



Federal Republic of Somalia
House of the People
Office of Hon. Abdillahi Hashi Abib

Ref: GSH/XX/CXA/OAGS_MF_1

Date: 01/06/2024

To: Hon. Dr. Hassan Sheikh Mohamud - President
To: Hon. Hamza Abdi Bare - Prime Minister
Cc: Minister of Finance
Cc: Office of Auditor General of Somalia
Cc: World Bank – Somalia
Cc: IMF - Somalia
Cc: Office of the Speakers of the House of People and the Senate
Cc: UK Embassy - Somalia
Cc: US Embassy – Somalia
Cc: EU Embassy - Somalia

Subject: Urgent Call for Action Against Corruption and Mismanagement in Immigration Office Revenue Collection

Yours Excellences' President and Prime Minister,

I write to you as a Member of Parliament with urgent concerns regarding the significant mismanagement, corruption, and legal violations stemming from the interim guidelines issued by **the Minister of Finance**, on **December 28, 2023, under reference MOF/OM/0246/2023**. These guidelines pertain to the administration of fees collected by the **Immigration and Nationality Agency** and have led to severe consequences for our financial management system and public trust. In this letter the Minister of Finance didn't inform the Office of the President and the Office of Prime Minister.

Yours Excellences', I urgently request a comprehensive investigation into recent actions taken by the Minister of Finance, which appear to be in direct violation of **the budget management laws passed by the Federal Parliament of Somalia**. These actions not only undermine the legal

framework established to ensure financial integrity and accountability but also set a dangerous precedent for the misappropriation of public funds.

Key Issues:

1. Illegality and Violation of Financial Regulations:

The guidelines issued by the Minister of Finance are illegal as they contravene **the Appropriation Act for 2023**. According to the Act, all revenues collected must be deposited into **the Treasury Single Account (TSA) at the Central Bank of Somalia within 24 hours of collection**. Disbursements from this account require prior authorization from Parliament. The Minister's directive bypasses these critical financial protocols, enabling the use of funds before they are properly accounted for and appropriated. This unauthorized diversion of funds undermines the transparency and accountability mechanisms put in place to safeguard public resources.

2. Violation of Court Orders:

The Attorney General's Office has recently filed charges against seven officials from the Immigration and Nationality Agency for corruption. These officials are facing charges of corruption, theft, public funds diversion, document falsification, and duty dereliction. This underscores the critical need for strict adherence to legal and financial regulations. The Minister's actions not only violate the law but also embolden further misconduct among officials, undermining efforts to maintain legal and ethical standards in public service.

3. Evidence of Reduced Revenue Collections:

The interim directive has led to a significant reduction in the revenues collected at the Central Bank. The following table highlights the disparity in revenue collections before and after the implementation of the directive:

Period	Revenue Collected (in USD)
January - December 2022	15,000,000
January - December 2023	08,500,000

This stark reduction in revenue collections indicates a substantial loss of public funds that should have been available for essential services and development projects. The mismanagement of these funds has detrimental effects on the country's financial stability and development prospects.

4. Mismanagement and Corruption:

The interim directive, although stated as temporary, has been in effect for more than a year and used as a permanent solution since December 2023. This has facilitated the illegal use of collected revenues to cover expenditures without proper authorization, severely undermining financial discipline and transparency. The prolonged implementation of these interim guidelines suggests a deliberate attempt to circumvent established financial controls, raising serious concerns about the integrity of the Ministry of Finance's leadership.

Yours Excellences', the Federal Parliament of Somalia enacted the Budget Management and Appropriation Act to strengthen financial governance, promote transparency, and ensure accountability in the management of public resources. Central to these laws is the requirement for all government revenues to be deposited into the TSA. This mechanism was designed to consolidate government cash resources, thus enhancing control over public funds and reducing opportunities for corruption and financial mismanagement.

Yours Excellences', this situation is particularly alarming given the context of recent legal actions taken against officials within the **Somalia Immigration, Ministry of Labor, Ministry of Finance, and the Central Bank of Somalia.** Somalia's Auditor General has stated that up to **\$21 million** is missing from government coffers, pointing to widespread embezzlement of public funds in the last five years. The findings of a forensic audit revealed that this money had been withdrawn from government accounts between March 8, 2018, and April 19, 2023.

