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In any correspondence on this
Subject please quote No....**TS:73.2005**

12th October 2009

The Permanent Secretary
Ministry of Finance Planning and Economic Development
KAMPALA.

**REPORT ON THE INVESTIGATION/VERIFICATION OF
DECLARATIONS OF INCOME, ASSETS AND LIABILITIES OF MR.
NESTOR MACHUMBI GASASIRA, A LEADER AND A PRINCIPAL
ACCOUNTANT, MINISTRY OF HEALTH.**

In accordance with Articles 225 (a) and (d), 230 (2) and (5), 233, 235 and 236 of the constitution and S.3 (2), S.4 (7), S.5, S.6, S.18, S.19, S.23, S.29 and S.30 of the Leadership Code Act, 2002, this office carried out investigations and verification of 2002, 2005 and 2007 Declarations of income, assets and liabilities of Mr. Nestor Machumbi Gasasira a leader and a Principal Accountant, Ministry of Health.

During verification, the assets of Mr. Gasasira located in Kampala were inspected in his presence and the residential house in Kisoro was inspected in the presence of his sister. Mr. Gasasira was subsequently availed with the draft report and his response was included in this report.

The investigations and verification of the declarations of Mr. Gasasira established the following;

Income:

- (a) The verification confirmed that Mr. Gasasira net annual salary was shs 6,227,678/=in 2001, shs 7,023,409/=in 2002, shs 7,793

698/= in 2003, shs 7,925,676/= in 2004 and shs 4,084,240/= between January and May 2005.

- (b) It was confirmed that he got shs 30,000,000/= in August 2003 from the sale of Plot 35 Robert Mugabe Road of and shs 160,000,000/= in March 2004 from the sale plot 160 Bukoto Crescent.
- (c) However, although Mr. Gasasira declared that he got income from transport activities, the sale of vehicles and from the trading activities of his Company, M/s Sagimex Enterprises Ltd, he failed to prove income form the said activities.

Liabilities:

The verification confirmed that Mr. Gasasira in 2004 incurred a Mortgage of shs 150,000,000/= in Allied Bank towards the acquisition of Plot 102 Luthuli Avenue, Bugolobi, a mortgage of shs 126,000,000/= in March 2004 towards the acquisition of Plot 37 Lake View Luzira, a short term loan of shs 50,000,000/= in DFCU in 2003 was towards the purchase of a plot in Naguru and an overdraft facility of shs 50,000,000/- in the then Allied Bank.

Source of deposits bank Accounts:

Mr. Gasasira deposits made on his bank accounts totaling to shs 101,850,000/= in 2003, 162,500,000/= in 2004 and shs 60,000,000/= in 2005. He also made deposits on M/s Sagimex Bank account totaling to shs 57,000,000/= in 2003, shs 130,000,000/= in 2004 and shs 52,349,040/= in 2005. He failed to explain the source of these deposits.

Assets

It was established that Mr. Gasasira owns a residential houses on Plot 4 Neptune Avenue Mbuya, plot 37 Lake Drive Luzira, in Nyakabande, Kisoro and eight (8) apartments on Block 220 plots 1334, 1337 and 1338

Banda, Kampala. He also owns an incomplete building Plot 102 Luthuli Avenue. He owns 4 vehicles and 2 block making machines; one machine is manual and another one electric.

After analyzing his acquisitions against the confirmed sources of income and liabilities, it was established that;

a) Mr. Gasasira had the following assets before he became a leader under the Leadership Code Act 2002;

- (i) A residential house at Nyakabande Kisoro District he built in 1987, which was later remodeled in 2002.
- (ii) Residential house at Plot 4 Neptune Avenue Mbuya, which acquired this house in 1994 at a cost of shs 51,300,000/= using a mortgage from Housing Finance company limited, which was later remodeled between 1998 and 2002.
- (iii) Land on Block 220 Plots 1334, 1337 and 1338 Banda Kyambogo which he acquired between October and December 2001 at shs 45,000,000/=. This land was later developed into eight apartments.
- (iv) Plot 35 Robert Mugabe Road Mbuya, which he later sold in August 2003.
- (v) A Scania lorry which he acquired in 2001 at shs 3,000,000/=.
- (vi) A Mercedes Benz Saloon vehicle which he acquired in 2001 at shs 14,500,000/=.
- (vii) A manual block making machine which he acquired in 1999 at shs 750,000/=.

b) It was further established that the following assets acquired or developed after he became a leader were in excess of his income and liabilities;

- (i) Eight apartments on Block 220 plots 1334, 1337 and 1338 Banda, Kampala where shs 548,295,844/= was not satisfactorily explained and therefore in excess of his income.

- (ii) Residential house on Plot 37 Lake Drive Luzira where the source of shs 330,262,946/= towards its acquisition and development was not satisfactorily explained.
- (iii) Plot and incomplete building on Plot 102 Luthuli Avenue jointly owned with his spouse where the source of shs 200,000,000/= for the acquisition of the land and for the repayment of the loan was not satisfactorily explained.
- (iv) Residential house at plot 4 Neptune Avenue Mbuya where the source of shs 16,449,844/= was not satisfactorily explained.
- (v) Remodeled residential house at Nyakabande Kisoro where the source of shs 44,217,066/= between July 2002 and December 2002 was not satisfactorily explained.
- (vi) An electric Block Making Machine acquired at shs 17,000,000/= in 2003.
- (vii) A Toyota Land Cruiser Reg. No. UAE 446W acquired at shs 31,000,000/= in 2003.

False Declaration:

It was also established that he knowingly made the following false declaration to the Inspector General of Government and the Commissioner Land Registration that :

- (i) The cost of the land in Block 220 Plots 1334,1337 and 1338 Banda Kampala was shs 5,000,000/= each instead of shs 15,000,000/=.
- (ii) He purchased Plot 102 Luthuli Avenue at shs 120,000,000/= in his declaration to the Inspector General of Government of 2005

and 2007 and to the Commissioner Land Registration that it was purchased at shs 100,000,000/=.

Breach of the Law:

It was concluded that he breached sections 4(4) 4(7), and 6) of the Leadership code Act 2002.

Decisions and Directives:

From the findings, observations and conclusions above, it is hereby decided as follows;

1. In accordance with S.21 (1) and S.35 (a) of the leadership Code Act,2002, the following properties that were found to be in excess of his income, and which were acquired / developed through a breach of the Leadership Code Act 2002, should be confiscated and forfeited to Government or in the alternative he should pay compensation to Government as tabulated hereunder;

Asset	Amount not commensurate
Residential house at Nyakabande Kisoro	Shs 44,217,066
Residential house at plot 4 Neptune Avenue	Shs 16,449,844
Flats at Block 220 Plots 1334 and 1338 Banda Kyambogo	Shs 548,295,844
Plot 37 Lake Drive Luzira (Acquisition and development)	Shs 330,262,946
Plot 102 Luthuli Avenue Bugolobi	Shs 200,000,000
Plot 42 Bukoto Crescent	Shs 30,000,000
Land Cruiser UAE 446 W	Shs 31,000,000
Block Making Machine	shs 17,000,000
Grand Total	Shs 1,217,225,700/=

- 2.** He should be dismissed from Public Service for recklessly and knowingly giving false information in his declarations contrary to S. 4(7) and S.6 of the Leadership Code Act 2002. This conduct cast doubt on his conduct as a leader and a person responsible for efficient management of public funds and therefore is not fit to hold a position of a Principal Accountant in the Public Service.
- 3.** In accordance with Section 20(3), Mr. Gasasira should not hold any other public office whether elective or appointive for five years effective from the date of dismissal.
- 4.** Uganda Revenue Authority should carry out a thorough audit on the trading activities of M/s Sagimex Enterprises Ltd and recover all the taxes due to Government.

The report detailing the out come of the investigations / verification is attached for ease of reference.

In accordance with Section 19(1) of the Leadership Code Act 2002, you are required to initiate dismissal proceedings against Mr. Gasasira. In accordance with S.20 of the Leadership Code Act 2002, you also are required to inform this office of the action taken within 60 days from the date of this letter.

By copy of this letter, the Commissioner General, Uganda Revenue Authority is required to carry out a thorough audit on the trading activities of M/s Sagimex Enterprises Ltd and recover all the taxes due to Government.

By copy of this letter, Mr. Gasasira is informed that the confiscation process will commence after 30 days from the date of this letter.



Baku Raphael Obudra

AG. INSPECTOR GENERAL OF GOVERNMENT

- c.c The Permanent Secretary
Ministry of Health
KAMPALA
- cc The Commissioner General
Uganda Revenue Authority
KAMPALA
- c.c Mr. Gasasira Machumbi Nestor
Principal Accountant
Ministry of Health
KAMPALA



THE REPUBLIC OF UGANDA

**REPORT ON THE VERIFICATION AND INVESTIGATION OF
DECLARATION OF INCOME, ASSETS AND LIABILITIES OF MR.
GASASIRA NESTOR, PRINCIPAL ACCOUNTANT.**

INSPECTORATE OF GOVERNMENT
October 2009

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REPORT ON THE INVESTIGATION/VERIFICATION OF DECLARATIONS OF INCOME, ASSETS AND LIABILITIES OF MR. NESTOR MACHUMBI GASASIRA A LEADER AND A PRINCIPAL ACCOUNTANT, MINISTRY OF HEALTH.

1.0 BACKGROUND/ LEGAL BASIS

The Inspectorate of Government is mandated under Articles 225(d) and 234 of the Constitution of the Republic of Uganda 1995, Section 3(1) of the Leadership Code Act, 2002 and Section 8(1) (d) of the Inspectorate of Government Act, 2002, to supervise and enforce the Leadership Code of conduct. Article 233 (1) (a) of the 1995 Constitution and Section 4 (1)(a) and (b) of the Leadership Code Act, 2002 require a leader to submit his/ her declaration of income, assets and liabilities to the Inspector General of Government three months after the commencement of the Code and thereafter every two years in the month of March. Nestor Gasasira is a Principal Accountant and therefore a leader under the Leadership Code Act, 2002.

Mr. Nestor Gasasira in accordance with Section 4 (1) (a) and (b) and Section 4 (4) of the Leadership Code Act, 2002, submitted to the Inspector General of Government, declarations of his income, assets and liabilities in October 2002, March 2005 and March 2007 respectively.

In accordance with Articles 225 (a) and (d), 230 (2) and (5), 233, 235 and 236 of the constitution and S.3 (2), S.4 (7), S.5, S.6, S.18, S.19, S.23, S.29 and S.30 of the Leadership Code Act, 2002, this office instituted an investigation and verification exercise on his income, assets and liabilities with the following objectives;

2.0 OBJECTIVES

The main objective of the verification and or investigation was to establish whether the declarations were genuine and or correct free of any falsehoods in respect of his assets and liabilities and whether the assets were commensurate to his declared income. The specific issues were:

- 2.1 Whether Mr. Gasasira's declarations were correct and free of any falsehoods.
- 2.2 Whether Mr. Gasasira failed to declare certain assets, income, and liabilities.
- 2.3 Whether the assets were commensurate with his income and liabilities.
- 2.4 Whether he breached the Leadership Code Act, 2002 or any other law.

3.0 LAWS APPLICABLE

- 3.1 The Constitution of the Republic of Uganda, 1995, as amended.
- 3.2 Leadership Code Act No. 17 of 2002.
- 3.3 Inspectorate of Government Act No. 5 of 2002.
- 3.4 Traffic and Road Safety Act Cap.361
- 3.5 Income Tax Act Cap. 340
- 3.6 Penal Code Act Cap 120
- 3.7 Evidence Act Cap 6

4.0 METHODOLOGY/ EVIDENCE

The following evidence was gathered:

- 4.1 Mr Gasasira's 2002, 2005 and 2007 declarations of income, assets and liabilities.
- 4.2 Examined records from the Registrar of Companies on M/s Sagimex Enterprises Ltd.
- 4.3 Examined records from the Motor Vehicle Central Registry, URA regarding Mr. Gasasira's Vehicles.
- 4.4 Inspected his Bank Accounts in Housing Finance Company of Uganda Ltd, Standard Chartered Bank, Stanbic Bank, Allied Bank International, Orient Bank, and Development Finance Company (U) (DFCU) Ltd.
- 4.5 Examined Certificates of Titles for the following properties:
 - a) Plot 4 Neptune Avenue Mbuya, Kampala.

- b) Block 220 Plots 1334,1337and1338 Banda, Kampala.
 - c) Plot 37 Lake Drive Luzira, Kampala
 - d) Plot 102 Luthuli Avenue Bugolobi, Kampala.
 - e) Block 206 Plot 1654 Mpererwe.
- 4.6 Examined copies of Mr. Gasasira's pay slips for December 2002 and October 2005.
 - 4.7 A letter from Uganda Revenue Authority reference URA/DT/RPP/25 dated 30th September 2005 on submission of tax returns by MS Sagimex Enterprises Ltd.
 - 4.8 A letter to the leader seeking clarification from Inspectorate of Government ref TS.73.2005 dated 5th December 2005 addressed to Nestor Gasasira.
 - 4.9 Mr. Gasasira's letter dated 20th January 2006 addressed to the Deputy Inspector General of Government responding to the IGG's letter of 5th December 2005.
 - 4.10 Reports on Cost Valuation of his properties in Kampala and Kisoro Districts dated December 2006 and September 2009.
 - 4.11 **Site visits.**
 - Mr. Gasasira Nestor's following properties were inspected and valued;
 - 4.11.1 Residential house at Nyakabande Sub County, Kisoro District.
 - 4.11.2 Residential house at plot 4 Neptune Avenue Mbuya.
 - 4.11.3 Residential House on plot 37 Lake Drive Luzira.
 - 4.11.4 A Block of eight flats on Block 220 plots 1334, 1337 and 1338 Banda Kyambogo.
 - 4.11.5 Uncompleted structure on plot 102 Luthuli Avenue, Bugolobi.
 - 4.12 Examined Mr. William Wilberforce Kiwagama's 2005 declaration of income assets and liabilities.
 - 4.13 Secured and studied transfer documents for Block 220 Plots 1334,1337 and1338 Banda Kyambogo and plot 102 Luthuli Avenue Bugolobi.
 - 4.13 IGG's letter ref. TS.73.2005 dated 16th January 2008, forwarding the report of investigations/verifications as at January 2008 to Mr Gasasira.
 - 4.15 Mr. Gasasira's letter dated 5th February 2008, responding to IGG's letter of 16th January 2008.

- 4.16 The letter dated 12th August 2008 to M/s Buildcon East Africa requesting them to comment on some of the issues raised by Mr. Gasasira and their response dated 14th August 2008.
- 4.17 IGG's letter ref. TS.73.2005 dated 8th October 2008, inviting Mr. Gasasira for meeting to discuss the findings of the draft final report.
- 4.18 Copies of Returns submitted by Mr. Gasasira to URA in May 2008.

5.0 SCOPE

- 5.1 The verification/ investigations were in respect of Mr. Nestor Gasasira's 2002, 2005 and 2007 declarations of income, assets and liabilities.
- 5.2 The verification/ investigations covered the assets acquired and or developed, or remodeled between July 2002 and August 2006. Physical verification and cost valuation of the assets was as in August 2006.

6.0 FINDINGS:

6.1 Employment Background.

Mr Gasasira is employed by the Uganda Government as a Principal Accountant. He has been a Principal Accountant in Government since 1999. He has worked in the Ministry of Lands, Housing and Urban Development from 1999 to September 2007, and Ministry of Health from September 2007 to date. Before he became a Principal Accountant, he was a Senior Accountant with Uganda Law Reform Commission from April 1994 to May 1999. Mr Gasasira is a leader as specified in paragraph 39 of the second schedule to the Leadership Code Act, 2002. He has been a leader since July 2002, when the Leadership Code Act, 2002, came into force.

6.2 The correctness of his declarations of income, assets and liabilities.

He declared the following income, assets and liabilities;

6.2.1 Income:

He stated that he was in UG Salary Scale U2 Upper. This was confirmed by the pay slip he submitted to this office for the month of October 2005. In his declarations of 2002 and 2005, Mr. Gasasira declared the following income;

	Source	Amount 2002 declaration (gross)	Amount 2005 declaration (gross)
1.	Salary	9,759,240	11,344,260
2.	Transport	19,800,000	27,000,000
3.	Allowance	Nil	Nil
3.	Business	90,000,000	70,000,000
	Total Gross	119,561,242	108,346,265

In his declaration of 2007, Mr Gasasira declared the following income;

	Income Source	Gross Annual Income	Gross Monthly Income
1.	Salary	11,807,880	983,990
2.	Allowances	9,504,000	792,000
3.	Transport	92,400,000	7,700,000
4.	Business	110,000,000	9,166,667
	Total Gross	223,711,880	18,642,657

In a letter ref; TS.73.2005 dated 5th December 2005, this office wrote to Mr. Gasasira requesting him to avail documentary proof to support his annual salary, income from transport and income for business. The letter is attached as **Annex I.**

6.2.1.1 Salary

In his response dated 19th January 2006, he attached only two pay slips for the months of December 2002 and October 2005. According to the December 2002 pay slip, he earned a gross monthly pay of shs 813,270/= and a net pay of shs 646,789/=. According to the October 2005 pay slip his gross salary per month

was shs 965,908/= and his net was shs 753,635/=. The response and the pay slips are attached as **Annex II**.

Examination of the Bank statement from Housing Finance Company (U) Ltd indicated that between January 2001 and June 2005, the net salary deposits were as follows;

2001

Date	Net Salary
29.01.2001	470,268
02.03.2001	470,268
23.03.2001	470,268
27.04.2001	470,268
28.05.2001	483,268
28.06.2001	484,268
01.08.2001	617,599
30.08.2001	617,599
01.10.2001	535,968
31.10.2001	535,968
29.11.2001	535,968
24.12.2001	535,968
Total	6,227,678

2002

Date	Net Salary
30.01.2002	518,468
05.03.2002	518,468
02.04.2002	518,468
29.04.2002	518,468
29.05.2002	534,968
27.06.2002	535,968
08.08.2002	644,647
29.08.2002	646,789
03.10.2002	646,789
28.10.2002	646,789
02.12.2002	646,789
20.12.2002	646,798
Total	7,023,409

2003

Date	Net Salary
31.01.2003	629,289
28.02.2003	629,289

26.03.2003	629,289
30.04.2003	629,289
29.05.2003	645,789
30.06.2003	646,789
07.08.2003	646,789
26.08.2003	648,913
06.10.2003	648,913
31.10.2003	648,913
03.12.2003	726,088
23.12.2003	664,348
Total	7,793,698

2004

Date	Net Salary
03.02.2004	646,848
05.03.2004	646,848
31.03.2004	646,848
05.05.2004	646,848
01.06.2004	664,348
05.07.2004	663,348
29.07.2004	664,348
27.08.2004	669,248
23.09.2004	669,248
01.11.2004	669,248
26.11.2004	669,248
22.12.2004	669,248
Total	7,925,676

2005

Date	Net Salary
31.01.2005	1,180,748
24.02.2005	721,748
31.03.2005	721,748
28.04.2005	721,748
30.05.2005	738,248
Total	4,084,240

6.2.1.2 Income from Transport

6.2.1.2.1 On request to provide proof to substantiate the declared income from transport activities, he stated in his response of 20th January 2006 that
“Declared income of shs 19,800,000/= in year 2002 and shs 27,000,000/= are estimates of Revenues accruing from trading activities i.e. hiring car for

wedding parties UAA 446W – Mercedes Benz, hiring out Land Cruiser UAD 410F to individual tourists, institutions e.g. State House.”

