

## CHAPTER 3

# INFRASTRUCTURE TO DETECT AND CONTROL MONEY LAUNDERING AND TERRORIST FUNDING IN UGANDA

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### Introduction

In Uganda all sectors that are charged with detecting money laundering and activities that result in illicit proceeds are making increased efforts to combat money laundering. However, these efforts are still hampered by the lack of law or policy specifically dealing with money laundering. This is aggravated by the fact that money laundering is not a specific crime in Uganda. To forestall the inadequacies in legislation, most financial and commercial institutions have put internal or sector measures in place to detect money laundering. This has been possible largely because most of these institutions, such as the banks, have global linkages and thus benefit from the macro policies of their parent institutions. The major multilateral banks all have internal systems developed by their main offices to be used by all their branches globally. Others have developed specific policies for preventing money laundering in Africa, such as Barclays Bank's 2001 Africa Policy for the Prevention of Money Laundering. This is based on the anti-money laundering legislation of the United Kingdom (UK) (Money Laundering Regulation, 1993) and European Union (EU) (section 2(2) of the European Money Laundering Directive). The principle laws that have influenced the Barclays Policy are from the UK. They include:

- the European Communities Act, 1972 [section 2(2)], under which the European Money Laundering Directive was implemented by member states including the UK;
- the UK Money Laundering Regulation, 1993;
- the UK Drug Trafficking Act, 1994;
- the Criminal Justice Act 1988, as amended by the Criminal Justice Act, 1993;
- the Criminal Justice (International Co-operation) Act 1990;
- the Terrorism Act, 2000; and
- the Financial Services and Markets Act, 2000.

The lack of an appropriate legal framework in Uganda has made it impossible for the financial and commercial sectors to implement some of the measures that do exist. For example, banks can only report suspicious transactions but are powerless to stop or freeze the transactions because they do not have legal protection. Even the central bank (the Bank of Uganda, hereafter BoU) cannot do much when it comes to individual accounts unless the account holder is on the list of individuals under UN sanctions or is a listed terrorist as per UN Security Council Resolution 1373 of 28 September 2001.

In an attempt to develop a framework for combating money laundering in Uganda, the government, through its enforcement agencies under the coordination of the BoU, initiated a multi-institutional process to develop anti-money laundering policies and a legal framework. The Uganda Anti-Money Laundering Committee (UAMLC) has been formed to spearhead the process.<sup>1</sup> The formation of this committee was motivated by the initiatives of the Commonwealth and the East and Southern Africa Anti-Money Laundering Group (ESAAMLG), of which Uganda is a member. As the law-making progresses, the BoU developed anti-money laundering guidelines (hereafter the BoU Guidelines) in 2002 for banks and other financial institutions to guide them in establishing and maintaining specific policies and procedures to guard against the use of the financial system for money laundering.

### ***Scope of this study***

The overall objective of this study was to collect and synthesise information on the institutional and policy mechanisms that exist in Uganda, and their strength and weaknesses. The study covered accountable institutions in Uganda, which were very difficult to identify as there is no legislation that defines them. Using the list of 19 possible accountable institutions in Schedule 1 of the South African Financial Intelligence Centres Act as a guide, people from the financial and banking sectors, legal and accountancy professions, foreign exchange dealers, couriers, regulators and law enforcement agencies were consulted. However, the major focus was on the financial and commercial sectors.

### **Institutional mechanisms to detect and control money laundering and other illicit proceeds in Uganda**

The success of anti-money laundering policy requires strong, efficient and committed multi-sectoral institutions. In Uganda the relevant institutions were not working in partnership until recently.<sup>2</sup> The current institutions involved in

combating money laundering and related activities include BoU, Capital Market Authority (CMA), the police, the Directorate of Public Prosecution (DPP), Posta Uganda Ltd., the Uganda Communication Commission (UCC), the Uganda Revenue Authority (URA), the Department of Immigration, the External Security Organisation (ESO) and the Internal Security Organisation (ISO).

### ***The Bank of Uganda***

The BoU is the principal financial regulatory authority and as a regulator it co-operates with other authorities responsible for enforcing criminal laws (but it does not take on their function of gathering intelligence, investigating and prosecuting underlying crimes whose proceeds may be suspected of being laundered through regulated businesses). The BoU contributes to combating money laundering by supervising the regulated activities of financial institutions. Its role is to develop appropriate policies, guidelines and laws on financial management and practice. In exercise of this mandate, it developed, through the UAMLC, a draft anti-money laundering policy in 2001 that is being used to develop the legislative framework, together with the BoU Guidelines mentioned above.

Under the BoU Guidelines and the Financial Institutions Statute, all financial institutions and foreign exchange dealers are required to, among other things, furnish reports of their transactions to the BoU. Guideline 5 requires the financial institutions to develop programmes against money laundering, which include but are not limited to:

- internal controls, policies and procedures including designation of compliance officers at management level;
- 'know your customer' (KYC) rules and procedures;
- record keeping;
- recognition and reporting of suspicious transactions; and
- education and training of relevant employees.

Currently, commercial banks are required to report any transfer of US\$100,000 or over to the BoU. This is beginning to bear fruit as more and more financial institutions are reporting out-of-the-ordinary transactions. Two recent examples illustrate this development. The first was in October 2000, when Standard Chartered Bank turned back a US\$40m transaction when the sender attempted to wire it to Uganda from Boston in the US.<sup>3</sup> Posta Uganda Ltd. withheld and reported a transaction involving the transfer of hundreds of thousands of US

dollars by a Ugandan living in Japan. The matter was reported to police, who obtained a court injunction to withhold the transaction until it was investigated. The transaction only went ahead when investigations proved that the money was a compensation award by an insurance company for an accident.

The Governor of the BoU, in an address to the Uganda Forex Bureaux Association (UFBA) on the role of the central Bank in combating financial crimes, said that though the BoU will not target the exchange market, it would interfere in that market to ensure that appropriate action is taken against money launderers. He stated that a lot of progress was made in 2001 in flushing out *bicupuli*<sup>4</sup> dealers who target the foreign exchange (forex) market. The BoU has developed draft anti-money laundering guidelines for the foreign exchange bureaux. This new initiative is crucial because since 1993, Uganda has liberalised its exchange markets to the extent that there are now no checks at all. The government wants to check money laundering to protect remittances from Ugandans living abroad, whose remittances nearly doubled from US\$400 million to US\$780 million in 2001.<sup>5</sup>

With US assistance, the BoU is also implementing a system that will allow it to monitor its forex market more effectively. This grew from US\$2 billion in 2000 to US\$2.4 billion in 2001, according to the Bank.

