

## Investigation Report

# Global Fund Grants to Burundi

Réseau Burundais des Personnes Vivant avec le VIH/SIDA

GF-OIG-14-20  
21 November 2014  
Geneva, Switzerland

Non-compliant expenditure: US\$ 184,050  
Proposed recoveries: US\$ 184,050  
Categories: Fraud - misappropriation of funds, misrepresentation of information  
Collusion - bidding and tender irregularities

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# I. Background and Scope

As at 31 August 2014, the Global Fund has made commitments under 11 grants to the Republic of Burundi totaling US\$ 227.82 million, of which US\$ 191.79 million has been disbursed. Public sector entities, civil society and faith-based organizations as well as private sector institutions implement the Global Fund program activities throughout the country's 17 provinces and 45 districts.

In September 2012, the Global Fund Secretariat (the Secretariat) highlighted to the OIG potential irregularities that had been identified by the Local Fund Agent in Phase 1 of the Round 8 HIV grant BRN-809-G08-H from January 2010 to March 2012.

These potential irregularities related to a lack of transparency in procurement activities, potentially fictitious suppliers, and conflicts of interests in the grant managed by a Principal Recipient in Burundi, 'Réseau Burundais des Personnes Vivant avec le VIH/SIDA' (RBP+) and some of its sub-recipients (SRs) and sub-sub-recipients (SSRs).

RBP+ is an organization authorized under the national law governing NGOs in Burundi. RBP+'s objective is to enhance the welfare of the people living with HIV/AIDS through the provision of nutritional support and behavioral change activities. The total grant amount approved by the Global Fund to RBP+ is US\$ 13,904,412 with a disbursement of US\$ 11,478,130 during the Phase 1 implementation<sup>1</sup>.

The procurement activities of RBP+ and its recipients have largely related to purchases of nutritional kits and schools kits as RBP+ and its recipients have not carried out any procurement of drugs and health products as part of its Global Fund grant management activities.

Based upon the information provided to the OIG by the Local Fund Agent and the Secretariat, this investigation focused on reviewing the procurement of nutritional kits and school kits by 22 of RBP+'s 140 recipients during phase 1 of the grant period from January 2010 to March 2012 with a value totaling US\$ 581,746.

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<sup>1</sup> See <http://portfolio.theglobalfund.org/en/Grant/Index/BRN-809-G08-H>

## II. Executive Summary

This investigation found evidence of fraudulent practices and other procurement irregularities by RBP+'s sub-recipients and sub-sub-recipients between 2010 and 2011 which compromised contracts totaling US\$ 184,050.

The OIG finds that the total of US\$ 184,050 was non-compliant<sup>2</sup> and a total amount of US\$184,050 is proposed as recoverable expenditure.

Specifically, this investigation found:

- Fraudulent supplier invoices submitted by RBP+'s sub and sub-sub-recipients totaling US\$ 81,216
- Fraudulent practices at the sub-sub-recipient SOJPAE involving invoices totaling US\$ 20,074
- Fraudulent procurement scheme at the sub-recipient, ANSS, involving four suppliers totaling US\$ 44,603
- Invoices for non-traceable suppliers submitted by RBP+'s sub and sub-sub recipients totaling US\$ 38,157

The investigation also found that the supporting documentation, maintained by RBP+'s sub and sub-sub-recipients as proof of the delivery of goods and services to beneficiaries, lacked sufficient information to enable the OIG to verify, and therefore obtain reasonable assurance, that services had been delivered.

In response to the OIG's findings, RBP+ acknowledged that "some of its sub and sub-sub-recipients had carried out irregular practices". Without providing details, RBP+ stated that it had initiated the recovery process for the irregularities identified by the OIG that had escaped RBP+'s regular review. RBP+ also stated that, despite these irregularities, their representatives were involved in the verification of beneficiaries through various means.

In 2009, prior to the period under OIG investigation, a review by the Local Fund Agent highlighted that RBP+, having previously been a sub-recipient, was acting in the capacity of a Principal Recipient for the first time and consequently had no prior experience of managing multiple sub-recipients and tracking their expenditures.

The Local Fund Agent's review also highlighted that the financial software used by RBP+ prior to grant implementation was inappropriate, and that considering the scale-up of operations expected from a change of role from sub-recipient to Principal Recipient, their complement of staff was insufficient to deal with the anticipated volume and complexity of transactions.

Although RBP+ took steps to strengthen procedures and controls and hired new employees, as recommended by the Local Fund Agent, this investigation found that those steps did not completely mitigate the risk posed by the increased volume of transactions and the level of monitoring activities expected of a Principal Recipient. For example, although RBP+ implemented new accounting software, its accounting records were incomplete and did not include basic information such as supplier names and check numbers.

The OIG considers that RBP+'s change in role from sub-recipient to Principal Recipient together with the large disbursements to its recipients had an adverse effect on RBP+'s ability to maintain effective oversight of its sub and sub-sub-recipients; a situation which the OIG considers to have facilitated the fraud and abuse of grant funds identified by this investigation.

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<sup>2</sup> As per Article 18 and 21 of the Standard Terms and Conditions of the Global Fund grant agreement with the Principal Recipient

### Secretariat actions:

Learning from the issues identified by the OIG during the course of its investigation, the Global Fund Secretariat has already implemented a range of additional safeguard measures including:

- the second phase of the grant is being managed by a different government Principal Recipient, SEP-CNLS;
- procurement of nutritional support packages and delivery to health centers has been outsourced to the World Food Program, which started its delivery of food packages in July 2014;
- procurement of orphan and vulnerable children's (OVC) related school kits has been centralized at Principal Recipient level;
- a competitive selection process has been implemented, under the oversight of the Country Coordinating Mechanism, to select sub-recipients in charge of OVC related activities, prevention activities for key-affected populations as well as preventing mother-to-child transmission community mobilization activities. This has resulted in four sub-recipients being selected, a significant reduction from the 100 sub-recipients from Phase 1 who were under RBP+;
- a fiscal agent was nominated to the portfolio in early September 2014. The detailed arrangements at sub-recipient level, i.e. modalities of tailored fiscal agent control on sub-recipient fixed and variable costs, are currently being finalized; and
- Principal Recipients across different grants in the Burundi portfolio have been asked to ensure their bank statements include beneficiary details and the payment modalities have been reviewed to ensure that transactions in cash are minimized.

### Agreed actions:

Taking into account the findings of this investigation and the safeguard measures already implemented by Secretariat, the OIG proposed a number of further actions that were agreed by the Secretariat and which are set out in detail in Section V.

In summary, it was agreed that:

- a) Based on the findings of this report, the Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.
- b) Based on the findings of the report, the Secretariat will consider taking actions, including but not limited to appropriate actions and/or restriction measures, towards entities and/or individuals identified in the report, as deemed appropriate.
- c) The Secretariat will formalize the monitoring of all Burundi Principal Recipient's oversight controls at sub-recipient level, including confirmation received from the Principal Recipient that there is (i) an update of its procurement manual and (ii) the establishment a list of pre-qualified suppliers for key-procurement activities.
- d) In order to facilitate the documented verification of the receipt of these goods and services by the beneficiaries, the Secretariat will request the Principal Recipient of the Community HIV grant to put in place enhanced procedures and tools for identifying the beneficiaries and recording the identity of the recipients of nutritional kits and OVC support. The Secretariat will monitor to ensure this action is taken.

### III. Findings and Agreed Actions

This investigation found evidence of fraudulent practices and other irregularities in the procurement of nutritional kits, school kits and miscellaneous goods by the sub and sub-sub-recipients of RBP+. Table 1 below summarizes the recipients where the OIG found fraudulent non-compliant transactions. These transactions are also proposed as recoverable expenditure.

Entity	PR/ SR	Amount disbursed (BIF) <sup>3</sup>	Transactions reviewed (BIF)	Total irregularities (BIF) <sup>4</sup>	Total irregularities# (US\$)
SSR – AJS <sup>5</sup>	ABS <sup>6</sup>	104,489,342	74,966,053	61,189,898	48,952
SR - ANSS <sup>7</sup>	RBP+	546,212,447	71,957,126	55,754,010	44,603
SSR - SOJPAE	ABS	76,192,071	35,194,978	25,092,980	20,074
SR - Eglise Anglicane	RBP+	175,001,311	25,502,023	18,969,553	15,176
SR - Orphan's AID	RBP+	48,655,085	39,928,500	18,849,650	15,080
SR - Centre GIPA	RBP+	430,820,665	82,122,134	14,309,640	11,448
SR - RENAJES	RBP+	340,511,031	33,023,147	13,596,435	10,877
SSR - ASSIG	ABS	44,406,868	16,178,618	11,246,550	8,997
SR - Service Yezu Mwiza	RBP+	295,124,741	33,519,062	10,237,545	8,188
SSR - HUMURE	ABS	14,769,513	2,410,600	819,000	655
<b>TOTAL</b>			<b>414,802,241</b>	<b>230,065,261</b>	<b>184,050</b>

**Table 1: fraudulent non-compliant transactions**

# Proposed recoverable expenditure

#### 01 Fraudulent supplier invoices submitted by RBP+'s sub-recipients and sub-sub-recipients

This investigation found that the sub-recipients: Service Yezu Mwiza; Eglise Anglicane; and Centre GIPA; and sub-sub-recipients: AJS and Humure submitted fraudulent supplier invoices totaling US\$ 78,529. These invoices were either confirmed by the relevant suppliers to be fictitious or the supporting documentation provided by the sub and sub-sub-recipients contained fraudulent irregularities (refer to annex B.1 for list of transactions with these suppliers).

Details of the fraudulent invoices submitted by the above-mentioned sub and sub-sub-recipients, together with their responses to the OIG's findings, are summarized below:

##### Association Jeunesse Unie contre le SIDA (AJS)

This investigation found that AJS, a recipient of Alliance Burundaise Contre Le SIDA (ABS) which is a sub-recipient of RBP+, submitted fraudulent invoices totaling US\$ 41,012 purporting to be from the suppliers Ndayikeza Annociate, Niyonzima Abel, Atelier de couture La Sélection, Entreprise La Sélection, Nedereyimana Gilbert, Import – Export, Ntirakirwa Donatien and Nkurunziza Fiston.

<sup>3</sup> For the purpose of foreign exchange conversion in the report, the OIG has applied average exchange rate for the year in which respective transaction has occurred. i.e., 1 BIF = 0.0008 US\$ for both 2010 and 2011 as per the Oanda database (www.oanda.com)

<sup>4</sup> Refer exhibit 1 for list of all the transactions where irregularities were found

<sup>5</sup> Association Jeunesse Unie contre le SIDA

<sup>6</sup> Alliance Burundaise Contre Le SIDA

<sup>7</sup> Association Nationale de Soutien aux Seropositifs et Malades du SIDA

AJS, in addition to its responses relating to individuals suppliers, stated that the beneficiaries for the kits distributed by them, purportedly procured through these suppliers, could be verified; however, the OIG found that the supporting documentation maintained by AJS and its recipients as proof of the delivery of goods and services to beneficiaries lacked sufficient information to enable the OIG to verify, and therefore obtain reasonable assurance, that services had been delivered.