6.2.1.2.2 In his response to the draft report dated 5th February 2008, on page 23, last paragraph, he stated *“I have supplied transporting services, institutions, agents either by use of private motor vehicles or commercial vehicles”*. He presented a photocopy of a bank statement for his account in Standard Chartered Bank for the period 1998-1999. From the statements, on examination, most deposits were minimal below shs 500,000/= except the following:

Date	Deposits	Narrative
06/01/1999	700,000	Local Cheque
12/01/1999	700,000	Local Cheque
08/01/1999	8,160,000	Transfer from USD Account
20/01/1999	700,000	Local Cheque Deposit
28/01/1999	8,000,000	Current A/c cash deposit
23/02/1999	12,000,000	TRF from A/c No. 0120106493009
29/03/1999	902,100	Local Cheque Deposit
21/04/1999	4,200,000	Local cheque deposit
15/04/1999	5,000,000	Trf from Rukimirana
19/07/1999	4,945,000	Local cheque deposit
15/08/2000	780,000	Sav. A/cash deposit

He indicated that he earned this *“money from M/s Alarm Protection Services between 1998 and 1999 as a matter of background evidence of my transport activities, which date way back to the late nineties. In many instances, am forced in the corner to produce evidence whether or not this would mean documentary evidence, or paper evidence yet the physical assets have been duly declared, I am inclined to think that there is an exaggeration in forcing for evidence when the assets are acquired to produce revenue at least in this case”*. Section 4(4) of the Leadership Code Act,

2002, requires leaders to state how they acquired their assets or incurred their liabilities. In doing so, leaders have to prove the income that was used to acquire the assets. Mr. Gasasira needs to appreciate the fact that the physical presence of an asset does not automatically prove the income accruing from it. The asset can be there without generating any income. By asking him to prove his sources of income, the Inspectorate of Government was not *“force him into the corner”* as he alleges, simply fulfilling the requirements of S.4(4) of the Leadership Code, 2002.

6.2.1.2.3 Although he presented the bank statements for the period 1999- 2000, it only shows a few deposits with significant amounts as can be seen from the summary table above. However, there is no proof that the money was for transport services or from Alarm Protection. Secondly apart from presenting a copy of the bank statement for the period 1998-2000, he however failed to present any documentary proof or otherwise to show that the deposits were from transport. He did not present any evidence to show that he earned any money from transport business from 2002 when he became a leader. He therefore did not prove that he was doing transport business and earning the alleged income for the period he has been a leader.

6.2.1.3 Income from business.

In his declarations, he declared income from business. Refer to paragraph 5.2.1. In his response of 5th February 2008 page 2 he stated that he personally or through M/s Sagimex enterprises Ltd undertook printing and advertising. Although he claimed that he was doing business through Sagimex Enterprises Ltd and earning income, on page 3 paragraph 11 of his response, he is the same person who complained that the report lumped the *“auditee Mr. Nestor Gasasira with the company (Sagimex Enterprises Ltd) whereas he is just a subscriber / shareholder yet the two are distinct legal entities.”* It was established that he actually is not just a share holder but a director and a sole signatory to the Company’s bank Account in Stanbic bank IPS Branch. Refer to paragraphs 6.2.5.9.1 of this report. He did not provide any proof to prove the declared income from business.

6.2.1.4 Income from Block Making Machines

In his declarations, he declared that he owns 2 block making machines; one manual and another one electrical. He did not declare any income accruing from these machines. However, in his response of 5th February 2008, on page 20 he stated that he earned income of shs 46,200,000/= per annum. He did not state when he earned it and did not provide any proof documentary or otherwise to confirm this income.

6.2.3. Expenditure

6.2.3.1 In the IGG's letter of 5th December 2005 at **Annex I** above, he was asked to give a break down of his approximate annual expenditure on school fees, loan repayments, utilities, food, motor vehicle maintenance and any other items. In his response marked **Annex II** above, on page 10, he stated that;

i) *"I find it personally very impracticable to document domestic expenses to be able to provide you reasonable estimated expenditure. However, that notwithstanding, I imagine the domestic expenditure could consume 60% of my annual salary".*

ii) *"I mentioned earlier that often times, these vehicles are hired for incomes. The related expenses are usually netted off and I have no experiences of keeping such records. However, the license costs will vary with the capacities of vehicles. In this particular instance I can estimate shs 2,000,000 per annum"*

iii) *"Loan Repayment- Largely this will depend on the size of the loan, period offered, the nature of securities and the general terms which are negotiated".*

iv) *"Presently I am required to pay shs 6.5 m per month but allowed to pay lump sums when possible. Payment of lump sums will often be necessary to forestall the monthly orders and this will depend upon the convenience one wishes to have in this arrangement."*

6.2.3.2 The leader did not provide sufficient information to quantify his approximate expenditure per annum apart from indicating the domestic expenditure of approximately 60% of his annual salary.

From his explanation, his domestic expenditure from 2001 to 2005 would be as follows:

Year	Total Annual Net Salary	Domestic expenditure (60% of Annual Net salary)
2001	6,227,678/=	3,736,607/=
2002	7,023,409/=	4,214,045/=
2003	7,793,698/=	4,676,219/=
2004	7,925,676/=	4,755,406/=
Total		17,382,277/=

From the above tabulation his average annual expenditure is 4,345,569/=.

This is as summarized below;

i) Average Domestic expenditure	shs 4,345,569/= p.a
ii) License of vehicles	shs 2,000,000/= p.a
iii) Loan repayments (6,500,000/=per month)	<u>shs 78,000,000/= p.a</u>
Total	shs 84,345,569/= p.a

The total annual expenditure per annum is therefore approximately shs 84,345,569/=, that is shs 7,028,797/= per month.

6.2.4 Bank Accounts:

His bank accounts were analysed for any suspicious deposits:

6.2.4.1 Allied Bank

6.2.4.1.1 Mr. Gasasira has 2 Bank Accounts in the then Allied Bank International (now Bank of Africa); Account No. 107473009 and Account No. 107473008. Between January 2003 and 13th June 2005, the following deposits among others, were made on these accounts;

Date	Transaction	Mode	Dated cleared	Purpose

14.01.03	11,200,000	Cheque	20.01.2003	To offset the Overdraft
28.01.03	6,000,000	Cheque	28.01.2003	“
20.03.03	20,000,000	Cash	20.03.2003	“
15.07.04	12,000,000	Cash	15.07.2004	“
28.07.04	30,000,000	Cheque	03.08.2004	“
09.11.04	14,000,000	Cash	09.11.2004	“
10.12.04	5,000,000	Transfer	10.12.2004	“
13.06.05	50,000,000	Cash	13.06.2005	“
13.12.04	15,000,000	Cash	31.12.2004	Loan repayment

The Bank statements are attached as **Annex III**.

6.2.4.1.2 In explaining the source of deposits, in his response of 20th January 2006 (**See Annex II**), he stated that *“Your letter indicated transactions particularly deposits and not withdrawals on my various accounts in the above banks. I would like to give an explanation generally on all those accounts mentioned as far as deposits are concerned. I would like you to note that I enjoy Bank Overdraft facilities as well as short term loans particularly from Allied Bank, Standard Chartered Bank and DFCU to mention but a few”*.

6.2.4.1.3 Further in his response to the report of January 2008 dated 5th February 2008, on page 14 he stated, *“Your report on page 08 has illustrated the deposits (cash or cheque) that were made on my personal current account no. 107473009. Please note that this is a current account and conventionally one can receive an over draft facility but does not necessarily have to remain in debt. One can draw as frequently as one can and deposits or credits can be made as long as it is with in the credit limit and such deposits have a positive effect on the account as no interest would be charged in this case”*.

He further stated that *“if the credit limit was Shs.50,000,000/= it means that one is allowed to withdraw and operate business as long as the credit limit is not exceeded”*. In other words, this was not my money, it belongs to the bank.

It was part of the overdraft I had earlier on secured. Where the withdrawals exceeded Shs. 50,000,000= then the bank which impose penalties as shall have been agreed between the customer and the bank. With due respect it is not fair to allege such deposits are suspicious”.

6.2.4.1.4 The verification confirmed that indeed Mr. Gasasira secured an overdraft. It is known that an overdraft allows one to draw money up to the agreed limit. However what was required of him in the report was to explain the source of the deposits on accounts whether to clear the overdraft or otherwise. He did not explain the source of the deposits. Instead of explaining the source of the deposits, he went on to explain how overdrafts are operated. For instance, as at 14th January 2003, he had a debit balance of shs 22,926,083/- on his account no.107473009 in the then Allied Bank International Ltd. He deposited a cheque of shs 11,200,000/= which reduced his debit balance to shs 11,726,083/=. When he made a cash deposit of shs 20,000,000/= on 20th March 2003 on the same account, he reduced his debit balance from shs 21,959,318/= to a debit balance of shs 1,959,318/=. Mr. Gasasira was required to explain the source of the funds he deposited on this account to service the overdraft but he failed to do so.

6.2.4.2 Stanbic Bank

Date	Transaction	Mode	Dated cleared
01.03.2004	35,000,000	Cash deposit	
01.03.2004	43,500,000	Cheque (two cheques were deposited	05.03.2004
01.03.2004	10,000,000	Cheque deposit	02.03.2004
05.04.2005	10,000,000	Cheque deposit	07.04.2005

The bank statements are attached as **Annex IV**

In his response of February 2008, Mr. Gasasira stated that *“the deposits on this account as shown on page 9 of your report mean part of the cash withdrawals in Allied Bank International Ltd could be part of the deposits in Stanbic Bank. This however is to say there were not other inter bank transactions between Stanbic Bank and other banks other than Allied Bank International Limited that could have taken place during the period under review. It should be noted that in any business scenario the movement of cash or cheques whether inter bank or otherwise is intended to show the overall performance on the account to maintain a credible position to impress the banker in times of need to borrow or access facility, like I was doing in all the banks where I had the accounts. It is not fair to conclude therefore that such deposits on my personal accounts should at a glance be deemed as suspicious”*

6.2.4.3 DFCU Bank

On 4th December 2003 he made a cash deposit of shs **52,000,000/=** to clear off a loan of 50,000,000/= which he had incurred on 21/08/2003.

The Bank statements are attached as **Annex V**

6.2.4.5 Orient Bank (Uganda shillings account)

On 15th January 2003 he made a cash deposit of 12,650,000/=.

Orient Bank (US Dollar Account)

On the 18th December 2002 deposited USD 4,300 and another USD 2,500 the next day on 19th December 2002. On 25th January 2003 debited the account with USD 6,000. The bank Statements are attached as **Annex VI**

6.2.4.6 Housing Finance Co. (U) Ltd (Home purchase Account)

On 11th March 2004, he deposited 80,000,000/, = using Cheques No. 00000536 and 00000537 of shs 50,000,000/= and 30,000,000/= respectively. (The 50 million Cheque was from MS Sagimex Enterprises Account while the 30 Million Cheque was from his personal Account in

Stanbic). On 30th July 2004 made a cash deposit of 8,000,000/=. The Bank statements are attached as **Annex VII**.

Housing Finance Co.(U) Ltd (Savings Account)

He made the following cash deposits on the saving account within one month:

02/01/2002	4,000,000
09/01/2002	3,500,000
11/01/2002	5,000,000
23/01/2002	3,000,000
Total	15,500,000

The Bank Statements are attached as Annex **VIII**

6.2.4.7 Standard Chartered Bank (U) Ltd (Dollar account)

On January 18th 2001, he deposited \$7,000 and on 12th October 2001, he deposited \$5700. The bank statements are attached as **Annex IX**. In his response of 5th February 2008, he stated that *“The bank statement clearly shows deposits of USD 5700 and 7000 in 2001 and 2002 respectively. These deposits go along way to prove my declared business transactions in dollar hedging and disposal of assets in the foreign exchange medium”*. He did not provide proof of the source of these deposits.

6.2.4.8 Deposits and Withdrawals.

Summary of the big deposits and withdrawals between 3,000,000/= and 52,000,000/= made by Mr. Gasasira in the various banks in the period 2001-2005.

Date	Amount Deposited	Amount Withdrawn	Mode	Bank
23.10.2001		(15,000,000)		SCBU
23.10.2001		(5,000,000)		SCBU
Sub Total		(20,000,000)		
02.01.02	4,000,000		Cash	HFCU

09.01.02	3,500,000		Cash	HFCU
11.01.02	5,000,000		Cash	HFCU
23.01.02	3,000,000		Cash	HFCU
28.01.02		(6,000,000)		SCBU
28.01.02		(5,000,000)		SCBU
Sub Total	15,500,000/=	(11,000,000/=)		
02.05.02		(4,000,000)	Cheque	HFCU
08.05.02		(3,000,000)	Cheque	HFCU
13.05.02		(4,560,000)	Cheque	HFCU
Sub Total		(11,560,000/=)		
02.01.03		(3,000,000)		Allied Bank
14.01.03	11,200,000		Cheque	Allied Bank
15.01.03	12,650,000		Cash	Orient Bank
21.01.03		(8,000,000)		Allied Bank
23.01.03		(6,000,000)		Orient Bank
27.01.03		(3,000,000)		Allied Bank
28.01.03	6,000,000		Cash	Allied Bank
Total	29,850,000/=	(20,000,000)		
20.03.03	20,000,000		cash	Allied Bank
21.03.03		(5,000,000)		Allied Bank
23.03.03		(5,600,000)		Allied Bank
Sub Total	20,000,000/=	(10,600,000)		
14.04.2003		(3,000,000)		Allied Bank
Sub Total		(3,000,000)		
02.05.03		(5,000,000)		Allied Bank
23.05.03		(3,000,000)		Allied Bank
Sub Total		(8,000,000)		

18.08.03		(50,000,000)		DFCU Bank
Sub Total		(50,000,000)		
08.09.03		(6,010,000)		Allied Bank
Sub Total		(6,010,000)		
01.12.03		(5,000,000)		Allied Bank
04.12.03	52,000,000		Cash	DFCU Bank
Total	52,000,000	(5,000,000)		
01.03.04	35,000,000		Cheque	Stanbic Bank
01.03.04	43,500,000		Cheque	Stanbic Bank
01.03.04	10,000,000		Cheque	Stanbic Bank
03.03.04		(15,000,000)		Stanbic Bank
03.03.04		(5,275,000)		Stanbic Bank
06.03.04		(3,000,000)		Stanbic Bank
09.03.04		(5,000,000)		Stanbic Bank
12.03.04		(30,000,000)		Stanbic Bank
15.03.04		(3,000,000)		Stanbic Bank
26.03.04		(5,000,000)		Stanbic Bank
31.03.04		(3,000,000)		Stanbic Bank
Sub Total	88,500,000/=	(69,275,000)		
25.05.04		(7,000,000)		Stanbic Bank
Sub Total		(7,000,000)		
15.07.04	12,000,000		"	Allied Bank
28.07.04	30,000,000		Cheque	Allied Bank
30.07.04	8,000,000		Cash	HFCU Bank
Sub Total	50,000,000/=			

13.09.04		(5,000,000/=)		Allied Bank
28.09.04		(39,338,000)		Allied Bank
Sub Total		(44,338,000)		
09.11.04	14,000,000		Cash	Allied Bank
Total	14,000,000			
10.12.04	5,000,000		Transfer	Allied Bank
13.12.04	15,000,000		"	Allied Bank
Total	20,000,000			
05.04.05	10,000,000		Cheque	Stanbic Bank
08.04.2005		(6,992,438/=)		Stanbic Bank
Total	10,000,000	(6,992,438/=)		
13.06.05	50,000,000		Cash	Allied Bank
Total	50,000,000			
	US Dollar Accounts			
18.01.01	7,000		Cash	Standard Bank
Total	7,000			
12.10.01	5,700		Cash	Standard Bank
Total	5,700			
18.12.02	4,300		Cash	Orient Bank
19.12.02	2,500		Cash	Orient Bank
Total	6,800			

Summary of Deposits and withdrawals per year

Year	Total	Total	Total
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	Deposits(UGS)	Deposits(USD)	Withdrawals
2001		12,700	20,000,000
2002	15,000,000	6,800	22,560,000
2003	101,850,000		102,610,000
2004	162,500,000		120,613,000
2005	60,000,000		6,992,438
	339,350,000	19,500	272,775,438

From the tabulation of the deposits and the withdrawals above, the leader's explanation that the deposits in banks were withdrawals from one bank account to another was not true. The deposits on each bank account were examined together with the withdrawals from each account and no correlation was established between the two. For instance between 1st March 2004 and 5th March 2004, when he made deposits amounting to shs 88,500,000/= on to his account in Stanbic Bank, he did not withdraw any money from any of his accounts.

The leader's explanation implies that he was simply moving cash from one bank to the other for purposes of impressing the bankers. However even if this was true, the original money or cash must have come from somewhere whose source the leader failed to explain.

On page 22 of his February 2008, he further stated that *"The IGG report calls huge deposits above shs **3,000,000/=** **page 3**, the same report did not provide for the information provided on the bank statements regarding what one would call cash withdrawals. IGG did not determine whether the cash deposits on one account could not be huge deposits on another"*.

On pages 13-15 of the draft final report that was sent him, the withdrawals of shs 3,000,000/= and above from his various accounts were tabulated. These withdrawals were examined against the deposits and no direct relationship was established.

His explanation was unsatisfactory. He did not therefore explain the identified deposits on his accounts.

It should be noted that overdraft facilities are credit facilities, and the funds received there from have to be paid back. This cannot explain the source of his various deposits of funds to service the overdraft facilities.

On page 21 of his response he stated “ *My own observations or comments on your report as far as the obtained bank account statements later on used as evidence to suspicious income sources is:*

*-Cash holding is for among others for the speculative and precautionary motives. Cash holding will therefore not be seen on bank accounts. The report attempts to analyse cash holding or deposits (**so called huge deposits**) as if these cash transaction mean **income earnings**. Cash transactions, therefore, can be multiple but not necessarily incomes.*

*Withdrawals from the bank accounts are not necessarily expenses. Income is only ascertainable when cash earnings and cash expenses are netted off. Businesses can make losses inspite of having positive cash takings/ deposits on the account. The analysis of the bank statements by the IGG did not guide me, am wondering whether by the **Leadership code Act 2002 I was prohibited from transaction any business at all**”.*

Mr. Gasasira’s response is unfortunately and deliberately diversionary. He was requested to account for the source of the funds deposited on his accounts which were over and above his salary and declared source of income. In his declarations of 2002, 2005 and 2007, he declared that he was a Principal Accountant with the Ministry of Water, lands and Environment on permanent terms, and therefore a public servant. He did not declare that he was a businessman. Since he declared that his other source of income was micro business, he was required to prove his business and the income from the business that facilitated his acquisition of assets, in accordance with Article 233(2) (a) of the Constitution 1995 as amended and S.4 (4) of the Leadership Code Act 2002.

6.2.5 Developed Properties

6.2.5.1 Residential House at Nyakabande Kisoro.

6.2.5.1.1 In his declarations he declared this property as a residential house at Nyakabande village, Kisoro District. He stated that the value at acquisition was shs 47,000,000/= and that it was acquired in 1987.

In the Inspector General of Government's letter at **Annex I** above, he was asked to state whether he purchased or built the said house and what was the source of funding.

In his response at **Annex II** he stated that *"the land where this house seats was acquired in 1982 and was developed between 1984-1987"*. He explained that he used local materials and local labour. The roofing material was originally corrugated iron sheets of Gauge 28. Further that the roof was replaced with clay tiles in 2001/02. He further stated that the source of funding was from salary savings, farm products e.g. potatoes, car sales and speculating in United States Dollars (Black Market). He concluded by stating that *"Please note, this is a very long time ago and am not able to provide to you documentary evidence"*.

It is true there was a house probably built in 1987. It was a small house roofed with iron sheets. However in 2001/2002, the existing simple house was greatly remodeled to give it its present day structure, as indicated in the photograph here in.

6.2.5.1.2 The above property was inspected and valued at cost on 2nd September 2006. It was established that it is a three bed roomed executive house with a spacious lounge, dining room, kitchen, garage and roofed with Mangalore tiles. It has a four roomed servants quarters roofed with Gauge 28 prepainted steel iron sheets. The property is enclosed in a wall fence. It is connected with electricity. There is piped water, which is harvested locally, and there is a

30,000 litre under ground water tank and a 1000 litre crestank on a steel tower. There is also an electric water pump.