In its role as overseer and supervisor of the smaller banks, the BoU has acted hard against banks that do not follow its Guidelines, regulations and banking norms, as well as against those that are lax on money laundering. From 1999 to date, numerous banks have been shut down due to either insolvency or clandestine transactions, in an effort by the BoU to paralyse the money laundering process. One of the most well-known examples is the collapse and closure of the International Credit Bank, which was notorious in Uganda for money laundering.<sup>6</sup> Another highly suspicious bank that was closed down was the Greenland Bank.

These efforts show that money laundering can be addressed effectively through combined efforts by government, law enforcement agencies, the business sector as well as the public.

### ***The banking and other financial institutions***

The contribution of the financial sector to the fight against money laundering is based upon compliance with the spirit of the Basle principles and adherence to the Financial Action Task Force (FATF) financial sector recommendations,

and now the BoU Guidelines. According to the Operational Risk/Compliance Manager at Barclays Bank (Uganda) Ltd., Barclays has put in place policy guidelines (hereafter the Barclays Guidelines) to prevent money laundering. It is these that largely influenced the provisions in the BoU Guidelines.

The Standard Chartered Bank has formulated anti-money laundering guidelines to use in conjunction with the minimum group standards. These regulations are uniform with all other international Standard Chartered bank branches. All staff are trained in anti-money laundering measures and are empowered to detect and report any suspicious transaction. Other international banks such as Citibank and Stanbic have similar internal guidelines for all their branches globally.

In addition, through its national association, the Uganda Bankers Association (UBA), the banking sector has agreed to adopt a common approach to combat money laundering and the transfer of illicit proceeds through the banks. As a first step, according to the UBA chairperson, the UBA has resolved to stop forex bureaux from carrying out telegraphic transfers through any of its members.

### ***Forex bureaux***

The commercial banks, through the UBA, believe that money laundering is mostly carried out through the forex bureaux, who are doing very little to develop anti-money laundering programmes and whose operations are currently subject to virtually no checks or balances. This belief was revealed by the Managing Director of Barclays Bank, who is also the Chairperson of the UBA, when announcing the decision by the UBA to stop forex bureaux from carrying out telegraphic transfers through commercial banks. This view was reiterated by both the Managing Director of the Nile Bank and the Compliance Manager at Barclays.

However, according to the Uganda Forex Bureaux Association (UFBA) Chairman, "Forex bureaux are in better position to detect money laundering because most of them know their customers, unlike the banks".<sup>7</sup> He dismissed the banks' concerns about money laundering, saying the banks view forex bureaux as direct competitors:

Now and again we have wondered why the bank institutes measures that are generally aimed at phasing us out of business... Bank of Uganda has always put it clear that we are regarded as retailers while commercial banks are wholesalers in the forex business...<sup>8</sup>

To resolve these conflicting views as a regulator, the BoU is at an advanced stage of implementing measures to streamline forex bureaux operations. According to the Executive Director Operations the BoU is developing anti-money laundering guidelines for forex bureaux to require them to develop and enforce anti-money laundering polices and measures. Before this comes into force, the BoU Governor has instructed forex bureaux to stop foreign money transfers. This directive has, according to the UFBA Chairman, been counterproductive and has had negative effects. Testifying before the Parliamentary Committee on Finance and Economy, he revealed that the directive has led to an increase in *Kibanda* (black market) trade in foreign exchange.<sup>9</sup> He stated that people have now adopted the dangerous practice of physically moving cash around as they cannot afford the services of international banks. These trends, he believes, could increase rather than reduce money laundering in Uganda.

### ***Capital Market Authority***

The CMA has broad regulatory powers under section 6 of the Capital Market Authority Statute, 1996, to maintain strict surveillance over the securities industry to ensure that it is not used for money laundering purposes, but with its current capacity the CMA has done little to control money laundering.

### ***Law enforcement and security agencies***

These embrace all aspects of law enforcement, from gathering information through investigation to prosecution of money laundering crimes. The main law enforcement agencies in Uganda included the police, courts, the DPP, ISO, and ESO.

#### *Police*

The police have been in the forefront of the fight against money laundering and organised crime, with some remarkable successes considering their limited resources. They have created specialised units to deal with organised crimes. Among these are the Anti-Narcotic and Anti-Fraud Units (ANU and AFU). Between 1998 and 2000, the police impounded and destroyed 422 tons of cannabis (*marijuana*) leaving the country. They also impounded 33 kg of hashish, 19 kg of heroin worth US\$ 5.7m and cocaine worth US\$1.2 million.<sup>10</sup> In 1999 the ANU arrested 961 people for drug-related offences, of whom police were able to investigate, prosecute and secure the conviction of 434. In 1998, 702 persons were arrested and police investigated and prosecuted 634 cases.<sup>11</sup> To enhance their capacity the police have entered into a Memorandum of

Understanding (MOU) with other institutions to combat money laundering and other illicit activities taking place through the postal service, which, according to former head of the ANU, was the main conduit for these activities. As mentioned, in March 2003 the police successfully investigated a case reported to it by Posta Uganda Ltd., involving the transfer of large sums of money from Japan, payment of which was halted until the source of the money was investigated and satisfactorily established.

As one of the measures to step up security in Uganda, police are in the process of acquiring better-trained sniffer dogs and equipment to screen all cargo at Entebbe Airport for drugs, as a first step. All entry points will be so equipped in the long run. In addition, police, together with URA and Posta Uganda Ltd., have put checkpoints in place to crack down on trafficking through international mail, although they lack a unified system.

The police have broadened their investigation to cover investments, because they believe that most of these investments are acquired with money that has been laundered.

#### *The Directorate of Public Prosecution*

The DPP is the responsible prosecuting agency and has established an anti-money laundering unit, which has enabled it to successfully prosecute 434 out of 634 cases relating to organised crime and money laundering. The DPP is planning to train its staff on how to deal with organised crime and money laundering.

