one hundred and thirty-four million shillings only).
 - b A commission of 20% for the sum collected from debt or property management on behalf of the client, this commission may be partially or fully recovered from the debtor in the event that the debtor abides to pay it.
 - c In respect to matter of compensation by Government or any other entities, the firm is obliged to pursue the same and shall be entitled to 35% of the sums paid as its commission.
4. The Firm shall handle all the client's legal, Administrative, debt collection, property management and any other related legal works in Uganda on the following conditions that is to say: -
 - a The client shall refer all her legal engagements to the Firm unless for some good reason the Firm cannot handle the same or unless the Firm shall expressly advise the client to refer such work to another Firm of legal practitioners.
 - b The Firm shall not accept instructions against the client from any other person during the subsistence of this agreement unless the client refers work away to other Firms without good reason or agreement of the firm



- c) The Firm shall faithfully, diligently and professionally advise the client in all matters referred to it by the client and shall expeditiously prosecute or defend any proceedings of the client employing such experts or employing other counsel as the Firm considers wise in the circumstances of each case.
- d) The Firm shall have power without express instructions to act in any legal manner to protect the interests of the client in emergencies or where it is impossible to reach the client in time in cases where limitation would operate against the interests of the client.
- e) The time frame of determination of cases/matters is as follows: -
- I. For legal cases shall be determined by Court or tribunal presiding the adversary to amicably settle such a matter.
 - II. Two (4) Weeks ultimatum for collection of debts from compliant debtor(s) depending to the complexity of the matter.
 - III. Summary court action that takes 4 - 8 weeks, unless Court schedule, holidays, recess and administrative transfers of Judicial officers affect the same.
4. In matters of litigation, the client shall meet government duties & taxes for example Court fees, Disbursements, incidental to the process of litigation that is reimbursable to the client on recovery of the money claimed or successful determination of the matter before court.
5. In respect to transport facilitation, accommodation and refreshment to and fro to court at a rate of: -
- i. **Ugx. 200, 000** (Two hundred thousand shillings only) for court Appearance or attending to a legal matter within a radius of 30 kms from Kampala.
 - ii. **Ugx. 300, 000** (Three hundred thousand shillings only) for court appearance or attending to a legal matter within a radius of 100 kms from Kampala.
 - iii. **Ugx.500, 000** (Five hundred thousand shilling only) for a court appearance or attending to a legal matter within a radius of 300 kms from Kampala



- iv. **Ugx. 1, 000, 000** (One million shillings only) for any matter beyond a radius of 300 kms, but not more than 600 kms from Kampala.
- v. Any matters outside Uganda but within East African Community shall be charged according to the obtaining travel rates for example by Air or Road transport as to be discussed and agreed with the client.
- vi. Any matters outside Uganda and the East African Community shall be determined and discussed based on the obtaining Air travel charges.
- vii. Any miscellaneous charges that shall be reasonably notified and justified to the client by the firm in fastening some of its matters.
6. The Firm shall not, except in the proper exercise of their duties of providing legal services to the client or as is required by law, divulge any information concerning the business or finances or any other information of a confidential nature.
7. This Agreement shall be construed and interpreted in every aspect in accordance with the Laws of the Republic of Uganda.
8. This agreement is premised on utmost good faith-*umherimae fides* between the parties hereto.
9. Either party to this agreement may terminate this agreement upon breach of any condition for example on the client's failure for any reason to pay the retainer fee for a fresh year pursuant to a written notice of **90 (Ninety) days' Notice** to the client in reminder, with justification to the other party or upon lapse of the contractual time. In such a case all outstanding bills shall become immediately payable. Unless, the parties agree otherwise.
10. This agreement shall be read and interpreted in accordance with the Laws of the Republic of Uganda, Uganda,

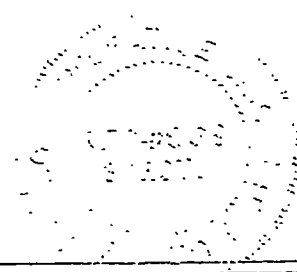
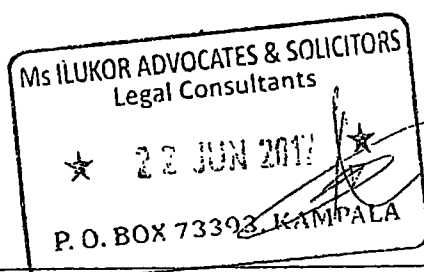


IN WITNESS WHEREOF the parties hereunto affix their respective hands and seal the day, month and year first above mentioned.

