



**INVESTIGATIVE MISSION WITHIN THE SCOPE OF THE
IMPLEMENTATION OF THE GAVI-ISS PROGRAMME
IN NIGER
(PERIOD FROM 2007-2010)**

**INVESTIGATION REPORT
February 2012**

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DEFINITIONS

In order to allow a better understanding of this report, some of the terms used in this report are defined below:

1. **CCIA:** Comité de coordination Inter-Agence (*Inter-Agency Coordinating Committee*)
2. **CMP:** Chef de Poste Médical (*Chief Medical Post*)
3. **CSI:** Centre de Santé Intégré (*Integrated Health Centre*)
4. **CSREF:** Centre de Santé de référence (*Reference Health Centre*)
5. **DI:** Division des Immunisations (*Immunisation Division*)
6. **DRSP:** Direction Régionale de la Santé Publique
(*Regional Directorate of Public Health*)
7. **FMA:** Financial Management Assessment
8. **MSP:** Ministère de la Santé Publique (*Ministry of Public Health*)
9. **ODM:** Ordre de mission (*Mission order*)
10. **WHO:** World Health Organization
11. **PEV:** Programme Elargie de Vaccination (*Expanded Program on Immunisation(EPI)*)
12. **TFP:** Technical and Financial Partners (*WHO, UNICEF, Mutual Fund, etc. ...*)
13. **SG:** Secrétaire Général du Ministère (*General Secretary of the Ministry*)
14. **ISS:** Immunisation Services Support
15. **TAP:** Transparency and Accountability Policy
16. **USAID:** United States Agency for International Development
17. **Justified expenditure:**

This relates to expenditure validated on the basis of convincing information (i.e. sufficient, adequate, relevant and reliable information), obtained by the auditors during the execution of their mission or the investigations in the field.

18. **Unjustified expenditure:**

This related to expenditure rejected by our investigation on the grounds of inconclusive or insufficient documentation.

19. Inconclusive documentation:

This relates to the supporting documents that are not compliant with regulations in the country (in particular the requirements establishing the nomenclature of the supporting documents for the expenses of the State, local authorities and their public administrative establishments, as well as the related subsequent legal texts) and with the rules made by the technical and financial partners, particularly the WHO). For example, non-original invoices, photocopies of invoices without signatures, undated invoices, invoices without the company name of the supplier concerned, over-charged invoices, two documents signed by the same person with different signatures, etc.

20. Insufficient documentation:

This relates to the absence of one of the requirements in terms of expenditure as foreseen in the WHO guidelines or prescribed by current regulations (invoice, contract, terms of references, request, purchase order, delivery receipt for goods and equipment, etc.).

In the context of PEVs strengthening activities, this relates to the absence of mission orders or an incomplete mission order, (a mission order (MO) without signatures or neither departure, nor arrival date of the places visited), absence of supervision reports, etc.

21. Ineligible Expenditure:

This relates to Expenditure that does not conform to the Country's Proposal, or to the intended purpose of the Country's Proposal or even, that is beyond the GAVI Alliance's scope of intervention.

22. Fraud:

With regards to expenditure, this relates to any act or intentional omission or by ignorance concerning:

- the use or presentation of false, inexact or incomplete statements or documents, to the effect of collections, the irregular implementation of activities with GAVI funds or the undue retaining originating from funds GAVI has granted.*
- diverting funds intended for other purposes than those for which they were granted.*

23. Unjustified disbursement:

This relates to cases where a disbursement of funds did not lead to the presentation of supporting documentation. It relates to the difference between the amount withdrawn at the bank and made available to the regional or central level and the amount in the supporting documentation presented by the central or regional level.

I. EXECUTIVE SUMMARY

SUMMARY

GAVI has provided support to the Government of Niger since 2002. Its commitments to this day amount to a total of US\$ 37.5 million, of which US\$ 10,959,357 were in cash and US\$ 26,590,297 in the form of directly funded vaccine supply that was made available to the country.

Cash disbursements relating to the Immunisation Services Support (ISS) and the introduction of new vaccines (INV) have risen over the period 2002-2010 to US\$ 10,453,357.

In accordance with the GAVI Alliance Transparency and Accountability Policy (TAP), a Financial Management Assessment (FMA) was carried out in Niger from 17-28 January 2011. This assessment identified a set of weaknesses and anomalies in the ISS programme management, and the main observations in this report are as follows:

- The planning of the expenditure budget on GAVI ISS is not satisfactory. The prepared budgets for the recorded expenditure are not sufficiently detailed and the CCIA does not seem sufficiently involved in the review and approval of these expenditures. In some cases, the CCIA has not been consulted prior to the implementation of the budget. Moreover, the operative effectiveness of the CCIA as a decision-making authority should be strengthened through regular meetings with a high-level participation from the MSP as well as from the Health TFP.
- The Budget implementation control on GAVI ISS funds does not appear to be in place at the end of this assessment. There is no evidence of the effectiveness of the financial controller's role in the expenditure control on ISS funds. This weakness is emphasized by insufficient supervision from the CCIA on the implementation of the GAVI ISS.
- The quality and validity of some supporting documents provided in support of the activities that were implemented, appear questionable.
- Procurement reveals abnormal cases of contract splitting, apparent overcharging and use of suppliers whose physical sites are difficult to locate, all in violation of regulatory provisions related to Procurement that are in force in Niger.
- Bookkeeping shows disturbing anomalies, with missing records, and unjustified discrepancies between the balance in the financial statements that were prepared and submitted to the GAVI Alliance, and between the financial statements and the bank statements.
- Control by Internal Audit structures of the State on GAVI ISS funds is not effective.