#### *Internal and External Security Organisations*

The ISO and ESO are specialised security agencies, with special training and skills to handle national security matters from both inside and outside Uganda. The two agencies have created special units to deal with terrorism. The counter-terrorism sections handle drug trafficking and money laundering activities. ISO became active against money laundering and drug trafficking upon getting information that the Allied Democratic Front (ADF) rebels were using the trade to raise money for their rebellion. However, ISO's efforts were foiled by the officers put in charge of counter-terrorism, who started collaborating with the traffickers. What exposed them was that their activities were not co-ordinated with ANU, which led the ANU to suspect ISO of aiding the traffickers. According to the police, the ANU started tracking some ISO officers in 1997 and considered them accomplices to the drug trade. The ANU suspicions were not unfounded as they discovered that the leader of the drug racket was a girlfriend of one of the ISO bosses, who was arrested in 2001 for aiding the traffickers.<sup>12</sup> In February

2002, the head ISO at Entebbe Airport was arrested along with other security personnel for reportedly aiding the traffickers.<sup>13</sup>

### ***Fiscal authorities***

The intervention of the fiscal authorities (URA and the Department of Immigration), like the financial institutions, is generally confined to detecting and tracking suspicious activities and transactions and reporting them to the financial regulator (the BoU). The Department of Immigration is responsible for checking and controlling movements of people into and out of Uganda. They are therefore very crucial in fighting against money laundering.

However, the Department was penetrated by traffickers. According to the Inspector General of Police, the traffickers used the VIP area at Entebbe airport, where they did not undergo security checks, and this led to changes in the airport's security management with the appointment of an aide to the President as the person in charge of airport security. This followed the arrest of the head of the ISO at the airport in February 2002.

Immigration officials also helped foreign and local criminal gangs get Ugandan passports. This led to the arrest of senior passport officials, in July 2002, with several forged passports in their possession. According the former (till January 2003) head of fraud in the police force, police investigated this passport racket after a tip-off.

URA set up a unit to deal with money laundering and other organised crimes and plans to train its staff appropriately. The Special Revenue Protection Unit is responsible for tracking tax evaders and organised criminal activities. Its activities led to a number of arrests that revealed collaboration by URA officials. This eventually led to the setting up of a commission to probe URA's operations whose findings have not yet been made public. Officials from its large taxpayers' department were suspended and detained for conniving with crooked exporters to make fictitious claims, leading to the loss of an estimated Ush20 billion (US\$14m) between September 2000 and December 2001. The head of this department was charged with fraud in July 2002 and the case is still under way.<sup>14</sup>

### ***Posta Uganda Ltd.***

Money and other transfers are made through the post office and courier services. As mentioned above, in an attempt to improve the fight against money laundering and activities that lead to it, such as drug trafficking, a MOU between the police, the National Drug Authority, Posta Uganda Ltd., the Association of

Courier Companies of Uganda, the Uganda Communication Commission and the URA was signed in February 2003. This was in response to the threat posed by illicit drug trafficking, money laundering and other organised crimes by individuals and speculator groups through the post and courier services.

The MOU acknowledges the need for controlled and co-ordinated measures by all parties involved in detecting and controlling money laundering and other illicit activities, to best use the available resources in order to disrupt the efforts of organised criminal activity. The aim is to minimise the impact of narcotic drugs, psychotropic substances and precursor chemicals on Ugandan society and to bring to justice all persons who finance, plan, organise and participate in the importation, manufacture, cultivation, distribution and supply of illicit drugs. The MOU is intended to strengthen co-operation between the various agencies by jointly developing practical procedures and steps to improve postal operations to detect money laundering, drug trafficking and other cross-border criminal activities. The impact of this MOU was immediate as illustrated by the case involving the transfer of money from Japan, mentioned above.

### ***Other institutions and professions***

The success of any anti-money laundering policy requires the commitment of all involved legislators, regulators, enforcement agencies and the financial sector, who should forge a partnership among themselves. Professions and businesses dealing in cash, such as casinos, lawyers, notaries and accountants, are not yet required by law to detect money laundering or report any suspicion thereof in Uganda. The professionals spoken to were largely ignorant about money laundering and those who do know something about it did not see it as a big problem in Uganda today. A professional respondent cynically remarked: "It is illicit money which forms a foundation for the development in the Western world....such as proceeds from slave trade, gold, ivory etc. from Africa...spices from India and war bounties from conquered people".

### **Factors that expose the financial, commercial and other sectors' money laundering and other illicit proceeds**

According to Mr J K Wanderema-Nangai, Executive Director of Operations at the BoU, "Implementing BoU anti-money laundering guidelines and other measures depend very much on the co-operation and determination of the banks and other financial institutions, since the guidelines are not backed by law".

This statement summarises Uganda's dilemma: without an adequate legislative framework, the anti-money laundering measures being put in place cannot effectively deal with the problem. The absence of legislation has combined with other factors, such as poor records, lack of technical know-how, lack of staff and competition between institutions, among others, to expose the financial and commercial sectors to money laundering and other illicit activities.

### ***Lack of legislation***

As Uganda does not currently have a specific law against money laundering, it is not an offence. This has, according to the Inspector General of Police, made Uganda a major conduit for drug traffickers and money launderers.<sup>15</sup>

The lack of legislation is particularly a very difficult problem for institutions that have attempted to adopt anti-money laundering measures in their operation, whose efforts have been made impotent. Bank employees are exposed to danger as the people who launder money often either buy off or threaten to kill anybody that hinders their business. Bankers, lawyers and accountants, who in one way or another may come across money laundering in the ordinary course of their work, are both vulnerable and impotent in the absence of an adequate legislative framework.

The weaknesses of the current legislative situation was clearly exposed in the Posta Uganda Ltd. case, when the lack of legislation meant Posta Uganda Ltd. could only temporarily delay the suspicious payment from Japan and report the matter to the police, who, in turn, could not do anything until they got a court injunction to halt payment while they completed their investigation.

### ***Banks' confidentiality requirements***

Bank operations are governed by confidentiality rules. They are thus exposed to the risk of lawsuits and of loss of trust if they breach confidentiality by reporting customers, whose identity is then revealed. Bankers argue that banking is first and foremost a business and that anti-money laundering measures such as KYC sometimes scare off potential or existing customers. This is a short-term problem for the banks, though reputable banks are willing to take this risk as they believe there will be long-term benefits for their efforts. According to the legal and compliance manager of Stanbic bank, although Stanbic has anti-money laundering policies and rules in place, they have trained staff in how to use them but without revealing what they are aimed at because they fear the

staff may not use them or that they may scare off customers. There is therefore hesitancy within Uganda's financial sector on the best means to deal with money laundering.

In sum, in some instances banks are suspicious of certain kinds of activities but may fail to enforce appropriate measures because they fear to lose their customers. There is a need to review confidentiality laws in Uganda with a view to removing any confidentiality impediments or giving legal protection to banks who breach confidentiality as part of implementing anti-money laundering policy.