SIGNED & SEALED by;
ETOORI JOSEPH - Chairperson
for and on behalf of;
TESO CO-OPERATIVE UNION
LIMITED


.....
For; CLIENT

- Witnessed in approval by;
- 1) AUJO AANYU HELLEN – Vice C/Person
For; CLIENT
 - 2) OGUNIA BENJAMIN – Secretary Manager
For; CLIENT
 - 3) OKELLO OKWII ALEX- Treasurer
For; CLIENT
 - 4) ENUDU JOHN – Member/Kaberemaido
For; CLIENT
 - 5) ETEKU ANTHONY EJERU- Member/Serere
For; CLIENT
 - 6) ASAKO ANNA GRACE- Member/Kumi
For; CLIENT
 - 7) IMAKU MARGARET- Member/Soroti
For; CLIENT
 - 8) FLORENCE IJULI- Member/Katakwi
For; CLIENT
 - 9) ODONGO C. RAPHAEL- Member/Bukedea
For; CLIENT



EP

6

SIGNED & SEALED by;
ILUKOR EMMANUEL-Managing Partner
For and on behalf of
M/s ILUKOR ADVOCATES & SOLICITORS

.....
FIRM

Witnessed in approval by;

1) **OLUKA JAMES** – Partner

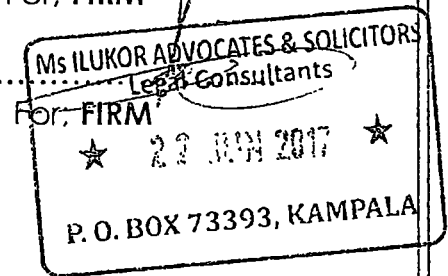
.....
For; FIRM

2) **CHEPTOEK GABRIEL**- Partner

.....
For; FIRM

In the presence of;

ASAMO JOSEPHINE – Administrator



Drawn by;
The both parties,
Kampala-Uganda.

True copy

LANGO CO- OPERATIVE UNION LTD

P. O. Box 59,

LIRA

The Commissioner for Co-operative Development

Government of Uganda

Farmers House

Kampala.

17/ Sept/ 2014

Dear Sir,

RE: COMPENSATION FOR WAR LOSSES

As discussed at a consultative meeting with Unions on Wednesday 03/ 09/2014 at your offices, I have been able to check with our secretary manager, now on sick leave, and was informed that the Union had submitted a claim of Shs 2.5b involving mainly vehicles and other office equipment. Out of this only Shs 712 million was paid leaving a balance of Shs 1.788 b unpaid.

The secretary also confirmed that they had inadvertently left out the lootings of the Union ranch at Chawente. As I had indicated at the meeting the Union had over 1000 thousand heads of cattle on the ranch. Accordingly therefore I am confirming the figure of 1000 I had earlier submitted.

In a recent court order given at Lira, the Government was ordered to compensate Lango war losses of cattle at Shs. 900,000/= per animal. It may be appropriate for you to use the same rate for our losses too.

This would then mean a Total claim of Shs 2.688 b for both equipment and cattle for the Union.

As regard Primary societies claims, there was one society, namely ADYEDA GROUP FARMING CO - OPERATIVE SOCIETY Reg No. 2278, and situated at Loro, Oyam District, which lost the following items as a result of NRA (Now UPDF) entering the farm on 29 - 1 - 1991:

1. 1 Fiat tractor UA0099
2. 1 Fiat trailer
3. 1 Disc Harrow
4. 1 Disc Plough
5. 1 Fuel tank of 12,000 liters capacity
6. 2 Large stores used and now in a dilapidated condition but repairable.