The identification of these anomalies has allowed us to show that the management of the ISS funds by the Ministry of Public Health did not comply with the GAVI Alliance Transparency and Accountability Policy and showed signs of fraud. In accordance with the procedures in force at the GAVI Alliance Secretariat, the decision to conduct a more extensive investigation on these anomalies has been taken and the Ministry of Public Health has been notified by an e-mail from the GAVI Alliance Chief Executive Officer on 3 February 2011.

The Minister of Public Health has given his commitment to fully cooperate to ensure conduct and success of this investigation. His support was invaluable and decisive in all phases of the mission, until the finalisation of this report.

The investigation itself has followed a number of steps, including:

- A phase of interviews with main officials of the Ministry of Public Health, including in particular two hearings with the Minister. More extensive interviews were held with the Head of the Immunisations Division (DI) of the Ministry of Public Health as well as with his senior staff;
- Gathering overall information on the management operations environment, the procedures and information system in place at the Immunisations Division (DI);
- Collecting all documents and information necessary for our work, including: operational plans, GAVI/ISS financial statements, accounting documentation, the external audit reports, etc.;
- Assessing the control environment of the Immunisations Division (DI);
- The review of the audit report of the GAVI ISS Programme 2008 and 2009 accounts established by the company Guilbert and Associates in January 2011;
- The review of the analysis and verification documents developed by the GAVI Alliance Secretariat and the Immunisations Division as part of this mission;
- Conducting interviews in the field in the Regional Directorates of Public Health of NIAMEY, DIFFA, ZINDER, MARADI, TAHOUA, DOSSO and TILLABERY as well as in related health districts;
- The verification and cross-checking of information in the field in the various Integrated Health Centres (CSI) including the micro health units;
- The research and validation of information with some concerned service providers or beneficiaries;
- The use of scriptural and graphological verification techniques to identify documents whose origin and production are fraudulent;
- The collection of written testimonies, as far as possible;
- Holding of restoration sessions at Health District, Regional and at Central level of the Immunisations Division (DI).
- A draft report was sent to the Minister of Public Health in October 2011 and resulted in a contradictory meeting on November 10, 2011. At the end of this meeting, the

Minister of Public Health informed GAVI that additional accounting documents were being submitted by the regions for review by GAVI. A second contradictory meeting with the Immunisations Department (DI) was held on 9 December 2011, and on the same day, the observations made by the Immunisations Department (DI) on the draft report were sent to GAVI. Following receipt of these comments and on the grounds of the new supporting documentation received, the mission proceeded to a second review of all the anomalies as well as of the report itself, in order to reveal in detail every identified anomaly, after this second review by category of the submitted documentation (unjustified expenses, insufficiently documented expenses, fraud/irregularities, ineligible expenditure).

The main limitation to our investigation work has been the inability to visit certain areas of Northern Niger in view of the security restrictions in force at the time of our intervention.

Upon finalisation of our investigative work, the amount of identified frauds, anomalies and irregularities totals **1,149,032,338 CFA Francs (US\$ 2,335,432 at the rate 1US\$ = XOF 492)** and is summarised as follows:

Ineligible expenses (0.3%):	3 275 800	CFA Francs (US\$ 6,658)	(Table 1)
Fraud and irregularities (61.9%):	711 615 055	CFA Francs (US\$ 1,446,372)	(Table 2)
Insufficiently documented expenses (15.5%):	178 338 849	CFA Francs (US\$ 362,478)	(Table 3)
Unjustified disbursements (22.3%):	255 802 634	CFA Francs (US\$ 519,924)	(Table 4)

GAVI Alliance would like to thank all the officials of the Ministry of Public Health and the Authorities of the Republic of Niger, in particular His Excellency the Minister of Public Health, who allowed the satisfactory completion of this investigation and welcomes the good spirit of cooperation that prevailed during all phases of work.

II. SUMMARY TABLE OF ANOMALIES

A- INELIGIBLE EXPENDITURE

The amount of ineligible expenditure per year at Central Level and the Regional Directorates is given in detail in the following table:

In CFA Francs

Table 1: **INELIGIBLE EXPENDITURE**

Year	2007	2008	2009	Total
Persons or structures concerned				
Expenses associated with recharging of OPV vials in the 8 regions	0	0	1 753 260	1 753 260
Expenses associated with recharging of BCG vaccines in the regions	0	0	514 552	514 552
Expenses related to follow-up work at community level and social mobilization on Local Immunization Days	0	0	1 007 988	1 007 988
Total	0	0	3 275 800	3 275 800

Year	2007	2008	2009	Total
Central Level and Regional Directorates				
OPV (Oral Polio Vaccine)				
BCG (XXXXXXXX)				
CENTRAL LEVEL	119, 047,043	16, 393,440	163, 271,907	298, 712,390
IMMUNIZATION DIVISIONS	5,628,525	-	-	5 628 525
DIFFA	1,000,636	7,772,812	8,535,509	17,308,957
DOSSO	4,431,311	19,815,478	22 233,358	46,480,147
AGADEZ	374,000	10,964,370	4,869,100	16,207,470
TILLABERY	5,110,223 *	29,651,213	44,397,584	79,159,020

B-FRAUDS AND IRREGULARITIES

The amount of frauds and proven irregularities at Central Level and the Regional Directorates is detailed as follows:

In CFA Francs

Table 2: **Frauds and Irregularities**

Year Central Level and Regional Directorates	2007	2008	2009	Total
CENTRAL LEVEL	119 047 043	16 393 440	163 271 907	298 712 390
IMMUNIZATION DIVISIONS	5 628 525	-	-	5 628 525
DIFFA	1 000 636	7 772 812	8 535 509	17 308 957
DOSSO	4 431 311	19 815 478	22 233 358	46 480 147
AGADEZ	374 000	10 964 370	4 869 100	16 207 470
TILLABERY	5 110 223 *	29 651 213	44 397 584	79 159 020
TAHOUA	10 711 801	32 055 959	45 788 031	88 555 791
MARADI	9 169 942	34 776 947	35 065 789	79 012 678
ZINDER	3 739 603	37 551 126	27 700 273	68 991 002
NIAMEY URBAN COMMUNITY	-	3 460 640	8 098 435	11 559 075
Total	159 213 084	192 441 985	359 959 986	711 615 055

C-INSUFFICIENTLY DOCUMENTED EXPENDITURE

The amount of insufficiently documented expenditure per year, at Central Level and in the Regional Directorates is detailed in the table below:

In CFA Francs

Table 3: Insufficiently Documented Expenditure

Year / Central Level and Regional Directorates	2007	2008	2009	Total
IMMUNIZATION DIVISIONS	10 722 912	-	-	10 722 912
DIFFA	-	5 376 200	2 872 700	8 248 900
DOSSO	3 114 020	7 929 250	8 768 000	19 811 270
AGADEZ	245 000	6 798 000	4 070 960	11 113 960
TILLABERY	2 899 250	20 964 000	8 660 200	32 523 450
TAHOUA	4 978 800	13 787 500	9 560 100	28 326 400
MARADI	5 181 481	11 706 400	9 514 805	26 402 686
ZINDER	3 068 304	23 761 000	11 323 046	38 152 350
NIAMEY URBAN COMMUNITY	583 921	2 453 000	-	3 036 921
Total	30 793 688	92 775 350	54 769 811	178 338 849

D-UNJUSTIFIED DISBURSEMENTS

The amount of unjustified disbursements per year at level of the Regional Directorates is detailed in the following table:

In CFA Francs

Table 4: Unjustified Disbursements

Year / Central Level and Regional Directorates	2007	2008	2009	Additional Documents Submitted (in Dec 2011)	Total
IMMUNIZATION DIVISIONS	36 367 590	-	-		36 367 590
DIFFA	18 691 256	13 547 461	21 279 385	- 3 660 872	49 857 230
DOSSO	929 626	22 888 122	6 492 924		30 310 672
AGADEZ	10 463 782	11 102 975	13 892 703	- 15 555 389	19 904 071
TILLABERY	25 511 831	14 487 661	270 000	- 2 715 792	37 553 700
TAHOUA	3 986 002	11 023 186	-	- 1 594 800	13 414 388
MARADI	4 355 705	20 846 550	34 689 425	- 28 119 235	31 772 445
ZINDER	25 839 134	11 441 920	227 976	- 1 353 600	36 155 430
NIAMEY URBAN COMMUNITY	4 878 675	19 796 640	-	- 24 208 207	467 108
Total	131 023 601	125 134 515	76 852 413	- 77 207 895	255 802 634

III. GENERAL OBSERVATIONS

The investigation that we have conducted on the management of GAVI ISS funds for the periods 2007, 2008, 2009, and 2010 leads us to the conclusion that the internal control system as implemented in the Immunisation Division of the Ministry of Public Health in Niger for the management of GAVI funding is unsatisfactory and shows structural insufficiencies allowing the occurrence of frauds and accounting irregularities. This also applies to the implementation of other funding that the Division could receive from other partners to support immunisation. These insufficiencies were both observed at Central level of the Division and in the decentralised units.

Paradoxically, we revealed that financial and internal controls required by the Administration within the framework of funds received from the state budget, are implemented in a more scrupulous manner than the implementation of GAVI funds, and this, within the same unit.

Our investigations have been able to highlight different categories of anomalies that are broken down as follows:

a) Incurring ineligible expenditure

The Immunisation Division (DI) has incurred ineligible expenses of 3, 275, 800 CFA Francs during the financial year 2009. These expenses are related to activities of the Local Immunisation Days (JLI), the supply of BCG vaccines, and the supply of Oral Polio Vaccine (OPV). They are not considered in the context of GAVI support that is used to fund only new and underused vaccines.

b) The Immunisation Division (DI) has incurred expenses marred by frauds and irregularities.

In general, there are two types of fraud and irregularity:

• *Frauds on purchases or acquisitions of goods and services.*

These frauds are characterised by:

- > The incurring of fictitious expenses relating to the purchase of spare parts, maintenance and repair of rolling stock;
- > The production of false invoices to justify subsequent payments;
- > The overbilling and splitting of orders to avoid the tender procedure and to bypass the regulations or legal arrangements provided under the procurement code;
- > Anti-competitive practices characterised by vendor agreements, in order to distort free competition;
- > The use of a nominee to obtain orders with the letterhead and the truncated references of a supplier, invoicing in the name of this supplier, raising the payment document either in the name of the latter or of a third person, but receiving payment instead of the said supplier without him being aware of the existence of such a transaction, with or without the assistance of a duly established power of attorney.

