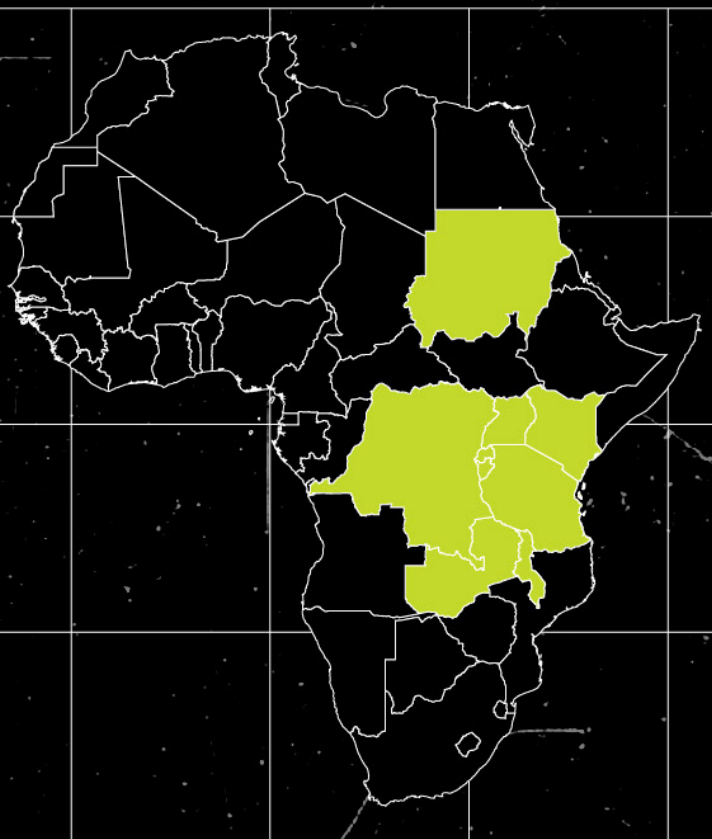




# Buying Influence and Advantage in Africa:

**An Analysis of British American Tobacco's  
Questionable Payments**



A GLOBAL  
TOBACCO  
INDUSTRY  
WATCHDOG

## Authors

This report summarizes the in-depth research undertaken by R.R. Jackson, A. Rowell and A.B. Gilmore that can be found in full at <https://escholarship.org/uc/item/4qs8m106>. We acknowledge the vital contribution of R.R. Jackson (of the University of Bath at the time the work was conducted and currently of Corporate Accountability) to the original work.

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A GLOBAL  
TOBACCO  
INDUSTRY  
WATCHDOG



UNIVERSITY OF  
**BATH**



Global Center for  
**Good Governance**  
in Tobacco Control



International Union Against  
Tuberculosis and Lung Disease  
Health solutions for the poor



**Vital  
Strategies**

**4            Executive Summary**

**6            Introduction**

**10          Takeaway 1**

BAT made potentially questionable payments affecting 10 countries in East and Central Africa.

**15          Takeaway 2**

BAT's payments were systematized and supported by senior staff, including some at its London headquarters, and there is evidence staff understood their potential wrongdoing.

**17          Takeaway 3**

BAT used these payments to influence policy in its favor.

**20          Takeaway 4**

BAT used payments to sabotage competitors.

**23          Takeaway 5**

African governance, economies and people are being harmed.

**25          Conclusion**

BAT must be further investigated and held accountable.

**28          Endnotes**

## Executive Summary

A payment of nearly US \$39,000 to allegedly try to prevent an independent track and trace system provider from winning a tender. “Operation Deep Jungle,” which aimed to establish permanent sources at a rival company. More than US \$55,000 provided to establish a trade union to create labor unrest at another competitor company. Aliases and private email accounts. A “black ops” spreadsheet.

While these may sound like elements of a spy novel, they are actually only some of the findings from an [exhaustive, newly published analysis](#) of payments made in East and Central Africa by British American Tobacco (BAT)—a company that once publicly stated: “We do not and will not tolerate corruption, no matter where it takes place.”