The photographs of the house taken during inspection are as below;



Front view of the house at Nyakabande, Kisoro



Front view of the house at Nyakabande, Kisoro



Servants Quarters for the house at Nyakabande Kisoro



Side view of the house at Nyakabande Kisoro

Mr Gasasira provided a picture showing how the house used to look like before 2002 when it was remodeled. The picture he presented is as here under;

APP 16



6.2.5.1.3 From the above photograph, it can be seen that there is a very big difference between the house he had before 2002 and the current house. For example the old house has iron sheets, it had no wall fence, no piped water, no water tanks, had no servants quarters, facing bricks, and it was small and simple. In his response of 5th February 2008, Mr. Gasasira explained that he remodeled the house in 2002. He provided copies of the architectural (building) plans for the renovation and extension of this house dated May 2002. The copies are at **Annex X**

6.2.5.1.4 According to the professional report of cost valuation of this property, the leader spent approximately shs 98,341,500/- on the extension and improvement of the property as detailed hereunder;

	Stage	Description	Estimated Cost (UG Shs)
1	Preliminaries	Consultancy fees, plans and other general overheads	4,695,000/=
2.	Demolition and alteration	Verandah and Bedrooms extensions	4,440,000/=
3.	Roofing	Mangalore tiling on timber structure	16,108,000/=
4.	Windows	13 Glazed purpose- made steel windows with heavy duty patterned burglar bars.	4,985,000/=
5.	Doors	1 purpose made steel garage door and 2 glazed steel doors and 9 Vanished solid paneled timber doors with brass finished cylinder mortice locks.	6,113,000/=
6.	Finishings	- ceramic floor tilling all rooms except garage which is of cement and sand paving - Facing brick panels, cement and sand render and painted walls - Ceramic wall tiling in bath rooms and kitchen	16,040,000/=

		- Steel balustrade to verandah - Silk vinyl painting on stucco render on expanded metal lathing on timber framework ceiling	
7.	Built-in Fittings	- 3 Proprietary Wardrobes, kitchen Cupboards and worktops.	3,800,000/=
8	Plumbing installation	- 2 two W.C Suites, 2 washbasins, shower rose and tray, bath tab water heater and accessories.	3,630.000/=
9.	Electrical Installation	- 6 way consumer unit power supply and earthing - 18 light fittings including one chandelier and wiring - power points and wiring	2,655,000/=
10.	Staff Quarters	- Renovation and improvements including reproofing with steel sheets - Concrete slab covered link with main house	13,696,000/=
11	External Works	- 30,000 Litre Under ground water storage tank - Electric Water pump, water supply piping, 1000 litre Crestank water storage tank and steel tower - Soil water drainage and septic tank - Volcanic stone boundary walling with brick work piers and decorative plaster relief; steel gate and posts	22,179,500/=
		Total	98,341,500

According to Mr. Gasasira, the renovations were done over a period of one year that is 2002 at a total cost of shs 98,341,500/=. He was therefore

spending approximately shs 8,195,125/= per month. See Appendix D of the Cost Valuation Report at **Annex XI**.

However, after studying some of the explanations made by Mr. Gasasira, the valuer made adjustments on the imported materials to the tune of shs 2,448,000/=. This reduced the total cost from shs 98,341,500/= to shs 95,893,500/=. Refer to **Annex XI (a)** for the adjusted costing.

6.2.5.1.5 In his response dated 5th February 2008, on pages 12-13, he stated that he spent shs 24,453,000/= to remodel the house at Nyakabande Kisoro. Examination of the estimates provided by Mr Gasasira, indicate that he did not attach any costs on the steel garage door, 2 glassed steel doors, and 9 vanished solid paneled timber doors with brass finished cylinder mortice locks. According to the cost valuation report, these items were valued at shs 6,113,000/=. He also did not attach any costs on the ceramic floor tiles, facing bricks, ceramic wall tiles for bathrooms and Kitchen steel balustrade to verandah and silk vinyl painting on stucco render on expanded metal lathing on timber framework ceiling which were valued at shs 16,040,000/=. Therefore the items he did not attach any cost, according to the cost valuation report, amounted to shs 22,153,000/=. Refer to paragraph 5.2.5.1.4 for details.

He stated that most of the old timber was recycled and that only a few pieces were required to complete the roofing. However, a study of the architectural drawings, the photographs of the old house and the improved new house indicate that the roof complex is entirely new. It should be noted that a tiled house requires much more timber than a steel roofed house. Therefore the figure of shs 8,400,000/= that he provided was found to be very low compared to what the valuation report had stated.

Mr. Gasasira did not provide any document to substantiate and prove his figure of 24,453,000/=. He also did not attach costs to some of the building materials put on the house. He therefore did not prove that he spent only shs

24,453,000/= to remodel the Kisoro House in 2002 and the source of the funds. His explanation was therefore unsatisfactory.

It was established that in 2002, he earned a net salary of between shs 518,468/= and shs 646,789/= per month making an annual total of shs 7,023,409/=. Of the shs 7,023,409/= that he earned in 2002, shs 4,214,045/= (60%) was towards his domestic expenditure. He therefore remained with shs 2,809,364/= which was far below the amount of money spent on remodeling of this house.

He failed to give the account of how he got the funds to remodel the house. His explanation which was not supported by any document had no merit. He merely stated that it was savings from his salary, which could not be. That he was speculating in Dollars on the black market but at this time the Government had liberalized the foreign exchange sector and so if he did it, it was illegal. He had no proof for this *“speculating in dollars on the black market”* or where he got the dollars from. He never adduced any evidence that he traveled on official duties which could have made him have access to US Dollars or any other way on how he was obtaining the US Dollars. There was no proof of his sales of produce to satisfy this office how much he was earning from this claimed source or for how long. For the car sales he did not declare any income from car sales.

When he stated that the cost of remodeling the house was only shs 24,453,000/= without accounting how he got it, he gave false information to the Inspector General of Government contrary to Section 6 of the Leadership Code Act 2002 which provides that *“A leader who knowingly or recklessly submits a declaration or gives an account of any matter which is false, misleading or insufficient in any material particular, commits a breach of this Code”*. His proved savings from annual salary in 2002 was shs 2,809,364/=.

According to Sections 101,102 and 103 of the Evidence Act Cap 6 and Section 4(4) of the Leadership Code Act 2002, it is the duty of the leader to

explain and prove the source of funds used to acquire his /her assets. S.102 of the Evidence Act Cap 6 provides that *“the burden of proof in a suit or proceedings lies on that person who would fail if no evidence at all were given on either side”*. Section 101 (2) of the same Act states that *“When a person is bound to prove the existence of any fact, it is said that the burden of proof lies on that person”*

Section 103 of the same Act states that *“the burden of proof as to any particular fact lies on that person who wishes the court to believe in its existence, unless it is provided by any law that the proof of that fact shall lie on any particular person”*. This was not the case.

6.2.5.1.6 In his response of February 2008, at page at page 2 paragraph 7, Mr.

Gasasira stated *“During the site visit to Kisoro, information recorded was on the basis of hearsay by those who volunteered to take the team around my house at Nyakabande Kisoro. I was not requested to accompany the team so as to assist in identifying my assets and as a consequence the team came up with an unrealistic report”*. On this aspect, Mr Gasasira is not being truthful because he was informed about the inspection and he informed the team that he would accompany them to Kisoro to inspect his house. However when the agreed date approached, he called and said that he had other commitments. He instead told the team to go to Kisoro and meet some people including his sister who kept the house. He even telephoned her. Indeed it was his sister who took the verification team around the house.

During the meeting held between IGG and himself on 14th October 2008, he admitted that it was his sister and another man whom he authorized to take the verification team around his assets in Kisoro.

At that meeting he also stated that the house being a village house did not require preliminaries like consultancy fees, plans and other general overheads. The preliminaries were cost valued at shs 4,695,000/=. Further that he carried out most of the construction using local available materials

like stones. However it was not true that he did not require preliminaries because, there was for example architectural (building) plans, copies of which he provided.

6.2.5.2 Plot 4 Neptune Avenue, Mbuya.

6.2.5.2.1 He declared a residential house at plot 4 Neptune Avenue Mbuya and that he acquired this property in 1994 at a cost of 59,000,000/= from National Housing and Construction Corporation Ltd, under the Government Policy/ Scheme of selling its houses/ properties. He became the registered proprietor on 3rd July 1998.

The leader was requested to explain with documentary proof the source of funding for this acquisition.

In his response he indicated that he acquired this property through mortgage arrangements with National Housing and Construction Corporation. He indicated that the figure of shs 59,000,000/= was the initial price which *“however was scaled down to shs 51,300,000/= due to subdivision of the original plot no.2 to no.4 (resulting into 2 plots)”*. He availed a copy of the mortgage agreement between him and Housing Finance Co. (U) Ltd, which is at **Annex XII**. It was confirmed from the agreement that he received shs 51,300,000/= from Housing Finance Co. (U) Ltd, on 30th October 1997. According to the mortgage agreement he was to pay shs 498,524 per month for eight years and this money was deducted from his salary.

6.2.5.2.2 The property was inspected. It is 5 bed roomed house with a spacious lounge, a kitchen, garage and roofed with Mangalore tiles. It has three-roomed servants quarters roofed with Gauge 28 prepainted steel sheets. The external finishing of the house consist of among others, terrazzo paving. The internal finishings consist of ceramic floor tiling in all rooms except the kitchen and garage. The staff quarters were also renovated. The house has a boundary wall.

The photographs taken during inspection are as below;



Side view of the house at plot 4 Neptune Avenue, Mbuya



Side view of the house at plot 4 Neptune Avenue, Mbuya



Front view of the house at plot 4 Neptune Avenue, Mbuya



Front view of the house at plot 4 Neptune Avenue, Mbuya

6.2.5.2.3 According to the cost valuation report, the property was “*extensively altered and extended into a five bed roomed house with spacious lounge and kitchen*”. The cost of building works between July 1998 to December 2002 was put at shs 154,025,600/=.

The valuation of the extensions made on the house is as below;

	Stage	Description	Estimated Cost (UG Shs)
1	Preliminaries	Consultancy fees, plans and other general overheads	7,335,000/=
2.	Substructure	Earth works, foundation, walling, reinforced concrete column base, hardcore bed concrete ground slab and formwork for the extensions.	9,770,700/=
3.	Walling	Concrete block walling and reinforced columns, arches and ring beam.	9,276,700/=
4	Roofing	-Mangalore Clay Tiles, Chicken Wire mesh, polythene sheeting, and timber purlins - Translucent sheet over kitchen yard.	7,268,000/=
5	Doors	- 1 proprietary steel garage roller door and 3 purpose made steel doors (1,555,000/=) - 1 Glazed paneled double timber door, 13solid paneled timber doors, all with finished cylinder / mortice locks and vanished (5,440,000/=)	6,995,000/=
6.	Windows	- 27 Glazed purpose made steel windows with heavy duty patterned / decorative burglar grilles	7,268,000/=
7	Internal Finishings	- Terrazzo paving and balustrading to verandah. - Ceramic floor tiling to the rest of the rooms	22,046,500/=

		- Cement and sand paving in the garage - Quarry floor tilling to kitchen yard. - Ceramic wall tiling in bathrooms and toilets. - Silk vinyl painting to Walls. - Silk vinyl painting on stucco render on expanded metal lathing on timber framework to ceilings.	
8	Built in Fittings	- 5 proprietary Wardrobes - Kitchen Work tops / cupboards	5,200,000/=
9	Plumbing and drainage	- Crestank water storage tank and steel tower. - Sanitary fittings and septic tank.	13,560,000/=
10	Electrical Installations	- Power supply and earthing - 28 Light fitting including one chandler and wiring - Power points and wiring	3,370,000/=
11	Staff Quarters	Renovations and improvements of existing building including verandah extension and re-roofed with steel sheets.	4,815,500/=
12	Land Scaping	- Earthworks terracing, grassing and selected shrubs. - Precast concrete balustrading and masonry retaining walls. - Precast concrete pavers in drive way and walk ways.	14,859,500/=
13	Boundary Walling	- Steel Grille Fencing on concrete block/ Masonry walling on concrete foundation. - Patterned decorative steel gate and posts.	34,041,700/=

	Total		154,025,600/=
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See Appendix C of the Cost Valuation Report at **Annex XI**

However, after studying some of the explanations made by Mr. Gasasira, the valuer made adjustments on the imported materials to the tune of shs 5,977,000/=. This reduced the total cost from shs 154,025,600/= to shs 148,048,600/=. Refer to **Annex XI (a)** for the adjusted costing.

He was therefore spending approximately shs 34,227,911/= per year or shs 2,852,325/= per month that is from July 1998 to December 2002. It should be noted that by October 2002, he was earning a net salary of shs 646,789/= per month and he was repaying the loan at shs 498,524 per month among others.

6.2.5.2.3 In his response of February 2008 on page 28, second paragraph, Mr.

Gasasira stated “My family occupied this house in 1994 and has never left the premises since then to effect the purported alterations as alleged by your report. The improvements were made one at a time over a period of time. True the original garage was changed to a guest bedroom, the new garage was created adjacent to the Kitchen. The lounge was extended to create enough capacity....”. The purported valuation of shs 154,025,000/= is not acceptable to our family. I have served Mbuya where I live as an LC1 Member from 1994-2004. The extensions, which your report claims, would suppose that the occupants would not live in the premises any way at the time repairs were being effected. The original tiles were reused and were counted to be over 5,300 tiles. The new ones were purchased from Pan Kajjansi and can be counted on site. I do not see any difficulties, which the investigators got in understanding my explanations rather blowing values beyond imagination. This house cost my family about shs 17,000,000/=”.

A study of the sketch drawing of the improvements made on the house reveal that the lounge was extensively remodeled which necessitated new walling

and with new foundation and an entirely new ceiling construction throughout the extension and the existing structure. The lounge is the only entrance to the bedroom and the toilets. This means that it was not possible for the family to have stayed in the house during the time the remodeling was taking place. Besides during inspection, the people at home confirmed that at the time the remodeling was done, the family moved out of the house and was staying in the servants' quarters.

Mr. Gasasira admits that he made changes on the house, and put the cost at shs 17,000,000/=. He did not prove how he arrived at shs 17,000,000/=. The draft interim report sent to him was very clear because it itemized all the stages of alterations of the house and provided costs to each item/stage. Although he only admits that he made improvements like turning the garage into a guest room, creating a new garage and extending the lounge he does not explain where the original tiles of over 5300 tile" were reused and the new ones purchased were used. It was noted that the servants' quarters were roofed with steel sheets and therefore it was probable that the old house was roofed with either steel or asbestos sheets. This would imply therefore that the roof tiling was completely new.

It is surprising that he could remember the number of tiles he allegedly re-used but deliberately refused to indicate the number of the new ones he purchased from Pan Kajjansi. He did not provide receipts, invoices or any other document. If he claims the old tiles were "re-used", it could imply that the house was re-roofed. He did not prove the cost of shs 17,000,000/= which he claimed he used to make the improvements. He did not prove the improvements which he himself claims he made.

He did not explain the source of funds he used to remodel this house, yet section 4(4) of the Leadership Code Act and S.101 (2) of the Evidence Act required him to do so.

He failed to discharge his burden not only on the estimated cost of shs 148,048,600/= but even what he asserted of shs 17,000,000/=. Simply stating the figure without proving it is not enough.

6.2.5.3 Plots 1334 & 1338 Block 220 Banda, Kyambogo.

6.2.5.3.1 In the 2005 Declaration, the leader declared that plots 1334 and 1338 both on Block 220 were acquired in 2002 at 45,000,000/=(forty five million). However, in the 2002 declaration he declared a plot at Kyambogo Kisokonkole zone (without indicating plot numbers) of about 0.75 Acres which he acquired at 15,000,000/= (fifteen Million).

He was asked to explain whether plots 1334 & 1338 on block 220 Banda Kyambogo as it appeared in the 2005 declaration was the same land as the plot at Kisokonkole Zone of about 0.75 Acres.

6.2.5.3.2 In his explanation he stated that *“Block 220 is a wider mapped area of land. Segmented plots 1334 and 1338 are all on block 220. In 2002 declaration, I stated 0.75 Acres of land worth shs 45,000,000/= intended for the three segments of land plotted as 1334,1337 and 1338 respectively of which there was an omission 1337, each costing shs 15,000,000/=”*

It is his statement that he bought each plot in 2002 at shs 15,000,000/= making a total of shs 45,000,000/= for the three plots. However according to the transfer documents, statutory instruments KLA230190, KLA230191 and KLA 231277, submitted to the Commissioner for Land Registration, the declared consideration/ purchase price for purpose of stamp duty was shs 5,000,000/=each. He knowingly under declared the purchase for these plots and thereafter paid less stamp duty. He gave false information.

He was working with the Ministry of Lands Housing and Urban Development from 1999 to September 2007.

The copies of the Certificates of titles together with the transfer documents are attached as **Annex XIII**

According to the certificates of titles, the plots were transferred into his names on the following dates; plot 1334 on 24/10/2001, plot 1338 31/10/2001 and plot 1337 on 4/12/2001. Therefore he acquired the plots in 2001 and not in 2002 as he declared.

When he was requested to provide copies of purchase agreements for these plots, he stated, *“I would like to state here and now that most of the land acquisition transactions were made by brokers and in most cases I was only required to sign transfer forms. I have been unable to trace any paper agreements that could be in my possession which I believe if I had were either misplaced or lost.”* The Inspectorate found this explanation unsatisfactory. Brokers are not parties to the purchase agreements or land transactions. The parties are the vendor and the purchaser. In the absence of contrary information therefore, for reasons best known to himself, he deliberately refused to provide the agreements or any other document to prove the purchase price.

6.2.5.3.3 In the 2005 declaration, he declared that the developments on the plots had an approximate market value of shs 400,000,000/=. He was asked to state in detail the developments on this land. In his letter dated 20th January 2006, he stated that *“to state more correctly the area to which this value relates is plot no. 1334,1337, and 1338 respectively. The stated value of shs 400,000,000/= is an estimated worth of the growth and developments as per the time of the second declaration”*. He further stated, *“there are eight apartments, which are being developed on this land. The stated amount of shs 400,000,000/=was the estimated input costs on the developments so far made (supper structure)”*.

On the source of funding for development of the eight apartments he mentioned the following:

a) Bank loans, bank overdraft facilities.

- b) Business incomes (commercial and capital receipts)
- c) Personal and family income savings.

It is true he incurred loans. In his 2005 declaration, he declared 2 mortgages; one of shs 126,000,000/= incurred from Housing Finance Company (U) Ltd in March 2004, was towards the acquisition of plot 37 Lake Drive Luzira and the shs 150,000,000/= incurred from the then Allied bank in October 2004, was towards the acquisition of plot 102 Luthuli Avenue. He also declared a short term loan of shs 50,000,000/= from DFCU which was incurred towards the acquisition of plot 42 Bukoto Crescent.

It is not true therefore that one of the sources of funding was the bank loans because all loans incurred were for specific purposes, and construction of the apartments was not one of the purposes. The other source of income he gave was business. However, he did not provide proof that he was doing business nor did he prove any income accruing there from. He also did not prove any personal and family income savings. It is only true that he had a 50,000,000/= overdraft facility with the then Allied Bank International since June 2002. From 5th October 2004 to 15th August 2005, the overdraft was to *“finance the purchase and transportation of food stuffs from Kampala to Rwanda and Burundi”*. Refer to the Loan agreement at **Annex XVI**.

He stated that constructed the apartments on the plots between 2002 and 2006.

6.2.5.3.4 These apartments were inspected and cost valued. The property/ land comprises of eight flats each with two bedrooms, servant’s room, lounge and kitchen. The external doors and windows are made of aluminum frames. The internal doors are made of wood. The property is enclosed in a wall fence with razor wires on top of the wall. By the time of inspection, the works had been completed save for the splash apron (veranda) paving and storm water drainage and drive way and parking.