In a statement, the Auditor General said **"He found no evidence of proper procedure in spending the money and had forwarded the report to the Office of the Prosecutor General." "The Forensic Audit Report involves officials and staff of the audited entities as well as civilians that worked in partnership with these offices,"** he said in a press release. The audit covered the work permit department under the Ministry of Labor, visa extensions under Immigration, the Central Bank, the Ministry of Finance, and the Office of the Accountant General.

Yours Excellences', the Office of the Attorney General of Somalia (AGS) indicted 7 officials and employees for similar actions, leading to several convictions. The current authorization by the Minister of Finance appears to legitimize the very practices that led to those indictments, thereby breaking the same budget management laws and rules that were previously enforced.

Yours Excellences', this act by the Minister of Finance constitutes a direct violation of the rule of law in Somalia as defined in **the Appropriation Act for 2023 under sections 3.2 (1-2) - Deposit of Revenue, 3.3 (1-7) - Disbursement out of the Treasury Single Account, and 3.4 (1-2) - Disbursement Limit**, which clearly state that **all revenue generated from any Federal Agencies must be deposited into the TSA at the Central Bank of Somalia within 24 hours of collection.**

Yours Excellences', this reckless act of the Minister of Finance will facilitate the potential for corruption and misappropriation of taxpayer funds, providing undue financial control and benefits to the Director General and high-level officials within the Immigration and Nationality Agency. The circumvention of established legal and financial controls is a grave concern that warrants immediate and thorough investigation.

Yours Excellences', the implications of this authorization are severe, and if left unchecked, could result in significant financial misconduct and the erosion of public trust in our government's financial management. It is imperative that the Office of the Auditor General conducts a meticulous and comprehensive investigation into this matter to determine the legality of the Minister's actions and to hold accountable those who are found to be in violation of the law.

Violations of Budget Management Laws:

1. **Direct Contravention:** The decision to allow the Director General to retain and manage collected revenues directly contravenes the budget management laws. These laws explicitly mandate that all government revenues be deposited into the TSA, ensuring they are subject to parliamentary oversight and appropriation processes.
2. **Undermining Parliamentary Authority:** By bypassing the TSA requirement, the Minister of Finance has effectively undermined the

appropriation authority of the Parliament. This move subverts the established legislative process, which requires parliamentary approval for the allocation and use of public funds.

3. **Precedent of Legal Misconduct:** This action appears to legitimize practices that have previously led to indictments and convictions of officials within the Somalia Immigration, Ministry of Labor, Ministry of Finance, and the Central Bank of Somalia. The Attorney General's office had indicted 7 officials and employees for similar violations, demonstrating that such practices are illegal and punishable under current laws.

Implications of the Minister's Actions:

1. **Facilitation of Corruption:** Granting unchecked financial control to the Director General increases the risk of corruption and misappropriation of funds. It provides an opportunity for high-level officials to benefit personally at the expense of public resources.
2. **Erosion of Public Trust:** Such actions erode public trust in the government's ability to manage finances transparently and accountably. The perceived legality of these violations can lead to widespread skepticism about the integrity of financial governance in Somalia.
3. **Potential for Significant Financial Misconduct:** If left unchecked, the current authorization could result in significant financial misconduct. The lack of oversight and accountability could lead to the diversion of funds intended for public use, further exacerbating financial mismanagement issues.

Yours Excellences', the actions of the Minister of Finance represent a clear violation of the budget management laws and a serious threat to financial integrity in Somalia. It is crucial that the Office of the Auditor General prioritizes this investigation to uphold the rule of law and restore public confidence in the government's financial management. Immediate and decisive action is required to address these violations and prevent further financial misconduct.

Call for Immediate Action:

Yours Excellences', **if you did not authorize this reckless action by the Finance Minister, which has emboldened rampant corruption in revenue collection and undermined the economic growth of our beloved country, I and the Somali public urgently call on you to take the following swift and bold actions to restore donor trust and public confidence:**

1. Arrest and Dismissal:

Immediate arrest and dismissal of the Minister of Finance for his involvement in authorizing the illegal use of public funds. This action is necessary to demonstrate the government's commitment to upholding the rule of law and ensuring accountability at the highest levels of public office. No one holds office in the Federal Republic of Somalia is above the law and fully accountable to the Somali people.