Some illustrations are presented below:

Fictitious expenses on the purchases of spare parts and repair of vehicles and motorcycles:

The Immunisation Division (DI) has incurred expenditure on the purchasing of spare parts and the maintenance of vehicles to the amount of 107,135,063 CFA Francs for the period from 2007 to 2009. The checking of repair forms from the administrative GARAGE of the Ministry of Public Health (SERPA Garage) who is supposed to provide estimates and carry out such repairs, shows that the alleged repairs have been carried out during the reviewed period to the amount of 85,330,680 CFA Francs and had actually not been done at all.

We noted that not only did the administrative Garage Head at that time, Mr Y.B., produce repair estimates on behalf of SERPA Garage, but he also produced invoices for his personal account on behalf of a Garage that he seems to own, according to his name figuring in the letterhead of the invoices that were found. (which is abnormal according to the new Head of Garage who is in office since October 2009). These bills are paid under the guise of fictitious suppliers. For example, we found in the supporting documentation submitted by the DI in April 2007 a purchase invoice for spare parts issued on the stationary with the letterhead of the Head of Garage Y.B. who officiated during the period reviewed. The amount on this invoice excluding taxes tallied with the ex. VAT amount on an invoice produced by another service provider that was paid in cash.

The service provider whom we met does not own a shop for selling spare parts. In addition, he admitted to us that he had never seen such an amount in cash from the Ministry of Public Health or its branches. Finally, he said that he has not worked with the administrative Garage since 2005. The amount of compromised expenses that we considered fictitious on the purchase of spare parts or subsequent maintenance and repairs, amounts to 85,330,680 CFA Francs.

Overbilling and misuse of funds:

We noted that the contract for the purchase of 60 motorcycles whose orders had been split and assigned to eleven (11) suppliers through restricted consultations (in order to bypass the use of a tender procedure, when there was no reason for such a restriction since at that time an international call to tender was being opened on 100 other motorcycles) was subject to cheating on the quality of the goods and significant overcharging, in terms of market prices as well as of the market price listing used in the Nigerien Administration.

The characteristics of the motorcycles advertised in the offers of the pre-selected vendors planned the delivery of motorcycles of type YAMAHA DT 125 of Japanese-Origin, whose unit prices for the tender were won by CFAO (the authorised dealer to be used with GAVI ISS funds) and stood at 1,772, 000 CFA Francs. The investigation identified that instead of YAMAHA DT 125 motorcycles of Japanese origin, lower quality motorcycles of Chinese origin were delivered, at an average unit price of 2,100,000 CFA Francs, whereas we noted and have checked against the official market price listing that their market price is between 350,000 CFA Francs and 400,000 CFA Francs. The average rate of overbilling found in this case amounts to 517%.

Furthermore, after reviewing the delivery documents of three of the suppliers, we revealed that the delivery note provided by each, presented some similarities and the same characteristics (content, character, font, text, size), which makes clear that there was a

fraudulent simulation of the competition; the sales had in fact been attributed to a single person hiding behind fictitious nominees.

The amount of funds diverted through this truncated motorcycle market stood at 107, 718, 000 CFA Francs.

Finally, other cases of overbilling were observed on the purchase invoices for IT materials and consumables (4,899,946 CFA Francs), and for the networking and internet connection at the DI (1,075,000 CFA Francs) for which the total overvalued amount stands at 5,974,946 CFA Francs.

Anti-competitive practice:

This practice consists of the participation in anticompetitive agreements between suppliers to the purpose or effect of restricting the scope of competition and/or distorting its free play. Two of the suppliers, who have frequently benefitted from orders or contracts from the DI, and whom we met separately and then together, confirmed that they had engaged in such practices but without a duly formalised partnership agreement. One of the suppliers who considered himself wronged, confirmed that in some cases, his accomplice partner had unilaterally and without his knowledge used his letterhead and the name of his company in various circumstances, either to bid in the markets or obtain purchase orders, either to raise invoices, or to cash cheques that were payable to him.

Moreover, we also found that a cheque payment of 19,278,000 CFA Francs, corresponding to an invoice for delivering IT equipment had been cashed by one of the suppliers, while the one in whose name the cheque was drawn, did not recall having delivered the listed articles nor cashing the related sums and he has provided us with a written testimony. The amount of purchases from these suppliers, which we qualify as frauds or anticompetitive practices amounts to 98,806,275 CFA Francs.

Another case of fraud and irregularity was identified in the awarding of contract No. 270/09/MEF/DGCF registered on 06/01/2009, concerning the supply and installation of radio BLU and totalling 19,987,240 CFA Francs. Indeed, the investigations conducted with the General Tax Department (DGI) revealed that at the time the contract was awarded in 2009, the entity alleged to be the beneficiary had been removed from the General Tax Department files since 01/05/04. In addition, the name of the alleged promoter was not the one registered in the General Tax Department database. Other anomalies are detailed in Table 2.1.3. Moreover, the cheque was payable to a beneficiary who is neither the entity nor the promoter, and who has also not received any power of attorney. The compromised amount for the discovered irregularity is 19,987,240 CFA Francs.

• Fraud and irregularities on programmatic activities:

We noted that the activities of the decentralised mobile strategy and supervision of immunisation as currently designed and implemented in Niger are the most affected by fraud. They are the primary means by which fraud is carried out. This may have the direct consequence of non-reliability of immunisation statistics that are produced and subsequently communicated to the GAVI Alliance.

This fraud is characterised either by the absence of mission orders that should support the above-mentioned activities, either by producing fictitious mission orders, paying per diems for fictitious activities, obtaining or producing invoices for fuel and other inconclusive or

fraudulent maintenance expenses, by the absence of supervision reports or the presentation of fictitious supervision reports, etc.