Ndayikeza Associate, Niyonzima Abel, Atelier de couture La Sélection, Entreprise La Sélection, Nedereyimana Gilbert and Import – Export US\$ 35,925:

The OIG found a series of irregularities associated with supplier invoices submitted by the sub-sub-recipient AJS to RBP+.

The OIG found three editable electronic word files in the computer used by the finance manager of ABS, the sub-recipient of RBP+ (AJS, as a sub-sub-recipient, received its grant funding from ABS). The OIG found that these editable documents were created in mid-2012 whereas the dates they contained were in 2010.

The files contained editable bids and invoices bearing names of the following suppliers:

- Ndayikeza Associate
- Niyonzima Abel
- Entreprise "La Selection"
- Nedereyimana Gilbert
- Atelier de couture "La Sélection"
- Niyonkuru Eric
- Import-Export

AJS submitted to RBP+ invoices for both school kits and nutritional kits totaling US\$ 35,925 procured from these suppliers. The OIG attempted to verify the existence of the suppliers whose names appeared in the electronic proforma templates and found that the addresses and telephone numbers in the invoices for Entreprise La Sélection, Nedereyimana Gilbert, Atelier de couture La Sélection, Niyonkuru Eric and Import-Export suppliers were either incomplete or invalid.

The OIG carried out visits to the addresses on the invoices of the suppliers Atelier de couture La Sélection and Entreprise La Sélection but the suppliers could not be located. It was confirmed by other shop owners in the street that suppliers with these names had never existed in that neighborhood.

The OIG contacted the suppliers Ndayikeza Associate and Niyonzima Abel on the telephone numbers in their invoices. For the Ndayikeza Associate number, the individual answering the phone introduced himself as a different individual and said he had not heard of Ndayikeza Associate. For the Niyonzima Abel number, the individual answering the phone denied knowing Niyonzima Abel.

The AJS project coordinator was unable to provide the OIG with alternative contact details for these suppliers, nor could he provide supporting documentation related to the distribution of the goods that had been procured from these suppliers. Similarly, neither the sub-recipient (ABS) nor RBP+ was able to provide alternative contact details for these suppliers.

In response to the OIG's findings, the finance manager of ABS informed the OIG that these proforma invoices were prepared by ABS after an audit carried out by RBP+ found that the supporting documentation for suppliers at AJS were manually written and procurements had been carried out without competitive quotations.

AJS stated that the ABS finance manager did not work for AJS, and as recommended by the auditors of RBP+, the handwritten proforma invoices had to be rewritten in the electronic format, a task which was undertaken for all the sub-recipients and sub-sub-recipients. AJS also stated that the phone numbers of all these suppliers could have been reallocated to new users, and that following a fire in the Central Market of Bujumbura, it was not possible for them to provide any alternative contact addresses for these suppliers.

The OIG finds that the explanation provided by AJS to explain why all the suppliers could not be traced is inadequate, as not all these suppliers were located in the Central Market; the suppliers Entreprise La Sélection and Atelier de couture La Sélection were located in a different street, for example.

Ntirakirwa Donatien US\$ 4,171):

The address on the invoices of the supplier Ntirakirwa Donatien submitted to RBP+ by AJS were also incomplete and untraceable and the telephone number on the invoices was found to be out of service when contacted by the OIG.

The investigation also found similarities in the handwriting on the invoices of Ntirakirwa Donatien and the invoices of the supplier Entreprise La Sélection, the supplier for which editable word proforma invoices were found in the computer of ABS's finance manager.

Nkurunziza Fiston US\$ 916):

The OIG found that the invoices of another supplier, Nkurunziza Fiston, submitted by AJS did not contain a complete address and the telephone number on the invoices was also invalid. The national coordinator of AJS could not provide alternative contact details for this supplier to the OIG.

The investigation also found that the handwriting on the invoices of the supplier Nkurunziza Fiston was similar to the handwriting of the facilitator of AJS (refer to exhibit 1 for a comparison of the similarities in the handwriting on Nkurunziza Fiston invoices and the facilitator of AJS). In its response to the OIG's findings, AJS claimed that the supplier had since changed its location and phone number; however, AJS was unable to provide the OIG with new contact details for the supplier.

## Eglise Anglicane and AJS

This investigation found that Eglise Anglicane and AJS, sub-recipient and sub-sub-recipient of RBP+ respectively, submitted fraudulent invoices totaling US\$ 23,119 purporting to be from the supplier Nimbona Méthode.

The OIG could not trace the supplier Nimbona Méthode as the street number on its invoices submitted by Eglise Anglicane and AJS Burambi did not exist. Several suppliers in the same street also told the OIG that a supplier of this name had never existed in the neighborhood. The OIG contacted the telephone number on the invoices and the individual who answered identified himself as Nimbona Methode but said he has never provided school kits to Eglise Anglicane or AJS.

In response to the OIG's findings, Eglise Anglicane and AJS said suppliers in Burundi change their contact details frequently and therefore their telephone numbers could have been allotted to different individuals. They both also stated that the delivery of services had occurred and the beneficiaries could be verified. The OIG considers their explanations to be inadequate as the supplier denied having provided the services to the two organizations. Additionally, AJS, which was a recipient of the Global Fund grant money from ABS, the sub-recipient of RBP+, also claimed that the supplier was chosen by ABS and that AJS only issued the purchase order in this case. No further documentation was provided corroborating the selection of supplier (refer exhibit 2 for sample beneficiary details).

## Service Yezu Mwiza

This investigation found that Service Yezu Mwiza, a sub-recipient of RBP+, submitted fraudulent invoices totaling US\$ 8,188) purporting to be from the suppliers Ntakarutimana Emmanuel, Small Market, Habarugira Michel and Ntsembeyeko Leonard.

Ntakarutimana Emmanuel, Small Market and Habarugira Michel USS 6,004):

During a visit to the premises of the supplier Ntakarutimana Emmanuel the supplier's representative confirmed to the OIG that the invoices submitted by Service Yezu Mwiza in Ntakarutimana Emmanuel's name were not provided by them and that they have never carried out any transactions with Service Yezu Mwiza.

The investigation also found that the handwriting on the invoices of Ntakarutimana Emmanuel appeared to be similar to that on the invoices of another supplier, Small Market, which provided similar goods to Service Yezu Mwiza (refer to exhibit 3 for copies of invoices of Ntakarutimana Emmanuel and a comparison with the handwriting on the invoices from the supplier Small Market).

The OIG was unable to locate the supplier, Small Market, as the address on their invoices was incomplete and therefore not traceable. The OIG contacted the telephone number on the Small Market invoices and the person who answered denied having any links to Small Market.

In response to the OIG's findings, Service Yezu Mwiza stated that the supplier that now occupies the shop of Ntakarutimana Emmanuel had changed from the supplier in question. Service Yezu Mwiza also stated that the supplier Small Market comprises of illiterate small traders who had therefore asked Ntakarutimana Emmanuel to complete the invoices on their behalf.

The OIG considers that the explanation provided by Service Yezu Mwiza is inadequate on the basis that the supplier, Ntakarutimana Emmanuel, confirmed in person to the OIG that it had not delivered the goods and that Ntakarutimana Emmanuel and Small Market are based in different localities.

The OIG could not locate the premises of another supplier, Yezu Mwiza, Habarugira Michel, as the address in their invoices was incomplete. The OIG contacted the telephone number in the invoices and the individual who answered confirmed that she did not know Habarugira Michel and that she had never done business with Service Yezu Mwiza.

An examination of the beneficiaries' signatures on the distribution sheets of nutritional kits provided by Service Yezu Mwiza revealed that for the same beneficiary names, different signatures appeared on different sheets. The distribution reports attached to these sheets for two different districts were written in the same handwriting but signed by different individuals (refer to exhibit 4 for a comparison of the differences in the signatures for same individuals in the distribution sheets and the similarities in the handwriting in the distribution reports from two different districts signed by different individuals).

The investigation also found that these distribution sheets for nutritional kits did not include any supporting documentation or identification code to link them to people living with HIV/AIDS (PLHIV) or other vulnerable groups that would assist in validating the existence of the beneficiaries.

In response to the OIG's findings, Service Yezu Mwiza stated that the supplier's telephone had been stolen and that they are still in business. It also stated that most of its beneficiaries do not know how to read and write and as a consequence are incapable of maintaining consistent signatures.

The OIG recognizes that literacy rates are low in Burundi; however, on the basis that the OIG was unable to trace the supplier, the inconsistent signatures of identical beneficiaries, the similarities in the handwriting in distribution reports from different districts, and the lack of information in the beneficiary lists that prevented the OIG from verifying the delivery of the services to the beneficiaries, it concludes that the above transactions are non-compliant transactions and are therefore proposed recoverable expenditure.

Ntsembeyeko Leonard USS 2,184):

This investigation found that the address and phone number in the invoices of the supplier Ntsembeyeko Leonard submitted by Service Yezu Mwiza to RBP+ were incomplete and invalid.

It was also found that the handwriting on the invoices of the supplier Ntsembeyeko Leonard were similar to the handwriting on the proforma invoices of a competing bidder, Sinamenye Egide, which was also not traceable, for

the provision of nutritional kits to Service Yezu Mwiza (refer to exhibit 5 for a comparison of the handwriting similarities between the invoices of Sinamenye Egide and Ntsembeyeko Leonard and the supplier invoices).

The distribution sheets for the nutritional kits did not include any supporting documentation to link them to people living with HIV/AIDS or other vulnerable groups. These acknowledgement sheets did not include any specific identification codes or any other means to verify the existence of the beneficiaries.

In response to the OIG's findings, Service Yezu Mwiza stated that "the handwriting in the two documents are not similar, although there is a resemblance in the handwriting". It also stated that the supplier could not be located because a fire in the Central Market of Bujumbura displaced most of its suppliers.

The OIG concludes that, on the basis of the handwriting similarities between the winning bidder Ntsembeyeko Leonard and the losing bidder Sinamenye Egide, its inability to trace the supplier, and the lack of an audit trail to corroborate the existence of the beneficiaries, the above transactions were fraudulent and therefore non-compliant expenditure.

## Centre GIPA

This investigation found that Centre GIPA, a sub-recipient of RBP+, submitted fraudulent invoices totaling US\$ 5,555) purporting to be from the supplier Thierry Nkurabagaya. In addition, Centre GIPA also submitted invoices from non-traceable suppliers for US\$ 5,892, as detailed in section 04 of this report.

The supplier, Mr. Thierry Nkurabagaya, confirmed in person to the OIG that he is a doctor by profession and did not provide the nutritional kits in the three invoices submitted by Centre GIPA to RBP+ in his name. Mr. Nkurabagaya also provided the OIG with a copy of a complaint he lodged with the law enforcement authorities in Burundi against Centre GIPA for submitting the fraudulent invoices in his name (refer to exhibit 6 for a copy of the complaint).

Two out of the three payments made to Thierry Nkurabagaya by Centre GIPA were in cash. The ex-cashier of Centre GIPA told the OIG that cash management was carried out by the Centre GIPA project coordinator. The ex-cashier also stated that the Centre GIPA project coordinator asked her to sign the cash authorization forms at the end of the grant period when the expenditure had already been made in order to create supporting documentation.