In the in-depth analysis of whistleblower documents from two former BAT employees in East Africa, researchers from the Tobacco Control Research Group at the University of Bath examined BAT’s conduct in this region between 2008 and 2013. They identified a large number of questionable payments that suggest BAT was attempting to pay to secure favorable policies and undermine its competitors. Despite the documents covering a specific time period and geographical area, they raise significant wider questions for the whole BAT Group.

### Key findings

- BAT made questionable payments impacting 10 countries in East and Central Africa: Burundi, Comoros, Democratic Republic of Congo (DRC), Kenya, Malawi, Rwanda, Sudan, Tanzania, Uganda and Zambia.
- BAT used these payments to influence policy in its favor and sabotage its competitors.
- Payments were made in various ways including, among others, hand-delivered cash, bank wire transfers, spending money, cars, campaign donations, per diems and plane tickets.
- These payments particularly targeted national and local politicians, staff of competitor tobacco companies, journalists, civil servants, farmers and individuals working with or supporting parliamentary committees.
- The use of these payments appeared systematized and supported by senior staff, including those at its London headquarters.

## Executive Summary

### Key figures

- A total of 236 payments made between 2008 and 2013 totaling US \$601,502 were identified as meeting the study's inclusion criteria (see below).
- Payments were broken down into two categories: The one deemed to be potentially more serious was categorized as "raises questions under the United Kingdom Bribery Act (UKBA)," with the second, slightly less serious, being "warrants further investigation under the UKBA."
- The payments identified as "raises questions under the UKBA" targeted an estimated 56 politicians, two competitor staff members, 13 journalists, 10 civil servants, 5 individuals working with/supporting Parliamentary Committee, one magistrate and one other involved in a covert operation to set up a labor union to undermine a competitor (Operation Snake).

This report summarizes the in-depth research that can be found at <https://escholarship.org/uc/item/4qs8m106>.

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## Introduction

### Background

The tobacco industry is in a race to win Africa's consumers. The continent is home to a young demographic—in 2019, more than 60% of African people were under the age of 25<sup>1</sup>—and with its population growth is one of the only regions in the world where cigarette sales are still growing.<sup>2, 3</sup> These conditions are creating a “perfect storm”<sup>4</sup> for a tobacco epidemic, according to the World Health Organization (WHO). Progress in tobacco control in Africa has been slower than anticipated with governments that signed up to a legally binding tobacco control treaty, the WHO Framework Convention on Tobacco Control (FCTC), struggling to implement the policies and legislation it requires. Despite their efforts, African countries' implementation of the FCTC has not matched the strong regional commitment demonstrated during the FCTC treaty negotiations.<sup>5</sup> Until now, we haven't fully understood why.

A new groundbreaking and painstaking analysis of whistleblower documents suggests that BAT used potentially unethical payments across East and Central Africa to influence policy and sabotage competitors. The University of Bath's analysis demonstrates that serious questions regarding these payments remain unanswered following the conclusion of the U.K. Serious Fraud Office (SFO)'s inquiry in January 2021. We believe that further investigations are warranted in jurisdictions

where BAT operates and any emerging evidence should be shared with the SFO.

The University of Bath's analysis shows that these payments were not the work of a few “bad apples” at BAT, as the company would like the public to believe. The geographic spread of the activity, the number of senior staff involved and the use of the company's infrastructure, systems and processes suggest BAT's payment activity was widespread and likely an integral part of its business operations in Africa. Although the operations were located in Africa, this activity was not confined just to the continent; the information trail sometimes led back to BAT's London headquarters.

While the SFO investigation did not lead to charges and an ultimate conviction of bribery, many of the payments and activities examined in the analysis raise serious questions and have real consequences. Bribery and corruption undermine governance, hinder economic development and—when carried out by the tobacco industry—prevent progress in implementing lifesaving tobacco control policies.

Based on these findings, countries may find new grounds for holding the tobacco industry accountable and excluding it from policy discussions as part of efforts to fully adopt and implement the FCTC.