The fraud mechanism differs depending on whether one is in the health districts, where some officials of the district management team (the Chief Medical Officer and the Manager) are more or less in collusion. This is shown as follows:

- For Health Districts where the District Manager (Chief Medical Officer) and the Manager are in perfect collusion and properly organised for fraud. The operative mode presents as follows:
 - At first production of a sample of forged stamps for each Integrated Health Centre (CSI) attached to the DS;
 - Production of properly documented fictitious mission orders;
 - Imitation of the signatures of each CSI official to be written on the back of mission orders from localities supposedly visited;
 - Stamping with fake seals on the back of mission orders to give them a look of regularity, production of imitation supervision reports;
 - Finally, signing the perdiem receipts with fake imitated signatures to justify the payment of the perdiems, the whole being completed by fuel or maintenance bills produced or obtained with the complicity of employees in service stations.

This way to proceed is difficult to detect through the implemented control measures (if existing) at the DRSP or at Central Level of the Immunisation Divisions, to the extent that the submitted documentation is not only exhaustive but appears to have some resemblance to regularity. On the other hand, this fraud is quickly detected when the investigations take place in the field at CSI level, or when meeting the supposed beneficiaries, or by corroboration with the work books at the CSI. These are expected to materialise or record the traceability of the supervision missions or the decentralised mobile strategy.

- Cases within the Health Districts where the District Head and the Manager committed fraud, but are not properly organized. In this commonly encountered situation, the fraud indicators and frauds are easily identifiable. The operating mode is presented in the following:
 - Inexistent mission orders. Where the mission orders exist, they are either not filled in or insufficiently completed.
 - Imitation of signatures of each CSI manager on the back of the mission orders for the localities supposedly visited (where mission orders are available);
 - Imitation of the signatures of the supposed beneficiaries on the signed perdiem receipt to justify the payment of the perdiems, the whole being completed by fuel or maintenance bills produced or obtained from the service station attendants;
 - Absence of supervision reports or where such supervision reports exist, they are erroneous or inconsistent.

This way to proceed would be easily detected by the first level controls implemented at the DRSP if they were actually operative. It is 100% confirmed when controlling at CSI level in the field or when meeting the supposed beneficiaries.

We found that one of the key links to the programme on immunisation activity in the DS,—the Departmental Coordinators of Immunisations (CDI), being EPI focal points—do not always obtain the funds intended for them. This procedure that is frequently used in almost all health districts and results in the exclusion of a main link in the immunisation programme from the controlling scope and the following-up of operations carried out in the DSs with the impact of unreliable statistics on vaccine coverage.

For example: out of forty six (46) benefitting immunisation stakeholders (Departmental Coordinators of Immunisations (CDI) Epidemiologists, Communicators,) were interviewed in the regions and health districts; forty four (44) or 96% of immunisation stakeholders, confirmed that they did not recognize their signatures nor had seen the amounts that figured on the per diem receipt that we have showed them.

Our field checks have allowed us to identify that the risk of fraud is higher on GAVI/ISS cash support compared to the State funds or Common Funds, which also contribute to financing the health system including immunisation. This situation is due to the fact that expenditure funded by GAVI cash support is not subject to a specific control as opposed to expenditure financed on Delegated Credits of the State or by the Common Funds.

For example, we have revealed in the Regional Department of Public Health (DRSP) of ZINDER that there wasn't any reliable and relevant documentation to justify the supervision activities that were conducted during the reviewed period. Following this observation, the Head of Financial Department of the DRSP, irritated by the weaknesses we have identified, and in order to be released from his accountability, gave us a written testimony in which he clearly reflected that the expenditures under the supervision activities were not justified.

It became obvious to the investigators and the Head of Financial Department of the DRSP in Zinder that all supervision expenses were fictitious and fraudulent. Equally, a review carried out within the DRSP in Niamey during the FMA in January 2011, showed the total absence of accounts and documentation justifying the transfers carried out for the benefit of the Districts of Niamey. The reason put forward was the loss of all the data in the computer, whereas the same computer had all the data on expenditure from the Common Funds, together with all the supporting documents properly archived.

The health districts within the framework of their normal missions that were assigned to them by the State, are expected to make a quarterly integrated supervision mission funded by credits provided by the State. The budget for EPI immunisation revival activities as developed by the Immunisation Divisions (DI), also foresees funding with GAVI/ISS funds for the monthly EPI supervision missions. Each of these missions should normally be agreed to by developing specific reports that detail the effective completion of this activity.

We noted that for most of the expenses incurred in the context of the supervision activity in most of the visited health districts, a supervision report on routine EPI activities wasn't available. Furthermore, we revealed that, although when there were supervision reports (quarterly), as in the Health District of SAY in the Regional Directorate of Public Health in TILLABERY, these reports only involved integrated supervision (activity funded by Delegated State Credits). In the opinion of the Chief Medical Officer of the DS of SAY there wasn't any EPI supervision report.

We have noted and this for all reviewed structures that the budgetary allocations for fuel and the maintenance of vehicles and motorcycles as part of the routine EPI and supervision, results in the disturbing fact that invoices identical to every franc and month, match the amount deducted from the budget, with a repetition of repairs that give the impression that the vehicles and machines concerned, are systematically immobilised or not used prior to those activities and only become operational upon receipt of GAVI funds, which is in reality not the case. Indeed, these vehicles are daily used for the other activities of the concerned structures and are subject to provisions for fuel under the state budget. The GAVI funds received for fuel and repairs seem to be an income for the benefit of those in charge of implementing them.