In response to the OIG's findings, the Project GIPA project coordinator questioned why the OIG had discussed the matter with the ex-cashier of Centre GIPA without him being present. The Centre GIPA coordinator also stated that it was the ex-cashier who had carried out day to day activities relating to cash management and her statement that she had signed the cash authorization forms at the end of grant period on his instructions was incorrect.

The Project GIPA project coordinator also said that the OIG did not meet the actual supplier from which Centre GIPA had procured the goods and that all the available options to identify the original supplier have not yet been exhausted. However, based on the statements of the supplier made in person to the OIG and the fact that he has lodged a formal complaint with the Burundi law enforcement authorities, the OIG finds that these transactions were fraudulent and therefore constitute non-compliant expenditures.

## Humure

This investigation found that Humure, a recipient of ABS, which is a sub-recipient of RBP+, submitted fraudulent invoices totaling BIF 819,000 (US\$ 655) purporting to be from the supplier Alicia Cyber Café.

The OIG's visit to the premises of the Alicia Cyber Café and discussions with its manager established that they do not sell phone cards or provide catering services as detailed in the invoices submitted by Humure to RBP+ in the name Alicia Cyber Café. The OIG found that the supplier was a cyber café providing internet services to its customers. On the second visit to the supplier premises to obtain copies of the invoices and a written confirmation, the manager of the Alicia Cyber Café changed his initial statement and informed OIG that he has been the manager of the Café for only three years, as against five years mentioned earlier, and that the previous owner of the Café has shifted to Canada. Documentation indicating changes of ownership, name and contact details of the previous owner were not shared by the manager.

In response to the OIG's findings, Humure's project coordinator stated that the owner of the cyber café had changed and that the information should be requested from the former owner of the cyber café. Contact details of the previous owner were not shared with the OIG.

Based on the findings summarized above for each sub-recipient and sub-sub-recipient, the OIG concludes that the above transactions totaling US\$ 78,529 are fraudulent non-compliant expenditures as per Article 18 and 21 of the Standard Terms and Conditions of the Global Fund Grant Agreement with RBP+ and are therefore proposed recoverable expenditures.

*Agreed action 1: Based on the findings of this report, the Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.*

*Agreed action 2: Based on the findings of the report, the Secretariat will consider taking actions, including but not limited to appropriate actions and/or restriction measures, towards entities and/or individuals identified in the report, as deemed appropriate. The Country Team will use the lessons learned from this investigation in the current arrangements for local procurements in Burundi (if and where not already done so). For instance:*

- The Country Team will reiterate to the recipients of the Global Fund grant in the country to include the Code of Conduct for Suppliers in the conditions of contracts established with the suppliers.*
- The Country Team will advertise to a broader audience of Principal Recipient and other recipient's staff members the Global Fund's procedures for reporting fraud and abuse to the OIG and its underlying whistleblowing policy.*

*Agreed action 3: The Secretariat will formalize the monitoring of all Burundi Principal Recipient's oversight controls at sub-recipient level, including confirmation received from the Principal Recipient that there is (i) an update of its procurement manual and (ii) the establishment a list of pre-qualified suppliers for key-procurement activities.*

*Agreed Action 4: In order to facilitate the documented verification of the receipt of these goods and services by the beneficiaries, the Secretariat will request the Principal Recipient of the Community HIV grant to put in place enhanced procedures and tools for identifying the beneficiaries and recording the identity of the recipients of nutritional kits and OVC support. The Secretariat will monitor to ensure this action is taken.*

## 02 Fraudulent procurements at ANSS, sub-recipient of RBP+

This investigation found that ANSS, a sub-recipient of RBP+, submitted invoices totaling US\$ 44,603 purporting to be from four suppliers for food products, namely, Bimenyimana Ange, Enterprise Ninteretse Diomede, Niyonkuru Audace and Habonimana Louis. ANSS entered into a fraudulent scheme where check payments made to one of

these four suppliers (as the winning supplier) were later endorsed in the name of another of the losing suppliers for payment (refer to exhibit 7 for an example of a copy of a check drawn by the suppliers in each other's names).

Supplier <sup>8</sup>	Date range	Amount (BIF)	Amount (US\$)	Services/ Goods
Ange Bimenyimana	April - October 2011	32,030,040	25,624	
Diomed Ninteretse	June - August 2011	12,130,100	9,704	Nutritional kits
Niyonkuru Audace	March 2011	5,779,520	4,624	
Habonimana Louis*	August 2011	5,814,350	4,651	
<b>TOTAL</b>		<b>55,754,010</b>	<b>44,603</b>	

\*Supporting documentation including supplier invoice not shared.

**Table 3: Summary of total transactions between ANSS and the four suppliers**

Neither the proforma invoices nor the final invoices for these four suppliers included their addresses and the suppliers' premises were therefore untraceable. The OIG also attempted to establish contact with the four suppliers via the telephone numbers on their invoices; however, only one telephone number, for Bimenyimana Ange, was answered. The person who answered identified themselves as Diomed Ninteretse (one of the other four suppliers) and confirmed to the OIG that he only sells fruit and has not sold the goods described in the Ange Bimenyimana invoices that ANSS submitted to RBP+.

These transactions included a tender by the sub-recipient ANSS for food products for US\$ 4,937 for which the OIG found that the proforma invoices of the winning bidder Bimenyimana Ange and a losing bidder, Enterprise Ninteretse Diomed, contained identical phone numbers. Identical scanned copies of the National Revenue Authority stamp and signatures were also found on the Burundi's National Revenue Authority Certificates provided by Bimenyimana Ange and Enterprise Ninteretse Diomed.

The OIG also found similar errors in the payment acknowledgement receipts for these two suppliers. In both the cases the payment acknowledgement receipt stated that the payment was received from the supplier instead of ANSS, i.e., these receipts suggested that the suppliers received payments from themselves.

The investigation also found similarities in the handwriting in the invoices of these two suppliers and Niyonkuru Audace one of the other four suppliers.

In response to the OIG's findings, ANSS acknowledged that there was collusion between these suppliers; however, they stated that they were unaware of this collusion. ANSS also claimed that the services were delivered and the beneficiaries of the nutritional kits could be verified from the supporting documentation.

However, the investigation found that the distribution sheets for nutritional kits did not include any documentation to link them to people living with HIV/AIDS or other vulnerable groups. These acknowledgement sheets did not include any specific identification code or other means of validating the existence of the beneficiaries. For Habonimana Louis, the supporting documentation including, a copy of the invoice, was not shared with the OIG.

On the basis that three suppliers out of four could not be traced; the large numbers of similarities between the invoices of different suppliers; the confirmation by one of the suppliers that they had not delivered the goods; and the lack of an audit trail to verify the existence of the beneficiaries, the OIG concludes that these transactions are fraudulent transactions.

The OIG therefore finds that US\$ 44,603 are non-compliant expenditures as per the Article 18 and 21 of the Standard Terms and Conditions of the Global Fund Grant Agreement with RBP+ and are proposed as recoverable expenditure.

*Agreed action 5: Based on the findings of this report, the Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in*

<sup>8</sup> Refer exhibit 8 for detail list of transactions with these suppliers

accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.

*Agreed action 6: The Secretariat will formalize the monitoring of all Burundi Principal Recipient's oversight controls at sub-recipient level, including confirmation received from the Principal Recipient that there is (i) an update of its procurement manual and (ii) the establishment a list of pre-qualified suppliers for key-procurement activities.*

*Agreed action 7: In order to facilitate the documented verification of the receipt of these goods and services by the beneficiaries, the Secretariat will request the Principal Recipient of the Community HIV grant to put in place enhanced procedures and tools for identifying the beneficiaries and recording the identity of the recipients of nutritional kits and OVC support. The Secretariat will monitor to ensure this action is taken.*

### 03 Fraudulent practices at SOJPAE, sub-sub-recipient of RBP+

This investigation found that SOJPAE, a recipient of ABS which is a sub-recipient of RBP+, submitted a fictitious copy of a check purporting to be a US\$ 20,074 from this supplier.

The supplier Mabisco was not traceable at the address or the phone number in its invoices. On the OIG's visit to the address on their invoices it was confirmed by nearby shop owners that a supplier of this name and had never existed in that neighborhood.

For one of the three invoices from Mabisco dated 15 Sep 2010 for US\$ 14,863, which related to procurement of school kits, SOJPAE provided to the OIG a copy of a check in the name of Mabisco as supporting evidence for the transaction.

The OIG's independent verification with the issuing bank revealed that a different check number for exactly the same amount had been encashed. This check had been drawn in the name of SOJPAE's finance manager and not the supplier Mabisco, as per the check provided to the OIG. The check in the name of Mabisco that was presented to the OIG was not presented in the bank.

The other two invoices from Mabisco totaling US\$ 5,211 were paid in cash by SOJPAE. Both of these checks and the supplier order form were signed by SOJPAE's legal representative and finance manager. The OIG attempted to contact SOJPAE's finance officer; however it was found that she had resigned from SOJPAE and was not traceable. The OIG also tried to establish contact with SOPJAE's legal representative at the contact number provided by RBP+; however, the phone number was out of order. Refer to table 2, below, for a summary of the transactions.

Supplier	SSR	Invoice Date	Amount (BIF)	Amount (US\$)	Mode of payment	Services/Goods
Mabisco	SOJPAE	15 Sep 2010	18,578,980	14,863	Check	School kits
		27 Dec 2010	6,264,000	5,011	Cash	Nutritional kits
		28Dec 2010	250,000	200	Cash	Information technology
<b>Total</b>			<b>25,092,980</b>	<b>20,074</b>		

**Table 2: List of transactions between SOJPAE and Mabisco:**

In response to the OIG's findings, SOJPAE said some irregularities had been committed by the SOJPAE project team in Gitega and administrative measures had been taken against the members of the project team. It also agreed to make good the loss, but only once the OIG had visited their offices to discuss the matter. SOJPAE did not provide any further details or documentation to the OIG to explain what the irregularities they had identified related to, nor what the administrative measures had comprised.

The OIG finds that the above transactions for US\$ 20,074 are fraudulent transactions, are non-compliant as per Article 18 and 21 of the Standard Terms and Conditions of the Global Fund Grant Agreement with RBP+, and are therefore proposed recoverable expenditure to the Global Fund.

*Agreed action 8: Based on the findings of this report, the Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.*

*Agreed action 9: Based on the findings of the report, the Secretariat will consider taking actions, including but not limited to appropriate actions and/or restriction measures, towards entities and/or individuals identified in the report, as deemed appropriate.*

## 04 Non-traceable suppliers

The OIG performed transaction verifications on invoices which predominantly related to the purchase of nutritional kits and school kits by RBP+'s sub-recipients and sub-sub-recipients. When the supplier invoices included a complete and valid address the OIG attempted to verify the existence of the supplier by visiting the supplier's premises. When no address was provided in the invoices, supplier verification was attempted by contacting the telephone number in the invoice. The OIG found that the suppliers for transactions totaling US\$ 40,845, as summarized below, were not traceable.