2. Prosecution:

Prosecution of the Minister of Finance and any other officials involved in this corruption scheme. A thorough investigation and legal action against those responsible will serve as a deterrent to future misconduct and reinforce the principle that no one is above the law.

3. Resignation and Investigation:

Immediate resignation of the Minister and the establishment of an independent investigation committee to thoroughly examine the misuse of funds. This committee should be empowered to conduct a comprehensive audit of the financial activities related to the directive and make recommendations for systemic reforms to prevent recurrence.

4. Strengthening Oversight:

Reinforcement of financial oversight mechanisms to prevent future occurrences of such mismanagement and corruption. This includes enhancing the capacity of the Office of the Auditor General, improving internal controls within the Ministry of Finance, and ensuring that all financial regulations are strictly enforced.

Yours Excellences', the swift implementation of these actions is critical to maintaining the integrity of Somalia's financial management system and ensuring that public funds are used responsibly and transparently. Your

decisive response will demonstrate the government's commitment to upholding the rule of law and protecting the country's economic interests.

Yours Excellences', your immediate attention to these concerns is crucial for maintaining the integrity of Somalia's financial management system and ensuring that public funds are used responsibly and transparently. The customs revenues are a crucial source of income for our country, and it is imperative that we manage these funds with the highest level of integrity and accountability. We urge international donors and the Somali government to take these necessary steps to ensure the proper management of public funds and restore confidence in our financial systems.

Yours Excellences', I urge you to prioritize this investigation and to take all necessary actions to ensure that the financial laws of Somalia are upheld and that any breach of these laws is addressed with the full force of legal and administrative measures available.

Yours Excellences', I look forward to your prompt response and the initiation of the necessary investigative procedures.

Thanks

Yours sincerely,



Dr. Abdillahi Hashi Abib - *BA, MA, MAsc, Ph.D*
Member of Foreign Affairs Committee
Federal Republic of Somalia the House of People
Mogadishu, Somalia
MP- HOP #201 Awdal Region and Gebileh District
Leader of the Accountability and Transparency Caucus of the House of People



Federal Republic of Somalia
Ministry of Finance
Office of the Minister

Ref . MOF/OM] 0246/2023

December 28, 2023

Ku: Agaasimaha Guud ee Hay'adda Socdaalka iyo Jinsiyadda
Og: Xisaabiyaha Guud ee Dowladda
Og: Hanti-dhowrka Guud ee JFS

Ujeedo: Tilmaamo Ku-meel-gaarka ah ee ku aadan Maareynta "Khidmadda Hay'adda Socdaalka iyo Jinsiyadda"

Anigoo tixraacaya warqadda summadeedu tahay HSJ/XAG/0192/23, kuna taariikhaysan 11/11/2023 ee ka soo baxday Xafiiska Agaasimaha Guud ee Hay'adda Socdaalka iyo Jinsiyadda oo ujeedadeedu ahayd "Codsii Ku-aadan Soo Saarista Tilmaamo Sharci oo Ku-meel-gaar ah" ayaan waxaan halkan ku soo saarayaa, si waafaqsan Qodobka 9(6) ee Sharciga Maareynta Maaliyadda Guud, 2019, Tilmaamaha Ku-meel-gaarka ah ee soo socda:

Tilmaamta 1-aad

Habka Ku-meel-gaarka ah ee ku aadan Maareynta
Khidmadda Hay'adda Socdaalka iyo Jinsiyadda

- 1 . Hay'adda Socdaalka iyo Jinsiyadda waxaa si ku meel gaar ah loogu tilmaamaya, ilaa inta xal miisaaniyadeed laga gaarayo kharashaadka Hay'addu u baahantahay ee lagu maarayn karo baahiyaha Hay'adda ee ku xusan faqradda 3-aad ee warqadda summadeedu tahay HSJ/XAG/OI 92/23, kuna taariikhaysan 11/11/2023, in ay si ku meel gaar ah usii isticmaasho khidmada ay ururiso ee 100 yaqaano "Khidmada Hay'adda Socdaalka iyo Jinsiyadda".
- 2 . Tilmaantan ku meel gaarka ah waxa ay u ogolanaysaa Hay'adda in ay u isticmaasho Khidmada ay ururiso, kharashaadka ku aadan baahiyaha Hay'adda oo kaliya ee ku xusan faqradda 3-aad ee warqadda summadeedu tahay HSJ/XAG/OI 92/23, kuna taariikhaysan 11/11/2023.