The photographs of the apartments as time of inspection in August 2006 are as below;



Front view of the Apartments at Block 220 plots 1334,1337 and 1338 Banda



The estimated cost of the property is as detailed here below;

	Stage	Description	Estimated Cost (UG Shs)
1	Preliminaries	Consultancy fees, KCC planning approval charges, and general overheads (site stores, security, general supervision, water and power for use in the works etc).	20,918,900/=
2.	Substructure	Earth works, foundation, walling, reinforced concrete column base, hardcore bed and concrete ground floor slab, and form work.	36,040,100/=
3	Reinforced Concrete Superstructure	Reinforced concrete columns, beams, suspended slabs, ring beams, stair cases and associated steel reinforcement and formwork.	123,880,700/=
4.	Walling	Concrete block walling, brick walling, Pompeii clay grille walling, precast concrete walling.	69,235,300/=
5	Roofing	-Mangalore Clay Tiles including battens, Chicken wire mesh, polythene sheeting, and timber purlins, rafters, struts, ties and wall plate. - Timber framework, expanded metal lathing, plaster and painting eaves soffities. - Timber fascia boards painted - PVC eaves gutters and down pipes.	35,969,200/=
6	Doors	- 24 powder coated glazed aluminum doors, fly proof netting in powder coated aluminum framed shutters (Ugs 32,523,200/=). - 192 No. Solid Paneled and vanished mahogany timber doors complete with door linings (frames) and stainless steel butt hinges.(66,625,000/=) - 96 No. cylinder mortice locks with	112,593,200/=

		zinc chrome plated ornamental lever handles. (Ugs 9,180,000/=) - Partnered steel burglar proof grilles for ground floor aluminum doors. (Ugs 4,265,000/=)	
7.	Windows	- 120 powder coated glazed aluminum windows including powder coated aluminum framed fly proof shutters. (Ugs 59,670,800/=) - Partnered steel burglary proof grilles to ground floor flats(Ugs 6,375,000/=)	66,045,800/=
8	External finishings	- Terrazzo paving at the main entrance - Ceramic tiling on cement sand screed to balconies. - Facing bricks on cement sand render panels between windows - Painted ceiling	66,289,000/=
9	Internal Finishings	- Terrazzo paving to entrance lobbies and stairs. - Ceramic tiles on cement sand screed in all areas except the kitchen - Cement and sand paving in the kitchen - Silk	128,249,500/=
10	Built in Fittings	- 16 proprietary Wardrobes - 8 proprietary Kitchen Work tops / cupboards	39,860,000/=
11	Plumbing and drainage	- Bath tabs, wash basins toilets seats and covers, mixer taps, kitchen sinks - 7 1000 litre Crest tank water storage tanks, distribution pipes, drain pipes, inspection chambers and Septic tank.	72,378,000/=
12	Electrical	- 8 nine way consumer units (main	23,012,000/=

	Installations	switches) - Lighting and power point wired in concealed plastic conduits. - 208 light fittings with energy saving bulbs and ornamental lampshades	
13	External Works	General site clearance, Boundary walling, Gate house and solid steel gate	63,202,000/=
	Total		857,673,700/=

However, after studying some of the explanations made by Mr. Gasasira, the valuer made adjustments on the imported materials and the auctioned timber to the tune of shs 50,753,000/=. This reduced the total cost from shs 98,341,500/= to shs 806,920,700/=. Refer to **Annex XI (a)** for the adjusted costing.

According to the Cost Valuation report, as at August 2006, the cost was shs 806,920,700/=. The period of development up to that level was from January 2002 to August 2006. This implies that for the 56 months he spent developing the property he was investing approximately shs 14,409,298/= per month. He was carrying out different other developments at the same time.

The plots were purchased at a total cost of shs 45,000,000/= between October and December 2001. At the same time he was making improvements on his village house in Nyakabande, Kisoro and on plot 4 Neptune Avenue Mbuya. He was also servicing an overdraft in Standard Chartered Bank among others.

Between October and December 2001 his net salary was shs 535,968/= per month and his approximate domestic expenditure (60% of his net salary) was shs 321,851/= per month. Refer to paragraph 5.2.1.2 of the report.

6.2.5.3.4 The cost valuation report estimated the cost of the building as at

16.08.2006 to be Shs 806,920,700=. By that time the splash apron (veranda) paving and storm water drainage and drive way and parking were not yet completed. Mr. Gasasira in his response dated 5th February 2008 put the cost of the building at Shs 251,994,810=. By the time of his response all building works had been completed and the flats were already occupied by tenants. To support the above figures he presented the following;

(i) undated and unsigned schedule of materials for a *“proposed block of 6 no flats: Schedule of materials”*. This document shows a list of materials like cement, sand, aggregates, timber, doors etc and their quantities and the estimates cost. **Refer to Annex XIII (a).** He also presented a “purchase plan” for plumbing materials. The purchase plan is undated, unsigned and there are no prices for the materials to be purchased. It is important to note that Mr. Gasasira built 8 flats and not 6 as is presented in the unsigned and undated schedule of materials. These two documents can not be relied upon to prove the cost of constructing the apartments. They do not prove that he bought those materials listed. He should have presented receipts or other authentic documents to prove that the value of the apartments was shs 251,994,810/= and not shs 806,920,700/=.

(ii) He also attached a URA customs and excise department query notification or amendment form dated 14/2/05 for importation of floor tiles, fridge, washing machine and a cooker. According to the form the declarant is Rolax inter and there is no indication that the items were for Mr. Gasasira. The verification did not find this document to be of any importance to this matter or as proof to the cost of the construction of the apartments. Refer to **Annex XIII (b)** for the copy of the query notification

(iii) He also attached a URA payment receipt dated 7/12/2004 in the names of Sagimex Enterprises Ltd for Shs 3,708,619= and another one dated 30/11/2004 for Shs 2,951,857=. He did not explain what the receipts were for. Refer to **Annex XIII (c)** for the copies of the receipts. Moreover the receipts were for M/s Sagimex Enterprises Ltd, a separate legal entity from

Mr. Gasasira. Throughout the verification and investigation, he was himself very emphatic on this legal position.

(iv) He also presented invoices for the purchase of Sanitary fitting items and electrical fitting materials from Dubai as tabulated hereunder;

Date	Invoice/ Receipt No.	In the names of.	Nature of Goods	Amount in Dirhams	Amount in USD Ex. rate 3.66	Amount in UG Ex.rate 1750
03.10.04	1720	Gasasira M. Nestor	Sanitary ware	20880	5704.92	9,983,610
03.10.04	1721	Gasasira M. Nestor	Sanitary ware	4630	1265.03	2,213,803
03.10.04	1722	Gasasira M. Nestor	Water heaters	2000	546.45	956,288
04.10.04	651	Gasasira M.Nestor	Electricals	21200	5,792.35	10,136,613
04.10.04	0897	Gasasira M.Nestor	Door care	4476	1,222.95	2,140,163
Sub total						25,430,477

Refer to Annex XIII (d) for the copies of the receipts and invoices from Dubai

6.2.5.3.5 From the above tabulation, it was established that between 3rd and 5th October 2004 he purchased sanitary materials amounting to shs 12,197,413/=, and water heaters of shs 956,288/=. This totaled to shs 13,153,701/=. These procured items were yet to be shipped to Kampala, pay taxes and they had to be fitted. This implies that the freight charges, the insurance, and all the customs duties, clearing charges, and other incidentals are not included in the cost. Also not included is the cost of installing them. He did not explain the source of the shs 13,153,701/= spent in one week in a month given that his net monthly salary was shs 669,248/= and monthly expenditure was shs 401,548/= (that is 60% of the salary).

He provided a copy of the delivery order no. 120553 dated 15/05/2006 for the delivery of tiles (floor/wall) from a ceramic- Graniti- Sanitary ware called NAZO of Dubhai. It was signed by Mr. Gasasira on 16/05/2006. The copy of the delivery note is attached as **Annex XIII (e)**. However Mr. Gasasira did not present a copy of the invoice nor did he state the cost of these tiles (floor/wall). He did not give any explanation.

He also presented documents which were not in his names as tabulated hereunder. However these documents were not considered because they were not in his names. Those in the company's names could have been for business.

05.10.04	11981	ARJAS	Cement	5700	1,557.38	2,725,415
16.01.05	3289	Sagimex Ent. Ltd	Electricals	6500	1,775.96	3,107,930
16.01.05	3290	Sagimex Ent. Ltd	Electricals	2400	655.74	1,147,545
29.12.05	3273	Sagimex Ent. Ltd	Door care	2305	629.78	1,102,115
Sub total						8,083,005
06.08.07	140685		Mirrors	1639.68	447.73	783,528
07.08.07	2008189		Electricals	15000	4098.36	7,172,130
Sub total						7,955,658

(v)He explained that the wooden doors used in this building were made by M/s Master Wood Ltd. He stated that he provided them with timber and they charged him shs 29,600,000/= for the labour. He provided a copy of a quotation from M/s Master Woods Ltd dated 7th December 2003. **Refer to Annex XIII (f)**. He did not present either a receipt or a contract to confirm the work done and the money paid. The quotation cannot be relied upon to confirm this transaction because it does not confirm that the transaction took place. The timber must have been purchased and he did not indicate the cost of the timber he purportedly provided to M/s Master Woods Ltd. Even then he

did not explain the source of the shs 26,600,000/= which he claims he was charged.

(vi) He did not state any amount of money spent on the external finishings. The cost valuation report estimated the cost of the external finishings of the eight flats at the time of valuation in August 2006 to be shs 66,289,000/=. This was before the flats were completed. The cost must have increased after completion. Mr. Gasasira did not state how much he spent on this item, and the source of funds.

(viii) On the preliminaries where the cost valuation report estimated the cost to be 20,918,900/=: Mr Gasasira put the cost at shs 2,059,286/=. He indicated that he only spent shs 559,286/= as KCC fees and shs 1,500,000/= as architectural fees. He however did not present the receipts for both of the items. He also did not state how much he spent on site clearing, security, storage facilities, water connection to the site and other general overheads.

In October 2004 alone, he purchased sanitary and electrical fittings amounting to shs 28,155,892/= whose source he did not explain.

In light of the above, the Inspectorate of Government found the leader's explanation that he only spent shs 251,994,810/= on the construction of the flats unsatisfactory since he provided no proof, documentary or otherwise. Therefore the shs 806,920,700/= spent on the development of these residential flats as provided by the valuer was in the circumstances found to be correct.

He again gave unsatisfactory information in material particular in that the documents were undated, unsigned, with no cost prices and above all misrepresented that the property consisted of six apartments when investigations and valuation established that they were eight apartments.

The information brought was lacking and Mr. Gasasira failed to discharge his burden on a balance of probability. The value he stated was therefore false and the estimated value of the professional valuer was found reliable. He is culpable for under declaration of the value. He failed to give sufficient information in the material particular and failed therefore to discharge his burden. All the money he said he earned from businesses and salary income was quite below the cost of the development. Even the shs 251,994,810/= he presented as the cost could not be proved, correct or genuine. The cost was far above his proved income so he breached the Leadership Code. All this amounted to a false declaration contrary to Section 4(7) and 6 of the Leadership Code Act, 2002.

6.2.5.4 Plot 37 Lake Drive Luzira, Kampala.

6.2.5.4.1 In his 2005 declaration he declared that this house was acquired in 2003 at a cost of shs180,000,000/=. According to information on the certificate of title, this property formerly belonged to Uganda Breweries Ltd until 12.12.2001, when it was transferred to Mr. Kapngeywo who was their employee. Its total acreage is about 0.916 Acres.

Mr Gasasira became the registered proprietor on 6th April 2004, when the property was transferred from Mr. Kapngeywo into his names. The copy of the certificate of title is attached as Annex **XIV**.

According to information from Housing Finance Co. (U) Ltd, Mr. Gasasira mortgaged this property in February 2004 to get an advance of shs 126,000,000/= towards its acquisition. The mortgage Agreement is attached as **Annex XV**.

6.2.5.4.2 He declared that he bought the property at shs 180,000,000/= using the above mortgage. Mr. Gasasira was asked to explain the source of shs 54,000,000/= which topped up the loan from Housing Finance Company (U) Ltd.

In his response, he stated that;

- i) The property was “*acquired from Mr. Kaps formerly working with Uganda Breweries*”.
- ii) “*The source of the shs 54,000,000/= is as good as generally stated earlier in the background above. Please note that I had an overdraft facility of shs 50,000,000/= annually and running consistently for the last four years*”.

It was confirmed that Mr Gasasira had a shs 50,000,000/= overdraft facility with the then Allied Bank International in 2004.

The explanation to the source of the shs 54,000,000/= he used to top up the mortgage was found unsatisfactory and amounted to a false statement. He again knowingly gave false information to Inspector General of Government that he paid the shs 54,000,000/= using a running over draft with then Allied Bank of shs 50,000,000/=. When his account No. 107473009 was inspected and Bank Statements examined it was found out that between January and August 2004 he never withdrew any money from this account and it was established that he did not have over draft facilities with the other declared banks. But even if he had done so still the account would not have accorded the excess 4,000,000/= but this was not the case. He consequently committed an offence under the Act, in addition to the breach of the Code of making a false declaration.

6.2.5.4.3 The property was inspected and cost valued. According to the cost valuation report, parts of the existing old house were demolished and a new one erected. At the time of cost valuation, the remodeled house was near completion. The house was not fully painted, some electrical fittings were still being installed and there were no floor tiles. The external walls of the house are made of concrete blocks while the internal ones are made of bricks. The house is roofed with Mangalore tiles. The external doors and windows are made of aluminum frames with 5mm clear glass. The house is enclosed with a boundary wall fence.

Plumbing and electrical installations were almost complete. There was a 3000-litre crestank on site, which was yet to be fixed as the metallic water tank tower had already been erected. The house was not yet occupied.

The photographs of the property taken during inspection are as below;



House at Plot 37 Luzira



Side view of the House at Plot 37 Luzira



Side view of the House at Plot 37 Luzira



Side view of the House at Plot 37 Luzira and showing some of the materials (sand and stone aggregates) on site

6.2.5.4.4 According to the sketch drawing and the original design, the new house was extensively modified and the new house is much bigger than the original one. It is an executive bungalow.

Below are the estimated costs of developing the current building as complied by the valuer;

	Stage	Description	Estimated Cost (UG Shs)
1	Preliminaries	Consultancy fees, plans and other general overheads	9,455,000/=
2.	Substructure	Earth works, foundation, walling, reinforced concrete column base, hardcore bed concrete ground slab and form work	21,370,300/=
3.	Walling	Concrete block walling, brick walling, reinforced concrete columns and ring Beam	24,651,000/=

4	Roofing	-Mangalore Clay Tiles, Chicken Wire mesh, polythene sheeting, and timber purlins - Timber framework, expanded metal lathing, Painted timber fascia boards and PVC eaves gutters and down pipes.	30,836,600/=
5	Doors	- 3 powder coated glazed aluminum doors, - 20 Vanished Mahogany door frames	4,578,600/=
6.	Windows	- 33 powder coated glazed aluminum windows	15,743,100/=
7	Finishings	- Textured finish to external walls - (Internal) Cement and sand floor paving, painting	32,296,500/=
8	Electrical installation	- 9-way consumer unit and earthing. - Lighting and power points wired in concealed plastic conduits - 50 light fittings with energy saving bulbs	6,295,000/=
9	Plumbing and drainage	- reinforced concrete water tank tower, tank, drain pipes, inspection chambers and septic tank	10,159,600/=
10	External Works	- Boundary wall with patterned / ornamental steel grille and plot subdivision wall.	39,804,000/=
11	Materials on site	- 28 tonnes of sand and 84 tonnes of aggregate	23,012,000/=
	Total		198,549,700

See Appendix B of the Valuation Report at **Annex XI**

However, after studying some of the explanations made by Mr. Gasasira, the valuer made adjustments on electrical fittings to the tune of shs 675,000/=. This reduced the total cost from shs 198, 549,700/= to shs 197,874,700/=. Refer to **Annex XI (a)** for the adjusted costing.

Mr. Gasasira started developing the new house around May 2004 and by August 2006 (after twenty nine months) he had spent shs 197,874,700/=. This implies that he was spending approximately shs 81,879,186/= per annum or 6,823,266/= per month on this house only. This was in addition to serving the loan of shs 126,000,000/= with Housing Finance Company Uganda Ltd at 565,354/= per month, and the loan and overdraft facility with Allied Bank. He was at the same time spending money on the construction of the apartments on Block 220 plots 1334, 1337 and 1338 Kyambogo among others.

6.2.5.4.5 In his response of 5th February 2008 page 10-11, Mr. Gasasira Nestor presented a total of Shs 70,305,340= (although the correct addition makes it shs 75,304,340/=) as cost of remodeling the house as opposed to shs 197,874,700/= arrived at by the professional valuer. He did not avail any documents to support this figure. He only availed quotations from M/s Wise Investments and from Mr Wakoba Wilson for the alteration works on Plot 37 Lake Drive Luzira. The quotations are attached as **Annex XV(a)**. These were just quotations. His argument that the cost of the materials on site should not be included because the house was already completed can not hold because in the first place at the time of inspection and valuation, the house was not yet completed. He had spent money towards the acquisition of these materials the source of which he had to explain. He did not avail any payment receipts to prove the amount of costs he paid.

He did not prove the scope of works. In summary he did not prove the figure of shs 75,304,340/= he allegedly spent on redeveloping the house to disprove the figure of shs 197,874,700/= arrived at by the valuer. He did not explain the source of funds. The fact that he did not present a correct value of the developments made on the house his declaration amounted to giving false information contrary to sections 4(7) and 6 of the leadership Code Act 2002.

6.2.5.5 Plot 102, Luthuli Avenue Bugolobi

6.2.5.5.1 He declared this property in 2005 as a residential building he acquired in 2004 at cost of shs 120,000,000/=. However in March 2007, he declared it as undeveloped land and stated that he had previously mistakenly declared it as developed whereas not. He further stated that he acquired this plot of land using a mortgage from Allied Bank International of shs 150,000,000/=. Documents from the then Allied Bank International indicated that in October 2004 he received a loan of shs 150,000,000/= towards the acquisition of this property. The loan was secured by Plot 4 Neptune Avenue Mbuya.

The loan was for a period of one year between 5th October 2004 and 5th October 2005. He was to pay shs 75,000,000/= every 6 months or shs 12,500,000/= per month towards repayment of the principal amount.

6.2.5.5.2 The certificate of title and transfer documents were obtained from the Ministry of Lands, Housing and Urban Development. The transfer documents showed that Mr. William Wilberforce Kiwagama, being the registered proprietor transferred the above mentioned property in consideration of shs 100,000,000/= (one hundred million only) to Mr. Nestor Gasasira and Mrs. Rosebell Gasasira on the 2nd October 2004. On the 15th November 2004, the certificate of title was transferred in the names of Nestor. M. Gasasira and Rosebell Gasasira. The loan agreement, the transfer document and certificate of title are attached as **Annex XVI**.

Mr. William Wilberforce Kiwagama in his 2005 declaration of income, assets and liabilities to the Inspector General of Government dated 31st March 2005, declared that he had sold off plot 102 Luthuli Avenue at shs 200,000,000/=. This is the Plot purchased by Mr. Gasasira.

Mr. Kiwagama was contacted by this office on 7th August 2007 and 27th August 2007 and he confirmed that he sold the property to Mr. Gasasira at

shs 200,000,000/=. When he was asked to avail a copy of the sale agreement he stated that after selling the property he gave all the documents including building plans to Mr. Gasasira.

6.2.5.5.3 Mr. Gasasira in his 2005 Declaration to the Inspector General of Government, under declared the cost of the property by stating that he acquired it at shs 120,000,000/= whereas the correct purchase price was shs 200,000,000/=. He also understated its cost when on the transfer forms he indicated that the consideration was shs 100,000,000/= whereas not. These were deliberate inconsistencies. It is noted that at the time of transfer of property into his names and those of his spouse, he was the Principal Accountant in the Ministry Lands, Housing and Urban Development, the Ministry responsible for Land Registration Matters.

On page 20 of his response to this report, he stated that he acquired this property at shs 200,000,000/= whereby shs 120,000,000/= was for the land and shs 80,000,000/= was for other expenses. He Further stated that the *“amount declared was shs 120,000,000/= which was the perceived value of the land. The other shs 80,000,000/= are the commission expenses which I did not include erroneously”*. This explanation is not correct. The vendor acknowledged that he sold his plot at shs 200,000,000/=: meaning that he received shs 200,000,000/= as the purchase price for the plot. If there was any commission allegedly paid, it implies that it was over and above the shs 200,000,000/= that was received by the vendor. Mr. Gasasira did not avail any purchase agreement or documents of payment. Even if it was true that he erroneously omitted the shs 80,000,000/= in his declaration to the Inspector General of Government, why did he state on the transfer forms that the consideration was shs 100,000,000/=. These transfer forms were filed and received by Land registration. Mr. Gasasira was simply being untruthful. He knowingly and recklessly gave false information to the Inspector General; of Government and the Ministry of Lands, Housing and Urban Development. In accordance with S.4 (7) and Section 6 of the Leadership Code Act, 2002, he was in breach of the Code. Mr. Gasasira showed that he was dishonest and

lacked integrity. He is unfit to hold the position of a Principal Accountant in the Public Service of Uganda.

In the Meeting of 14th October 2008, between him and the Inspector General of Government and the Inspectorate officials he insisted that the shs 80,000,000/= was commission.

Although the property is registered in the names of Mr. Gasasira and Rosebell Gasasira (his spouse) he did not state the amount contributed by his spouse since it is a joint property. It was incumbent upon him to give details of his spouse's contribution (if any) to the purchase price. According to his Declarations of 2002, 2005 and 2007, he declared that his spouse Rosebell Nduhukire Gasasira is an Accountant. The loan of shs 150,000,000/= from the then Allied Bank was to Mr. Gasasira alone and not jointly with his spouse.

He declared this property as his and not jointly owned and not as jointly owned or even under the spouse.