The OIG also requested that RBP+ and its sub-recipients and/or sub-sub-recipients share any alternative contact details or addresses of these suppliers; however, no details were provided to the OIG.

Additionally, the investigation also found that the supporting documentation maintained by RBP+'s sub and sub-sub-recipients as proof of the delivery of goods and services to beneficiaries lacked sufficient information to enable the OIG to verify, and therefore obtain reasonable assurance, that services had been delivered (refer annex B.2 for list of transactions with these suppliers):

### Orphan's AID and Centre GIPA

This investigation found that Orphan's AID and Centre GIPA, sub-recipients of RBP+ submitted non-compliant invoices totaling US\$ 16,268 purporting to be from the supplier Ciza Damien.

The OIG found that the invoices of the supplier contained incomplete address and the telephone number in the invoices was out of service when contacted by the OIG and therefore the supplier was not traceable.

The OIG requested alternative contact details for Ciza Damien from both the Centre GIPA project coordinator and Orphan's Aid project manager; however, neither were able to provide any contact details.

In response to the OIG's findings, the Centre GIPA project coordinator stated that Ciza Damien had previously been located in the Central Market of Bujumbura which caught fire in January 2013. He said that Ciza Damien is still traceable and in business; however, he did not provide the current contact details for Ciza Damien to the OIG.

Orphan's AID in their response stated that suppliers in the market change their location frequently and it was unable to trace the supplier; nevertheless, the delivery of school kits purchased from the suppliers could be verified. However, this investigation found that the distribution sheets for school kits provided by Orphan's AID did not include any specific identification code or other means to verify the existence of the beneficiaries to verify, and therefore obtain reasonable assurance, that services had been delivered

### RENAJES

This investigation found that RENAJES, a sub-recipient of RBP+, submitted non-compliant invoices totaling US\$ 10,876 purporting to be from the suppliers IDP Impression, Ets NMC, Magasin 2000 and Racines SARL.

The investigation found that the addresses in the invoices of the suppliers IDP Impression, Ets NMC, Magasin 2000 and Racines SARL submitted by RENAJES to RBP+ were incomplete and not traceable and the phone numbers provided in the invoices were out of service when contacted by the OIG.

This investigation also found that the handwriting in the invoices of IDP Impression, Ets NMC and Magasin 2000 were similar (refer exhibit 9 for the comparison of handwriting and the copies of invoices of these suppliers).

In its response to the OIG's findings, without providing any clarification and documentation, the coordinator of RENAJES stated that they could provide an explanation to the OIG; however, no further details were shared with the OIG.

## ASSIG

This investigation found that ASSIG, sub-recipient of RBP+ submitted non-compliant invoices totaling US\$ 8,997 purporting to be from the suppliers Ndarugirire Dominique and Ndiokubwayo Mallius.

The investigation found that the addresses in the invoices of the suppliers Ndarugirire Dominique and Ndiokubwayo Mallius submitted by ASSIG to RBP+ were incomplete and not traceable and the phone number provided in their invoices was found to be out of service when contacted by the OIG.

The supporting documents provided by the ASSIG to RBP+ for Ndarugirire Dominique included a check for payment drawn in the name of the legal representative of ASSIG instead of Ndarugirire Dominique. Similarly, the supporting documents provided by ASSIG for Ndiokubwayo Mallius included checks for payment drawn in the name of the coordinator of ASSIG instead of the supplier.

This investigation also found that the distribution sheets for school kits did not include any documentation to link them to the vulnerable children who should receive such support. The acknowledgement sheets of receipt of school kits did not include any specific identification code or any other means for verifying the existence of the beneficiaries. The OIG did not receive any response from ASSIG to its findings.

## Centre GIPA

In addition to the findings set out in section 01 of this report, this investigation found that Centre GIPA, sub-recipient of RBP+ submitted non-compliant invoices totaling US\$ 4,704 purporting to be from the suppliers Narada and Chez Patient.

This investigation found that invoice from supplier, Narada, submitted by Centre GIPA to RBP+ for catering services, did not contain address of the supplier. The telephone number in the invoice of the supplier was found to be out of service when contacted by the OIG.

The Centre GIPA coordinator provided an alternative contact telephone number for Narada to the OIG. The OIG called this number in the presence of the Centre GIPA coordinator and the individual who answered identified herself as being from Narada, however, she did not provide an address for Narada to the OIG.

The OIG established contact with this same individual on a subsequent date on the same telephone number to arrange an appointment to carry out a verification of documentation; however, the individual refused to meet and cooperate with the OIG. No alternative address details of the supplier were provided by the Centre GIPA project coordinator.

In response to the OIG's findings, the Centre GIPA project coordinator stated that the supplier, Narada, still exists and that the OIG should carry out a more thorough search for the suppliers. He also stated that the non-cooperation by the representative of Narada should not be Centre GIPA's responsibility.

This investigation also found that invoices from the supplier, Chez Patient, submitted by Centre GIPA to RBP+ for catering services did not contain addresses. The telephone numbers in the invoices of the supplier was found to be out of service when contacted by the OIG.

No alternative address detail of the supplier was provided by the Centre GIPA project coordinator.

In response to the OIG's findings, the Centre GIPA project coordinator stated that the supplier, Chez Patient, still exists and that the OIG should carry out a more thorough search for the supplier.

On the basis that: none of these suppliers were verifiable; the sub and sub-sub-recipients could not provide contact details for the suppliers; the beneficiaries could not be identified. In some instances, there were indications of fraudulent practices such as similarities in the handwriting on the invoices from different suppliers or checks for payment drawn in the name of employee rather than the supplier. The OIG finds that the above transactions totaling US\$ 40,845 are non-compliant expenditures as per Article 18 and 21 of the Standard Terms and Conditions of the Global Fund Grant Agreement with RBP+ and the Global Fund's Code of Conduct for Suppliers and are therefore proposed recoverable expenditures.

*Agreed action 10: Based on the findings of this report, the Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.*

*Agreed action 11: The Secretariat will formalize the monitoring of all Burundi Principal Recipient's oversight controls at sub-recipient level, including confirmation received from the Principal Recipient that there is (i) an update of its procurement manual and (ii) the establishment a list of pre-qualified suppliers for key-procurement activities.*

*Agreed action 12: In order to facilitate the documented verification of the receipt of these goods and services by the beneficiaries, the Secretariat will request the Principal Recipient of the Community HIV grant to put in place enhanced procedures and tools for identifying the beneficiaries and recording the identity of the recipients of nutritional kits and OVC support. The Secretariat will monitor to ensure this action is taken.*

## IV. Conclusion

This investigation found evidence of fraudulent practices and other procurement irregularities by RBP+'s sub and sub-sub-recipients between 2010 and 2011 which compromised contracts totaling US\$ 184,050.

The OIG considers that RBP+'s change in role from sub-recipient to Principal Recipient together with the five-fold increase in planned disbursements, had an adverse effect on RBP+'s ability to maintain effective oversight over its sub and sub-sub-recipients and that this situation facilitated the fraud and abuse identified by this investigation.

The evidence of fraudulent and non-compliant expenditures included: fictitious and fraudulent supplier invoices; fraudulent editable supplier invoices; fabricated supporting documentation for transactions; a fraudulent procurement scheme involving four suppliers; similarities in the handwriting in different supplier invoices and recipient employees; and suppliers that could not be traced and therefore were not verifiable.

Additionally, the supporting documentation maintained by RBP+'s sub and sub-sub-recipients as proof of the delivery of goods and services to beneficiaries lacked sufficient information to enable the OIG to verify, and therefore obtain reasonable assurance, that services had been delivered.

Based on the above findings, the OIG concludes that US\$ 184,050 is non-compliant expenditure and is therefore proposed recoverable expenditure.

Table below summarizes the proposed recoverable expenditure relating to each finding in this report.

<b>Particulars</b>	<b>BIF</b>	<b>US\$</b>
Finding 1 – Fraudulent supplier invoices submitted by sub-recipients and sub-sub-recipients	98,160,096	78,529
Finding 2 – Fraudulent procurement at ANSS	55,754,010	44,603
Finding 3 – Fraudulent practices at SOJPAE	25,092,980	20,074
Finding 4 – Non-traceable and/or non-existent suppliers	51,058,175	40,845
<b>Total</b>	<b>230,065,261</b>	<b>184,051</b>

**Table 4: Summary of non-compliant expenditure**

## V. Table of Agreed Actions

No.	Category	Action	Due date	Owner
1	<b>Mismanagement</b>	Based on the findings of this report, the Secretariat will finalize and pursue, from all entities responsible, an appropriate recoverable amount. This amount will be determined by the Secretariat in accordance with its evaluation of applicable legal rights and obligations and associated determination of recoverability.	31 December 2015	<b>Recoveries Committee</b>
2	<b>Fraud and Misrepresentation</b>	<p>The Country Team will use the lessons learned from this investigation in the current arrangements for local procurements in Burundi (if and where not already done so). For instance:</p> <ul style="list-style-type: none"> <li>- The Country Team will reiterate to the recipients of the Global Fund grant in the country to include the Code of Conduct for Suppliers in the conditions of contracts established with the suppliers.</li> <li>- The Country Team will advertise to a broader audience of Principal Recipient and other recipient's staff members the Global Fund's procedures for reporting fraud and abuse to the OIG and its underlying whistleblowing policy.</li> </ul>	31 January 2015	<b>Head of Grant Management Division</b>
3	<b>Procurement Irregularities</b>	The Secretariat will formalize the monitoring of all Burundi Principal Recipient's oversight controls at sub-recipient level, including confirmation received from the Principal Recipient that there is (i) an update of its procurement manual and (ii) the establishment a list of pre-qualified suppliers for key-procurement activities.	30 September 2015	<b>Head of Grant Management Division</b>
4	<b>Lack of Audit Trail</b>	In order to facilitate the documented verification of the receipt of these goods and services by the beneficiaries, the Secretariat will request the Principal Recipient of the Community HIV grant to put in place enhanced procedures and tools for identifying the beneficiaries and recording the identity of the recipients of nutritional kits and OVC support. The Secretariat will monitor to ensure this action is taken.	31 January 2015	<b>Head of Grant Management Division</b>

## VI. Annex A: Methodology

The Investigations Unit of the OIG is responsible for conducting investigations of alleged fraud, abuse, misappropriation, corruption and mismanagement (collectively, “fraud and abuse”) within Global Fund financed programs and by Principal Recipients and sub-recipients, (collectively, “grant implementers”), Country Coordinating Mechanisms and Local Fund Agents, as well as suppliers and service providers.<sup>9</sup>

While the Global Fund does not typically have a direct relationship with the recipients’ suppliers, the scope of the OIG’s work<sup>10</sup> encompasses the activities of those suppliers with regard to the provision of goods and services. The authority required to fulfill this mandate includes access to suppliers’ documents and officials.<sup>11</sup> The OIG relies on the cooperation of these suppliers to properly discharge its mandate.<sup>12</sup>

Investigation methodology in this report included: a forensic review of red flag transactions; interviews; vendor and delivery verifications; imaging and analysis of computer forensic evidence; and a pricing analysis.