Moreover, we have noted that the invoices for the purchase of fuel and repairs are in general either established and/or filled in by the staff of the Health Districts; the reason often cited is that the service stations are staffed with illiterate employees; to the contrary of what the field visits have shown.

We identified in the context of a complementary review undertaken in December 2011/January 2012 on the additional documents the Ministry of Public Health submitted, that some regions/districts that have resubmitted fuel and maintenance bills for the same amounts and periods, the initial investigation had considered and reviewed but they were established by different service stations than those we had already received and recorded in our investigative files.

This component corroborates the fact that certain insufficiencies identified by our investigations raise questions as to the systematic character of supervision missions, considering that the absence of key documents showing that these missions actually take place (absence of mission orders, supervision reports, etc.)

This confirms the existence of a systemic fraud on the supposed fuel purchases which we revealed in each region we visited.

By consequent, all presented supporting documentation on fuel purchases and maintenance showing disturbing similarities for every month cannot be considered as regular and conclusive documents and therefore, are rejected.

The overall amount for frauds and irregularities observed for the purchases and programmatic activities is estimated at about 712 million CFA Francs.

c) Inadequately justified expenditure.

These expenses represent 15.5% of the amount of identified anomalies. They are accompanied by a strong suspicion of fraud/irregularity. These expenditures are mainly characterised by the absence of the required documents that justify the actual holding of training sessions or organised workshops, based on attendance sheets, mission orders, training materials, training reports or accounts, supervision reports, etc.

In the context of the EPI revival activities, these may include the absence of mission orders, or incomplete mission orders (ODMs without signature, nor departure or arrival date in the localities visited), absence of supervision reports, etc.

The amount of inadequately justified expenditures as determined by us stands at 178 million CFA Francs.

d) Unjustified disbursements

We found that in some cases, the DRSP and the health districts had not presented supporting documents to the amount of funds made available to them, and this despite the latest reminders from the Ministry's Authority. The amount of unjustified disbursements amounts to approximately 256 million CFA Francs.

An aggravating factor of the anomalies our investigation has revealed is that the mandatory external audits on GAVI ISS funds were not conducted within the prescribed delays. For example, the financial statements for the financial year 2007 have not been audited whereas the statements for the financial years 2008 and 2009 were only audited in 2011. Conducting the external audits in a timely manner would have allowed detecting and limiting the impact of anomalies right from the beginning of 2008.

IV. DETAILED TABLE ON INELIGIBLE EXPENDITURE

The amount of ineligible expenditure is detailed in the table below:

Table 1: Ineligible Expenditure

DESCRIPTION OF THE ANOMALY	NOTES	CONCERNED PERSON OR STRUCTURE	EVIDENCE OBTAINED	ANNEXES	CONSEQUENCES FOR GAVI	RECOMMENDATIONS
Expenses totalling 1,753,260 CFA Francs related to the supply of OPV in the 8t regions in 2009.		Manager of the DI / Head of Immunization Divisions	Transfer orders, payment vouchers, bank statements		Sums disbursed were not used for intended purposes of the GAVI cash support programme.	Reimburse unduly disbursed funds.
Expenses totalling 514 552 CFA Francs related to the supply of BCG Vaccine in the regions in 2009.		Manager of the DI / Head of Immunization Divisions	Transfer orders, payment vouchers, bank statements		Sums disbursed were not used for intended purposes of the GAVI cash support program.	Reimburse unduly disbursed funds
Expenses totalling 1 007 988 CFA Francs related to community monitoring and social mobilization for JLV (Local Immunization Days).		Manager of the DI / Head of Immunization Divisions	*Transfer orders account movement statement,, payment orders, bank statements		Sums disbursed were not used for intended purposes of the GAVI cash support program.	Reimburse unduly disbursed funds

V. FRAUD AND IRREGULARITIES - CENTRAL LEVEL

DESCRIPTION OF THE FRAUD	NOTES	STRUCTURE CONCERNED	ORIGIN OF THE IRREGULARITY	CONSEQUENCES	RECOMMENDATIONS
Fictitious expenses totalling 66,225,929 CFA Francs for various purchases of spare parts, repair of vehicles and motorcycles. We noted the absence of repair order, the absence of vehicle and motorcycle repair forms for the controlled period, one of the service providers does not acknowledge having received money in cash, other suppliers are not found, mock competition is organized, the garage manager bids individually himself, etc.	1.1	MSP	* non-compliant invoices, evidence of conflicts of interest, mock competition, testimony of provider, absence of repair orders from the Mobile Division, absence of repair sheets for the period etc.	Conflicts of interest Fictitious repairs Financial Loss	Reimburse unduly disbursed funds

DESCRIPTION OF THE FRAUD	NOTES	STRUCTURE CONCERNED	ORIGIN OF THE IRREGULARITY	CONSEQUENCES	RECOMMENDATIONS
Delivery in 2007 by eleven (11) suppliers of 60 motorcycles of low quality and non-compliant with specifications ordered. Also the orders total was split to bypass the opening of the tender procedure; Restricted and truncated call to tender I. Review of delivery documents revealed similarities showing also fraud in its execution. The amount of purchases was overcharged by 107,718,000 CFA Francs. Other cases of overcharging equipment: purchases and IT consumables (4,899,946 CFA Francs); DI network and internet connection (1,075,000 CFA Francs). Quotations obtained from specialist suppliers based on historical prices highlight the significant price differences in the reviewed invoices. These overcharges of IT purchases amount to 5,974,946 CFA Francs. The total compromised amount is 113,692,946 CFA Francs.	1.2	MSP	* Existence of a significant set of fraud indicators throughout the contract process. The existence of overcharging	Financial Loss	Reimburse the amounts resulting from overcharging