The property was inspected. It was established that the property contains an unfinished structure probably built in the 1980's or 1990's. The structure at the ring beam level is of a multi-storied house. The property also has a servants' quarters, which is also at the same level with the structure of the main house. From the inspection it was clear that he acquired the plot with the existing structure and he had not made any further developments on that structure or the plot.

The photographs are as below;



The incomplete structure at plot 102 Luthuli Avenue (excluding the Gate and the concrete wall)



The incomplete structure at plot 102 Luthuli Avenue (excluding the Gate and the concrete wall)

According to the terms of the loan agreement dated 5th October 2004 from the then Allied Bank, the payment terms were that *“the facility will be for 12 months (one year) and repayable in two half yearly bullets of Ugx 75,000,000/= (Uganda shillings Seventy five Million only) by debit of the clients overdraft Account which should be maintained within the overdraft limit at all times and should always have sufficient balance to cover loan principal repayments and interest accrued.”* The loan was clearly advanced to Mr. Gasasira and not Mr. Gasasira and his spouse. Refer to Annex **XVI** for the Loan agreement.

6.2.5.5.4 According to the bank statement of his account with the then Allied bank at **Annex IV**, by 5th June 2005, he had repaid the shs 75,000,000/= in two instalments of shs 15,000,000/= on 31.12.2004 and shs 60,000,000/= on 05.06.2005. Both of these payments were made in cash. The source of funds for this repayment was not stated.

In his response of February 2008, Mr Gasasira wondered why *“The investigations/verification did not categorise which assets were singly or jointly owned. This put the interests of the third parties, at risk even when the law does not hold them as leaders as per the Leadership Code Act 2002 e.g. plot 102 Luthuli Avenue”*.

It is true the property at Plot 102 Luthuli Avenue is registered in the names of Nestor Gasasira and Rosebell Gasasira. However, in both his 2005 and 2007 declarations Mr. Gasasira declared this property as his, without mentioning the interest of his spouse or any other third party. Even in his February response, he did not mention whether the spouse or any other third party made any contribution towards that acquisition of this property.

As stated above, according to the loan agreement, the loan of shs 150,000,000/= was to Mr. Gasasira and not to Mr. Gasasira Nestor and Mrs. Rosebell Nduhukire Gasasira. He did not give details of his spouse’s contribution to the purchase price (if any).

Section 4 (1) and (2) requires a leader to declare the income, assets and liabilities of his spouse, children, and dependants under 18 years of age. In part 10b of his 2005 declaration, however he did not indicate the spouse's interest in the property.

6.2.5.6. Block Making Machine

6.2.5.6.1 In the 2002 declaration, he declared a Manual Block Making Machine acquired in 1999 at shs 750,000/=. In the 2005 declaration he declared that he also owned an electric Block Making Machine which he acquired at a cost of shs 17,000,000/=.

He explained that he acquired the electric block making machine in early 2003, and that the source of funding for the above machine was from personal and business incomes. He stated that the machine is used for both his own construction work and for commercial use as well.

This acquisition was when he was at the same time carrying out other developments. His explanation about the source of funding for the acquisition of the machine was not satisfactory. He did not elaborate on the business incomes. It should be noted that in 2003, his net average income was shs 649,475/= per month and that he was during the same year carrying out other developments.

6.2.5.6.2 On page 25 of his February 2008 response, he stated, “*I did in my previous response (20th Jan, 2006) indicate that I undertake block making for both my personal site developments and commercial purposes... I am providing to you information obtained from site records, which are available for your study on request. My construction activities entail the use of the tools e.g. block making machine and pallets/trays numbering 350 that were available during the verification exercise. The report did not make any mention of these assets which I explained about to the investigating team!!!*”

The issue raised to Mr. Gasasira was the source of shs 17,000,000/=, he used to acquire this asset and once again he failed to provide proof for this money.

6.2.5.7 Motor Vehicles

The leader declared the following vehicles and were verified with motor vehicle registry:

	Type and Make	Reg. No	Value at acquisition	Year of acquisition	Source of funding
1	Lorry Scania	UAD 939 N	3,000,000/=	2001	General Income, income from blocks, income from importing and selling vehicles
2	Land Cruiser vx	UAE 446 W	31,000,000/ =	2003	“
3	Mercedes Benz (used)	UAA 446 W	14,500,000/ =	2001	“
4	Leased Trailer	No information	No information	2002	“

The registration details of the above vehicles from the Motor vehicle registry are attached as **Annex XVII**

The explanation for the source of funding for the acquisition of the above vehicles was too general and therefore not satisfactory. He did not provide proof of the income from blocks, or import and selling of minibuses and Toyota Carina.

6.2.5.8 Disposed Assets

6.2.5.8.1 Plot No.8 Robert Mugabe Road Mbuya

In the 2002 declaration he declared Plot 8 Robert Mugabe Road as a developed property. In the 2005 declaration he declared that it was disposed of in 2003 at shs 35,000,000/=.

When asked to provide evidence regarding the sale of this property, he responded that *“ by the 2002 declaration there was a developed sub structure of a storey building I had started in 1992 which later I abandoned years later due to the unpleasant steady growth of slums around the area of Kinawataka zone. The proceeds are part of the deposits which form part of the transaction highlighted in your report”*

In his February 2008 response, he provided a copy of the sale agreement dated 25th August 2003, between him as the vendor and Ghulam Haider Daudani and Kemal Lalani as the purchasers. According to this agreement he sold this property at shs 30,000,000/= payable in 2 installments of shs 10,000,000/= upon signing of the agreement and the balance of shs 20,000,000/= upon execution of the transfer. The agreement is attached as **Annex XVII(a)**. This proves that he sold the property but at shs 30,000,000/= and not shs 35,000,000/= as he declared.

6.2.5.8.2 Plot 42 Bukoto Crescent Naguru

Mr. Gasasira declared that he purchased this plot in Naguru in 2003 at a cost of 120,000,000/ and sold it in 2004 at shs 160,000,000/-. The purchase was partly funded by a loan of shs 50,000,000/= from DFCU bank. The letter of offer from DFCU bank for a loan of shs 50,000,000/= is attached as **Annex XX**.

A loan of shs 50,000,000/= was credited to his account on 21st August 2003. The leader repaid this loan on 4/12/2003 with a cash deposit of shs 52,000,000/. See **Annex VI** for the bank statement.

He did not explain the source of funds for the shs 52,000,000/= cash which he paid. It cannot be traced from any of his other bank accounts.

In his January 2006 response he explained that the source of the shs 70,000,000/= was *“proceeds from sales of other plots e.g. plot No. 8 Mugabe Road, Mbuya, incomes from the lorry, sale of my land Cruiser (UAD 410F) (Now being driven by an Asian not Known too)”*.

In February 2008 response he provided a copy of the purchase agreement for Plot 42 Bukoto Crescent dated 15th August 2003. **Refer to Annex XX(a).** According to this agreement he acquired the plot at shs 110,000,000/= from one Patrick Kahangire. According to the purchase agreement he was to pay shs 80,000,000/= on the signing of the agreement and the balance of shs 30,000,000/= was to be paid in September 2003.

He stated that purchased Plot 42 Bukoto Crescent partly using a loan of shs 50,000,000/= from DFCU Ltd and proceeds from the sale of Plot 35 Mugabe Road. He sold Plot 35 Mugabe Road at shs 30,000,000/=. Of the shs 110,000,000/= that he used to purchase Plot 42 Bukoto Crescent, the source of shs 30,000,000/= was not proved.

It was established that Mr. Gasasira later sold Plot 42 Bukoto Crescent to Mr Ssemakula Lawrence and Ms Rose Ikiror in March 2004. He provided two documents dated 1st March 2004 and 4th March 2004 on which he acknowledged receipt of shs 123,390,000/= and USD 19,000/= (which was approximately shs 160,000,000/=) from Ssemakula Lawrence and Rose Ikiror on 1st and 4th March 2004. The only proved income on this plot is shs 50,000,000/= which was the difference between the amount he paid to Mr. Kahangire to acquire the Plot and the amount he sold it to Mr. Lawrence Ssemakula and Ms Rose Ikiror.

6.2.5.8.3 Vehicles disposed of.

In his declarations of 2002 and 2005, he declared that he also disposed of other assets as indicated below;

	Asset	Year of disposal	Amount
1.	Land cruiser UAD 410F	2003	USD19,240
2	Land cruiser UAB 633B	1999	USD 17,800
3	Land cruiser UPK 078	1997/1998	13,000,0000
4	3 Minibuses	1999	12,000,000
5	Saloon Car Mark II	2000	4,000,000

He did not provide sale agreements relating to the above disposals.

6.2.5.9.0 Business

6.2.5.9.1 Sagimex Enterprises Ltd

Mr. Gasasira declared business interests in a company called M/s Sagimex Enterprises Ltd. He stated that the shareholders of the company are family members namely Mr Gasasira Nestor, Jasper Leonard Kansiime, Levi Davis Tumwizere, Elizabeth Kampire, Julius Mukiiza and Juliana Kabambazi. That it does general business including importing small-scale consignments from Dubai for sale in Uganda and Advertising for the New Vision.

In the 2002 declaration he stated that he earns annual income of between shs 80,000,000/= to shs 90,000,000/= and in the 2005 declaration he declared a minimum of shs 70,000,000/= per annum from the operations of the above Company.

6.2.5.9.2 According to the certificate of incorporation, this company was

incorporated on 3rd October 1985 before he became a leader. The company had three Directors as of 13th April 2004 namely; Mr Gasasira himself, Ms Juliana Kembabazi and Jasper Leonard Kansiime. The latter are his children.

The certificate of incorporation and Memorandum and Articles of Association are attached as **Annex XXI**.

In a letter Ref, TS.73.2005, dated 6th September 2005, this office wrote to the Commissioner Domestic Taxes Uganda Revenue Authority, requesting for copies of income Tax returns filed by M/s Sagimex Enterprises Ltd and Mr Gasasira Machumbi Nestor. The copy of the letter is attached **Annex XXII**. This was to help confirm the declared income from the operations of this company.

In a letter Ref; URA/DT/RPP/25 dated 30th September 2005, the Assistant Commissioner in charge of Returns payments and Processing responded that *“we have searched our registry, and we have not been able to locate any return of income for the above tax payer.”* The letter from URA is attached as **Annex XXIII**

Mr Gasasira was asked to avail any documentary proof to support the alleged business income and avail copies of income tax returns submitted by his company to URA for tax purposes.

In his response of 20th January 2006 (**see Annex II**), he stated *“M/S Sagimex Enterprises was registered in 1985. It has operated business since in various ways including trading in goods, importing etc. M/S Sagimex Enterprises is fully registered company and makes regular returns to the registrar of companies as required by the Companies Act. It is duly VAT registered with Uganda Revenue Authority. It does business with individuals, companies, institutions and the Government e.g. state house, USAID, British Embassy etc”.*

6.2.5.9.3 Printing and Advertising services

In his response of January 2006, he stated, “M/S Sagimex enterprises had done printing work as part of its trading e.g. printing of Education Strategic Investment Plan 1998-2003 for the ministry of education. This tender was secured through the ODA (British Embassy) in 1999 attracted a receipt of about shs 78,000,000/=”.

In his further response of February 2008 page 25, he again stated that his company M/s Sagimex Enterprises Ltd carried out the printing of the Education strategic investment plan 1998-2003. He presented a copy of invoice number 131 dated 01.02.1999 and Cheque deposit slips for shs 78,900,000/=. The money was paid by British High commission in 3 installments of shs 39,450,000/= on 28.04.1999, shs 20,450,000/= 18.03.1999 and shs 19,000,000/= on 26th February 1999. This showed that the company carried out a printing job in 1999, and was paid shs 78,900,000/= but no business or earning was proved for the period after 1999.

6.2.5.9.4 Returns to URA

On non-submission of returns to URA by his company he stated that “*I have reservations to some of the issues raised under business activities of SAGIMEX ENTERPRISES Ltd notably the returns to Uganda Revenue Authority. I am aware that there exists a framework in which tax matters are addressed between the tax body and the taxpayer. There are procedures that URA apply in the event that there is a default in submitting returns. There are also reasons why such returns may not be submitted. That notwithstanding I would like to confirm to you that taxes are paid as and when they fall due. I am attaching herewith sample copies of tax receipts for your further reference. Please note that taxes on advertising fees are paid directly from New vision to URA*”. The tax receipts mentioned are attached as **Annex XXIV**.

On the failure to submit tax returns he stated, (page 6 of his response) “*I have met all my tax obligations with the URA as far as Ms. Sagimex Enterprises Ltd is concerned. Ms. Sagimex Enterprises Ltd is also expected to*

have compiled or met her obligations with URA". I can only provide samples of documents which deal with the tax body for purpose of demonstration".

He further stated "I pray that the investigation revisits relevant files once more. The URA letter was not sufficient as can be that Mr. Nestor Gasasira and Ms. Sagimex Enterprises Ltd records are available in the URA Offices. I beg that a revisit be made to URA and establish the facts on the ground".

During the meeting of 14th October 2008, with Inspector General of Government, asserted that he made annual returns to URA and that the records were available. In a letter ref; TS.73.2005 dated 8th January 2009, the Inspectorate of Government once again wrote to the Uganda Revenue Authority Commissioner for Domestic Taxes, requesting for an update on the tax returns filed by Mr. Gasasira and M/s Sagimex Enterprises Ltd. URA provided documents showing the income tax returns for M/s Sagimex Enterprises Ltd for the year of income 2007. They are dated 1st July 2008. The documents are at **Annex XXIV (a)**. Mr. Gasasira had written to the Inspector General of Government in February 2008 claiming that the returns were in URA where as not. He gave false information to the Inspector General of Government.

The receipts he provided were for import duty, VAT, Withholding Tax and Import Commission that he paid while importing some items but they had nothing to do with trading profits, which should have helped to confirm the income he claimed is derived from the business and to confirm the declared annual income of shs 90,000,000/=, shs 70,000,000/= and shs 110,000,000/= in 2002, 2005 and 2007 respectively purportedly from M/s Sagimex Enterprises Ltd.

He was also asked to state the nature of business of his company, its location, his share holding, the source of the funds, the names of the other shareholders and his relationship with them. In response he stated that,

“Please note that I undertake the following businesses either personally or at company level; Transport activities, printing and advertising, construction materials, dollar hedging, money lending on small scale, investment properties e.g. land (plots).

The response was too general, insufficient and was not supported by any evidence. The explanation that he undertook business in transport, printing, advertising construction, materials, dollar hedging and investment in land was therefore unsatisfactory. He failed to prove the funds derived from the purported businesses. The only activity proved was they printing job carried out for the British High Commission where M/s Sagimex was paid shs 78,000,000/= in installments in 1999 before he purchased the plots at Banda Kyambogo.

Since he claimed that one of the sources of funds for acquisition and development of Block 220 Plots 1334, 1337, 1338 Banda, Kampala was from business, it was incumbent upon him to prove the income from this source. However in his response of 5th February 2008, he stated that M/s Sagimex Enterprises Ltd was a different entity from Mr. Nestor Gasasira. It is surprising that he is the same person who was claiming that business of this very company was a source of his income to acquire personal assets as Gasasira.

6.2.5.9.5 Transport Activities

He stated that Lorry Reg. No. UAD 939N which *“until recently had a puller UAA 138L transported goods from Mombasa, Nairobi Kenya to Bukwavu in Democratic Republic of Congo”*. He also stated that the puller had been leased from M/S Gram (U) Ltd and that it ferried cement from Hima to Kisoro, carried cured tobacco from Rukungiri to Kampala, and ferried trader goods from Kampala to Arua.

He did not provide any proof documentary or otherwise to confirm the above activities or that he earned any income from transport activities.

It was established however that he owns a lorry Registration No UAD 939N.

6.2.5.9.6 Deposits on Sagimex Enterprises Ltd Bank account:

The Bank Account for MS Sagimex Enterprises Ltd in Stanbic Bank IPS Branch was inspected. Bank statements for the period October 2002 to September 2005 were retrieved and examined. He is a sole signatory to this account. The bank statements are attached as **Annex XXV**

Mr. Gasasira was asked to explain with proof the source of following deposits as summarized hereunder;

Date	Amount	Mode
25.02.2003	7,000,000	Transfer
08.12.2003	50,000,000	Cheque
05.03.2004	35,000,000	Cash
05.03.2004	15,000,000	Cash
22.07.2004	40,000,000	Cheque
11.09.2004	31,500,000	Cash
05.11.2004	9,000,000	Cheque
09.02.2005	8,000,000	Cash
07.05.2005	16,077,240	Cheque
01.08.2005	28,271,800	2 cheques

In his January 2006 response he stated *“The deposits or withdrawals on the company account are many times intra bank transactions on both the company account and personal accounts. I have a personal choice to shift money from any account depending on business circumstances.”*

He further stated, *“I am the sole signatory to the Company Account in the Stanbic Bank (Sagimex Enterprises Ltd). I undertake personal drawing on the company account. It is not strange that there could be deposits on the company account from my personal accounts from other banks.*

Whereas, as a shareholder, director and sole signatory to the account of M/s Sagimex Enterprises Ltd, he has a choice to shift money from one account to another, there was no correlation that the above deposits were withdrawals from his personal accounts. He did not also prove that the deposits in question were from the claimed company business.

Indeed his statement above Contradicts what he stated in his response of 5th February 2008 when he wanted the Inspectorate of Government to believe that in fact Nestor Gasasira and M/s Sagimex Enterprise Ltd are separate entities, yet from his statement above and his own admission, they are one and the same though legally separate.

He failed to account for the source of funds.

6.2.5.10 Liabilities:

In the 2005 declaration Mr Gasasira declared four liabilities in the following banks;

6.2.5.10.1 Allied Bank international

He declared a mortgage of shs 150,000,000/= which he incurred in October 2004. According to him the mortgage was towards the purchase of plot 102 Luthuli Avenue Bugolobi. Refer to **Annex XVI** for the loan agreement. The mortgage was to be repaid in 12 months at approximately shs 12,500,000/= per month.

The leader also declared an overdraft of shs 50,000,000/=from the same bank. This overdraft was extended to him on 5th October 2004, on the same loan agreement as that of the mortgage above. According to the agreement, the overdraft was to *“finance purchase and transportation of foodstuffs from Kampala to Rwanda and Burundi”*. The repayment terms were that *“the facility will be repayable on demand. Repayment of the facility will be by credit of the overdraft Account with sales from the clients operations. On expiry of the facility, the overdraft account will revert to credit, unless otherwise agreed with the Bank”*. The expiry date for the overdraft was 15th August 2005.

Examination of the Bank statements from Allied Bank International indicated that between 18th October 2004 and 13th June 2005, the leader had banked a total of shs 99,744,000 towards repayment of the loan and the overdraft as summarized hereunder;

Date	Amount
18.10.2004	2,500,000/=
09.11.2004	14,000,000/=
24.11.2004	4,000,000/=
30.11.2004	1,500,000/=
03.12.2004	2,744,000/=
10.12.2004	5,000,000/=
31.12.2004	2,000,000/=
31.12.2004	15,000,000/=
02.05.2005	3,000,000/=
13.06.2005	50,000,000/=
Total	99,744,000/=

Mr. Gasasira's net monthly salary between October 2004 and June 2005 ranged between shs 669,248/= and shs 738,248/=. From this he was repaying shs 565,354/= to Housing Finance Company (U) Ltd and there was domestic expenditure.

The leader however did not explain the source of the above funds for the repayment for the repayment of the loan and the overdraft with then Allied Bank Ltd.

It was also established that Mr Gasasira started getting overdraft facilities in this Bank in June 2002. The Overdraft of shs 50,000,000/= was secured by his property at plot 8 Mugabe Road. The overdraft agreement is at **Annex XXVI** . The bank was only able to avail a bank statement from 1st January 2003. Analysis of the Bank statement indicates that between January 2003 and August 2004, the leader made the following deposits to offset the overdraft;

Date	Amount
2003	
14.01.2003	11,200,000
28.01.2003	6,000,000
20.03.2003	20,000,000
11.07.2007	420,000
10.09.2003	226,599
Total	37,846,599

2004	
29.06.2004	4,500,000
06.07.2004	4,000,000
15.07.2004	12,000,000
28.07.2004	30,000,000
05.08.2004	500,000
Total	51,000,000

The leader did not explain the source of the above funds for repayments made.