### ***Competition and lack of co-operation within and outside different sectors***

The implementation of anti-money laundering policies requires participation and co-operation by all stakeholders.

Clients are made happy when businesses go the extra mile to please them. Fearing the loss of their customers to other institutions, banks and other financial institutions sometimes do not carry out some of the activities that they are meant to in order to detect money laundering. Co-ordination and co-operation from all stakeholders, such as businesses and professions dealing with cash (casinos, lawyers, accountants), as well as banks and forex bureaux, is thus needed. However, corruption and competition mean this has not been achieved yet.

### ***Failure to know customers***

Some financial institutions, especially those that are not banks, cannot know their customers because they operate without accounts. In most cases they conduct once-off transactions. The financial institutions most affected by this include forex bureaux, where transactions take place at the counter and no record or identity of the customer is kept. Cash receipts are issued, which are used by the BoU Research Department to assess foreign exchange flow. The postal and courier services also have a similar problem.

### ***Poor record keeping***

In most of the financial institutions there are either no records at all that can help in monitoring transactions and tracking cases of money laundering, or records are poorly kept. This is especially true with forex bureaux: the nature

of their operations means that records about customers are not kept. In an attempt to tighten the loose ends in the fight against money laundering, the BoU and banks have adopted some unpopular methods regarding forex bureaux operations, such as the Barclays Bank announcement that it had stopped forex bureaux from doing telegraphic transfers through the bank. This followed a directive from the BoU and resolution of the UBA. Other banks have followed suit.

### ***Corruption***

Corruption is rampant in Uganda, according to the Inspectorate of Government's 2000 Integrity Report. Most people interviewed for this study believed that money launderers can go to any lengths to get their way and can use large sums of money for bribes, which may be difficult to resist by officials responsible for detecting and controlling money laundering. This problem is worsened by poor remuneration, especially in the public sector, which opens the way to officials being tempted. For money laundering to be fought effectively there is therefore a need to not only combat corruption but also to increase the remuneration of officials who are involved in implementing anti-money laundering measures.

### ***The problem of a cash economy***

According to Mr M Rugadya, the Risk and Compliance Officer of the Nile Bank, Ugandans prefer using cash for all forms of transactions—including the purchase of high-value items such as real estate and motor vehicles—because of a lack of trust and a fear that cheques will bounce. This makes detecting the source of money difficult.

The widespread use of cash rather than other means of exchange is perhaps the biggest handicap to detecting and controlling money laundering. Banks and other stakeholders find it impossible to trace the origin of cash in Uganda as people refuse cheque payments, even when transactions involve millions of shillings. Buyers simply go to their banks, withdraw cash and pay for all kinds of transactions in this way. The problem of a cash economy has curtailed banks' ability to distinguish between 'clean' and 'dirty' money. Banks rely on the information customers provide, which may or may not be accurate as customers fear that such information may be given to URA, who can use it for tax evaluation.

The prevalence of the cash economy undermines the fight against money laundering and makes it difficult to detect when money laundering is taking

place. The vast majority of Ugandans do not hold bank accounts and conduct their business only on a cash basis, making regulation difficult. All financial sector interviewees believed that for anti-money laundering measures to succeed, government has to assist the financial sector in sensitising the public about the dangers that money laundering poses to both individuals and the economy, informing the public how they can contribute to fighting against it, and allaying fears that information given to the financial sector would be passed on to the URA.

## **Measures being adopted by the financial and commercial institutions to detect and control money laundering and other illicit activities**

### ***Prohibition of anonymous accounts***

Financial institutions are required under BoU Guideline 6 and their own internal guidelines not to have or accept anonymous accounts or accounts in fictitious names. They are obliged to identify the account holder personally, in the case of individual accounts, or the responsible official, in the case of corporate accounts, or to obtain any other reliable identifying document and record when establishing business relations or conducting transactions. The financial institutions are also required under BoU Guideline 8 to ensure that customers or clients disclose the true identity of the person on whose behalf the account is opened or the transaction conducted. This is particularly important during the opening of accounts or passbooks to fiduciary transactions, in the renting of safety deposit boxes and in large cash transactions. Most of the multinational financial institutions and some of the local ones consulted are implementing these guidelines, though with difficulty.

### ***Development of 'know your customer' rules and procedures***

BoU Guidelines 5 and 7 require all financial institutions to design and develop KYC programmes, rules and procedures. The KYC programme is used to get exhaustive information about customers. Such information, according to the Barclays Bank and Standard Chartered Guidelines, as well as the BoU Guidelines, include the customer's physical address, phone number, place of work, monthly salary and other additional incomes, status, photocopy of passport or identity cards, a letter of introduction from their employer, existing accounts held, and the name of the person's doctor, lawyer, religious leader or

accountant, among others. The information provided is verified before or immediately the account is opened. Thereafter the bank is required to monitor the account for 90 days because, according to the Compliance Manager at Barclays Bank, if the account is being opened for a dubious transaction, the transaction will usually take place within that timeframe or else it will be exposed. This monitoring requirement is now mandatory for all the commercial banks in Uganda, as resolved by the UBA. If investigations on an account lead to its closure, a report is made and forwarded to the BoU after discussions with the customer and the customer is also notified of the decision.

All commercial banks in Uganda have either developed or are in the process of developing KYC programmes in accordance with either their own internal guidelines or the BoU Guidelines, depending on which is superior. Most of the banks, because of the strict disclosure requirements, have asked old customers to furnish additional information about themselves, but without revealing the reason for fear of raising customers' suspicions. Barclays Bank and Citibank undertook massive public awareness campaigns to educate the public and win public confidence and co-operation on the KYC programme. Other banks are following suit. Standard Chartered Bank launched a public awareness campaign through the media, holding conferences and workshops in July 2003. The campaign involved and targeted law enforcement agencies, law and policy makers, regulators and the general public.

The KYC rules, procedures and programmes that have been developed by the commercial banks include customer acceptance policies and procedures, which describe the types of customers who are likely to pose a higher risk than average to the financial institution and who require more extensive due diligence. Such higher risk customers include trusts, nominees and fiduciary accounts, corporate bodies, introduced business, clients' accounts opened by professional intermediaries, customers who are not dealt with face to face, and corresponding banking accounts.

