

WELT MACHINEN SECURED A MINING LICENCE, ONE MONTH AFTER THE CHINESE COMPANY HAD GOT IT

Minister's sons named in mineral scam

By Vision Reporters

Controversy surrounds circumstances under which the Uganda National Roads Authority (UNRA) paid sh20.6b to a local company for a contentious rock, which was excavated to construct the Moroto-Nakapiripirit road, despite a court injunction.

Welt Machinen Engineering Limited, a mineral company linked to minerals state minister, Peter Lokeris, was paid the money in disregard of a court order stopping the payment.

China Road and Bridge Corporation (CRBC), which constructed the 93.3km road, had secured an injunction, stopping UNRA from paying sh46.2b, which court had awarded Welt Machinen and the Attorney General. The award followed a court ruling in a case where Welt Machinen sued CRBC for excavating Kamusalaba rock in Nakapiripirit district, without authorisation from the alleged owners (Welt Machinen).

New Vision has learnt that sh9b was released on January 24 and another sh11.6b was released last week. The funds have been paid out through the High Court registrar's account number 003130058000001.

Sources revealed that the suspicious release of the money before CRBC's appeal could be disposed of and against all protests, was made possible by a racket of top officials in the Government, Judiciary and UNRA. Documents show that the recent payment of sh11.6b was paid by a UNRA accountant called Evelyn Ssenkeezi.

Welt Machinen is owned by two directors; Ben Koryang and Felix Apo Oroma, both Lokeris' children. But when it came to picking the money, Welt Machinen filed a resolution to the Registrar of Companies, presenting Oroma, Andrew Muhwezi and Princess Nuwahereza as its representatives.

Genesis of the dispute

In 2013, CRBC won a contract from UNRA to construct the road at \$80m (sh286.5b). It is out of this money that CRBC risks losing sh46.2b.

The project manager of CRBC, Fan Wei, argued that they secured permission to excavate the rock from the Nakapiripirit district authorities and the community.

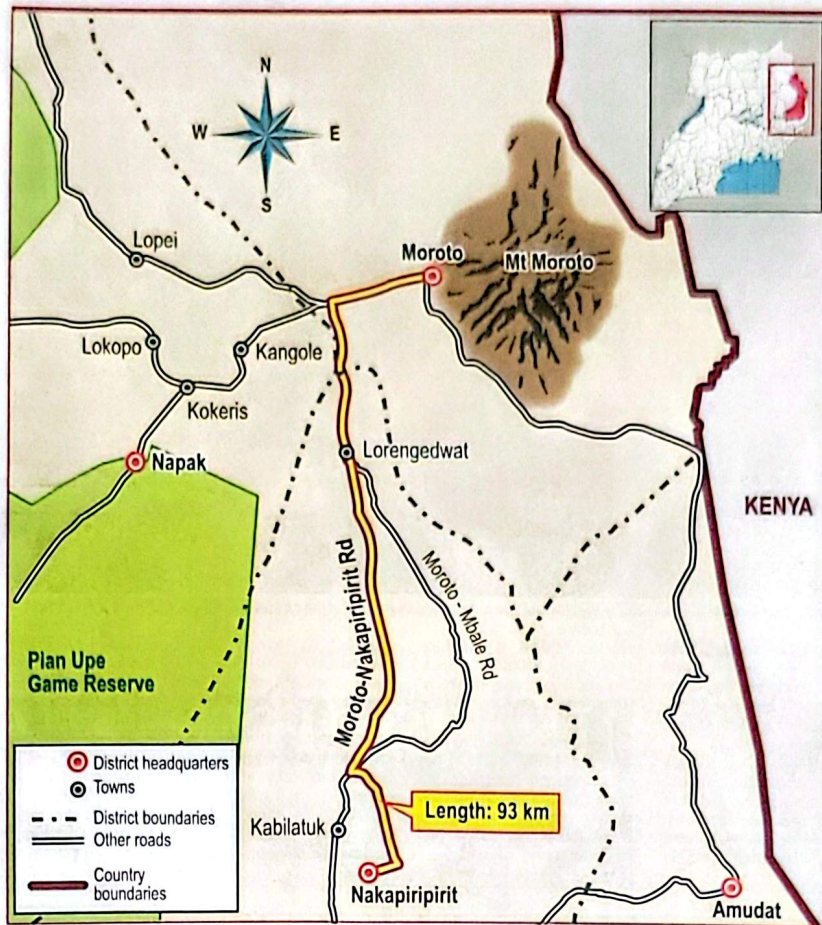
Documents show that Nakapiripirit district local government entered into an agreement with CRBC to get gravel from Kamusalaba rock for the construction of the Moroto-Nakapiripirit road.

CRBC paid sh50m to Nakapiripirit district local government to excavate the rock under the agreement that the two parties signed on May 13, 2015.

The agreement was endorsed by the then Nakapiripirit district chief administrative officer, Moses Bahemuka Kiseambo; his deputy, Jobs Lomenen Ilukol; Lorengedwat sub-county chief Tony Okello Agaza and the community.

However, according to documents seen by New Vision, Welt Machinen secured a mining licence for the same rocky area on June 4, 2013, a month after CRBC had signed an agreement with the Nakapiripirit authorities.

Welt Machinen paid sh200,000 for the one-year contract and their licence was signed by Edwards Katto, the acting commissioner for geological survey and mines development.