## The BBC Documentary “Secret Bribes of Big Tobacco” & the SFO Investigation

A breakthrough in understanding industry practices in the region came in 2015, when a BBC Panorama documentary detailed allegations of British American Tobacco's involvement in bribery in Africa.<sup>6</sup> Even though BAT and those featured in the program issued denials about the allegations, in 2015 the Serious Fraud Office (SFO) began investigating the allegations, leading to a formal criminal investigation into BAT and associated persons in 2017.

In January 2021, following over five years of investigation, the SFO concluded: “Following extensive investigation and a comprehensive review of the available evidence, the SFO has concluded its investigation into British American Tobacco, its subsidiaries and associated persons. The evidence in this case did not meet the evidential test for prosecution as defined in the Code for Crown Prosecutors.”

The SFO added that it would “continue to offer assistance to the ongoing investigations of other law enforcement partners. We thank our international law enforcement partners, and in particular the Kenyan Ethics and Anti-Corruption Commission (EACC), for their assistance in the SFO's investigation.” The SFO announcement stipulated that it makes decisions to prosecute on the basis of what is known as the Code for Crown Prosecutors, which outlines that there has to be a realistic prospect of conviction and that the prosecution must be deemed to be in the public interest.<sup>7</sup>

Section 9 of the UKBA outlines that detailed guidance from the government regarding the UKBA and procedures which commercial organizations can put into place to prevent persons associated with them from bribing, must be published. Section 42 of this guidance stipulates that bribery carried out by a subsidiary doesn't automatically implicate the parent company if it can't be proven that the subsidiary carried out the bribe in order “to obtain or retain business or a business advantage for the parent company.”<sup>8</sup>

Finally, another mitigating factor against prosecution is whether a company under investigation has sufficient, robust corporate anti-bribery policies. Section 7 of the UKBA outlines how it is a “defence” for a company if it can prove there were “adequate procedures designed to prevent persons associated” with the company from “undertaking” bribery.<sup>9</sup> In a letter to the Financial Times newspaper in September 2021, an expert lawyer on criminal fraud cases by the SFO stated: “The SFO has opted never to prosecute corporate offences using Section 7 of the Bribery Act where a company indicates it may resist.”<sup>10</sup>

## What qualifies as bribery under the U.K. Bribery Act?

BAT is headquartered in the United Kingdom. The UKBA defines bribery as offering, giving or receiving a financial or other advantage in connection with the improper performance of a function or activity that is expected to be performed impartially or in good faith. The functions and activities are broadly defined and include “any function of a public nature” and “any activity connected with a business.” It also includes (but is not limited to) two specific offenses: bribing a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and failure of a commercial organization to prevent bribery.<sup>11, 12</sup>

## What makes an activity systematized?

As identified in the analysis, the use of payments that merited further scrutiny was not localized to one person, one business unit or one country, but rather functioned as a routine part of the company's business and was often carried out using core BAT systems, including company email addresses and invoicing systems, with senior staff closely involved. Evidence also suggests those involved were aware of their potential wrongdoing and were, for example, using alias email accounts.

**...documents suggests that BAT used potentially unethical payments across East and Central Africa to influence policy and sabotage competitors.**



## Introduction

### What University of Bath researchers did

University of Bath researchers from the Tobacco Control Research Group carried out a detailed analysis of two sets of whistleblower documents: a primary set provided by ex-BAT whistleblower Paul Hopkins, and a second set acquired from a public civil suit in the Ugandan High Court, brought by ex-BAT Uganda employee Solomon Muyita. Both former employees separately invoked BAT's whistleblowing policy, claiming to have been privy to what they describe as multiple instances of alleged "bribery" that were requested and/or sanctioned by senior staff.<sup>13, 14</sup>

The analysis began with these steps:

1. Researchers identified the payments in the whistleblower documents.
2. They then coded the following for each payment:
  - A. Timing
  - B. Target (external sources were used to verify targets and their positions)
  - C. Value (converted to U.S. dollar amounts based on the currency exchange rate in the year of the payment)
  - D. Purpose
  - E. Nature
  - F. Evidence
3. Finally, they reviewed the coded payments to determine which ones fit their strict inclusion criteria. To be included in the final analysis, a payment had to:

- A. Be detailed in at least two pieces of evidence, one of which was financial
- B. Have no inconsistencies in payment value
- C. Have sufficient evidence to assess the nature of the payment

To code the nature of the payment, the researchers took the UKBA's definition of bribery and classified payments in two categories—the first being deemed potentially more serious than the second:

#### Category 1: "Raises questions under the UKBA"

Payments in this category appear to presume, require or encourage the recipient to perform an expected job role, function or activity improperly and seek competitive or business advantage for the organization making the payment and no benign explanation for the payment is clearly identifiable.

#### Category 2: "Warrants further investigation under the UKBA"

Payments in this category appear unethical, based on the information available, and may be consistent with bribery as defined by the UKBA, but require further investigation to determine their status.

The researchers did not examine the extent to which these activities, or the evidence examined, meet the criteria for criminal prosecution under the UKBA.

## **Takeaway #1:**

**BAT made potentially questionable payments affecting 10 countries in East and Central Africa.**

## The Whistleblowers

**Paul Hopkins —**

**Business Risk Manager and Area Anti-Illicit Trade Manager in various African regions, 2002-2014**

Was contracted to BAT in London, but worked almost exclusively in East and Centra Africa. Hopkins was made redundant in March 2014 after invoking the company's whistleblower policy. The researchers believe he was the most significant tobacco industry whistleblower for decades.

**Solomon Muyita —**

**Leaf Corporate and Regulatory Affairs Coordinator for BAT Uganda, 2010-2013**

Claimed he was wrongfully dismissed for company-sanctioned activities and took BAT to court in Uganda. BAT countered, saying that Muyita was "lying."<sup>15</sup> It is our understanding that the legal case was settled out of court.

### What University of Bath researchers found

A total of 236 payments totaling US \$601,502 met the inclusion criteria.

These payments were made between 2008 and 2013, with the great majority (91%) taking place after the UKBA came into force in 2011.<sup>9</sup> Payments were made in various ways, including as hand-delivered cash, bank wire transfers, spending money, cars, campaign donations, per diems and plane tickets.

Of these 236 payments, 170 were coded as "raising questions under the UKBA" (Category 1) and the remaining 66 payments were coded as "warrants further investigation under the UKBA" (Category 2).

**Both former**

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## Takeaway #1

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These payments targeted national and local politicians, staff of competitor tobacco companies, journalists, civil servants and individuals working with or supporting parliamentary committees. They appear to have been used to: gain intelligence on and advantage over competitors; influence policy; and foster advantageous relationships in Burundi, Comoros, Democratic Republic of Congo (DRC), Kenya, Malawi, Rwanda, Sudan, Tanzania, Uganda and Zambia.

The analysis suggests that many more potentially questionable payments were made beyond those identified but were not included in the analysis because they did not meet the researchers' specific inclusion criteria.

**Although the operations were located in Africa, this activity was not confined just to the continent; the information trail sometimes led back to BAT's London headquarters.**

**Overview of payments and values:**

**236**

**payments totaling  
US \$601,502  
met our inclusion  
criteria**

**215**

**(91%) of these  
occurred after  
the UKBA came  
into force**

**170**

**Payments were  
coded as “raises  
questions under  
the UKBA”**

**Payments ranged  
from US \$30  
to \$110,000  
and totaled US  
\$591,383**

**Targeted, in  
particular,  
politicians, staff  
of competitor  
companies, civil  
servants and  
others**

**66**

**payments were  
coded as “warrants  
further investigation  
under the UKBA”**

**Targeted, in  
particular,  
journalists and  
farmers**

**Takeaway #1**
**Table 1:** Overview of number, target and size of BAT payments (only those assessed as Category 1), 2008-2013 (data based on analysis of documents)