6.2.5.10.2 DFCU

The leader declared a short-term loan of shs 50,000,000/= which he incurred from DFCU Ltd on 21st August 2003. The facility was for 6 Months. According to the loan agreement dated 8th August 2003 the purpose of the loan was towards “*completion of construction works on Houses*”. Refer to **Annex VI**.

Mr. Gasasira stated that it was towards the acquisition of a plot in Kololo, which he later sold. This liability was settled on 4th December 2003 when he made a cash deposit of shs 52,000,000/=. The leader did not explain the source of this cash of shs 52,000,000/= used to resettle this loan.

6.2.5.10.3 Housing Finance Company (U) Ltd

The leader declared a mortgage of shs 126,000,000/= incurred from Housing Finance on 18th February 2004. He used it to acquire plot 37 Lake Drive Luzira Kampala. **See Annex XV for the mortgage agreement.**

Examination of the bank statement indicate that Mr Gasasira paid shs 78,388,246/= on 18th March 2004 on the mortgage account. This money was from his savings account in Housing Finance Company (U) Ltd. The source of this money was from M/s Sagimex Account and from his personal account both in Stanbic Bank IPS Branch. On 11th March 2004, he deposited shs 80,000,000/, = using Cheques No. 00000536 and 00000537 of shs 50,000,000/= and 30,000,000/= respectively on his savings account in Housing Finance Company (U) Ltd. Cheque No. 00000536 of shs 50,000,000/= was from MS Sagimex Enterprises Account while cheque No. 00000537 of shs 30,000,000/= was from his personal Account both in Stanbic Bank IPS Branch.

This reduced the mortgage amount to shs 47,611,753/=. Thereafter he started paying the loan using his salary.

The summary of the repayments for the period March 2004 to June 2005 is as indicated hereunder;

Month	Amount repaid
18.03.2004	78,388,246/=
01.05.2004	662,785/=
01.06.2004	662,785/=
01.07.2004	662,785/=
01.08.2004	662,785/=
02.09.2004	565,354/=
02.10.2004	565,354/=
02.11.2004	565,354/=
02.12.2004	<u>565,354/=</u>
Total	83,300,902/=

02.01.2005	565,354/=
02.02.2005	565,354/=
02.03.2005	565,354/=
02.04.2005	565,354/=
02.05.2005	565,354/=
02.06.2005	<u>565,354/=</u>
Total	3,392,124/=

The total loan repayment was shs 86,693,026/= as at 2nd June 2005.

The above loan repayments to the various banks are summarized as hereunder;

Bank	Date Incurred	Loan	Repayments 2003	Repayments 2004	Repayments June 2005
DFCU	Aug.2003	50,000,000=	52,000,000=	Nil	Nil
HFCU	Feb.2004	126,000,000=	Nil	83,300,000=	3,392,124/=
Allied Bank	Oct.2004	200,000,000=	Nil	46,744,000=	53,000,000/=
Allied Bank	Jun. 2002	50,000,000 (Overdraft)	37,846,599	51,000,000=	
Total			89,846,599/=	181,044,000=	56,392,124/=

In the year 2003 he made loan repayments amounting to shs 89,846,599/= to clear his short-term loan in DFCU and the overdraft in the then Allied Bank respectively. In the year 2004, he made repayments on his loan accounts in Housing Finance Company (U) and Allied Bank International to the tune of shs 181, 044,000/=. For the period January to June 2005, he made deposits amounting to shs 56, 392, 124/=the loan accounts in Housing Finance Company (U) and Allied Bank International.

These loan repayments were over and above his net salary and proved income and therefore the source of the above deposits / repayments was not explained.

He was at the same time carrying out construction works on the 8 residential flats on Block 220 plots 1334 and 1338 Banda Kyambogo, residential house on plot 4 Neptune Avenue, Mbuya and the village house at Nyakabande, Kisoro.

6.3.0 To establish whether there were undeclared assets

6.3.1 Block 220, Plot 1337, Banda Kampala

During the verification it was established that he owns plot 1337 block 220 that is approximately 0.20 Acres, which he did not declare in the 2005. The plot is located next to the block of apartments being constructed by Mr. Gasasira on plots Block 220 plots 1334 and 1338. Refer to **Annex XIII** for the certificate of title.

He was asked to state whether he owned the above plot, when he acquired it and why he did not declare it. He was also asked to provide a copy of the certificate of title and purchase agreement.

In his response he stated;

- i) I own it. It is part of block 220, which comprises plot no.1334 and 1338 as explained above. They form one piece of land*
- ii) It was acquired at the same time with 1334 and 1338 (each segment was shs 15,000,000/=)*
- iii) The particular certificate of plot 1337 was in the bank by the time of declaration. The reason for this inadvertent omission at the time. It was not with me when I was reading off the details for those others which were on hand at the time of declaration”.*

During the meeting of 14th October 2008 with Inspector General of Government, he again explained that at the time of declaring the title was in the bank hence the reason for the omission. He stated that he was sorry for the omission to declare the plot.

The Inspectorate found the omission not to have been inadvertent as he claimed.

6.3.2 Plot 1654 Block 206 Mpererwe

Section 4 (1) and (2) of the Leadership Code Act, 2002, provides that *“a leader shall submit to the inspector General of Government a written declaration of the leader’s income, assets and liabilities, the names, income, assets and liabilities of his or her spouse, child and dependant in the prescribed form, without prejudice to the rights of the leader’s, spouse, child and dependant to independently own property”*,

It was established that Mr. Gasasira did not declare the above property belonging to his spouse as required by the law. According to the Certificate of title secured from the Ministry of Lands, Housing and Urban Development Lands office; the land measuring 0.115 HA or 0.284 Acres is registered in the names of Rosebell Nduhukire. In the Declarations he named his spouse as Rosebell Nduhukire Gasasira. The land was transferred into her names on 8th April 1997 from one Stanley Karegeya. The copy of the Certificate of title is at **Annex XXVII**.

It was established that in 2003 Mr. Gasasira used the certificate of title for this asset to secure a short-term loan of shs 50,000,000/= from DFCU bank. Refer to **annex VI** for the loan agreement.

The fact that the asset belonged to his spouse and it was within his knowledge, he ought to have declared it as required by the law but he did not.

In his response to the findings dated 5th February 2008 page 5, he stated *“I did not declare Block 206 Plot 1654 Mpererwe which belongs to Ms. Rosebell Nduhukire for it would not have been prudent to declare the property which I was aware that it was a subject of family feud in respect of my wife’s family”*. During the meeting with the Inspector General of Government of 14th October 2008, he also stated that the property had family wrangles and he could not declare it.

The leader's explanation for not declaring this property was found untruthful because despite the purported "family feud" he used it to secure a loan in DFCU Bank in August 2003. He therefore deliberately did not declare the asset registered in the spouse's names, and yet he had knowledge about it.

6.3.3 Undeclared Vehicles

6.3.3.1 Vehicles registered in the names of Nestor Gasasira

On search of the Registry of Motor vehicles (URA), the records indicated that he owns minibuses Registration No.UAA 569 G, UAB 995 Q (formerly registered as UPK 319) and a Toyota carina 852 UBM. They were all registered in the names of Gasasira M. Nestor. They were first registered on 21st October 1998, 31st October 1990 and 8th December 1995 respectively. The registration details of the undeclared vehicles from the Motor vehicle registry are at **Annex XXVIII**.

He was asked to explain why he did not declare the above vehicles. In his explanation of January 2006 he stated, *"I want to state that I no longer own these vehicles. I sold them long time ago and I no longer have any economic benefits / rewards from the said vehicles. This must be a problem at the registry of Motor vehicles. I recommend that these vehicles are impounded by the police"*.

He provided no proof that he had sold them and to whom he sold them.

According to Section 31 of the Traffic and Road safety Act, 1998, a vehicle sold should be transferred within 14 days. It states that

(1) *"Within fourteen days after the sale or other disposition of any kind of any registered motor vehicle, trailer, or engineering plant, the person selling or otherwise disposing of it shall-*

(a) notify, in the prescribed form accompanied by the prescribed fee, a licensing officer of the sale or disposition, the name and address of the new owner, the mileage recorded on the mileage recorder (if any) of the motor vehicle... and

(b) deliver the registration book and the registration plates of the motor vehicle, trailer or engineering plant to the licensing officer”.

In his response of February 2008 page 21 he stated *“it is true the understated vehicles belonged to me and my wife. Motor Vehicles UAA 569G, UAB 995, UPK 319 and Toyota Carina 852 UBM. The first two vehicles were commercial vehicles, which were operating intra Kampala Routes. They were also transporting security guards for M/s Alarm Security Services Ltd until the year 2000 when business stopped. The Toyota Carina was for personal use. These vehicles were sold and I no longer have any interest in them now and in the future. It is only unfortunate that the buyers did not have them transferred from my names, a matter that remains legal but in substance I have no economic rewards from these vehicles. I have taken personal interest to deal with this matter with the Registrar of Vehicles to its final conclusion. I will seek guidance from my lawyers as to how these vehicles were being licensed without my personal endorsements.”*

It was his responsibility if he sold the vehicles, to notify the Licensing Officer within 14 days as required by Section 31 of the Traffic and Road safety Act, 1998. Since they are still registered in his names, and in absence of contrary information, he still owns the said vehicles. He failed to declare them.

6.3.3.2 Vehicles registered in the names of the spouse

Investigations further revealed that he did not declare motor vehicles No. UAE 339R and UDQ 008 in the names of his wife, Rosebell Nduhukire Gasasira. According to Registration details from URA, the vehicles are; a Green Toyota Corona that was first registered in Uganda on 14th February 2003, and a Toyota Corolla that was first registered in Uganda on 08 October 1997 respectively. The details from the Motor vehicle registry are attached as **Annex XXIX.**

When asked to explain why he did not declare the spouse’s vehicles, he stated that, *“This is true as of now. However, this vehicle (UAE 339R) had been*

traded in for a short chassis Pajero at the time I made my second declaration in March 2005. Unfortunately, no transfer of either vehicle had been effected. Subsequently the Pajero, which she was to acquire, developed a faulty engine and returned to the owner and retrieved her car. This is the confusion that arose at the time and I did not declare this car.”

On non- declaration of motor vehicle registration No. UDQ 008, he stated, *“this car was sold long time ago and she no longer owns it. I have personally seen this car being driven as a Driving school vehicle. I don’t own a driving school. The police should impound this car if the users have not transferred it from her names”.*

As stated above, the responsibility of transferring the vehicle disposed of, lies with the seller, who was his spouse.

6.4.0 To establish whether incomes, assets and liabilities are commensurate with the leader’s known income

Article 233(2) of the Constitution states that *“the Leadership Code shall- (a) require specified officers to declare their income, assets and liabilities from time to time and how they acquired or incurred them, as the case may be;*

Section 4(4) of the Leadership Code Act, 2002 states that *“ a leader shall in a declaration under Subsections(1) and (2) of this section, state how he or she or his or her spouse, child or dependant acquired or incurred, as the case may be, the income, assets and liabilities”.*

6.4.1 Income

The leader declared the following 3 sources of income:

6.4.1.1Salary

The verification confirmed Mr Gasasira’s salary income. His monthly net salary in 2001 ranged from shs 470,268/= to shs 617,599/= which amounted to shs 6,227,678/= per annum. In 2002, his net monthly salary ranged from

shs 518,468/=to shs 646,798/= totaling to shs 7,023,409/= per annum. In 2003, his monthly net salary ranged from 629,289/= to shs 726,088/= totaling to shs 7,793 698/= per annum. In 2004, his monthly net salary ranged between 646,848/= to shs 669,248/= totaling to shs 7,925,676/= per annum. Between January and May 2005, his monthly net salary ranged between shs 721, 748/= and 1,180,748/=.

6.4.1.2 Income from Transport

He declared an annual income of shs19,800,000/=: shs 27,000,000/=: and shs 92,400,000/= from the transport business in the 2002, 2005 and 2007 declarations respectively. He was asked to avail documentary proof, to confirm the declared income but he did not. He did not even show any proof that he was doing this type of business. No income from this business (if any) was proved.

6.4.1.3 Income from Sagimex Enterprises Ltd

He declared an annual income of shs 90, 000,000/=: shs 70,000,000/= and shs 110,000,000/= from the trading activities of M/s Sagimex Enterprises Ltd in the 2002, 2005 and 2007 declarations respectively. It was established that;

- (i) The company is a family business with his children as the directors and shareholders.
- (ii) He is a director and sole signatory to its Bank Account in Stanbic Bank.
- (iii) He failed to provide any documentary proof to support the purported income.
- (iv) No tax or annual returns were made to URA to confirm the alleged income.
- (v) Apart from the shs 78,000,000/= the company received from the British High Commission between February and April 1999 a printing job, there was no proof of its business, before and in the following years to date. In 2005 and 2007, he used the company to import electrical materials, doors locks and mirrors.

In the circumstances, this purported income from the trading activities of M/s Sagimex Enterprises Ltd was not proved by Mr. Gasasira even when he was given an opportunity to do so.

It should be noted that Mr. Gasasira is a full time employee of Uganda Government on the Government payroll. Government office hours are 8.00am–1.00pm and 2.00pm-5.00pm. He is a Principal Accountant. He is a sole signatory of M/s Sagimex Enterprises Ltd's bank account with Stanbic bank IPS Branch. As a full time employee he cannot explain when he gets the time to do "business" which he claims has supported his acquisitions.

During the meeting held on 14th October 2008 between the Inspector General of Government and himself, he stated that he was a businessman, and that there was no public servant who was depending solely on his / her salary. The unanswered question is as a full time employee, where was he getting the time to do business and where did he get the capital, given his meagre salary? In absence of the evidence to the contrary, it is the Inspectorate of Government's view that he was encroaching on the office working hours and resources entrusted with him.

6.4.1.4 Income from Disposal of Assets

6.4.1.4.1 Income from the sale of Plot 8 Mugabe Road Mbuya

In the 2005 declaration the leader indicated that he disposed of this property at 35 million. While responding to the responding to the report he provided a copy of the sale agreement which indicated that he sold it in August 2003 at shs 30,000,000/= and not shs 35,000,000/= as he had declared. He made an over declaration of shs 5,000,000/=. He derived an income of shs 30,000,000/= in August 2003, from the sale of this house.

6.4.1.4.2 Income from the sale of Plot 42 Bukoto Crescent Naguru

He declared that he acquired this plot in August 2003 at Shs 120,000,000/= using the proceeds of the sale of plot 8 Mugabe Road, incomes from the lorry, sell of his land cruiser and a loan of 50,000,000/= from DFCU. He provided a purchase agreement, indicating that he acquired the plot in August 2003 at shs 110,000,000/= and not shs 120,000,000/= as he had declared. He over declared the purchase price by shs 10,000,000/=.

He indicated that he used the proceeds from the sale of plot 35 Mugabe Road which is shs 30,000,000/= and the short term loan of shs 50,000,000/= from DFCU Ltd. This totaled to shs 80,000,000/=. He did not explain the source of the balance of shs 30,000,000/= which topped up the purchase price.

He also provided documents to show that he sold this plot on 1st March 2004 at shs 160,000,000/= to Mr Ssemakula Lawrence and Ms Rose Ikiror. Implying that he made a profit of 50,000,000/=. In March 2004, therefore he got income of shs 160,000,000/= for the sale of plot 42 Bukoto Crescent Naguru.

6.4.1.4.3 Income from the Disposal of Vehicles

The leader also declared that he disposed of 3-land cruiser, 3 min-buses and 1 salon car. He did not provide any proof to support his claims that he disposed of the vehicles or to show when he disposed of them and how much he realised from the sale. The income from the sale of these assets was therefore not proved.

6.4.2.0 Liabilities

6.4.2.1 The leader declared four liabilities he used to secure some of his assets. The mortgage of Shs 150,000,000/= incurred in October 2004 from the then Allied Bank was used to acquire Plot 102 Luthuli Avenue. He also incurred another loan of shs 126,000,000/= from Housing Finance Company (U) Ltd in February 2004 which was used to acquire the property at Plot 37 Lake Drive Luzira. The overdraft of 50,000,000/= incurred on 5th October 2004 from the then Allied bank was for trading purposes and the loan of

50,000,000/=incurred on 21st August 2003 from DFCU was towards the purchase of Plot 42 Bukoto Crescent Naguru.

It was only the liability in Housing Finance Company Uganda Ltd that he was repaying using his salary.

He failed to explain the source of the funds used to settle the other liabilities.

6.4.3.0 Expenditure

6.4.3.1 In his clarification dated 20th January 2006, he stated that his domestic expenditure consumes about 60% of his annual salary. Using annual net salary for 2001, 2002, 2003 and 2004 his average annual expenditure stood at shs 4,345,569/=. Refer to paragraph 5.1.3 for the details.

On maintenance of vehicles he only mentioned payment of licenses, which he estimated to be shs 2,000,000/= per annum. He did not provide figures for fuel, and other vehicle maintenance costs. He declared that he owns a Land Cruiser, a Mercedes Benz and a Scania lorry.

On loan repayment he estimated approximately shs 6,500,000/= per month, which comes to shs 78,000,000 per annum.

His total expenditure is summarized as follows;

Domestic expenses of shs 4,345,569/= per annum (equivalent to 60% of his salary)

License for cars shs 2,000,000/= per annum

Loan repayment shs 78,000,000/= per annum

Total expenditure is shs 84,345,569/= per annum which is approximately shs **7,028,797/=** per month. This excludes expenditure on most of his developments and asset acquisitions.

This against his net annual salary of shs 6,227,678/= in 2001, shs 7,023,409/= in 2002, shs 7,793,698/= in 2003 and Shs 7,925,676/= in 2004 His annual expenditure is over and above his salary income.

However the total declared expenditure figure was found to be very low because in 2003 his loan repayments were shs 87,846,599/=, in 2004 loan repayments amounted to shs 181,044,000/=and in the first 5 months of 2005, he made repayments amounting to shs 56,392,124/=.

He under declared his total annual expenditure.

6.4.4.0 Assets acquired and whether they are commensurate with his income:

6.4.4.1 Before 2002

Mr. Gasasira in his response February 2008, and during the meeting with IGG held on 14th October 2008 stated that he had property before he became a leader. Before 2002 he had the following assets;

6.4.4.1.1 Residential House at Nyakabande, Kisoro

This was a small residential house he built in 1987. It was roofed with corrugated iron sheets and had no wall fence. He acquired it before he became a leader. Refer to page 25 of this report for the photograph.

6.4.4.1.2 Residential house at Plot 4 Neptune Avenue Mbuya

The leader acquired this house in 1994 at a cost of shs 51,300,000/= using a mortgage from Housing Finance company limited. He repaid the mortgage using his salary. This was before he became a leader.

6.4.4.1.3 Manual Block Making Machine

He declared that he acquired this machine in 1999 at shs 750,000/=. This was before he became a leader.

6.4.4.2 Assets acquired/ developed from the year 2002:

He acquired /developed the following assets from the year 2002:

6.4.4.2.1 Remodeled Residential house at Nyakabande Kisoro in 2002

This house was greatly remodeled in 2002. The building plans are dated May 2002. Refer to Annex X (a) for the copies of the building plans.

On the remodeling of the house he stated in his response of 5th February 2008, that *“.... I categorically stated that that I built my house between 1984-1987. I also indicated that that the roof which was originally made of corrugated iron sheets was changed to Mangalore tiles in 2001/2002”*. This means that the remodeling was done and completed in 2002.

As discussed herein, and as shown in paragraph 6.2.5.1.2 of this report, before 2002, the residential house in Nyakabande, Kisoro was not yet remodeled.

However according to the building plans for this house dated May 2002, major alternations were made on the house including removing iron sheets and replacing them with Mangalore tiles. These alterations according to the cost valuation report were estimated at shs 95,893,500/= which he spent in one year which is approximately shs 8,192,875/= per month.

He stated that his source of funds was salary savings, income from produce, car sales, and speculating in United States dollars (Black Market). Apart from salary, income form produce, car sales and speculation in United States Dollars were not proved.

Although, in his February 2008 response he stated that he spent shs 24,453,000/=towards the remodeling of this property, he did not provide proof to confirm this figure, or how he arrived at the amount and even then he did not explain the source of funds.

During the meeting held on 14th October 2008 at the Inspectorate of Government he explained that being in the village he did not incur preliminary costs of shs 4,695,000/= as reflected in the cost valuation report since some of the materials like stones were in his compound. If his explanation is taken into account, therefore the amount spent on the

remodeling house to its current position was brought down from 95,893,500/= to shs 91,243,500/=.