The monitoring of transactions is continuous and different banks have different thresholds for the various categories of account holders. In the case of Standard Chartered Bank (Uganda) Ltd., any amount above US\$6,000 per month and US\$75,000 per year can raise suspicion and trigger investigations. For Barclays Bank, Ush10 million (US\$5,000) would cause suspicion in relation to retail accounts, depending on the status and responsibility of the account holder. If the money is deposited into the account of a judge, a top private or public official, a member of parliament, or a minister, then the suspicion can be dropped unless corruption charges have been instituted against the person. In

Barclays Bank any transaction above Ush25 million (US12,500) for co-operative bodies' accounts can lead to investigations being instituted and an explanation may be sought from the customer as to the source of the funds. It should be noted that not all transactions have money laundering or other criminal motives but this can only be verified through investigation.

On the question of monitoring transactions, different banks have different systems but all are still manually operated. Whereas Barclays Bank has employed a full-time staff member as required by BoU Guidelines (in addition to authorising all staff to detect and report suspicious transactions), Standard Chartered, Nile Bank, Bank of Baroda and Stanbic have only authorised staff to detect, monitor and report suspicious transactions. All the banks have trained and sensitised their staff on anti-money laundering measures. In Barclays Bank staff working in the account opening section are specifically vetted using the guidelines.

The Chairman of the UBA argued that the forex bureaux should have a uniform mechanism, such as the banks have, to incorporate KYC practices into their system so their customers are properly identified. This would, in addition, level the playing field on which all the financial institutions operate.

For Uganda to successfully fight money laundering, all financial institutions should obtain satisfactory evidence of the identity and legal existence of persons applying to do business with them, based on reliable documents, records and other relevant information. In addition, a level playing field should be developed for all financial institutions by enacting anti-money laundering legislation.

## **Secrecy**

Financial institutions and their directors and employees are required under BoU Guideline 13 not to warn their customers when information on suspicious transactions relating to them is being reported to the BoU. They are required to reveal the identity of the customer to the BoU. Financial institutions fear this mechanism may, firstly, lure their customers to other institutions, and suggested that a joint effort of all stakeholders is necessary to create uniformity and a level playing field; and, secondly, may expose them to legal action by customers since the financial institutions have no legal protection. However, the duty of secrecy is maintained, as financial institutions only resort to the BoU after all their own investigations have either failed or after they have actually established an illicit transaction or money laundering.

### ***Maintenance of records***

Financial institutions are required under BoU Guideline 10 to keep customer identification records, such as passports, identity cards, driving licences, or similar documents, such as account files and business correspondence, for at least 10 years after an account is closed. These records must be made available to the law enforcement authorities in the context of relevant criminal investigation and prosecution. Other necessary records must be maintained in sufficient form to provide evidence for prosecution in criminal proceedings for a minimum of 10 years. Barclays Bank, which had internal guidelines to keep records for six years, has now decided to extend this to 10 years in terms of the BoU Guidelines because its policy is to adopt the most exhaustive and protective measure i.e. if the local regulations are better than the internal ones the bank will adopt them and vice versa.

### ***Review of unusual transactions and report of suspicious transactions***

Financial institutions are required under BoU Guidelines 11 and 12 to review and properly document the background and purpose of all complex transactions and all unusual patterns of transactions which have no apparent economic or visible lawful purpose. If a financial institution suspects that any transaction by a customer may form part of a criminal activity or otherwise constitutes a suspicious transaction it should be reported to the BoU without delay. The BoU Guidelines provides in its Third Schedule a list of transactions that may be considered suspicious, which financial institutions should detect. These include:

- outward remittances without visible lawful purpose;
- inward remittances without visible lawful purpose or without underlying trade transactions;
- unusual purchases of foreign exchange without visible lawful purpose;
- unusual purchases of foreign exchange, whose sources are not satisfactorily established;
- complex unusual large transactions and all unusual patterns of transaction, which have no apparent or visible lawful purpose;
- deposits and any other funds managed or held in trust if there are reasonable grounds to believe that they are the proceeds of criminal activities; and

- all other transactions which the financial institution may consider as suspicions based on reasons which should be cited in the suspicions transaction report.

### ***Co-operation with law enforcement authorities***

The BoU Guidelines require financial institutions to co-operate with the law enforcement authorities and the BoU. This is beginning to bear fruit, as illustrated by the Posta Uganda Ltd. case. There is improved correspondence and co-operation between the police, the court and cashiers at the banks. For instance, at post offices there is a verbal directive for cashiers to report any suspicious acts, which is what led to the successful conclusion of the Japanese transfer case. The MOU that aims at minimising money laundering and drug trafficking through the postal system is proof of improved co-operation.

### ***Staff awareness and training***

Financial institutions are required under Guideline 17 to take appropriate measures to make employees aware of internal controls, policies and procedures to prevent money laundering. They must also provide training to all staff dealing with customers on the background to money laundering and on the required reporting of any suspicious transactions. Even before this, many banks had already adopted staff awareness and training programmes.

Some progress has been made in this area by most of the institutions consulted. For example, postal staff attended a one-week training course in May 2003 on how to detect and handle suspicious transactions, conducted by UN personnel. Similarly Barclays Bank and Standard Chartered Bank have trained their staff on how to detect money laundering. All bank staff are under instructions to detect and report any suspicious transactions. To ensure that staff do not forget the anti-money laundering measures, Barclays Bank tests its staff every six months.

In addition to providing training, the banks also have specific staff members who monitor accounts every day to detect any suspicious transactions and report them to the risk manager.

Similarly, financial institutions are required to monitor and detect sudden changes in employees' lifestyles and performance, as these could be danger signals for corruption of banking staff members.

## **Capacity to control and detect money laundering and other illicit activities in Uganda**

This study examined the capacity of regulators and law enforcers, on one hand, and of implementers of money laundering controls, on the other.

### ***Capacity of the financial, commercial, security and other sectors to detect money laundering***

If BoU, which is the regulator, does not have the capacity (legal, institutional or otherwise)... what about the small institutions that they regulate?<sup>16</sup>

This statement gives an accurate summary of the situation in Uganda. The lack of an appropriate and adequate legal and policy regime has greatly undermined the detection and control of money laundering. The BoU Guidelines cannot be fully implemented without an enabling legislation. According to one banker, “the implementation of the BoU Guidelines and their internal guidelines depends solely on the co-operation and goodwill of the financial institutions... the problem is that the financial institutions are not protected by any law and run the risk of exposing themselves to lawsuits and money launderers”.<sup>17</sup>

These fears arose from the fact the existing laws do not specifically criminalise money laundering, although activities leading to it are criminalised. The existing laws, such as the Financial Institution Statute, Bank of Uganda Statute, and the Exchange Control (Forex Bureaux) Order, 1993, only provide for the regulation and supervision of the financial institutions (discussed in more detail below).