3. Tilmaamtan ku meel gaarka ah waxa ay dhacaysaa ka dib markii xal miisaaniyadeed loo helo kharashaadkaas lagama-maanka ah.

Tilmaamta 2-aad

Habka loo kharash gareeynaayo Khidmadda Hay'adda Socdaalka iyo Jinsiyadda

1. Kharash bixinnada Hay'adda Socdaalka iyo Jinsiyadda ay ka bixinayso Khidmadda Hay'adda ay uruuriso waa in ay la socdaan dukumentiyada lagama maarmaanka ah ee lagu qeexay Sharciga Maareynta Maaliyadda Guud iyo Xeer- nidaamiyihiisa.

2. Iyadoo la raacayo mabaadi'da ay ku dhisan yihiin Qodobka 39 (I) ee Xeer- nidaamiyaha Maareynta Maaliyadda Guud, 2022 iyo Qodobka 56-aad ee Sharciga Maareynta Maaliyadda Guud, 2019, dhammaan kharashyada lagu bixinayo Khidmadda Hay'adda Socdaalka iyo Jinsiyadda waa in 100 bixiyaa iyada oo 100 marayo nidaam elektarooniga ah.

Ministry of Finance
Corso Somalia Street, Shangaani District Mogadishu, Somalia
P.O. Box 106
Email: mof@mof.gov.so
www.mof.gov.so

BTM

Tilmaamta 3-aad Xisaabinta iyo Warbixinnada

1. Diiwaanka xisaabaadka ee Hay'adda Socdaalka iyo Jinsiyadda ee ku saabsan maaraynta Khidmada Hay'addu uruuriso waa inuu u hoggansama nidaamka caalamiga ah ee xisaabaadka Hay'addaha Dowladda (IPSAS).

2. Hay'adda Socdaalka iyo Jinsiyadda waa inay usoo gudbisaa Xisaabiyaha Guud iyo Wasiirka Maaliyadda, 3 Ika Maarso, 30ka June, 30ka Sebteember iyo 3 Ida Disceember, warbixin ku saabsan dakhliga iyo kharashaadka la xiriira Khidmadda Hay'adda Socdaalka iyo Jinsiyadda oo ay uruuriso. Warbixintan waa inay u qornaata, si waafaqsan nuxurka Qodobka 43(4) ee Sharciga Maareynta Maaliyadda Guud, qaabka uu qeexay Xisaabiyaha Guud, waxaana laraba in ugu yaraan ay muujiso faahfaahin la xiriirta khidmaha la aruurshay, iyo kharashka laga baxshay.

Fulin Wacan,

Blh 28-12-2020

Xil.Biixi Iimaan Cige
Wasiirka Maaliyadda



SAMPLE OF INTERNAL REVENUE (TSA DATA FROM CBS)

PAID_ID	Information	Collection Agent	REF_ID	Amount
0025422	Auto Generated Voucher from Customs	Furdada Dekadda Xamar	829150	33,842.00
0025423	Dakhli Canshuurta jaadka	Canshuurta Qaadka		47,502.00
0025424	Dakhli visa extension	MoF Collection		8,010.00
0025425	Dakhli immigration visa	MoF Collection		9,366.00
0025426	Dakhli furdada garoonka adan cade	Furdada Garoonka Aden Adde		13,041.00
0025427	Dakhli canshuurta jaadka	Canshuurta Qaadka		47,502.00
0025428	Dakhli immigration visa	MoF Collection		8,988.00
0025429	Dakhli visa extension	MoF Collection		10,600.00
0025430	Dakhli furdada garoonka adan cade	Furdada Garoonka Aden Adde		15,756.00
0025431	Auto Generated Voucher from Customs	Furdada Dekadda Xamar	920451	207,858.00
0025432	Auto Generated Voucher from Customs	Furdada Dekadda Xamar	920452	33,307.00
0025433	Dakhli Canshuurta Wado Marista Tremistrale	Canshuraha Barriga	900175	292,516.00
0025434	Dakhli Canshuurta Gadista	Canshuraha Barriga	900176	92,500.81