DA 14/6/19
DEN AT SOROTI
.../2019
RE ACT CAP 13
BURE ACT CAP 71
CAIL REVIEW] RULES,
HIGHER COURT OF LEARN
SOROTI
***** APPLICANTS
13
RECEIVED
SIGN

[illegible]

APPLICANTS

- MAIL REVIEW RULES,
 >>>>>>> APPLICANTS

[Under sections 33, 36 & 38 of the Judicature Act cap 13; Rules 3, 6, 7 & 8 of the Judicature [Judicial Review] Rules 2009]

TAKE NOTICE that this honorable court shall be moved on the day
of 2019 at O'clock in the forenoon or
soon thereafter as counsel for the applicant can be heard on an application for orders
that;

1. An order of Mandamus be issued compelling the respondents to implement the resolution of Teso Cooperative Union made on Friday 24th May, 2019 at their premises in Soroti, specifically;
 - a) That the appointment of Ilukor & Co. Advocates as lawyers for the 3rd respondent be revoked.
 - b) Isodo & Co. Advocates be reinstated as legal counsel for the 3rd respondent to especially finalize with the claim for compensation from government that is now at payment level.
 - c) Isodo & Co. Advocates be given a retainer contract to continue with this and other Teso Cooperative Union matters he has already been handling in court.


2. An order of a permanent injunction be issued against the respondents from ever interfering with committee resolution made in favor of the applicant.
3. Costs of this application be provided for.

TAKE FURTHER NOTICE that the grounds in support of this application are set out in the affidavit[s] of the applicant that shall be read and relied upon during the trial but briefly;

- a) THAT the applicant is a duly licensed advocate running his practice under the name and style of M/S Isodo & Co. Advocates. [See registration Certificate attached].
- b) THAT in about 2013 the applicant was approached by the officers of the 3rd respondent wherein they sought legal representation on a certain matter they had before the high court of Uganda at Soroti to which the applicant duly obliged and was paid accordingly.
- c) THAT following that encounter, the 3rd respondent continued to bring other files to the applicant for legal representation and the applicant received the same. No assessment was levied by the applicant because the 3rd respondent was pleading poverty which the applicant magnanimously understood. The matters are continuing in court under the charge of the applicant.
- d) THAT upon the perpetual engagement of the applicant's services, the 3rd respondent presented M/S Isodo & Co. Advocates to their Annual General Meeting who approved the applicant as the Union legal counsel.
- e) THAT in about 2017, the officers of the 3rd respondent approached the applicant seeking help to generate for them convincing proof that they lost properties due to the negligence and/ or actions of government. The assumed figure at the time of instructions was UGX 30,000,000,000 (Uganda Shillings Thirty billion).
- f) THAT the applicant debriefed the officers of the 3rd respondent and together with the necessary documents made affidavits that were eventually taken to accompany the claim to the respective ministry in Kampala.

- g) THAT after that the applicant's compliance never came into question and the proof adduced led to the 3rd respondent being compensated with UGX 27,000,000,000/= (Twenty Seven Billion shillings).
- h) THAT payment of the said money required that the 3rd respondent appoints a law firm through which the approved compensation money would be paid, a position the applicant was expectant having reached that far with the 3rd respondent who all this while kept promising and counting on this compensation to pay the applicant for this and other matters under litigation.
- i) THAT to the utter surprise and consternation of the applicant, the 1st respondent being an uncle to one Ilukor Emmanuel decided to unilaterally present Ilukor & Co. Advocates as the law firm through which the compensation money would be paid.
- j) THAT this move kicked out the applicant and suddenly entitled Ilukor & Co. Advocates as the benefits of the compensation. Since that unfortunate move UGX 500,000,000/= has been disbursed so far and 10% of that has already gone to the Ilukor & Co. Advocates leaving the applicant empty handed.
- k) THAT it is in the interest of justice that this application be allowed.

Dated at Soroti this.....13th.....day of June, 2018.


Obore, Engulu Advocates & Solicitors
COUNSEL FOR THE APPLICANT

GIVEN under my hand and the seal of this honorable court, this....18th.....day of.....2019.


ASSISTANT REGISTRAR

Drawn & Filed by:

M/S Obore, Engulu Advocates & Solicitors
Plot 25 Central Avenue, P. O. Box 772

SOROTI.

Nandaah Wamukoota & Co Advocates

Advocates, solicitors, Trademarks and patent agents, Company secretaries, receivers, Liquidators and Legal Consultants.