Other factors that have undermined the capacity of the financial and commercial sectors to deal with money laundering include poor records, lack of technical know-how and of staff and competition.

#### *Lack of adequate staff*

The Risk and Compliance Manager at Barclays Bank argued that though bank staff are unfamiliar with money laundering and with measures to curb it, they are meant to be at the forefront of the fight against it. However, though training in anti-money laundering measures has begun at the banks, such measures, including KYC, are labour intensive and require numerous staff members, which places a burden on the bank without resulting in any additional profits.

These views were echoed across the commercial and financial sectors. Money laundering is regarded as a new thing, with which banks are not yet fully prepared to deal, yet they are required under BoU Guideline 17 to sensitise and train their employees on anti-money laundering policies and measures. Most of the commercial banks are complying with this Guideline and have trained or are in the process of training their staff, but the labour intensiveness of the anti-money laundering measures is an additional cost to them.

All banks have compliance officers and some, like Barclays Bank, have a permanent officer to monitor transactions and clients' accounts. Citibank, Barclays Bank and Standard Chartered Bank are in the process of developing software to help detect suspicious transactions and persons listed as terrorists or as being under UN sanctions, in order to solve their personpower problem.

Banks rely on the information provided by the customers, which may not be accurate, but the banks cannot carry out adequate inquiries and investigations because of the cost involved and because of their fear of alienating customers.

### ***Capacity of the regulatory and supervisory institutions***

As indicated throughout this report, Uganda's capacity to detect and control money laundering is affected by the absence of appropriate legislation. In spite of this, the government, through its main regulatory and law enforcement agencies, is using the available legislation as a starting point for developing an appropriate anti-money laundering framework. Most of these laws are used to fight illicit activities and regulate the financial sector. The main laws that are currently being used for this purpose include the National Drug Policy and Authority Act, Cap. 206, Laws of Uganda 2002, Cap. 15, the Income Tax Act, Cap. 340, the Penal Code Act Cap. 120, the Leadership Code Act, 2002, the Prevention of Corruptions Act, Cap. 121, the Anti-Terrorism Act, 2002, the Financial Institution Act Cap. 54, Bank of Uganda Act 51, the Exchange Control (Forex Bureaux) Order, 1993 and the Inspectorate of Government Act, 2002.

#### *Bank of Uganda*

The Financial Institutions Act and Bank of Uganda Act provide guidelines for regulation, supervision and control of operation of financial institutions including banks, credit institutions and building societies. They give the BoU licensing and supervisory powers over other banks and financial institutions. Section 5 of the Bank of Uganda Act gives the function of the Central Bank as formulation

and implementation of monetary policy directed to achieving and maintaining economic stability. Though not specifically provided for, both these pieces of legislation have provisions that the BoU can use to combat money laundering. For example, under Section 5(2), the BoU is empowered to maintain external assets reserves, be a clearing house for cheques and other financial instruments for financial institutions, as well as to supervise, regulate, control and discipline all financial institutions, insurance companies and pension funds institutions.

Section 11(f) empowers the BoU to revoke the licence of a financial institution that is conducting business in a manner detrimental to the interests of depositors. The BoU can also use the provisions of Section 21 to check suspicious transactions by a financial institution. Under this section a financial institution is required to maintain accounts and records, which, in addition to showing the clear and correct records of its affairs, should explain its transactions and financial position to enable the BoU to determine whether the financial institution has complied with the provisions of the Act. The BoU is further empowered under Section 28 to inspect financial institutions, their books and accounts whenever it deems fit.

Perhaps the most relevant provision that the BoU can use to combat money laundering is Section 31(1.2b,c), which empowers the BoU to take possession of a financial institution which is either conducting its business contrary to the Statute or whose activities are detrimental to the interests of its depositors. Though the Statute does not specifically state what activities are detrimental to the interests of depositors, money laundering can be so considered.

Some of the banks that have been closed down by BoU were said to have been involved in money laundering. One such bank, according to the Africa Church Information Service,<sup>18</sup> is the International Credit Bank, which was alleged to be one of the most notorious banks in Uganda in terms of money laundering. The BoU used its powers to close the bank in 1998.

The Exchange Control (Forex Bureaux) Order 1993 regulates the buying and selling of foreign exchange in Uganda. Whereas the Order provides for controls requiring declaration of foreign exchange at exit or entry points and limits the amount of foreign exchange entering or leaving Uganda for specific transactions to a maximum of US\$8,000, this is not being followed in practice. Currently transactions in forex bureaux are not limited and the bureaux are said to be the main source of money laundering, according to the UBA Chairman.

While the existing legislation has provisions that could be used to control money laundering, their implementation has been lukewarm.

The BoU has tried to address the legal lacuna through its Guidelines. However, as stated above, the Guidelines are not sufficient and do not have the force of law. In addition, the Guidelines have lots of loopholes: if a bank freezes a customer's money, the customer can sue the bank, making the banks reluctant to report suspicious transactions. Banks thus prefer not to report for fear of civil litigation, making the whole process inadequate. Further, the BoU does not have adequate technical and qualified human resources to detect and control money laundering. The judicial commission of inquiry into the closure of banks chaired by James Ogoola in August 2001 concluded that the BoU's supervision department is inadequately staffed. The BoU does not have the required personnel to inspect all banks but only sufficient to watch over banks in crisis. This is a veiled admission that it has financial constraints and lacks the capacity to conduct the necessary inspection and supervision of all financial institutions in the country.

In terms of controlling forex flow, there are, however, ongoing discussions as to whether to introduce controls on foreign exchange transactions. This has culminated in the drafting of the Foreign Exchange Bill 2002, which is before Parliament. In the meantime the BoU is developing anti-money laundering guidelines for the forex bureaux.

### *The Inspectorate of Government*

The Leadership Code Act and Inspectorate of Government Act are aimed at combating any kind of corrupt practices. The Leadership Code Act mandates all public officials to declare their wealth every year. If the wealth declared is not commensurate with legitimate income, officials are asked to explain how it was acquired, failing which they will be investigated by the Inspectorate of Government (IGG). If the IGG finds officials acquired wealth illegitimately, then the property may be confiscated. The IGG has investigative, prosecutorial and judicial powers. The Leadership Code also mandates the IGG to freeze accounts while conducting its investigations, which is critical for investigations involving money laundering.