OIG investigations aim to: (i) identify the specific nature and extent of fraud and abuse affecting Global Fund grants, (ii) identify the entities responsible for such wrongdoings, (iii) determine the amount of grant funds that may have been compromised by fraud and abuse, and (iv), place the organization in the best position to obtain recoveries through the identification of the location or the uses to which the misused funds have been put.

OIG conducts administrative, not criminal, investigations. Its findings are based on facts and related analysis, which may include drawing reasonable inferences based upon established facts. Findings are established by a preponderance of credible and substantive evidence. All available evidence is considered by the OIG, including inculpatory and exculpatory information.<sup>13</sup>

The OIG finds, assesses and reports on facts. On that basis, it makes determination on the compliance of expenditures with the grant agreements and details risk-prioritized Agreed Actions.

Such Agreed Actions may notably include the identification of expenses deemed non-compliant for considerations of recovery, recommended administrative action related to grant management and recommendations for action under the Code of Conduct for Suppliers<sup>14</sup> or the Code of Conduct for recipients of Global Fund Resources<sup>15</sup> (the “Codes”), as appropriate. The OIG does not determine how the Secretariat will address these determinations and recommendations. Nor does it make judicial decisions or issue sanctions.<sup>16</sup>

Agreed Actions are agreed with the Secretariat to identify, mitigate and manage risks to the Global Fund and its recipients’ activities. The OIG defers to the Secretariat and, where appropriate, the recipients, their suppliers and/or the concerned national law enforcement agencies, for action upon the findings in its reports.

The OIG is an administrative body with no law enforcement powers. It cannot issue subpoenas or initiate criminal prosecutions. As a result, its ability to obtain information is limited to the rights to it under the grant agreements agreed to with recipients by the Global Fund, including the terms of its Codes, and on the willingness of witnesses and other interested parties to voluntarily provide information.

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<sup>9</sup> Charter of the Office of the Inspector General (19 March 2013), available at

[http://theglobalfund.org/documents/oig/OIG\\_OfficeOfInspectorGeneral\\_Charter\\_en/](http://theglobalfund.org/documents/oig/OIG_OfficeOfInspectorGeneral_Charter_en/), accessed 01 November 2013 2013.

<sup>10</sup> Charter of the Office of the Inspector General (19 March 2013) § 2, 9.5 and 9.7.

<sup>11</sup> Ibid., § 17.1 and 17.2.

<sup>12</sup> Global Fund Code of Conduct for Suppliers (15 December 2009), § 17-18, available at

[http://theglobalfund.org/documents/corporate/Corporate\\_CodeOfConductForSuppliers\\_Policy\\_en/](http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForSuppliers_Policy_en/), accessed 01 November 2013.

Note: Every grant is subject to the Global Fund’s Standard Terms and Conditions (STC) of the Program Grant Agreement signed for that grant. The above Code of Conduct may or may not apply to the grant.

<sup>13</sup> These principles comply with the *Uniform Guidelines for Investigations*, Conference of International Investigators, June 2009; available at <http://www.un.org/Depts/oios/pages/uniformguidelines.html>, accessed 01 November 2013.

<sup>14</sup> See fn. 12, supra.

<sup>15</sup> Code of Conduct for Recipients of Global Fund Resources (16 July 2012) available at

[http://theglobalfund.org/documents/corporate/Corporate\\_CodeOfConductForRecipients\\_Policy\\_en/](http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForRecipients_Policy_en/), accessed 01 November 2013.

Note: Every grant is subject to the STC of the Program Grant Agreement signed for that grant. The above Code of Conduct may or may not apply to the grant.

<sup>16</sup> Charter of the Office of the Inspector General (19 March 2013) § 8.1

The OIG also provides the Global Fund Board with an analysis of lessons learned for the purpose of understanding and mitigating identified risks to the grant portfolio related to fraud and abuse.

Finally, the OIG may make referrals to national authorities for prosecution of any crimes or other violations of national laws, and supports such authorities as necessary throughout the process, as appropriate.

### Applicable Concepts of Fraud and Abuse

The OIG bases its investigations on the contractual commitments undertaken by recipients and suppliers. It does so under the mandate set forth in its Charter to undertake investigations of allegations of fraud and abuse in Global Fund supported programs.

As such, it relies on the definitions of wrongdoing set out in the applicable grant agreements with the Global Fund and the contracts entered into by the recipients with other implementing entities in the course of program implementation.

Such agreements with sub-recipients must notably include pass-through access rights and commitments to comply with the Codes. The Codes clarify the way in which recipients are expected to abide by the values of transparency, accountability and integrity which are critical to the success of funded programs. Specifically, the Code of Conduct for Recipients prohibits recipients from engaging in corruption, which includes the payment of bribes and kickbacks in relation to procurement activities.<sup>17</sup>

The Codes notably provide the following definitions of the relevant concepts of wrongdoings:<sup>18</sup>

- **“Anti-competitive practice”** means any agreement, decision or practice which has as its object or effect the restriction or distortion of competition in any market.
- **“Collusive practice”** means an arrangement between two or more persons or entities designed to achieve an improper purpose, including influencing improperly the actions of another person or entity.
- **“Conflict of Interest”**: A conflict of interest arises when a Recipient or Recipient Representative participates in any particular Global Fund matter that may have a direct and predictable effect on a financial or other interest held by: (a) the Recipient; (b) the Recipient Representative; or (c) any person or institution associated with the Recipient or Recipient Representative by contractual, financial, agency, employment or personal relationship. For instance, conflicts of interest may exist when a Recipient or Recipient Representative has a financial or other interest that could affect the conduct of its duties and responsibilities to manage Global Fund Resources. A conflict of interest may also exist if a Recipient or Recipient Representative’s financial or other interest compromises or undermines the trust that Global Fund Resources are managed and utilized in a manner that is transparent, fair, honest and accountable.
- **“Corrupt practice”** means the offering, promising, giving, receiving or soliciting, directly or indirectly, of anything of value or any other advantage to influence improperly the actions of another person or entity.
- **“Fraudulent practice”** means any act or omission, including a misrepresentation that knowingly or recklessly misleads, or attempts to mislead, a person or entity to obtain a financial or other benefit or to avoid an obligation.
- **“Misappropriation”** is the intentional misuse or misdirection of money or property for purposes that are inconsistent with the authorized and intended purpose of the money or assets, including for the benefit of the individual, entity or person they favor, directly or indirectly.

### Determination of Compliance

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<sup>17</sup> Code of Conduct for Recipients of Global Fund Resources, section 3.4.

<sup>18</sup> Available at [http://theglobalfund.org/documents/corporate/Corporate\\_CodeOfConductForRecipients\\_Policy\\_en/](http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForRecipients_Policy_en/) and [http://theglobalfund.org/documents/corporate/Corporate\\_CodeOfConductForSuppliers\\_Policy\\_en/](http://theglobalfund.org/documents/corporate/Corporate_CodeOfConductForSuppliers_Policy_en/)

The OIG presents factual findings which identify compliance issues by the recipients with the terms of the Global Fund's Standard Terms and Conditions (STC) of the Program Grant Agreement. Such compliance issues may have links to the expenditure of grant funds by recipients, which then raises the issue of the eligibility of these expenses for funding by the Global Fund. Such non-compliance is based on the provisions of the STC.<sup>19</sup> The OIG does not aim to conclude on the appropriateness of seeking refunds from recipients, or other sanctions on the basis of the provisions of the Program Grant Agreement.

Various provisions of the STC provide guidance on whether a program expense is eligible for funding by the Global Fund. It is worth noting that the terms described in this section are to apply to sub-recipients (SRs) as well as Principal Recipients (PRs).<sup>20</sup>

At a very fundamental level, it is the Principal Recipient's responsibility "to ensure that all Grant funds are prudently managed and shall take all necessary action to ensure that Grant funds are used solely for Program purposes and consistent with the terms of this Agreement".<sup>21</sup>

In practice, this entails abiding by the activities and budgetary ceilings proposed in the Requests for Disbursement, which in turn must correspond to the Summary Budget(s) attached to Annex A of the Program Grant Agreement. While this is one reason for expenses to be ineligible, expending grant funds in breach of other provisions of the Program Grant Agreement also results in a determination of non-compliance.

Even when the expenses are made in line with approved budgets and work plans, and properly accounted for in the program's books and records, such expenses must be the result of processes and business practices which are fair and transparent. The STC specifically require that the Principal Recipient ensures that: (i) contracts are awarded on a transparent and competitive basis, [...] and (iv) that the Principal Recipient and its representatives and agents do not engage in any corrupt practices as described in Article 21(b) of the STC in relation to such procurement.<sup>22</sup>

The STC explicitly forbid engagement in corruption or any other related or illegal acts when managing Grant Funds:

"The Principal Recipient shall not, and shall ensure that no sub-recipient or person affiliated with the Principal Recipient or any sub-recipient [...] participate(s) in any other practice that is or could be construed as an illegal or corrupt practice in the Host Country."<sup>23</sup>

Amongst prohibited practices is the rule that the Principal Recipient shall not and shall ensure that no person affiliated with the Principal Recipient "engage(s) in a scheme or arrangement between two or more bidders, with or without the knowledge of the Principal or sub-recipient, designed to establish bid prices at artificial, non-competitive levels."<sup>24</sup>

The Global Fund's Code of Conduct for Suppliers and Code of Conduct for Recipients further provide for additional principles by which recipients and contractors must abide, as well as remedies in case of breaches of said fundamental principles of equity, integrity, and good management. The Codes also provide useful definitions of prohibited conducts.<sup>25</sup>

The Codes are integrated into the STC through Article 21(d) under which the Principal Recipient is obligated to ensure that the Global Fund's Code of Conduct for Suppliers is communicated to all bidders and suppliers.<sup>26</sup> It explicitly states that the Global Fund may refuse to fund any contract with suppliers found not to be in compliance

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<sup>19</sup> The STC are revised from time to time, but the provisions quoted below applied to all Principal Recipients at the time of the investigation.

<sup>20</sup> Standard Terms and Conditions (2012.09) at Art. 14(b):

[http://www.theglobalfund.org/documents/core/grants/Core\\_StandardTermsAndConditions\\_Agreement\\_en](http://www.theglobalfund.org/documents/core/grants/Core_StandardTermsAndConditions_Agreement_en)

<sup>21</sup> Id. at Art. 9(a) and Art 18(f)

<sup>22</sup> Id. at Art. 18(a)

<sup>23</sup> Id., at Art. 21 (b).

<sup>24</sup> Id. at Art. 21(b)

<sup>25</sup> Available at [http://www.theglobalfund.org/documents/corporate/Corporate\\_CodeOfConductForSuppliers\\_Policy\\_en](http://www.theglobalfund.org/documents/corporate/Corporate_CodeOfConductForSuppliers_Policy_en) ; [http://www.theglobalfund.org/documents/corporate/Corporate\\_CodeOfConductForRecipients\\_Policy\\_en](http://www.theglobalfund.org/documents/corporate/Corporate_CodeOfConductForRecipients_Policy_en)

<sup>26</sup> Standard Terms and Conditions (2012.09) at Art. 21(d)

with the Code of Conduct for Suppliers. Similarly, Article 21(e) provides for communication of the Code of Conduct for Recipients to all sub-recipients, as well as mandatory application through the sub-recipient agreements.<sup>27</sup>

Principal Recipients are contractually liable to the Global Fund for the use of all grant funds, including expenses made by sub-recipients and contractors.<sup>28</sup>

The factual findings made by the OIG following its investigation and summarized through this report can be linked to the prohibited conducts or other matters incompatible with the terms of the Program Grant Agreements.