CRBC appeals, UNRA protests

CRBC filed an appeal against the order to pay the Government, saying they had got permission to quarry the rock. Welt Machinen that had not been awarded any payment also filed an appeal.

Before its appeal was disposed of, Welt Machinen lodged another civil suit number 278 of 2016 in the Civil Division of the High Court in Kampala against the Attorney General. Welt Machinen sought court's directive to force UNRA to pay it for the rock, saying they had a mining licence.

The deputy registrar, Alex Ajiji, subsequently directed CRBC to pay Welt Machinen sh35.7b for 561,976.48 tonnes of granite mined from Kamusalaba rock for which the firm (Welt Machinen) owns mining licence number LL1194. Ajiji also maintained that the Government be paid sh10.5b.

Although CRBC filed a notice of appeal against the ruling, New Vision has learnt that a total of sh21b has already been released in two instalments. The money was also released against a complaint by UNRA, contesting the judgements and sought the indulgence of the principal judge of the courts of judicature.

"The purpose of this letter, therefore, is to seek your indulgence to call for the file of civil suit number 278 of 2016 and guide on whether UNRA should be ordered in the judgement of court dated October 7, 2016, to pay sh46.2b, when it was not party to the suit and further, when the judgement in civil suit number 278 of 2016 is at variance with the earlier judgement in civil suit number 16 of 2014," reads a letter signed by Titus Kanya, the UNRA head of litigation.

In response, the Principal Judge said the disputed judicial decision could not be set aside, reversed or submitted through administrative interventions.

"The appropriate intervention can at most be judicial, rather than administrative. I would, therefore, suggest that, as lawyers, you decide whether the impugned decision is appealable or reviewable and, thereafter, take such legal steps as will protect UNRA from its effects," Bamwine advised.

It also emerged that CRBC secured an interim order dated March 27, 2017, stopping the release of the funds, but in vain.

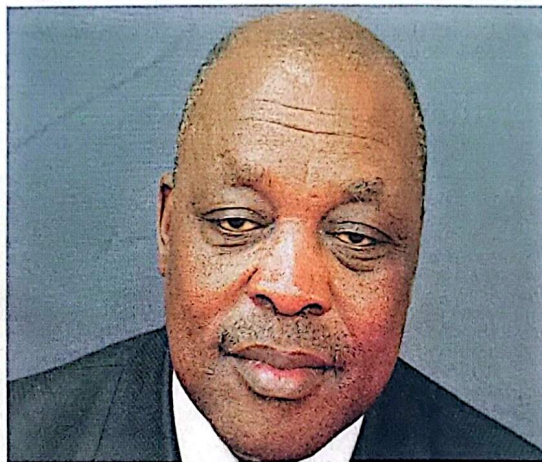
The Chinese firm also petitioned the Attorney General's office for indulgence again, in vain and it has now written to President Yoweri Museveni, seeking his intervention in the matter.

Several officials in Nakapiripirit district also wrote to the energy ministry permanent secretary seeking revocation of Welt Machinen's license that is at the centre of the above dispute.

Welt Machinen director speaks

During an interview with New Vision recently, Oroma, a director of Welt Machinen, said they had not yet mined any granite. He also admitted that they had applied for a licence over the same area but that it had, instead, been given to another company, Rhino Uganda Limited.

"We then entered into an agreement with Rhino Uganda Limited and they allocated us an area to extract the granite, but before we could move in, the Chinese company started blasting the rocks and taking a way the granite for road construction," he argued.



Peter Lokeris is the state minister for minerals

Welt Machinen goes to court

When CRBC insisted that they had got permission to excavate the rock, Welt Machinen, under civil suit number 16 of 2014, dragged the Chinese firm to court, claiming ownership of a licence for Kamusalaba rock. The firm accused the Chinese company of excavating the rock for gravel without permission.

After hearing from both sides, Soroti High Court judge Henrietta Wolayo ruled that CRBC should pay sh10.5b

to the Government for the 165,053.85 tonnes of granite mined outside location licence area LL1194.

Justice Wolayo, in her decree dated April 14, 2016, ordered that CRBC accounts for the quantity of aggregate procured from Kamusalaba rock to the Attorney General and pays its monetary value to the Government within 30 days.

Wolayo also issued a permanent injunction restraining CRBC from mining Kamusalaba rock.

BETWEEN THE LINES:

Welt Machinen Engineering Limited, a local mineral company, was paid sh20.6b in disregard of a court order stopping the payment. Welt Machinen is owned by two directors; Ben Koryang and Felix Apo Oroma, both sons of minerals state minister Peter Lokeris.

The judge, however, did not award compensation to Welt Machinen that filed the first suit. This prompted Welt Machinen to file another suit 278 of 2016 against the Attorney General, and the two parties reached a consent agreement that Welt Machinen be paid.

With the agreement, Welt Machinen then secured an order from the High Court in Kampala directing CRBC to pay them sh35.7b.

On October 12, 2016 the deputy Attorney General, Mwesigwa Rukutana, wrote to UNRA demanding that the authority pays sh10.5b to the Government through the Attorney General's office and sh35.7b to Welt Machinen.

Documents show that between October 12 and October 25 last year, Rukutana wrote eight letters asking UNRA to pay sh35.7b to Welt Machinen and sh10.5b to the Government.