However, the Leadership Code Act and Inspectorate of Government Act only apply to public servants and not to the private sector, which limits their capacity to combat corruption, money laundering and other illegal acts. This is a serious gap.

### *Uganda Revenue Authority*

The Customs Management Act and Income Tax Act make it criminal to either evade taxes or aid and abet tax evasion. Though these laws contain good provisions, their implementation has been ineffective as the enforcers have been accused of collaborating with, and aiding, tax evaders. The result of corruption in the URA led government to appoint a judicial commission of inquiry into the URA's management, headed by Justice Ssebuteinde. Though the commission's report has not yet been accepted by government, the inquiry has already had some effect, for example the restructuring of some of the URA's management structures.<sup>19</sup> According to the *Monitor* newspaper,<sup>20</sup> the probe has turned out a long list of big and powerful tax evaders and bribe givers. One of them, a powerful Uganda tycoon, was directed to pay a tax bill of Ush4 billion (about US\$2.5m) in respect of taxes evaded between 2000 and April 2002.<sup>21</sup> Another breakthrough was a successful US\$400,000 lawsuit against two companies, Rabo Enterprises and Mt. Elgon Hardware, which, though publicly owned by a Somali woman, were backed by a powerful politician.<sup>22</sup> According to Buganda Road Magistrate Court records,<sup>23</sup> the head of Convoy Section in the URA was charged and remanded for helping business people to evade taxes.

### *Uganda Communication Commission*

According to Mr. James T. Kafeero of the UCC, this organisation has facilitated the development of a MOU among six agencies that are crucial in enforcing anti-money laundering policies and regulations. The MOU is a joint effort to fight money laundering and organised crime through the postal services and follows the realisation that no single agency has the capacity to detect and control money laundering single-handedly. This indicates that though the capacity to handle money laundering in Uganda is still largely lacking, it is slowly being developed. As time goes on, there will be more collaborative efforts to deal with the problem.

From the above analysis it can be concluded that, though Uganda is making progress in combating money laundering, there are still glaring gaps that can be addressed by a comprehensive policy and legislation to provide a framework for a holistic approach. In addition, there is a general lack of capacity within the regulating institutions that hinders their ability to carry out their mandate effectively.

## **Progress in implementing UN Security Council Resolution 1373 of 2001**

UN Security Council Resolution No. 1373 of 28 September 2001 (hereafter Resolution 1373) was passed in response to the 11 September 2001 terrorist attack in the US. Resolution 1373 makes it mandatory for UN members to detect and eliminate sources of funding for terrorism.

Like all international instruments it can only be implemented through domestication and Uganda has gone a long way in this regard. For example, it has developed domestic legislation such as the Anti-Terrorism Act (ATA), No. 14 of 2002, and moved swiftly in this respect because an investigation by its Internal Security Counter Terrorism Section revealed that the Allied Democratic Front (ADF) rebels fighting to overthrow the government were financing their war using money from drug trafficking and counterfeiting.

The Act's aims are to "suppress acts of terrorism and provide for punishment of persons who plan, instigate, support, finance or execute acts of terrorism". The Act further provides for mechanisms and procedures for investigating acts of terrorism and obtaining information in respect of such acts. These include authorising the interception of correspondence among, and the surveillance of, persons suspected to be planning or to be involved in acts of terrorism. Section 7(2h) makes arms trafficking, which is one of the activities leading money launderers engage in, a terrorist act in Uganda. In addition, Section 14(1 and 3b) criminalises facilitation or participation in the concealment, control, removal or transfer from Uganda of the proceeds of terrorism. It allows forfeiture of property acquired with terrorist proceeds or used to facilitate terrorism (Section 16).

Under the Second Schedule to the Act, four organisations have been declared terrorist organisations, namely the Lord's Resistance Army (LRA), the Lord's Resistance Movement, ADF and al-Qaeda.

In addition to this law, the BoU and partner banks from time to time give government, other financial institutions and international agencies lists of persons who are under UN sanctions and who are suspected terrorists so that they can monitor and report on transactions that may be conducted by them. The international banks have no problem in enforcing this because it is being done by all their sister and parent branches. The fact that it is done manually, however, is a problem as it is cumbersome.

Despite this progress in abiding by Resolution 1373, some people interviewed for this study were of the view that implementing Resolution 1373 is not seen as that important outside the UK, the US and South Africa.

The banks have not yet taken steps to implement the UN Report on Plundering of Wealth in the DRC, which incriminates some Ugandans, largely because the Report has not yet been approved by the UN Security Council. They have, however, noted the individuals involved and will act as soon the report is approved.

## **Recommendations**

During the interviews that formed the basis for this study, several interviewees proposed measures that should be taken to enhance the detection and control of money laundering in the financial, commercial and other sectors in Uganda. The recommendations have been categorised into legislative, administrative and institutional measures and are summarised below.

### ***Legal and policy measures***

A comprehensive law on money laundering should be enacted. The law should:

- criminalise money laundering and make possible the identification, seizure and forfeiture of the proceeds and instrumentalities of such crimes;
- criminalise the financing of terrorism and associated money laundering;
- enhance Uganda's ability to combat laundering from within and without;
- freeze and confiscate terrorist and other organised criminals' assets and mandate the reporting of suspicious transactions;
- establish a Financial Intelligence Authority;
- provide internal controls, internal audits, good human resource management, regular updates, security reviews and good corporate governance;
- encourage whistle blowing by guaranteeing whistleblowers anonymity, allowing forensic investigations and ensuring a reliable law enforcement system;
- protect financial institutions, their directors and employees from criminal and civil liability for breach of any customer confidentiality if they report their suspicions in good faith, regardless of whether an illegal activity did or did not occur;

- restrict financial institutions, their directors and employees from warning their customers when information relating to them is being reported to anti-money laundering authorities;
- require that clear and complete records, which accurately describe financial transactions, are maintained and made available as appropriate to the authorities charged with combating money laundering;
- make it possible to provide an adequate response to requests for legal assistance from other governments;
- approve the use of investigative techniques such as undercover police operations and electronic surveillance to facilitate the identification and prosecution of all members of criminal organization and the forfeiture of the proceeds of their criminal activities; and
- require and empower financial institutions to provide authorities charged with combating money laundering with information about the identity of their customers' account activity and any other financial transactions and at the same time permit the sharing of such information among different countries for the investigation and prosecution of money laundering crimes.