### Reimbursements or Sanctions

The Secretariat of the Global Fund is subsequently tasked with determining what management actions or contractual remedies will be taken in response to those findings.

Such remedies may notably include the recovery of funds compromised by contractual breaches. Article 27 of the STC stipulates that the Global Fund may require the Principal Recipient “to immediately refund the Global Fund any disbursement of the Grant funds in the currency in which it was disbursed [in cases where] there has been a breach by the Principal Recipient of any provision of this (sic) Agreement [...] or the Principal Recipient has made a material misrepresentation with respect to any matter related to this Agreement.”<sup>29</sup>

According to Article 21(d), “in the event of non-compliance with the Code of Conduct, to be determined by the Global Fund in its sole discretion, the Global Fund reserves the right not to fund the contract between the Principal Recipient and the Supplier or seek the refund of the Grant funds in the event the payment has already been made to the Supplier.”<sup>30</sup>

Furthermore, the UNIDROIT principles (2010), the principles of law governing the grant agreement, in their article 7.4.1, provide for the right of the Global Fund to seek damages from the Principal Recipient in case non-performance, in addition to any other remedies the Global Fund may be entitled to.

Additional sanctions, including with respect to Suppliers, may be determined pursuant to the Sanction Procedure of the Global Fund, for breaches to the Codes.

In determining what non-compliant expenditures are to be proposed as recoverables, the OIG advises the Secretariat that such amounts typically should be: (i) amounts, for which there is no reasonable assurance about delivery of goods or services (unsupported expenses, fraudulent expenses, or otherwise irregular expenses without assurance of delivery), (ii) amounts which constitute overpricing between the price paid and comparable market price for such goods or services, or (iii) amounts which are ineligible (non-related) to the scope of the grant and its approved work plans and budgets.

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<sup>27</sup> Id. at Art. 21(e)

<sup>28</sup> Id. at Art. 14

<sup>29</sup> Id. at Art. 27(b) and (d)

<sup>30</sup> Id.

## VII. Annex B 1: List of transactions

Supplier	SR/SSR	Invoice Date	Amount (BIF)	Amount (US\$)	Services/ Goods
<b>Thierry Nkurabagaya</b>	Centre GIPA	4 Sep 2010	6,318,000	5,054	Nutri-tional kits
		2 Jun 2010	120,000	96	
		12 Sep 2010	506,100	405	
<b>Ntakarutimana Emmanuel</b>	Service Yezu Mwiza	12 May 2010	60,000	48	Nutritional kits
<b>Small Market</b>		4 May 2010	60,000	48	
		18 May 2010	47,000	38	
			13,000	10	
<b>Habarugira Michel</b>	Service Yezu Mwiza	25 May 2010	3,686,000	2,949	Nutritional kits
		Not provided in the invoice	970,475	776	
		2 May 2010	968,000	774	
		25 May 2010	885,500	708	
		25 May 2010	473,580	379	
		25 May 2010	342,490	274	
<b>Ntsembeyeko Leonard</b>	Service Yezu Mwiza	24 Jun 2010	910,500	728	Nutritional kits
		29 Jun 2010	910,500	728	
		21 Jun 2010	910,500	728	
<b>Nimbona Méthode</b>	AJS Burambi	28 Sep 2011	9,928,380	7,943	School kits
	Eglise Anglicane	27 Sep 2011	18,969,553	15,176	
<b>Ndayikeza Annociate</b>	AJS Burambi	10 Aug 2010	1,448,640	1,159	Nutritional kits
		10 Aug 2010	510,000	408	
		10 Aug 2010	126,640	101	
		2 Aug 2010	106,00	85	
<b>Niyonzima Abel</b>	AJS Mukike	31 Dec 2010	2,216,000	1,773	Nutritional kits
		27 Dec 2010	1,508,400	1,207	
		27 Dec 2010	495,900	397	
		27 Dec 2010	144,200	115	

Supplier	SR/SSR	Invoice Date	Amount (BIF)	Amount (US\$)	Services/ Goods
	AJS Burambi	7 Oct 2011	81,220	65	
	AJS Mukike	26 Dec 2010	67,500	54	
		28 Dec 2010	36,000	29	
		26 Dec 2010	33,750	27	
<b>Atelier de couture «La Sélection»</b>	AJS Burambi	21 Sep 2010	4,761,700	3,809	School kits
	AJS Mukike	23 Sep 2010	4,761,700	3,809	
<b>Entreprise «La Sélection»</b>	AJS Burambi	26 Sep 2010	9,416,719	7533	School kits
		21 Sep 2010	683,815	547	
		21 Sep 2010	397,120	318	
	AJS Mukike	23 Jan 2010	4,654,419	3,724	School Kits
		23 Sep 2010	4,654,419	3,724	
		30 Dec 2010	2,216,000	1,773	Nutritional Kits
		27 Dec 2010	1,508,400	1,207	
		27 Dec 2010	495,900	397	
		27 Dec 2010	67,500	54	
		16 Dec 2010	2,216,000	1,773	
Not provided in the invoice	1,508,400	1,207			
14 Dec 2010	495,900	397			
26 Dec 2010	67,500	54			
16 Dec 2010	67,500	54			
<b>Import - Export</b>	AJS Mukike	17 Sep 2010	120,000	96	Car rental
		11 Jan 2010	36,000	29	
<b>NTIRAKIRWA Donatien</b>	AJS	28-Apr-11	5,213,276	4,171	School kits
<b>Nkurunziza Fiston</b>	AJS Burambi	4 Oct 2011	800,000	640	Car rental
	AJS Mukike	18 Jan 2010	175,000	140	
		26 Dec 2010	170,000	136	
<b>Alicia Cyber Café</b>	Humure	30 Dec 2010	675,000	540	Catering/ Coffee services
		30 Dec 2010	104,000	83	Office Supplies
		29 Dec 2010	40,000	32	Phone Cards

Supplier	SR/SSR	Invoice Date	Amount (BIF)	Amount (US\$)	Services/ Goods
<b>TOTAL</b>			<b>98,160,096</b>	<b>78,529</b>	

## Annex B.2

Supplier	SR/SSR	Invoice Date	Amount -BIF	Amount - US\$	Services/ Goods
<b>CIZA Damien</b>	Centre GIPA	12 Sep 2010	1,485,540	1,188	Nutritional kits
	Orphan's aid	27 Aug 2010	18,849,650	15,080	School kits
<b>IDP Impression</b>	RENAJES	30 Jun 2010	1,555,015	1,244	Consumables
		15 Sep 2010	949,165	759	School Kits
		30 Dec 2010	807,800	646	Miscellaneous
		30 Dec 2010	706,825	565	Miscellaneous
<b>Ets NMC</b>		15 Sep 2010	3,630,045	2,904	School kits
<b>Magasin 2000</b>		15 Jun 2010	1,806,035	1,445	Office supplies
<b>Racines SARL</b>		15 Sep 2010	3,574,350	2,859	School kits
		31 Dec 2010	236,000	189	Office supplies
		6 Oct 2010	251,200	201	
		17 Aug 2010	80,000	64	
<b>Ndarugirire Dominique</b>	ASSIG	20 Sep 2010	5,130,250	4,104	School kits
		20 Sep 2010	4,026,300	3,221	
<b>Ndihokubwayo Mallius</b>	ASSIG	24 July 2010	1,580,000	1,264	Nutritional kits
		24 July 2010	510,000	408	
<b>NARADA</b>	Centre GIPA	25 Mar 2011	3,360,000	2,688	Catering
<b>Chez Patient</b>	Centre GIPA	29 Jun 2011	2,520,000	2,016	Catering
<b>Total</b>			<b>51,058,175</b>	<b>40,845</b>	

# Exhibit 1 - Quotations created on editable word documents by AJS Financial Manager.

Editable document found on computer

Pro-forma invoice submitted

NDAYIKEZA Associate

Le 06 /08 /2010

NDAYIKEZA Associate

Le 06 /08 /2010

A Monsieur le Coordonateur National de l'AJS

A Monsieur le Coordonateur National de l'AJS

Objet : Fourniture des Kits Nutritionnels

Objet : Fourniture des Kits Nutritionnels

Monsieur le Coordonateur,

Monsieur le Coordonateur,

Nous avons l'honneur de vous fournir nos prix sur les articles mentionnés dans votre correspondance du 03 /08/2010.

Nous avons l'honneur de vous fournir nos prix sur les articles mentionnés dans votre correspondance du 03 /08/2010.

En effet nos prix sont dans ce tableau en dessous :

En effet nos prix sont dans ce tableau en dessous :

N°	DESIGNATION	Prix
1	Haricots	1100
2	Riz	1000
3	Huile de Palme	1300
4	Farine de Mais,	1000
5	Lait en poudre	6500
6	Poisson Sec	10 000
7	Farine pour Bouillie	900
8	Sucre	2000
9	Farine de Manioc	1000
10	Farine de Poisson	.

N°	DESIGNATION	Prix
1	Haricots	1100
2	Riz	1000
3	Huile de Palme	1300
4	Farine de Mais,	1000
5	Lait en poudre	6500
6	Poisson Sec	10 000
7	Farine pour Bouillie	900
8	Sucre	2000
9	Farine de Manioc	1000
10	Farine de Poisson	.

Veuillez agréer monsieur le Coordonateur National, l'assurance de notre considération distinguée.

Veuillez agréer monsieur le Coordonateur National, l'assurance de notre considération distinguée.