In 2002, his annual net salary was shs 7,023,409/= per annum which is approximately shs 585,284/= per month. According to him his domestic expenditure is 60% of this income, implying that he would remain with 40% which was available for investment. The 40% of shs 585,284/= was shs 234,114/= per month or shs 3,117,480/= per annum. His confirmed income after domestic expenses was shs 234,114/= per month and therefore shs 2,809,368/= per annum. Of the shs 91,243,500/= spent on the remodeling of this house in 2002, the source of only shs 2,809,368/= was confirmed leaving a balance of shs 88,434,132/= or shs 7,369,511/= per month.

Under the Leadership Code, 2002, he became a leader in July 2002. He completed the remodeling in December 2002. Therefore, for the 6 months that is July to December 2002 he was spending shs 7,369,511/= per month making a total of shs 44,217,066/=. The source of shs 44,217,066/= spent on the alterations of this house was not proved, therefore the asset was found not to be commensurate with his income.

6.4.4.2.2 Residential house at plot 4 Neptune Avenue – Mbuya, Kampala

The leader acquired this house in 1994 at a cost of shs 51,300,000/= using a mortgage from Housing Finance company limited. He repaid the mortgage using his salary. Therefore the acquisition of the house at the time in 1994 was found to be commensurate with his income.

However, Mr. Gasasira later made several major alterations and extensions on this house, between July 1998 and December 2002. He explained his source of funds to be *“family savings through salaries earned and supplementary incomes from transportation and other minor trading activities”*. According to the cost valuation report, the alterations were made at a cost of shs 148,048,600/=. These alterations were made within a period of 54 months from July 1998 and December 2002, which implies he was spending approximately shs 2,741,641/= per month.

In responding to the interim report he simply stated that he spent about 17,000,000/= without detailing how this amount was arrived at or providing evidence. He also did not state the source of the money apart from salary earnings. Without proof of the figure of shs 17,000,000/= or details, the explanation in respect of the amount he claimed he spent on the house and the source of funds was found unsatisfactory.

Under the Leadership Code, 2002, he became a leader in July 2002. He completed the remodeling in December 2002. Therefore, for the 6 months that is, July to December 2002 he was spending shs 2,741,641/= per month which is shs 16,449,844/=. This was over and above his known income. This figure excludes the amount spent on the house from July 1998 to June 2002 which was shs 131,598,755/=. In 2002, he was also remodeling the house at Nyakabande Kisoro where he was spending shs 7,369,511/= per month. The total expenditure per month for both developments was shs 10,111,152/= excluding domestic expenditure.

The leader's known and proved income of salary of shs 646,789/= per month could not sustain the alterations and extensions made on the house. Therefore the shs 17,113,998/= spent in 6 months only on the remodeling of this house was found not to be commensurate with his income.

6.4.4.2.3 Flats on Block 220 Plot 1334, 1337 and 1338 Banda (2002-2006)

The leader acquired all the three plots between October and December 2001, all at a cost of 45,000,000/= million. According to him, he used his "*salary savings, trading income from importation of motor vehicles and general trading in supplies and stationery*".

In 2002, he started developing these plots into eight residential apartments. He explained that he was using bank loans business incomes and personal and family savings. As discussed in paragraphs 5.4.1.2 and 5.4.1.3 these sources of income were not proved. By August 2006, the apartments were

nearly completed and according to the cost valuation report the leader had spend approximately shs 806,920,700/=. These developments were made in 56 months between January 2002 and August 2006 (56 months). This implies that the leader was investing approximately shs 14,409,298/= per month. He became a leader in July 2002 and therefore for the 50 months when he was a leader he spent a total of shs 720,464,900/=.

Mr. Gasasira in his response of 5th February 2008, explained that he spent shs 251,994,810/= and not 806,920,700/=. However, he even failed to explain the source of the alleged 251,994,810/=. He therefore failed to disprove and to explain the source of shs 806,920,700/= stated in the cost valuation report.

His confirmed source of income at the time was a net monthly salary of shs 585,284/=. Yet he was remodeling of the Kisoro House and at the same time carrying out alterations and extensions on the house at Plot 4 Neptune Avenue Mbuya.

In 2003 the confirmed annual net salary less domestic expenditure of 60% was shs 3,117,479/=. In 2004, his confirmed annual net salary less domestic expenditure of 60% was shs 3,170,271/= and the shs 160,000,000/= being proceeds of the sale of Plot 42 Bukoto crescent hence a total of shs 163,170,271/=. In 2005 to August 2006 (18 months) his confirmed annual salary less the 60% domestic expenditure was shs 5,881,306/=. Therefore the total confirmed income between January 2003 and August 2006 was shs 172,169,056/=. It is assumed that this was part of the cost of construction for the 8 flats on Block 220 Plot 1334, and 1338 Banda Kyambogo. Therefore, out of the cost of shs 720,464,900/=: the source of shs 548,295,844/= was not accounted for. In addition he was repaying loans totaling to shs 89,846,599/= in 2003, shs 181,044,000/= in 2004, shs 56,392,124/= in 2005, which was beyond his known sources of income.

In the circumstances therefore, the development of the 8 apartments on block 220 Plot 1334, 1337, and 1338 Banda Kyambogo was not commensurate with his income.

6.4.4.2.4 Electric Block Making Machine (2003)

He explained that he acquired the electric block making machine in early 2003, at a cost of shs 17,000,000/= and that the source of funding for this machine was from personal and business incomes. In 2003, his confirmed income was from salary and all of it was being spent on his domestic expenses and on the development of the flats at Block 220, plots 1334 and 1338 Banda Kampala. He did not prove the business incomes. He did not prove the source of the shs 17,000,000/= he used to acquire the electric block making machine. The acquisition was therefore found not to be commensurate with his known income.

6.4.4.2.5 Plot 42 Bukoto Crescent (2003)

He acquired this plot in August 2003 and shs 110,000,000/= partly using a loan of shs 50,000,000/= from DFCU and shs 30,000,000/= from the proceeds from the sale of plot 35 Robert Mugabe Road Mbuya. He did not explain the source of the shs 30,000,000/= that topped up the loan and the proceeds of the sale of plot 35 Mugabe Road. Therefore the source of shs 30,000,000/= was not proved and therefore not within his means of income.

6.4.4.2.6 Land Cruiser UAE 446W (2003)

He declared that he acquired this vehicle in 2003 at shs 31,000,000/= using general income, income from blocks, income from importing and selling vehicles. He did not prove the above sources of income. It is noted that in August 2003, he topped up shs 30,000,000/= to buy Plot 42 Bukoto Crescent whose source he did not explain. The source of the shs 31,000,000/= was not proved and therefore the acquisition of the land cruiser was found not to be commensurate with his income.

It should be noted that in 2003 he repaid loans to a total of shs 89,846,599/= and he was at the same time developing the 8 Apartments on Block 220, Plots 1334,1337 and 1338 Banda Kyambogo.

6.4.4.2.7 Plot 37 Lake Drive Luzira (2003-2006)

The leader purchased this property in 2003 but it was transferred into his names in 2004. He acquired this property at a cost of 180 million. It was partly financed by a mortgage of shs 126 million from Housing Finance Company Limited, which he incurred in February 2004. On 18th March 2004, he deposited shs 78,388,246/= and reduced the loan to shs 47,611,753/=

The leader to did not provide proof documentary or otherwise, regarding the source of shs 54,000,000/= that was used to top up the mortgage. On examining his personal account and M/s Sagimex Enterprises Account, it was found out that, out of the lump sum repayment of shs 78,388,246/=: shs 50,000,000/= was from his personal Account and shs 30,000,000/= was from M/s Sagimex Enterprises Ltd account in Stanbic Bank. However as already discussed in paragraphs 5.2.4 and 5.2.5.9.6 of this report he did not explain the source of those funds on his personal and company account.

The source of a total of shs 132,388,246/= for the acquisition of the property is not explained by the leader and therefore is not within his known means of income.

After acquiring the property in 2004, parts of the house were demolished and the house was remodeled. By August 2006, it was nearly completed.

According to the cost valuation report, he had spent shs 197,874,700/= towards the development of the new structure. Therefore between May 2004 and August 2006 (28 months) he spent approximately shs 6,823,266/= per month. He did not prove the source funds for the shs 197,874,700/= spent on the development of the new structure.

He was concurrently carrying developments on the flats on Block 220, plots 1334 and 1338 where he was spending approximately shs 15,299,554/= per month. In 2004 he made loan repayments amounting to shs 181,044,000/=

Therefore a total of shs 330,262,946/= that is the shs 197,874,700/= spent on the remodeling of this house together with the shs 132,388,246 spent on its acquisition was found not to be commensurate with his income.

6.4.4.2.8 Plot 102 Luthuli Avenue Bugolobi

This property is jointly owned with his spouse Ms Rosebell Nduhukire Gasasira although he declared it as his in 2005 and 2007 without declaring the interest of the spouse. The leader acquired the uncompleted building in 2004 at a cost of 200,000,000/=: which was partly financed by a mortgage of shs 150,000,000/= from the then Allied Bank International. The source of the balance of shs 50,000,000/= is unknown. The mortgage was secured using Plot 4 Neptune Avenue Mbuya as the security and he was to repay this mortgage in one year. Investigations confirmed that since the leader acquired this building, he did not make any new developments on it.

According to the loan agreement the loan repayment was shs 75,000,000/= every six months. Although the property is jointly owned, the loan was advanced to Mr. Gasasira. By December 2004 he had paid shs 15,000,000/= towards the repayment of the loan. The leader did not explain the source of funds for the repayment the shs 15,000,000/= paid in December 2004. He also did not explain the source of the shs 50,000,000/= he used to top up the mortgage.

He did not at any one time, give details of his spouse's contribution, if any. The loan was advanced to him personally and he was the one personally repaying it.

A total of shs 65,000,000/= was not accounted for and is not commensurate with his income. This over and above his known income especially in view of

the fact that he paid a total of shs 181,044,000/= as loan repayments in 2004 and was carrying out other developments concurrently.

Therefore in view of the above the acquisition was found not to be within his means of income.

6.4.4.2.9 The summary of the assets that were found not commensurate with his income for the period July 2002 and August 2006

Asset	Cost Valuation	Amount not commensurate
Residential house at Nyakabande Kisoro	98,341,500/=	Shs 44,217,066
Residential house at plot 4 Neptune Avenue	154,025,600/=	Shs 16,449,844
Flats at Block 220 Plots 1334 and 1338 Banda Kyambogo	857,673,700/=	Shs 548,295,844
Plot 37 Lake Drive Luzira (Acquisition and development)	198,549,700/=	Shs 330,262,946
Plot 102 Luthuli Avenue Bugolobi	162,259,400/=	Shs 200,000,000
Plot 42 Bukoto Crescent		Shs 30,000,000
Land Cruiser UAE 446 W		Shs 31,000,000
Block Making Machine		shs 17,000,000
Grand Total		Shs 1,217,225,700/=

7.0 OBSERVATIONS

From the above findings it is observed as follows;

7.1.1 Income

The leader declared the following 3 sources of income;

- i) Salary: Mr. Gasasira's proved net salary income in 2001 was shs 6,227,678/= per annum. In 2002, shs 7,023,409/= per annum. In 2003, shs 7,793 698/= per annum. In 2004, shs 7,925,676/= per annum.
- ii) Income from Transport was not proved.
- iii) Income from Business: Although he declared that he was getting income from M/s Sagimex Enterprises Ltd business, he income of shs 78,000,000/= from British High Commission for a printing Job in 1999. Nothing was proved for the period 2002 to date.

7.1.2 Bank Deposits

As discussed in paragraphs 6.2.4 and 6.2.5.9.6 of this report, he failed to explain any of the deposits on both his personal accounts and that of M/s Sagimex Enterprise Ltd, which were mainly made in cash.

7.1.3 Expenditure

Mr. Gasasira provided estimates of his expenses on domestic, motor vehicle licenses and loan repayments. He lumped up all the domestic expenses into one figure without categorizing them. It was established that the amount of shs 78,000,000/= per annum he estimated as loan repayments was too low compared to the actual figures. In 2003, he repaid shs 87,846,599/=: in 2004 he repaid shs 181,044,000/= and in the first 5 months of 2005 he repaid shs 56,392,124/.

In his response to the draft report of January 2008 report he stated "*The IGG report attempted to compute the averages of the estimated expenditure per annum to indicate the likely amounts I should spend including the average loan repayments of Shs. 6.5 Million per month*". This figure would only be meaningful if one considered short-term loan facilities. The payback period ranges from 12 months to 25 years.

So the monthly bank payments on the average of Shs. 6.5 Million per month could be perceived for short term loan only". It was incumbent upon him to correct the figures. He did not make any effort to present a corrected version of the "meaning full" figures, even when he was given a final draft report to give him an opportunity to respond.

7.1.4 Liabilities

The verification confirmed that in August 2003, Mr Gasasira incurred a loan of shs 50,000,000/= from DFCU for purposes of acquiring the plot in Naguru. He incurred another loan of shs 126,000,000/= in February 2004 which he used to acquire Plot 37 Lake Drive Luzira Kampala. In October 2004, Mr. Gasasira incurred a shs 150,000,000/= to acquire plot 102 Luthuli Avenue. Mr Gasasira had an overdraft facility of shs 50,000,000/= with Allied Bank International since June 2002. Refer to paragraphs **6.2.5.10** and **6.4.2.0** of this report.

The sources of funds for repaying the liabilities above were not explained and therefore the repayment of the liabilities was found not to be within his means of income.

7.1.5 Assets Declared

7.1.5.1 Residential house at Nyakabande, Kisoro

The land was acquired in 1982 and developed between 1984 and 1987. By 2001/2002 the state of the house was shown on page 26 of this report. However, in 2002 he modified the house including changing the roofing from iron sheets to tiles which cost shs 95,893,500/=. Shs 88,434,132/= spent on the remodeling of the house was found not to be within his means of income. Refer to paragraph **6.4.4.2.1** for the details.

7.1.5.2 Plot 4 Neptune Avenue Mbuya

The property was acquired from National Housing and Construction Corporation using a mortgage from Housing Finance Company of Uganda. The mortgage was confirmed. He has since completed the mortgage whose deductions were made from his salary account. The acquisition of the house in its original state as at 1994 was found to be within his means of income.

However, between July 1998 and December 2002 the leader made alterations to this property to the tune of shs 148,048,600/= out of which shs

16,449,844/= was found not to be within his means of income bearing in mind that these alterations were made concurrently with those of the house at Nyakabande Kisoro and the development of the flats on Block 220 Plots 1334 and 1338 Banda Kyambogo. Refer to paragraph **6.4.4.2.2** for the details.

7.1.5.3 Plot 1334, 1337, 1338 Block 220 Banda Kyambogo

He acquired these plots at the end of 2001 on different dates at a total cost of 45,000,000/=. He constructed a building with 8 flats in 2002 and by August 2006 the construction was almost complete. The cost of the works was valued at shs 806,920,700/=. He was spending approximately shs 172,911,576/= per annum or shs 14,409,298/= per month. Out of the cost of shs 806,920,700/=: the source of shs 548,295,844/= was not explained. This was over and above his salary. His explanation that he developed the property in Banda Kyambogo with loans as one of the sources of income was found to be incorrect as all the loans he incurred were for a specific purpose and developing this property was not one of them. He was at the same time concurrently carrying out developments and alterations on his house at Nyakabande Kisoro and plot 4 Neptune Avenue.

The overdraft of shs 50,000,000/- in the then Allied Bank international was according to the loan agreement, for transporting goods to Congo. The Mortgage of shs 150,000,000/= in Allied Bank was according to him towards the purchase of a house in Bugolobi. The short-term loan of shs 50,000,000/= in DFCU in 2003 was towards the purchase of a plot in Naguru and the mortgage of shs 126,000,000/= was towards the acquisition of Plot 37 Lake View Luzira.

The source of funds for the construction of the eight apartments to the tune of shs 548,295,844/= was therefore unexplained, unknown and not within his means of income. Refer to paragraph **6.4.4.2.3** for details.

In his letter of clarifications dated 20th January 2006, Mr. Gasasira stated that he acquired these plots at shs 45,000,000/= that is at 15,000,000/= per plot. However, in the transfer documents he indicated that he acquired each plot at 5,000,000/=. The transfer forms signed by Mr Gasasira are dated 26/10/2001 for plot 1337, 23/10/2001 for both plot 1334 and 1338. Refer to **Annex XIII** for the copies of the transfer forms. He was a Principal accountant in the same ministry. This was gross under declaration of the consideration and false declaration.

This was highly unbecoming and lack of integrity on his part as a public officer at the position of a Principal Accountant.

7.1.5.4 Plot 37 Lake Drive Luzira

He declared that he purchased it at shs 180,000,000/= in 2003 using a mortgage from Housing Finance Co (U) Ltd. It was established that he incurred a mortgage of shs 126,000,000/=. He was asked to state where he got the shs 54,000,000/= to top up the mortgage to make shs 180,000,000/=. His explanation that he had an overdraft of shs 50,000,000/= for the last 4 years was found unsatisfactory. He did not state which bank and when. He did not even indicate the mode of payment. He failed to explain the source of the top up of shs 54,000,000=.

On 18th March 2004 he made a repayment of shs 78,398,246/= to reduce on the mortgage. This money came from his personal account and from M/s Sagimex Account both in Stanbic Bank IPS Branch. He failed to explain the source of the deposits on both his personal and company accounts.

He demolished parts of the old house and put up a new one at the cost value of shs 197, 874, 700/=. Verification established that the declared sources income of average net salary of shs 660,473/= per month in 2004 and shs 816,848/= in 2005 and 2006, were insufficient to finance the development of this property. The other sources of income were not proved. Therefore a total

of shs 330,262,946/= spent on the acquisition and development of this property was not commensurate with his income. Refer to paragraph **6.4.4.2.7** for the details.

7.1.5.5 Plot 102 Luthuli Avenue Bugolobi

He acquired this plot in 2004 at shs 200,000,000/= partly using a mortgage of shs 150,000,000/= from the then Allied Bank international. The source of the shs 50,000,000/= that topped up the mortgage was not explained. It is not clear where he gets the money to service the mortgage. This property was found not to be within his income.

It was established that it is registered in his names and the spouse's names, but he deliberately did not indicate the spouse's contribution (if any). In his declaration of 2007, he stated that the spouse's occupation is an accountant. However in the declarations, he did not declare that the wife had an interest in the property. He has been declaring it as his. Moreover, he applied for the loan of shs 150,000,000/=to purchase the property as an individual, not jointly.

He falsely declared to the Inspector General of Government in his declaration of 2005 and 2007, that he acquired the property at shs 120,000,000/= while in the Land Registration transfer document the consideration stated therein was shs 100,000,000/=. Mr. Kiwagama who sold him the property had in his 2005 declaration to the IGG declared that he sold Plot 102 Luthuli Avenue which is the same property acquired by Mr. Gasasira and Mrs. Rosebell Gasasira, at shs 200,000,000/=. His explanation that the shs 80,000,000/= was towards other expenses like commission was false, because the vendor acknowledged receipt of shs 200,000,000/=from the sale of this property. Mr. Gasasira knowingly and recklessly gave false information to the inspector General of Government. This did not only show that he lacks integrity but was also in breach of the Code under Section 6 of the leadership Code Act, 2002 and is liable for dismissal.

He also contravened section 6 of the Leadership Code Act 2002 which states that “*a leader who knowingly or recklessly submits a declaration or gives an account of any matter which is false, misleading or insufficient in any material particular, commits a breach of this Code*”.

7.1.5.6 Block Making Machine

He declared a manual block making machine acquired in 1999 at a cost of shs 750,000/=. He also declared an electrical one acquired in 2003 at shs 17,000,000/=. He stated that the source of funding for the electrical block-making machine was from personal and business incomes. The explanation was general; it lacked proof and was therefore found unsatisfactory. The acquisition was therefore not commensurate with his income. The source of the shs 17,000,000/= was not proved. Refer to paragraph **6.4.4.2.5** for details.

6.1.5.7 Motor Vehicles

He declared four (4) motor vehicles including a Scania lorry acquired in 2001 at shs 3,000,000/=: a Mercedes Benz acquired in 2001 at shs 14,500,000/= and a leased trailer. The fourth vehicle a Land cruiser VX acquired in 2003 at shs 31,000,000/= was found not to be within his means of income. Refer to paragraph **6.4.4.2.6** for details.