Uganda should conclude and implement ratified treaties to facilitate the efficient prosecution of money laundering offences. In particular, Government should ratify the 1999 UN International Convention on the Suppression of Terrorism.

Uganda should negotiate and implement unilateral and multilateral legal assistance and treaties to facilitate the exchange of evidence and information in cases of money laundering and should co-operate in investigations and prosecutions as well as in the identification, seizure and forfeiture of proceeds and property resulting from money laundering and related crimes.

The confidentiality laws in Uganda should be reviewed to assess the extent to which they permit the disclosure of records by financial and non-financial institutions, business and professions that provide financial services, to competent authorities. The review should also aim at relaxing or removing any confidentiality impediments to efforts related to prevention, investigation and punishment of money laundering.

The BoU Guidelines should be made into regulations to have legal effect. The Governor of the BoU should make the regulations in terms of his or her powers in the Financial Institutions Act or the Bank of Uganda Act.

Uganda should integrate anti-money laundering courses in its Faculty of Law and Business School courses. This would enable students of law and financial courses to study the problem.

Government should carry out comprehensive law reforms to determine the adequacy of all Uganda's laws and regulations that relate to entities that can be used for financing terrorism.

Measures should be put in place in the Non-Governmental Organisation (NGOs) law, such as strict disclosure requirements and more effective reporting and monitoring procedures, to ensure that NGOs are not used by terrorist organisations as conduits for financing or concealing or obscuring the clandestine diversion of funds intended for legitimate purposes. This should be done through reform of the Non-Governmental Organisations Statute, which is already underway.

### ***Institutional and administrative measures***

Government, through the UAMLC and in collaboration with financial institutions and forex bureaux through their respective associations, should embark on extensive awareness campaigns to combat money laundering. The sensitisation should also clearly allay fears about information being given to the URA.

There is need for government to provide political good will by giving public officials instructions to take steps against money laundering and to mainstream them in their operations.

As an interim measure pending law reform, government should set up a core unit within the BoU to co-ordinate action against money laundering in Uganda.

The reforms should aim at establishing a financial intelligence authority that should be adequately equipped to investigate, detect and enforce anti-money laundering measures.

Government and financial institutions should collaboratively arrange programmes for exchange and training of law enforcement officers and financial sector officials in anti-money laundering matters.

Regular refresher training courses should be given to bankers, regulators, police, prosecutors and judicial officers designed to improve their knowledge of money laundering and the means to prevent it.

Uganda should conduct and implement extradition treaties to facilitate the efficient prosecution of money laundering offences.

There should be a deliberate policy towards greater collaboration and co-ordination in anti-money laundering measures and activities, not only among the institutions and sectors, but also between government and the private sector.

Sniffer dogs and scanners should be put in place at all entry points to detect illicit substances.

Efforts should be made by government and the financial sector to develop or acquire automated systems to improve efficiency and remove uncertainties.

## **Conclusion**

Uganda still lacks the necessary legal and institutional framework and the resources to effectively detect and control money laundering. However, it has used the limited resources, institutions and laws available to make important strides towards developing and enforcing anti-money laundering measures. It has developed Guidelines that are being used by financial institutions and is developing further guidelines for the forex bureaux operators. There is increased co-operation and understanding among the various agencies, sectors and also between government and the private sector, which is making the fight against money laundering more focused, co-ordinated and effective. If this development continues, by the time the anti-money laundering legislation is in place the country will be well prepared to implement it.

The KYC systems are still young and their impact cannot be accurately assessed. Record keeping and detection systems are largely manual. Effective enforcement of anti-money laundering measures requires the accurate and timely identification of people's accounts and of commercial transactions linked to criminal activity. The development in technology means the collection and analysis of such information can be done in a timely fashion. Uganda must move away from manual systems towards more technologically appropriate and efficient systems.

It is very difficult at present to apprehend and prosecute money launderers due to inadequacies in the legislation and in the relevant institutions. Money laundering detection requires special skills and knowledge of how this offence is committed. The investigators have a duty to sharpen their detection skills by updating their knowledge of the methods used to launder cash. With the

development of technology the largest and highest standards of action can be obtained through regional co-operation with developed countries or international agencies. Prosecution of money laundering requires training and understanding of certain intricacies surrounding this offence. Designated investigators and prosecutors should be picked and trained in the various aspects of money laundering.

To achieve these aims it is necessary to consider establishing or designating centres (financial intelligence units) within every country for the collection, sharing and analysis of all relevant information related to money laundering. Under this authority the police and other investigation agencies can be brought together and trained to conduct investigations into money laundering methodologies, asset tracing and the operation of domestic and international financial institutions. The need for this authority is justified by the fact that the present enforcement structure is faced with a number of impediments, such as unfamiliarity with money laundering techniques and a lack of expertise in conducting complex financial investigations and asset tracing. Any reforms that Uganda undertakes must thus explore the possibility of establishing a central authority to effectively deal with money laundering to avoid the current problems Uganda faces.

### **Notes**

- 1 Bank of Uganda/Government of Uganda, Uganda Anti-Money Laundering Committee Report, Government of Uganda Publications, 2001.
- 2 Ibid.
- 3 M Musoke, *Grappling with economic crimes*, *African Church Information Service Magazine*, 15 July 2002.
- 4 *Bicupuli* are forged cheques (especially travellers' cheques), on which fraudsters remove the real owners' titles and the cheque values and replace them with their own names and higher values. The term became popular when the former Mayor of Kampala, Nasser Ssebagala, was arrested for using forged travellers' cheques in the USA and was convicted and jailed for nine months in Boston.
- 5 Musoke, *op cit.*
- 6 Ibid.
- 7 Edith Kimuli, *The New Vision*, 23 April 2003.
- 8 Ibid.

- 9 Ibid.
- 10 A M Mwenda and T Malaba, Rogue security men take in drug trafficking—Police, *Monitor*, 14 October 2001.
- 11 Ibid.
- 12 Ibid.
- 13 *The East African*, 8 July 2002.
- 14 *The Sunday Monitor*, 21 July 2002.
- 15 *The New Vision*, 27 June 2002.
- 16 Principal Manager, Security and Investigations, Posta Uganda Ltd.
- 17 Senior Banker, Standard Chartered Bank.
- 18 Musoke, op cit.
- 19 Ibid.
- 20 Ibid.
- 21 URA, letter to Genesis, 10 July 2002.
- 22 *The Sunday Monitor*, 21 July 2002.
- 23 Also reported in *The New Vision*, 13 September 2002.