NDAYIKEZA Associate



# Exhibit 2 - Sample beneficiary list

BURUNDI-070787

Nom de l'Agence d'exécution  
Province d'Intervention  
Commune  
Projet  
Date

Eglise Anglicane du Burundi  
Diocèse de GITEGA  
Gitega  
BUKIRASAZI  
PRIDE

## COMPOSITION DE KITS

### 1 ER DEGRE

2 Cah de 48 feuil lignées  
2 Cah de 48 feuil Quadrillées  
2 Cah de calligraphie de 24 feuil  
1 Cah de dessin de 24 feuil  
2 Stylo bleu  
1 Crayon noir  
1 Gomme  
1 Boîte de crayon de couleur  
1 Taille crayon  
1 Latte  
1 Uniforme  
1 Emballage

### 2 EME DEGRE

3 Cah de 100 feuil lignées  
3 Cah de 100 feuil quadrillées  
2 Cah de 60 feuil quadrillées  
2 Cah de 48 feuil Quadr  
1 Cah de dessin 24 feuilles  
2 stylos bleus  
1 crayon noir  
1 Gomme  
1 Boîte de crayo de couleur  
1 taille crayon  
1 uniforme  
1 Emballage

### 3 EME DEGRE

3 Cah de 100 feuil lignées  
3 Cah de 100 feuil quadrillées  
2 Cah de 60 feuil quadrillées  
6 Cah de 48 feuil Quadr  
2 Cah de dessin 24 feuilles  
4 stylos bleus  
1 crayon noir  
1 Gomme  
1 Boîte mathématique  
1 taille crayon  
1 uniforme  
1 Emballage

BURUNDI-070788

N°	NOM ET PRENOM	Clas	AGE	SE	COLLINE	ECOLE	PAR TUT	NOM KIT	SIGNATURE
1		1	7	F	BUHANDA	BUHANDA		1	
2		1	7	F	BUHANDA	BUHANDA		1	
3		1	11	F	GASONGATI	GASONGATI		1	
4		1	8	F	KIBUYE	KIBUYE		1	
5		1	7	F	RUHINDA	GASONGATI		1	
6		1	7	F	RUHINDA	GASONGATI		1	
7		1	9	F	RUHINDA	KIBUYE		1	
8		1	8	F	RUHINDA	GASONGATI		1	
9		1	7	M	BUHANDA	BUHANDA		1	
10		1	7	M	GASONGATI	GASONGATI		1	
11		1	7	M	GASONGATI	GASONGATI		1	
12		1	7	M	KIBUYE	KIBUYE		1	
13		1	8	M	KIBUYE	KIBUYE		1	

N°	NOM ET PRENOM	Clas	AGE	SE	COLLINE	ECOLE	PAR TUT	NOM KIT	SIGNATURE
192		1	7	F	BUKIRASAZ	BUKIRASAZ		1	
193		1	7	F	BUKIRASAZ	BUKIRASAZ		1	
194		1	7	F	BUKIRASAZ	BUKIRASAZ		1	
195		1	7	F	BUKIRASAZ	BUKIRASAZ		1	
196		1	8	F	MPINGWE	MPINGWE		1	
197		1	6	F	MIGANO	BUKIRASAZI		1	
198		1	7	F	MIGANO	BUKIRASAZI		1	
✓ 199		1	10	F	MIGANO	BUKIRASAZI		1	
200		1	6	F	RUGOMA	BUKIRASAZI		1	
201		1	7	F	RUGOMA	BUHANDA		1	
202		1	7	F	SHAYA	RWINYANA		1	
203		1	9	F	SHAYA	RWINYANA		1	
204		1	6	M	BUKIRASAZ	BUKIRASA		1	

# Exhibit 3 - handwriting comparison Small Market and Ntakarutimana Emmanuel

## Small Market

FACTURE No. 466

Small Market

4kg <u>Viande</u>	5.000F	20.000F
2kg <u>riz</u>	1.000F	3.200F
2kg <u>Pomme de Terre</u>	4.000F	3.200F
5kg <u>Haricots</u>	1.000F	5.000F
0,5 <u>Charbon</u>		10.000F
<b>Total</b>		<b>47.000F</b>

et marchandises vendues ne sont échangées ni reprises

FACTURE No. 66

BUJUMBURA

12 <u>Légumes</u>	320F	5760F
12 <u>Fruits</u>	350F	4200F
4 <u>Condiments</u>	760F	3040F
<b>Total</b>		<b>13.000F</b>

Les marchandises vendues ne sont échangées ni reprises

## Ntakarutimana Emmanuel

FACTURE No. 257

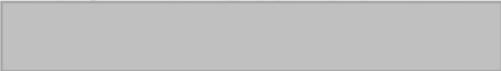
Ntakarutimana Emmanuel

4kg <u>Viande</u>	5.000F	20.000F
2kg <u>riz</u>	1.000F	3.000F
2kg <u>Pomme de Terre</u>	4.000F	3.200F
5kg <u>Haricots</u>	1.000F	5.000F
12 <u>Légumes</u>	270F	4368F
12 <u>Fruits</u>	320F	4560F
4 <u>Condiments</u>	270F	3280F
0,5 <u>Charbon</u>		10.000F
<b>Total</b>		<b>60.000FBu</b>

PAIÉ PROJET-F

# Exhibit 4 - Comparison of the handwriting in distribution reports signed by different individuals

ASSOCIATION DES PERES JESUITES DU BURUNDI  
SERVICE JESU MURZA



## RAPPORT DE DISTRIBUTION.

En date du 03/04/2010, le SYM a effectué une descente à RUCARANGU, en Commune MUTIMBOZI, en vue de distribuer des kits aux PVVIH sous ARV démunies et aux PVVIH sous ARV ainsi qu'aux enfants âgés de 6 à 12 mois nés des mères séropositives. L'activité de distribution a eu lieu en toute tranquillité et les bénéficiaires sont satisfaits de l'aide leur accordée.



*[Handwritten signature]*

ASSOCIATION DES PERES JESUITES DU BURUNDI  
SERVICE JESU MURZA

Projet [Redacted]  
Tel [Redacted]

## RAPPORT DE DISTRIBUTION.

En date du 21/04/2010, le SYM a effectué, dans le cadre du projet PRISE, une descente à KAKETI, en Commune KAGEZI pour distribuer des kits aux PVVIH sous ARV démunies, aux PVVIH sous ARV démunies ainsi qu'aux enfants âgés de 6 à 12 mois nés de mères séropositives. Cette activité de distribution a eu lieu en toute tranquillité et les bénéficiaires sont satisfaits de l'aide leur accordée.

[Redacted]  
*[Handwritten signature]*

# Exhibit 5 - Handwriting similarities: Sinamenye Egide and Ntsembeyeko Leonard

Vendor: Sinamenye Egide

Vendor: Ntsembeyeko Leonard

**FACTURE**

SINAMENYE EGIDE

[Redacted]

Le 16/11/2014

M Service yezu Mwiza Doit

357,5	Haricots	108 380,700
705	Hain	600 423,000
3200	Herile	400 153,000
		941 700

941 700

Nous disons meufant de  
quand on a un mille soft  
ant fin

**PAIE**  
**PROJET-PRIDE**

**FACTURE N°**

LEONARD

[Redacted]

Le 16/11/2014

M Service yezu Mwiza Doit

357,5	Haricots	1000 352,500
705	Hain	600 423,000
3200	Herile	400 153,000
		941 700

941 700

Nous disons meufant de  
mille cinq ant fin

**PAIE**  
**PROJET-PRIDE**

# Exhibit 6 - Complaint against Centre GIPA

Bujumbura, le 24/02/2014.

CELVIS E. J. KREYER  
 PAR A. Bujumbura  
 LE 24/02/2014

TYPE D'IDENTITE PRODUITS  
 NATURE CNI  
 No. 0103/46: 269  
 DELIBRE A. KIRUNDO  
 LE 24/02/2010

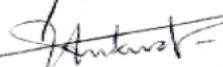
A qui de droit.

Je soussigné, Docteur Thierry NKURABAGAYA, avoir été mis au courant par ERIK DE NIET de Global Fund en ce jour même, d'une facture n° 86/010 du 04/09/2010 au faveur de Centre GIPA portant fourniture de haricot sec, riz blanc, farine de maïs et huile de palme pour un montant de 6.318.000 F (six millions trois cents dix huit mille) dont la fourniture serait Thierry NKURABAGAYA et portant le même numéro de téléphone que moi (98 561 407). Le présent est d'annoncer que je n'ai jamais été commerçant et que par conséquent ce document est en faux et ne m'engage en aucun cas. En annexe, la copie de ladite facture.

Maitre RUDARAGI Didace  
 NOTAIRE



Dr. Thierry NKURABAGAYA

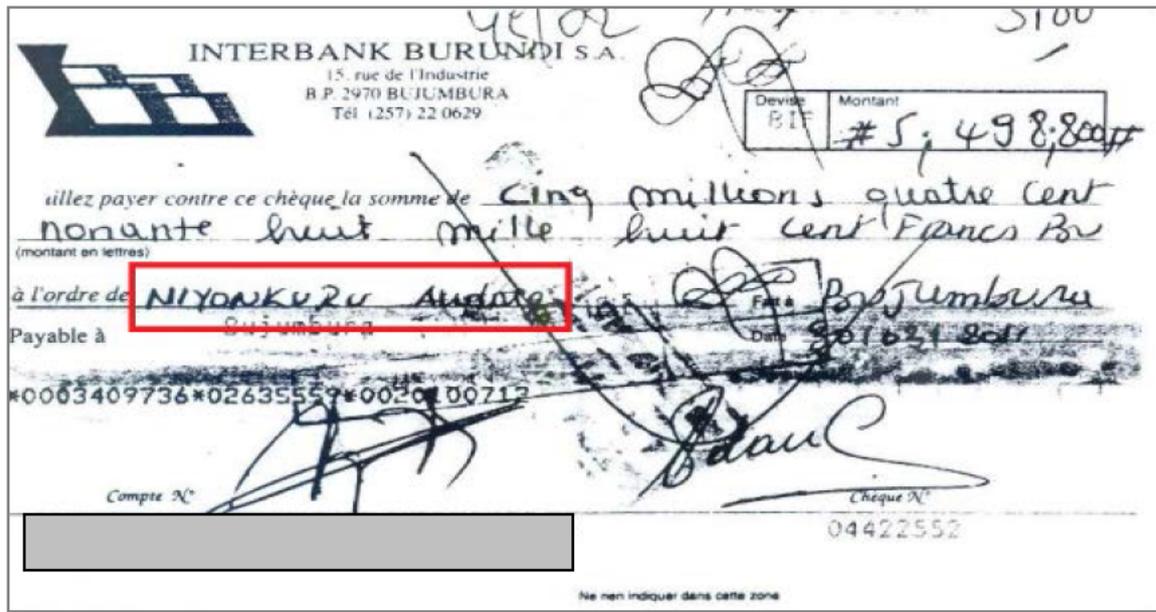


VU POUR LEGALISATION DE LA SIGNATURE DE Dr. Thierry NKURABAGAYA, APPOSEE CI CONTRE  
 PAR A. Bujumbura  
 LE 24/02/2014

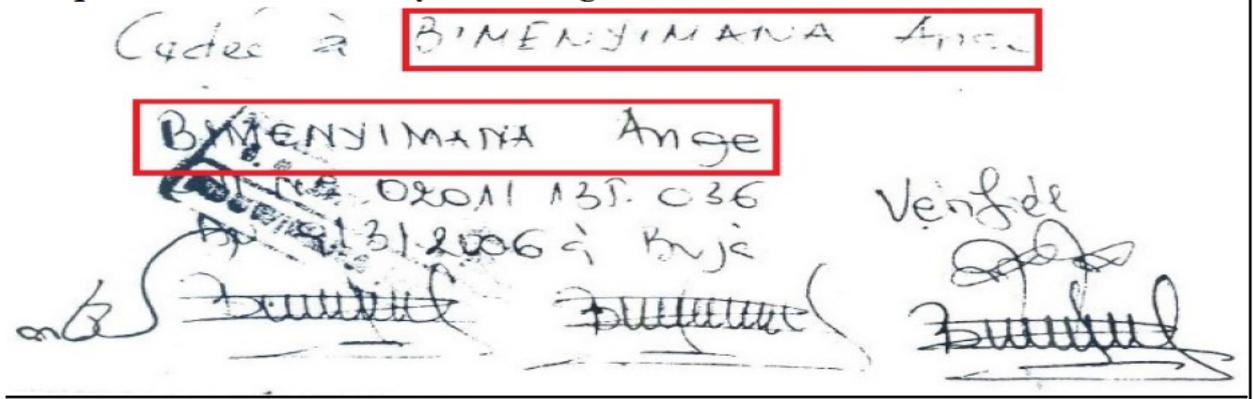
Exhibit 7 – Example of a checks (front and back) drawn by suppliers in each other’s name