DESCRIPTION OF THE FRAUD	NOTES	STRUCTURE CONCERNED	ORIGIN OF THE IRREGULARITY	CONSEQUENCES	RECOMMENDATIONS
The compromised amount for tyres and IT equipment totalled 98,806,275 CFA Francs. The anomalies observed detail as follows: Anticompetitive and fraudulent practice observed in 2009 on the acquisition of tyre and tube supplies to the amount of 39,975,075 CFA Francs and IT equipment for 19,278,000 CFA Francs; the alleged suppliers do not recognize having invoiced and delivered any item whatsoever, nor having cashed any amount whatsoever. Identity substitution of non-traceable supplier with the supplier file of the General Tax Directorate (DGI)	1.3	DI Manager, Head of Immunization Division	* Existence of a significant set of fraud indicators resulting from the review of beneficiaries of cheques, written testimonies.	Financial Loss	Reimburse the amounts resulting from fake contracts

DESCRIPTION OF THE FRAUD	NOTES	STRUCTURE CONCERNED	ORIGIN OF THE IRREGULARITY	CONSEQUENCES	RECOMMENDATIONS
Fictitious competition for the auctioning of batch nos. 1 and 2 relating to the supply of IT hardware for 39,553,220 CFA Francs; subject to contract no. 204 of 27/05/09. Not only did two of the three supposed suppliers admit that they have agreed in several cases including this one, but also the PO Box indicated on the stamp of one of the suppliers is identical to the PO box no listed on the letterhead of the other supplier accomplice, while the third supplier cannot be found. Also other similar anomalies already explained above, were revealed in the allocation of purchase orders for spare parts, maintenance and repair.	1.3	MSP	* Existence of a significant set of fraud indicators resulting from the review of beneficiaries of cheques, written testimonies.	Financial Loss	Reimburse unduly disbursed funds.

Fraud relating to the supply and installation of radio blu, subject to contract no. 270/09 registered on 01/06/2009 of 19,987,240 CFA Francs. We found inconsistencies between the taxpayer identification number on the awarded contract and the taxpayer identification number stated on the invoice. Furthermore, the investigations carried out at the General Tax Directorate (DGI) show that the Promoter to whom the contract has	1.4	PHD	Existence of a significant set of fraud indicators after confirmation requests from the DGI, anomalies in the payment process of this contract copy of tender and contract, invoices, copies of issued cheques.	Financial Loss	Reimburse unduly disbursed funds.
been awarded is not the one recorded in the DGI file. Moreover, according to the DGI file, this auction sale structure had been removed from the taxpayer file since 05/01/04. By consequence, this supplier is fictitious and should not have been awarded a contract from the Ministry of Public Health. Finally, the payment cheque for the invoice was made payable to another person. Compromised amount 19,987,240 CFA Francs.					

A - EXPLANATORY NOTES

Note 1.1: DI/ MSP Central level

Fictitious expenses of 66,225,929 CFA Francs for various purchases of spare parts, repair of vehicles and motorcycles. The Immunizations Division (DI) has incurred expenditure from the purchasing of spare parts and vehicle maintenance to the amount of 107,135,063 CFA Francs for the period from 2007 to 2009. The administrative GARAGE SERPA of the Ministry of Public Health is supposed to produce quotes and carry out the said repairs, the use of its repair forms shows that the alleged repairs that should have been carried out during the reviewed period for 66,225,929 CFA Francs, did actually not take place. The last repair forms (FR) are dating 2005; especially the FR no. 001981 of the Toyota Prado no. 02312 ARN8 dated 03/31/2005 and FR no. 1984 of 03/31/2005.

We noted that the administrative Garage Manager in office from 2004 to 2009, did not only produce repair quotes in the context of the normal functions he performed at the Ministry of Public Health, but apart from that, he produced invoices for his personal account (this situation is abnormal according to the new Garage Manager in office since October 2009) that are paid under the guise of fictitious suppliers.

For example, we have found in the supporting documentation submitted by the DI in April 2007, an invoice for the purchase of spare parts to an amount of 1,952,675 CFA Francs ex. VAT issued with the administrative Garage Manager's letterhead. He was in charge during the reviewed period; and the amount of this invoice curiously matched the amount ex. VAT paid in cash of the invoice raised by Mr X, a service provider.

Mr X, whom we have met, does not own a spare parts store; he admitted to us that he had never seen this amount of cash from the Ministry of Public Health or its branches. Furthermore, he confirms not to have dealt with the SERPA Garage since 2005. According to the new Garage Manager, the SERPA Garage has the necessary skills to perform any type of repair, and also detailed that when there are specific repairs, he refers when needed to the suppliers CFAO or TOLAFRIC. However, we found that during the period under review, the Immunisations Division has rarely used these two suppliers. We have called one of the Afrique Peugeot dealers whose invoices for spare parts are recurring. This dealer gave us an appointment on the site where his store is located, but when we arrived at this place, he was nowhere to be found. When we called him, he had become unreachable. We haven't obtained any trace of the documentation that could allow us to ensure that this structure had proceeded with the delivery of spare parts, either to the DI, or to the SERPA Garage. Furthermore, we have found a proforma invoice of this same establishment tendering for an IT hardware contract, while it is not specialized. Given all the above, we come to the conclusion that this structure is a nominee who has served as counterparty in multiple cases of practiced misuse in the purchasing of spare parts by the DI, with the active and passive accomplice, the SERPA Garage. The compromised amount for expenditures under the fictitious expenses on the purchase of spare parts or maintenance and subsequent repairs amounts to 66,225,929 CFA Francs.