7.2.0 Establish whether there were undeclared assets.

7.2.1 Plot 1337 Block 220 Banda, Kampala

It was established that in the 2005 declaration, Mr. Gasasira did not declare plot 1337 Block 220 Banda Kampala which forms the parking space for the eight apartments on Block 220 plots 1334 and 1338. His explanation that he forgot to declare it because the title was in the bank was found unsatisfactory because he was the one who deposited this title in the bank.

7.2.2 Plot 1654 Block 206 Mpererwe

The property is in the names of Rosebell Nduhukire, Mr. Gasasira's wife. Mr. Gasasira did not declare this property. His explanation that he did not declare it because it was a subject of family feud was found to be unconvincing because he used it in 2003 as collateral to secure a short-term loan of shs 50,000,000/= from DFCU bank. The property was registered in her names on 8th April 1997. In the circumstances, he was aware of the property but for some reasons best known to himself he refused to declare it.

7.2.3 Vehicles

On search of the Registry of Motor vehicles (URA), the records indicated that he owns minibuses Registration No.UAA 569 G, UAB 995 Q (formerly registered as UPK 319) and a Toyota carina 852 UBM. He did not declare the above-mentioned vehicles. As discussed herein, there were other vehicles which were established but he did not declare. Refer to paragraphs **6.3.3.1 and 6.3.3.2** of this report for details.

He stated that the other vehicles that were registered in his names at the registry of Motor Vehicles had already been sold off. He did not provide sale agreements to confirm that he actually disposed them of. Even if he had confirmed the sale, still it was incumbent upon him to ensure that these vehicles were transferred to the new owners. He acted contrary to section 31 of the Traffic and Road Safety Act CAP 361.

He explained that he had disposed of the vehicles however he provided no proof that he had sold them and to whom he sold them. The explanation was found to be unsatisfactory.

He breached section 4(7) of the Leadership Code Act, 2002, which states that *"a leader shall where a declaration is made by a leader in respect of himself or herself under this section, where a leader is found not to have declared certain assets and liabilities or if the declaration is found to be false, the leader shall be taken to have breached the Code"*.

However plot Block 206, plot 1654 Mpererwe belongs to his wife and cannot be confiscated.

7.3.0 To establish whether the leader's assets and liabilities are within his means of income.

In accordance with Article 233(2) of the Constitution and Section 4(4) of the Leadership Code Act 2002, it is incumbent upon the leader to explain his or her sources of income for the acquisition of the assets and how the liabilities were incurred.

7.3.1 Assets

The verification and investigation established that the following properties were not commensurate with his income and liabilities;

- i. The major alterations made on the house at Nyakabande Kisoro to the tune of shs 44,217,066/=.
- ii. The remodeling of the house at plot 4 Neptune Avenue to the tune of shs 16,449,844/=.
- iii. The acquisition and development of block 220 plots 1334, 1337 and 1338 Banda Kyambogo to the tune of shs 548,295,844/=.
- iv. The acquisition and development of Plot 37 Lake Drive Luzira to the tune of shs 330,262,946/=.
- v. The acquisition of the electrical block-making machine at shs 17,000,000/=.
- vi. The acquisition of the Land Crusier VX Reg. No. UAE 446W at shs 31,000,000/=.
- vii. The acquisition of plot 102 Luthuli Avenue at shs 200,000,000/=

7.3.2 Bank Deposits

The sources of bank deposits on his personal accounts totaling to shs 101,850,000/= in 2003, shs 172,500,000/= in 2004 and shs 60,000,000/= in 2005 were not explained and proved. Also the source of the deposits on M/s Sagimex Accounts of shs 57,000,000/= in 2003, shs 130,000,000/= in

2004 and shs 52,349,040/= in 2005 are not explained and proved. He failed to explain the sources.

7.3.3 Liabilities

He did not explain satisfactorily the source of funds for repayment of the loans and overdraft facilities in the various banks apart from where the deductions were made from his salary. Refer to paragraphs **6.2.5.0, 6.4.2.0 and 6.1.4** for details

7.4.0 Whether Mr Gasasira breached the Leadership Code Act 2002 or any other law

7.4.1 Mr. Gasasira breached Section 4(4) of the Leadership Code Act, 2002, when he failed to explain the sources of funds for the acquisition and development of his assets, and how he incurred the liabilities. He did not explain the source of deposits on his bank accounts. Refer Paragraphs **7.3.1, 7.3.2 and 7.3.3** for details.

The acquisitions listed in paragraph 7.3.1 of the report and the unexplained bank deposits indicated in paragraph 7.3.2 of the report were found to be in excess of his income.

7.4.2.1 He breached Section 4(7) of the Leadership Code Act, 2002, when he failed to declare some assets and when his assets were found to in excess of his income .

7.4.2.3 He breached Section 6 of the Leadership Code Act 2002, when he submitted false declaration regarding the cost of Plot 102 Luthuli Avenue.

7.4.2.4 He also failed to submit returns for his company M/s Sagimex Enterprises Ltd to URA for tax purposes, yet he claimed that he was doing lucrative transport and other businesses that were sources of his wealth. Section 92 of the Income Tax Act Cap 340 states “*Subject to Section 93, every*

taxpayer shall furnish a return of income for each year of income of the taxpayer not later four after the end of that year”.

7.4.2.5 He contravened Section 31 of the Traffic and Road safety Act,

Cap 361, when he failed to ensure that the vehicles he sold were immediately transferred. It states (1) *“Within fourteen days after the sale or other disposition of any kind of any registered motor vehicle, trailer, or engineering plant, the person selling or otherwise disposing of it shall-*

(c) notify, in the prescribed form accompanied by the prescribed fee, a licensing officer of the sale or disposition, the name and address of the new owner, the mileage recorded on the mileage recorder (if any) of the motor vehicle... and

(d) deliver the registration book and the registration plates of the motor vehicle, trailer or engineering plant to the licensing officer”.

8.0 CONCLUSIONS

In view of the above findings and observations, it is concluded as follows;

8.1 Correctness of his declarations.

8.1.1 Income

(a) The verification examined and confirmed the income from salary for the period 2001 to 2005. Also confirmed was income from the sale of his land at plot 35 Mugabe road and plot 160 Bukoto Crescent, and income from the printing job carried out for British High Commission.

(b) The leader did not prove the income from transport activities and from the trading activities of his Company. He also did not prove the income from the sale of vehicles.

(c) Liabilities.

He has liabilities with Housing Finance Company (U) Ltd and Allied Bank Ltd. He once had liabilities with DFCU Bank and Standard Chartered Bank which he has since paid off.

(d) Source of deposits on his bank Accounts

The source of deposits on his bank accounts as reflected in paragraphs 6.1.4 and 6.3.3.5 was not satisfactorily explained.

(e) Expenditure

The leader provided expenditure figures which were found to be too low compared to the actual figures most especially the loan repayments.

8.1.2 Assets declared

8.1.2.1 Before 2001/2002 Mr Gasasira had two residential houses. A village house in Nyakabande Kisoro and his residence in Kampala on Plot 4 Neptune Avenue Mbuya. He also had a manual block Making Machine. Refer to paragraph **6.4.4.1** of the report for details.

He acquired most of the assets, and made major alterations on those he acquired earlier, from the 2001/2002.

8.1.2.2. The leader declared 5 developed building (assets), four situated in Kampala and one in Kisoro.

8.1.2.3. He Declared 4 vehicles. Three are registered in his names and one is leased to him.

8.1.2.4He declared 2 block making machines. One machine is manual and another one electrical.

8.2.0 Whether there are undeclared assets

In 2005 he did not declare Block 220 plot 1337 Banda Kampala which is registered in his names. In all his declarations he did not declare Block 206 plot 1654 Mpererwe, which is registered in the names of his spouse. He was aware that both assets existed. He also did not vehicles registered in the names of his spouse.

8.3.0 Whether the assets are commensurate with his known income

The following assets were found not to be commensurate with his income;

- 8.3.1** The eight apartments on Block 220 plots 1334, 1337 and 1338 Banda, Kampala where the source of shs 548,295,844/= spent on the development of these apartments was not satisfactorily explained because his confirmed income was far too little to finance this construction.
- 8.3.2** Residential house on Plot 37 Lake Drive Luzira where the source of shs 330,262,946/= towards its acquisition and development was not satisfactorily explained. This is because his confirmed income and liabilities were not enough to finance to acquisition and development of this house given the fact that this was the time he was developing Block 220 Plots 1334, 1337 and 1338 Banda Kampala.
- 8.3.3** The plot and uncompleted building Plot 102 Luthuli Avenue jointly owned with his spouse where the source of shs 200,000,000/= for the acquisition of the land and for the repayment of the loan was not satisfactorily explained. Besides this was at the time he was developing the residential house on Plot 37 Lake Drive Luzira and the eight residential flats on Block 220 Plots 1334, 1337 and 1338 Banda Kampala.
- 8.3.4** Residential house at plot 4 Neptune Avenue Mbuya where the source of shs 16,449,844/= was not satisfactorily explained. His confirmed income at the time was not sufficient to finance the remodeling of this house.
- 8.3.5** Remodeled residential house at Nyakabande Kisoro where the source of shs 44,217,066/= was not satisfactorily explained. His confirmed income at the time was not sufficient to finance the remodeling of this house. Besides, the remodeling of this house was concurrently handled with that Plot 4 Neptune Avenue.
- 8.3.6** An electric Block Making Machine acquired at shs 17,000,000/=. The source

of this money was not explained because at that time his confirmed annual net income was shs 7,793,698/=. This was at the time he was carrying out developments on the 8 flats on Block 220, Plots 1334, 1337 and 1338 Banda Kampala.

8.3.7 A Toyota Land Cruiser Reg. No. UAE 446W acquired at shs 31,000,000/=.The source of this money was not explained because at that time his confirmed annual net income was shs 7,793,698/=. This was at the time he acquired the Electric Block Making Machine and was carrying out developments on the 8 flats on Block 220, Plots 1334, 1337 and 1338 Banda Kampala.

8.4.1 Deposits on his various accounts Stanbic Bank, Standard Chartered Bank, DFCU, Housing Finance Company Uganda Ltd, the then Allied Bank and Orient Bank here below were not within his means of income;

Year	Total Amount (UGS)
2003	101,850,000
2004	162,500,000
2005	60,000,000

8.4.2 The leader failed to prove his business, the nature of business and the income accruing from that business. It was established that he is a shareholder, director and a sole signatory of the company M/s Sagimex Enterprises Ltd. Although he claimed that the company was doing business and that the income from the business was a source of for his various developments, he did not prove the income. It was only shs 78,000,000/= from a printing job done in 1999 for the British High Commission. It was noted that he was not filing Annual income returns to URA.

8.4.3Deposits on his company M/s Sagimex Enterprises Ltd account with Stanbic Ban IPS Branch, here below, were not within his means of income;

Year	Total Amount
2003	57,000,000

2004	130,000,000
2005	52,349,040

Although the company is legally a separate entity, in practice Mr. Gasasira was running it as a personal business and its bank account as per a personal account.

8.4.4 He knowingly made the following false declaration that:

8.4.4.1 The cost of the land in Block 220 Plots 1334,1337 and 1338 Banda Kampala was shs 5,000,000/= each whereas it was shs 15,000,000/= hence under declaring the purchase price to Government to the tune of shs 30,000,000/=.

8.4.4.2 He purchased Plot 102 Luthuli Avenue at shs 120,000,000/= in his declaration to the Inspector General of Government of 2005 and 2007 and to the Commissioner Land Registration that it was purchased at shs 100,000,000/=.

The above instances put his integrity in question.

8.5.0 Whether he breached the Leadership Code Act 2002 or any other Law:

8.5.1 He breached the Leadership Code Act, 2002, and other Laws as follows;

8.5.1.1 The leader contravened sections 4(4) 4(7), and 6) of the Leadership code Act 2002,

8.5.1.2 Section 92 of the Income Act, Cap 340

8.5.1.3 Section 31 of the Traffic and Road safety Act, Cap 361.

8.5.2 Section 21 (1) of the Leadership Code Act 2002, states as follows;

“where according to any report submitted by the Inspector General under Section 19 a leader is proved to have obtained any property through a breach of this Code, the Leader shall, subject to any appeal which leader may make under Section 35, forfeit the property by virtue of that report and the property

shall be held in trust for the Government or public body by an agent or broker appointed by the Inspector General until it is lawfully disposed of.”

8.5.4 Section 35 (a) of the Leadership Code Act 2002, states as follows;

“A leader who commits a breach of this code shall in the case of a breach under Subsection (7) of Section 4, have the excess or undeclared property confiscated and forfeited to the Government”.

9.0 OBSERVANCE OF RULES OF NATURAL JUSTICE

9.1 Section 26 of the Leadership Code Act, 2002, provides that *“When inquiring into allegations under this Code, the Inspectorate shall observe the rules of natural justice”*. In accordance with section 26 of the Leadership Code Act 2002, Mr Gasasira was given an opportunity to be heard and a fair hearing as indicated here below;

9.2 In IGG’s letter ref. TS.73.2005 dated 5th December 2005, he was requested to clarify on various issues established. **See Annex 1.** On 19th January 2006, he responded and gave clarifications on the issues raised on the matter. **See Annex II.**

9.3 Inspection and verification of the properties was done in his presence except in Kisoro where he authorized his sister to give the team of officers from the Inspectorate of Government access to the house and to guide them.

9.4 In a letter ref. TS.73.2005 dated 16th January 2008 the IGG forwarded to him a final draft report dated December 2007 requesting him show cause why action should not be taken against him. He responded in a letter dated 5th February 2008.

9.5 On 14th October 2008, a meeting was held between Mr. Gasasira and the Inspector General of Government and IG officials to discuss the draft final report of findings. During the meeting Mr. Gasasira was informed of the finding and decisions. He made explanations which were similar to his

response of 5th February 2008. He said he had some documents to prove some sources of funds.

- 9.6** On 16th October 2008, he was requested to submit any relevant documents which he had that could prove the sources of income. He promised to deliver them to the office Friday 17th October 2008 but did not. He came to office on 21st October 2008 without any documents. To date no documents or further explanation has been provided by Mr. Gasasira.

10.0 Mr. Gasasira's General Explanations:

- 10.1** In his response of 5th February 2008 on page 27 the third last paragraph, Mr Gasasira stated, *"I beg that another independent valuer agreed upon between the IGG and my self be appointed to provide alternative valuation for all the properties under investigation"*. It should be noted that Inspectorate of Government is mandated to enforce the Leadership Code Act, 2002, under which the verification and investigations were carried out. The Inspectorate of Government is under S.16 (3) of the inspectorate of Government Act, 2002, empowered to hire the services of an expert.

In further observance of the rules of natural justice and transparency, on 16th January 2008, a report of findings, observations, decisions and cost valuation report were sent to Mr. Gasasira to show cause why action should not be taken against him basing on the findings. If he thought that cost valuation figures or any other findings were inaccurate or inconclusive, it was up to him to provide evidence to support his position. There was nothing to stop him from providing his alternative professional cost valuation. He chose not to.

- 10.2** In his response of 5th February 2008 to the report Mr. Gasasira wondered why *"The valuers – Buildercom did not indicate whether the estimates for the provided were at historical cost or market prices"*. The estimates provided by the valuers were at the average market cost prevailing at the time the materials were acquired. The leader was availed a copy of the report titled

“Report on the cost valuation of properties in Kampala and Kisoro Districts under the Leadership Code Act, 2002”. It was attached to the report as **Annex XI**.

- 10.3** In his response of 5th February 2008 to the report page 13-14 he stated that *“I have found difficulties to cost how much my family eats annually particularly in situation where most times food supplies come from upcountry. I sincerely thought I would wrongly or unreasonably give estimates, which do not reflect the reality on the ground. The IGG report attempted to compute the averages of the estimated expenditure per annum to indicate the likely amounts I should spend including the average loan repayments of Shs. 6.5 Million per month”. This figure would only be meaningful if one considered short-term loan facilities. The payback period ranges from 12 months to 25 years. So the monthly bank payments on the average of Shs. 6.5 Million per month could be perceived for short term loan only”*.

It should be noted that the IGG’s letter ref. TS.73.2005 dated 5th December 2005, Mr. Gasasira was asked to provide annual estimates of expenditures and in his response dated 20th January 2006, he provided his estimated expenditures including the 6.5 Million per month for loan repayments. This is the information that was used by the Inspectorate. The information was provided by him.

It is not the IGG report or investigation that provided the likely amounts that he should spend. It was he himself who provided the figures. If he later found that the figures he initially provided were inaccurate, and do not make sense, while presenting the response of February 2008, he should have provided the correct ones so that the report is accordingly amended which he never did at the opportune time and there was no explanation given therefore.

- 10.4** In trying to justify his income, he stated in his response of 5th February 2008 that *“ I have in previous response and so in the declaration forms shown the sources of income, assets and liabilities on the basis of reasonable estimates.*

In both your reports of 5th December 2005 and 16th January 2008, you have expressed dissatisfaction both quality and material that you probably expected to prove my wealth". It should be noted that there was no inspectorate of Government report of 5th December 2005. It was a letter seeking clarification from him and not a report.

Further that "As a government employee who earns a salary and also who is supported by other incomes to supplement my salary. I utilized time optimally without necessarily displaying non-performance on the mother job. I did not defraud anybody and indeed no one is complaining to have been defrauded by me".

The law requires him to explain his sources on income, how he acquired the assets and incurred the liabilities. Article 233 (2) of the constitution, Section 4 (4) of the Leadership Code Act, 2002 and S.101, S.102 and S.103 of the Evidence Act Cap 6 are very clear. The burden is on him to prove the income from business which he failed to do. In the absence of proof, the money he used to acquire and develop his assets was deemed to be through corruption. It is irrelevant whether or not "no one is complaining to have been defrauded" by him.

11.0 DECISIONS AND DIRECTIONS

11.1 Under article 230(2) of the Constitution and S.14 (6) of the Inspectorate of Government Act 200, the Inspectorate of Government has powers to make orders and give directions. Under Article 230(4) of the constitution and section 14 (7) of Inspectorate of Government Act 2002, when enforcing the Leadership Code has all powers conferred upon it by Chapter 13 of the Constitution.

11.1.1 Under Section 23 of the Leadership Code Act 2002, the Inspectorate of Government has powers and rights vested in the High Court of Uganda as regards among others, the enforcement of its orders and other matters necessary and proper for due exercise of its powers under the Code.

From the findings, observations and conclusions above, it is hereby decided as follows;

- 11.2** In accordance with S.21 (1) and S.35 (a) of the leadership Code Act, 2002, the following properties that were found to be in excess over and above his income, and which were acquired / developed through a breach of the Leadership Code Act 2002, should be confiscated and forfeited to Government or in the alternative he should pay compensation to Government.
- 11.2.1** A block of eight residential flats at Block 220 plots 1334, 1337 and 1338 Banda Kyambogo or in the alternative he should pay shs 548,295,844/= which was found not to be within his means of income and liabilities.
- 11.2.2** A Residential house at plot 37 Lake Drive Luzira or in the alternative he should pay shs 330,262,946/= which was found not to be within his means of income and liabilities.
- 11.2.3** He should compensate Government shs 200,000,000/= which is the cost of Plot 102 Luthuli Avenue, which funds were found not to be within his means of income.
- 11.2.4** A residential house at plot 4 Neptune Avenue Mbuya Kampala or in the alternative he should pay shs 16,449,844/=.
- 11.2.5** A residential house at Nyakabande Sub county Kisoro district or in the alternative he should pay shs 44,217,066/= the cost of the alterations which was found not to be within his means of income and liabilities.
- 11.2.6** An electric Block Making Machine or in the alternative he should pay shs 17,000,000/= to Government.

- 11.2.7** A Toyota Land cruiser Reg. No. UAE 446W or in the alternative he should pay shs 31,000,000/= to Government.
- 11.3** He should be dismissed from Public Service for recklessly and knowingly giving false information in his declarations contrary to S. 4(7) and S.6 of the Leadership Code Act 2002. He lacks integrity and is not fit to hold a position of a Principal Accountant in the Public Service. As a common cadre under S.2 and the Third Schedule of the Public Service Act No.9 of 2008, the Permanent Secretary Ministry of Finance Planning and Economic Development should initiate the process of dismissal.
- 11.4** In accordance with Section 20(3), Mr Gasasira should not hold any other public office whether elective or appointive for five years effective from the date of dismissal.
- 11.5** Uganda Revenue Authority should carry out a thorough audit on the trading activities of M/s Sagimex Enterprises Ltd and recover all the taxes due to Government.

INSPECTORATE OF GOVERNMENT

October 2009