Example 1			
Winning Bidder	Losing bidders	Cheque Payment to	Cheque endorsed and encashed by
Niyonkuzu Audace	1. <u>Bimenyimana Ange</u> 2. <u>Habonimana Louis</u> 3. <u>Diomedé Ninteretse</u>	Niyonkuzu Audace	Bimenyimana Ange

**Cheque to Niyonkuzu Audace**



**Cheque endorsed to Bimenyimana Ange**



## Exhibit 8 - List of transactions where irregularities were noted

SR/SSRs	Vendor	Amount (BIF)	Amount (USD)	Date
RENAJES	IDP Impression	807,800	646	12/30/2010
RENAJES	IDP Impression	706,825	565	12/30/2010
RENAJES	Racines SARL	236,000	189	12/31/2010
RENAJES	Racines SARL	251,200	201	10/6/2010
RENAJES	Racines SARL	80,000	64	8/17/2010
RENAJES	Racines SARL	3,574,350	2,859	9/15/2010
RENAJES	Ets NMC	3,630,045	2,904	9/15/2010
RENAJES	IDP Impression	949,165	759	9/15/2010
RENAJES	IDP Impression	1,555,015	1,244	6/30/2010
RENAJES	Magasin 2000	1,806,035	1,445	6/15/2010
ANSS	Ninteretse Diomede	38,060	30	6/17/2011
ANSS	Bimenyimana Ange	149,200	119	6/24/2011
ANSS	Bimenyimana Ange	105,800	157	6/17/2011
ANSS	Bimenyimana Ange	67,100	54	6/24/2011
ANSS	Bimenyimana Ange	304,040	243	4/30/2011
ANSS	Bimenyimana Ange	6,100,600	4,880	6/17/2011
ANSS	Bimenyimana Ange	4,719,700	3,776	6/24/2011
ANSS	Bimenyimana Ange	6,171,400	4,937	4/30/2011
ANSS	Niyonkuru Audace	280,720	225	3/31/2011
ANSS	Niyonkuru Audace	5,498,800	4,399	3/20/2011
ANSS	Ninteretse Diomede	5,433,400	4,347	8/24/2011
ANSS	Ninteretse Diomede	6,059,800	4,848	8/24/2011
ANSS	Ninteretse Diomede	229,680	184	8/24/2011
ANSS	Ninteretse Diomede	331,100	265	8/24/2011
ANSS	Bimenyimana Ange	48,400	39	6/24/2011
ANSS	Ninteretse Diomede	38,060	30	6/24/2011
ANSS	Bimenyimana Ange	13,495,000	10,796	10/14/2011
ANSS	Bimenyimana Ange	778,800	623	10/10/2011
ANSS	Habonimana Louis	5,814,350	4,651	8/23/2010
Service Yezu Mwiza	Small Market	47,000	38	5/18/2010
Service Yezu Mwiza	Small Market	13,000	10	5/18/2010
Service Yezu Mwiza	Ntakarutimana Emmanuel	60,000	48	5/4/2010
Service Yezu Mwiza	Ntakarutimana Emmanuel	60,000	48	5/12/2010
Service Yezu Mwiza	Habarugira Michel	885,500	708	5/25/2010
Service Yezu Mwiza	Habarugira Michel	3,686,000	2,949	5/25/2010
Service Yezu Mwiza	Ntsembeyeko Leonard	910,500	728	6/24/2010
Service Yezu Mwiza	Sinamenye Egide	941,700	753	6/16/2010
Service Yezu Mwiza	Habarugira Michel	970,475	776	PAS DE DATE
Service Yezu Mwiza	Habarugira Michel	968,000	774	5/2/2010
Service Yezu Mwiza	Habarugira Michel	342,490	274	5/25/2010
Service Yezu Mwiza	Habarugira Michel	473,580	379	5/25/2010
Service Yezu Mwiza	Ntsembeyeko Leonard	910,500	728	6/29/2010
Service Yezu Mwiza	Ntsembeyeko Leonard	910,500	728	6/21/2010
AJS Burambi	ENTREPRISE LA SELECTION	9,416,719	7,533	9/26/2010
AJS Burambi	ATELIER LA SELECTION	4,761,700	3,809	9/21/2010
AJS Burambi	ENTREPRISE LA SELECTION	683,815	547	9/21/2010
AJS Burambi	ENTREPRISE LA SELECTION	397,120	318	9/21/2010
AJS Burambi	Ndayikeza Annociate	126,640	101	8/10/2010
AJS Burambi	Ndayikeza Annociate	1,448,640	1,159	8/10/2010
AJS Burambi	Ndayikeza Annociate	510,000	408	8/10/2010
AJS Burambi	Ndayikeza Annociate	106,000	85	8/2/2010

SR/SSRs	Vendor	Amount (BIF)	Amount (USD)	Date
AJS Burambi	NKURUNZIZA FISTON	800,000	640	10/4/2011
AJS Burambi	NYONZIMA Abel	81,220	65	10/7/2011
AJS Burambi	NIMBONA Methode	9,928,380	7,943	9/28/2011
AJS MUKIKE	NTIRAKIRWA Donatien	5,213,276	4,171	9/28/2011
AJS MUKIKE	NIYOMZIMA Abel	1,508,400	1,207	12/27/2010
AJS MUKIKE	NIYOMZIMA Abel	2,216,000	1,773	12/31/2010
AJS MUKIKE	ENTREPRISE LA SELECTION	2,216,000	1,773	12/30/2010
AJS MUKIKE	ENTREPRISE LA SELECTION	1,508,400	1,207	12/27/2010
AJS MUKIKE	NEDEREYIMANA GILBERT	2,216,000	1,773	12/16/2010
AJS MUKIKE	NEDEREYIMANA GILBERT	1,508,400	1,207	PAS DE DATE
AJS MUKIKE	NIYOMZIMA Abel	495,900	397	12/27/2010
AJS MUKIKE	ENTREPRISE LA SELECTION	495,900	397	12/27/2010
AJS MUKIKE	NEDEREYIMANA GILBERT	495,900	397	12/14/2010
AJS MUKIKE	ENTREPRISE LA SELECTION	67,500	54	12/27/2010
AJS MUKIKE	NIYOMZIMA Abel	67,500	54	12/26/2010
AJS MUKIKE	NEDEREYIMANA GILBERT	67,500	54	12/26/2010
AJS MUKIKE	NEDEREYIMANA GILBERT	67,500	54	12/16/2010
AJS MUKIKE	IMPORT EXPORT	120,000	96	9/17/2010
AJS MUKIKE	ATELIER LA SELECTION	4,761,700	3,809	9/23/2010
AJS MUKIKE	ENTREPRISE LA SELECTION	4,654,419	3,724	1/23/2010
AJS MUKIKE	ENTREPRISE LA SELECTION	4,654,419	3,724	9/23/2010
AJS MUKIKE	NKURUNZIZA FISTON	175,000	140	1/18/2010
AJS MUKIKE	IMPORT EXPORT	36,000	29	1/11/2010
AJS MUKIKE	NIYOMZIMA Abel	36,000	29	12/28/2010
AJS MUKIKE	NIYOMZIMA Abel	33,750	27	12/26/2010
AJS MUKIKE	NKURUNZIZA FISTON	170,000	136	12/26/2010
AJS MUKIKE	NIYOMZIMA Abel	144,200	115	12/27/2010
ASSIG	NDARUGIRIRE DOMINIQUE	4,026,300	3,221	9/20/2010
ASSIG	NDARUGIRIRE DOMINIQUE	5,130,250	4,104	9/20/2010
ASSIG	Ndihokubwayo Mallius	1,580,000	1,264	7/24/2010
ASSIG	Ndihokubwayo Mallius	510,000	408	7/24/2010
oSOJPAE	MABISCO	250,000	200	12/28/2010
oSOJPAE	MABISCO	6,264,000	5,011	12/27/2010
oSOJPAE	MABISCO	18,578,980	14,863	9/15/2010
HUMURE	Alicia Cyber cafe	40,000	32	12/29/2010
HUMURE	Alicia Cyber cafe	104,000	83	12/30/2010
HUMURE	Alicia Cyber cafe	675,000	540	12/30/2010
Centre GIPA	Edith Nahigombeye	2,520,000	2,016	6/29/2011
Centre GIPA	Narada	3,360,000	2,688	3/25/2011
Centre GIPA	Nkurabagaya Thierry	6,318,000	5,054	9/4/2010
Centre GIPA	CIZA Damien	1,485,540	1,188	9/12/2010
Centre GIPA	Nkurabagaya Thierry	120,000	96	6/2/2010

SR/SSRs	Vendor	Amount (BIF)	Amount (USD)	Date
Centre GIPA	Nkurabagaya Thierry	506,100	405	9/12/2010
Orphan's aid	Ciza Damien	18,849,650	15,080	8/27/2010
Eglise Anglicane	Nimbona Methode	18,969,553	15,176	9/27/2011
	<b>Total</b>	<b>231,006,961</b>	<b>184,806</b>	

## Exhibit 9 - Comparison of handwriting of IDP Impression, Magasin 2000 and Ets NMC

### Supplier: IDP Impression

FACTURE N° 7700

GFA  
RECEVEUR  
PAYEE Le 3/4

Le 30/12/2010

M. RENAJES BOMARIE Doit

Pour vente et livraison de ce qui suit:

40	Stylos	145	5500
40	Sacs	4700	158000
40	Paraphies	4800	192000
40	Registres	3700	148000
40	Penis en bois	1850	74000
40	Livrets	5000	200000
			807800

Nous disons huit cent sept mille huit cent cinquante francs Burundais

IMPRESION - BOMARIE  
IDP  
FABRICITE - MAQUETE

### Supplier: Magasin 2000

FACTURE N° 1106

Le 11/10/2010

M. RENAJES / Mainie doit

Pour vente et livraison de ce qui suit :

77	Multiplication livret (173 pages)	6000	462000
77	Paraphnie	5300	409100
77	Porte document	6000	462000
77	Registre	4000	308000
77	Stylo	155	11935
77	Penis en bois	2000	154000
			1506035

Nous disons un million huit cent six mille quatre cent cinquante francs Burundais

### Supplier: Ets NMC

FACTURE N° 1001

Le 15/10/2010

M. RENAJES - SIMBIMANGA Doit

144	Stylos	145	20445
144	Sacs	4700	158000
144	Paraphnies	4800	192000
144	Registres	4200	168000
144	Penis en bois	2100	84000
144	Livrets	9000	363000
			1009445

Nous disons trois million six cent trente mille quatre cent cinquante francs Burundais

Ets NMC  
SIMPIMANGA