Note 1.2: DI/ MSP Central level

Delivery by eleven (11) suppliers of 60 motorcycles of lower quality and not compliant with the specifications ordered. Furthermore, the total of these orders was split to bypass the opening of the tender procedure; the purchase amount was overcharged by 107,718,000 CFA Francs. Some motorcycle purchases made from suppliers not specialized in selling Yamaha motorcycles; reach an overcharging rate of 517%.

Other cases of overcharging are purchases for IT equipment and consumables (4,899,946 CFA Francs) and for networking and internet connection at the DI (1,075,000 CFA Francs), for which the overall overvalued amount is 5,974,946 CFA Francs. The overall compromised amount totals 113,692,946 CFA Francs.

Note 1.3: ID/ MSP Central level

We have verified in the field the invoice relating to the purchase of 150 tyres and 150 tubes for the amount of 39,975,075 CFA Francs, issued by the supplier YYYY ZZZZZZZZ, subject to contract no. 06827 of 01/22/09.

The review of the documentation attached to this contract enabled us to discover that this invoice was collected by Mr H.D., holder of a proxy dated 03/13/09 and delivered by YYYY ZZZZZZZZ.

The investigations we have conducted show that the telephone number 20 72 56 19 that appears on the invoice issued by YYYY ZZZZZZZZ is the number of the General Tax Directorate (DGI) in Niamey. The use of the suppliers' file at the DGI revealed that YYYY ZZZZZZZZ, whose tax identification number is 12345/S, belongs to Mr B.S. who died in September 2010. Mr S.B. (son of the deceased) and his sister, a nurse at the CSI in Lamordé, do not recognize having dealt with the DI, let alone the Ministry of Public Health. Mr S.B. has given us a written testimony to confirm his statements.

We verified in the field the invoice relating to the supply of IT equipment amounting to 19,278,000 CFA Francs, as issued by Ets Aaaa Aaaa Kkkkk, and of which the cheque was issued in the name of that establishment. The use of the suppliers' file at the DGI revealed that the owner of Ets Aaaa Aaaa Kkkkk is Eeeeeee Aaaa Aaaa Kkkkk. Mr Eeeeeee Aaaa Aaaa Kkkkk, whom we met, said that he did not recognize having cashed the cheque of 19,278,000 CFA Francs and gave us a written testimony to confirm his statement. In the following, he told us that he knew who would be behind such tricking. He directed us to Mr LLLLLL HHHHHH.

Following our investigations, we met with Mr LLLLLL HHHHHH, promoter of Ets AAAA BBBB who confirmed having cashed in lieu of Ets Aaaa Aaaa, the cheque of 19,278,000 CFA Francs, given the fact that he has personally invested in the financing of this contract, although without clearly explaining to us how this could actually have happened. Moreover, we did not understand how Mr LLLLLL had to cash the cheque for Ets Aaaa as there is no existing agreement or formal convention between the two structures. Finally, it should be noted that the PO Box number on the stamp of the invoice for 19,278,000 CFA Francs of Ets Aaaa Aaaa is the number of the PO Box of Ets BBBB EEEEEEEEEEE SSSSSS belonging to Mr LLLLLL.

Fictitious competition for the auction sale of batch nos. 1 and 2 relating to the supply of IT equipment for 39,553,220 CFA Francs; subject to contract no. 204 of 05/27/09. Not only did two of the three suspected suppliers namely BBBB EEEEEEEEEEE SSSSSS whose promoter is Mr LLLLLL HHHHHH and Eeeeeee Aaaa Kkkkk, promoter of Ets AAAA AAAAA KKKKK, admit to us that they have agreed in several cases including this one, but in addition to this, the PO Box on the stamp of one of the suppliers is the same PO Box no. mentioned on the letterhead of the other supplier accomplice.

Furthermore, the third supplier, who responded to the tender call of Afrique Automobile, does not specialise in selling IT material. During field visits, we have not been able to physically meet him. The alleged supplier, whose number is in service, gave us an appointment at Afrique Automobile, a shop selling spare parts.

When we arrived at the indicated place, he was nowhere to be found. When we called him, he was this time unreachable. In our opinion, we believe he is not specialised in the IT field, his name or the company name of this structure must have been used as a nominee. Finally other similar situations have been identified in the allocation of purchase orders of spare parts, maintenance and repair as mentioned above where these three suppliers are involved.

The compromised amount for the tyres and IT equipment totals 98,806,275 CFA Francs.

Note 1.4: ID/ MSP Central level

We have verified in the field invoice no. 001/09 for 19,987,240 CFA Francs for the supply and installation of radio blu, subject to contract no. 270/09 registered on 06/01/2009. The review of the documentation allowed us to reveal that the number of the NIF/ R 1621 appearing on the contract is different from the NIF-number: 2008 on the invoice with the same PO Box. Furthermore, the use of the file of the General Tax Directorate (DGI) reveals that Ets HHHHHH SSSSS SSSSS presumed to belong to Mr Hhhhhhh Sssss, signatory of the contract that actually belongs to Mr Mmmmmmmmm Bbb Sssss. The name of his structure had been removed from the file at the DGI since 01/05/2004.

Given the above, we reject the expenditure of 19,987,240 CFA Francs for proven irregularities.