PARTNERS

NANDAAB WAMUKOOTA CHARLES

LLB (MUK), Dip. Leg Prct (LDC),

Advocate- Tel: 0789-363116

ADVOCATES

ALLAN SAMSON KIKWE

LLB (MUK), Dip. Leg Prct (LDC)

Advocate- Tel: 0782-881230/0702-881230

NALELA JOHN

LLB(IUIU), Dip. Leg Prct (KSL-(Nairobi)

Advocate- Tel: 0702158938/0785338483

MAYEKE DENIS

LLB(IUIU), Dip. Leg Prct (LDC)

Advocate- Tel: 0775-020902

CHAMBERS:

Plot 74, Level 2

Kankyoja Street,

Kamwokya, Kampala

Uganda, Tel: 0414-389369

Date: 5th October 2023

**THE BOARD,
UGANDA COOPERATIVE TRANSPORT UNION LTD (UCTU)
KAMPALA**

Att: 1. The Board Chairman, Uganda Cooperative Transport Union Limited
2. The Chief Executive Officer, Uganda Cooperative Transport Union Limited

**RE: COMPENSATION FROM MINISTRY OF TRADE, INDUSTRY & COOPERATIVES TO
UGANDA COOPERATIVE TRANSPORT UNION LIMITED.**

Reference is made to above subject wherein by the Board Resolution, we were instructed to receive Compensation on behalf of the Union from Ministry of trade, Industry and Cooperatives.

We wish to confirm to you again that we received a total of UGX 3, 0402, 000,000/= (Three Billion Four Hundred Two Million) on behalf of UCTU. The details are as hereunder:

1. On the 21st day of June 2021, we received UGX 502,000,000/= (five Hundred Two Million Shillings Only) and UGX 220,000,000/= (Two Hundred Twenty Million Shillings) was transferred to UCTU account on the 22nd day of June 2021.
2. On the 12th day of November 2021, we received UGX 1,000,000,000/= (One Billion Shillings) and UGX 250,000,000/= (Two Hundred Fifty Million Shillings) was transferred to UCTU account on the 19th day of November 2021.
3. Need to verify receipt of UGX 2,300,000,000/= (Two Billion Three Hundred Million Shillings) on the 9th day of February 2022, and UGX 600,000,000/= (Six Hundred Million Shillings) was transferred to UCTU account on the 10th day of February 2022.
4. On 4th day of May 2022, we received UGX 500,000,000/= (Five Hundred Million Shillings) and UGX 243,000,000/= (Two Hundred Fourty Three Million Shillings) was transferred to UCTU account on the 5th day of May 2022.

We wish to note that details of the expenditures are well within the knowledge of both parties and such details were agreed upon before payments were effected.

Yours faithfully,


Nandaah Wamukoota & Co Advocates

Nandaah Wamukoota & Co Advocates.

True copy

LANGO CO- OPERATIVE UNION LTD

P. O. Box 59,

LIRA

The Commissioner for Co-operative Development

Government of Uganda

Farmers House

Kampala.

17/ Sept/ 2014

Dear Sir,

RE: COMPENSATION FOR WAR LOSSES

As discussed at a consultative meeting with Unions on Wednesday 03/ 09/2014 at your offices, I have been able to check with our secretary manager, now on sick leave, and was informed that the Union had submitted a claim of Shs 2.5b involving mainly vehicles and other office equipment. Out of this only Shs 712 million was paid leaving a balance of Shs 1.788 b unpaid.

The secretary also confirmed that they had inadvertently left out the lootings of the Union ranch at Chawente. As I had indicated at the meeting the Union had over 1000 thousand heads of cattle on the ranch. Accordingly therefore I am confirming the figure of 1000 I had earlier submitted.

In a recent court order given at Lira, the Government was ordered to compensate Lango war losses of cattle at Shs. 900,000/= per animal. It may be appropriate for you to use the same rate for our losses too.

This would then mean a Total claim of Shs 2.688 b for both equipment and cattle for the Union.

As regard Primary societies claims, there was one society, namely ADYEDA GROUP FARMING CO - OPERATIVE SOCIETY Reg No. 2278, and situated at Loro, Oyain District, which lost the following items as a result of NRA (Now UPDF) entering the farm on 29 - 1 - 1991:

1. 1 Fiat tractor UA0099
2. 1 Fiat trailer
3. 1 Disc Harrow
4. 1 Disc Plough
5. 1 Fuel tank of 12,000 liters capacity
6. 2 Large stores used and now in a dilapidated condition but repairable.