

# Museveni refuses to shield Kasaija on censure motion

**Denial.** Finance minister Matia Kasaija denies any wrongdoing, saying MPs have ill motives.

BY MISAIRI THEMBO KAHUNGU  
mkthembo@ug.nationmedia.com

**KAMPALA.** President Museveni and Cabinet ministers on Wednesday rejected a request from the Finance minister, Mr Matia Kasaija, to shield him from an impending censure motion in Parliament.

Mr Kasaija and Secretary to the Treasury Keith Muhakanizi were named in the Parliament's Public Accounts Committee (Pac) report on abuse of millions of dollars the government received from an African bank to procure medicines and fund foreign exchange expenditure requirements of government, as and when they arise.

Sources told *Saturday Monitor* that when Kasaija requested the President to come to his rescue before it is too late, the ministers, including his colleagues from the Finance docket, except for deputy Attorney General Mwesigwa Rukutana opposed his request and instead asked him to account for the \$200m (about Shs723b at the current dollar rate).

When contacted on Thursday, Mr Kasaija said: "I was not grilled in Cabinet over that matter.... I am the one who raised it to tell my colleagues that my name has come up in the (Pac) report. Was I grilled? Not at all and your sources, if known, need to be punished for leaking Cabinet secrets. But, either way some people are being malicious to me..."

## The loan

The loan in question was sourced from the Eastern and Southern African Trade and Development Bank (PTA Bank) against the technical advice of the Bank of Uganda Governor, Mr Emmanuel Tumusiime Mutebile.

*Saturday Monitor* investigations have also revealed that this same loan was rejected by the 9th Parliament on account that it was unnecessary to borrow millions of dollars to stabilise the economy when there are other "sustainable" ways of fixing the economy.

Mr Kasaija and his team, however, went back and returned with another justification for the loan. This time they talked of a crisis in the country on account of a shortage of medicines. It was on this basis that Parliament approved the disputed loan.

However, the principal beneficiary of the loan, National Medical Stores (NMS), did not



Accused. Matia Kasaija



Rejected request. Museveni



Blamed. Keith Muhakanizi

receive the money and in trying to account for the \$200m, Finance ministry officials reverted to the original justification- the need for stabilisation of the exchange rate.

By the time this newspaper broke the story in May 2017, out of \$200m in question, PTA Bank had released \$72.1m, of which \$42.7m was meant for the purchase of medicines under NMS; \$26.4m for settlement of contractors' invoices under the rural electrification programme, and transport sector and \$2.8m for the importation of earth moving equipment from Japan.

Although it was the missing medicines cash that exposed the loan scandal, some of the MPs who investigated the matter, told *Saturday Monitor* that they found no evidence that other intended beneficiaries (transport and power sectors) received their share. It was Speaker Rebecca Kadaga who asked Pac to probe the missing funds from PTA Bank.

**“** I am ready to defend myself when the report comes up for debate in the plenary because the money was all spent and nothing was lost. Those MPs who are thinking I should be censured are either not informed or have ill intentions. I plead not guilty on that allegation because we accounted for everything.”

MATIA KASAJA, FINANCE MINISTER

Attempts by Mr Kasaija to divert accountability questions to junior minister David Bahati and the technical team at Treasury, however, fell on deaf ears after Security minister Gen Henry Tumukunde told him that blaming technical people would not be wise. Other ministers kept asking one question: "Where is the money?" and Mr Kasaija kept giving one answer:

"The money was put in the Consolidated Fund."

According to sources, one of the ministers accused Mr Kasaija, in front of the President, of telling lies. The minister told the President that the Bank of Uganda governor opposed the loan request and even wrote to the Finance ministry officials to reconsider, but they ignored him.

Cabinet heard that Mr Kasaija wrote to the Speaker claiming that he had not given NMS money for medicines because they had not provided the accountability, yet part of the documents ministry of Finance officials used to secure the loan in question, were from NMS.

Mr Gerald Karuhanga, the vice Pac chairman, who investigated this matter and drafted the report to Parliament, yesterday accused Mr Kasaija and Muhakanizi of telling lies and hailed the Cabinet decision as a step in the right direction in the fight against corruption.

"We are not after individuals. We just want people to account for public funds and stop the abuse of borrowed funds," Mr Karuhanga said. "In our report, we have recommended censure of Mr Kasaija and removal of Mr Muhakanizi because of their misdeeds in the handling of public funds... the two principals were in cahoots and had a plan to misuse public funds."

Mr Muhakanizi could not be reached for a comment for this story. He did not take our repeated phone calls and also did not respond to a text message about the subject. But when he appeared before Pac on June 4, 2017 over the matter, Mr Muhakanizi denied wrongdoing and described the inquiry as "mis-directed".

He instead advised the MPs to task the Inspector General of Government or the Auditor General to conduct an investigation.

"What is the whole probe about? Everything was done properly and I will prove that; the documents are available," Mr Muhakanizi said at the time. He said the money was pooled into the Consolidated Fund and spent on approved expenditures.

Mr Karuhanga and other Pac members, however, rejected Mr Muhakanizi's explanation and insisted that they were not given satisfactory accountability documents to prove that indeed the money reached the beneficiaries. The MPs insist that the money in question was approved by Parliament for particular purposes.

## Kasaija's request rejected

In what some ministers have called a slap in the face, Mr Museveni rejected Mr Kasaija's pleadings and directed the Office of the Auditor General to audit the expenditures from the Consolidated Fund. Mr Kasaija, according to sources, begged for the understanding of his colleagues but they insisted that he should carry his own cross.

Responding to the accusations, Mr Kasaija said: "I am ready to defend myself when the report comes up for debate in the plenary because the money was all spent and nothing was lost. Those MPs who are thinking I should be censured are either not informed or have ill intentions. I plead not guilty on that allegation because we accounted for everything."

Although PTA Bank in November 2016 provided narrations and indicated that the money was for the purchase of medicines, equipment and accessories, Mr Kasaija, on Aug 27, 2017 asked NMS general manager Moses Kamabare procure medicines and supplies on credit and promised that the funding gap of more than Shs40b "will take the first cut on the 2017/18 budget".