Combined document set					
Who was paid [total no. person paid, minimum estimate]		Smallest - largest individual payments (US\$)	Apparent purpose of payment (CA=competitive advantage, PI=policy influence, SM=stakeholder management*)	Combined total value payments (US\$)	Combined total no. individual payments
<b>Politicians</b>	National [53]	75-27,353	PI, SM (recruiting)	133,076	64
	Local [3]	75-158	CA, PI, SM (recruiting)	431	4
	Sub-total [56]	75-27,353	CA, PI, SM (recruiting)	133,507	68
<b>Competitor staff</b>	Mastermind Tobacco Kenya [1]**	353-28,669	CA	272,867	66
	Leaf Tobacco & Commodities (Ltd) [1]	110,000	CA	110,000	1
	Sub-total [2]	353-110,000	CA	382,867	67
<b>Journalists</b>	Journalists [13]	56-178	PI (likely), SM (recruiting), Unknown	937	13
<b>Civil servants</b>	Kenya Revenue Authority representatives [1]**	1,746-16,179	CA, PI	28,749	5
	WTO delegates and Ministry of Trade representatives [3]	93-1,300	PI, SM (recruiting)	2,505	4
	FCTC focal points [3]	3,000-20,000	PI	26,000	3
	Ministry of Labour representatives [2]	5,820	CA	11,640	2
	Uganda National Bureau of Standards representatives [1]	79	SM (recruiting)	79	1
	Sub-total [10]	79-20,000	PI, CA, SM (recruiting)	68,973	15
<b>Individuals working with / supporting Parliamentary Committee</b>	Working with Parliamentary Committees that were paid to alter report (i.e. legal counsel, researcher, economist, secretary, info, officer) [5]	205	CA	1,025	5
<b>Other</b>	Other(s) involved with Operation Snake [1]	2,328	CA	2,328	1
	Magistrate [1]	1,746	CA	1,746	1
	Sub-Total [2]				
<b>All Payments</b>	Total [88]	56-110,000	CA, PI, SM	591,383	170

Stakeholder management refers to fostering relationships that were advantageous to the company. This includes recruitment (developing and/or managing positive relationships with stakeholders) and fragmentation (weakening tobacco control or those who favor tobacco control).

## Takeaway #2:

**BAT's payments were systematized and supported by senior staff, including some at its London headquarters, and there is evidence staff understood their potential wrongdoing.**

## Takeaway #2

The analysis suggests that the use of payments was a routine part of BAT's business practices in Africa. Senior staff from different parts of the company are reported to have been aware of—and at times supportive of—potentially questionable payments. Some payments were processed using BAT's usual financial systems and there was widespread use of information obtained via the payments. At the same time, reference to the UKBA in the source documents and the use of numerous secretive systems suggest a common awareness of wrongdoing and a strategy to work around it.

For example, some staff members used aliases and alternative private email accounts rather than BAT email accounts when dealing with payments. Other times, updates on projects using payments were given verbally in meetings.

Third-party companies, referred to as “service providers,” were contracted to undertake consultancy services for BAT to make the payments. The analysis suggests that these service providers orchestrated payments under BAT's direction—with at least one service provider being set up and run by an ex-BAT employee.<sup>16, 17</sup> Staff at BAT's London headquarters appear to have been involved in processing at least some service provider invoices,<sup>18, 19, 20, 21</sup> witnessing,<sup>22</sup> auditing<sup>23, 24, 25,</sup> <sup>26</sup> and agreeing on plans for service provider contracts.<sup>27, 28, 29, 30</sup>

It appeared BAT also attempted to hide the true purpose of various payments via the use of a “black ops” spreadsheet that

documented, in Hopkins' words, “illegal spend,” while a separate version gave plausible official descriptions. Alphanumeric codes linked the two.<sup>31, 32, 33, 34</sup>

BAT's official policy on corruption, as stated on its website when this report was written, is: “Corruption causes distortion in markets and harms economic, social and political development, particularly in developing countries. Our Standards of Business Conduct make clear that it is wholly unacceptable for our companies and employees to be involved or implicated in any way in corrupt practice.”<sup>35</sup> Yet, the University of Bath analysis reveals that at least 13 senior BAT staff had some level of involvement in, or knowledge of, the payments included in the report. For more detail, see [the long analysis](#).

**Senior BAT staff in different parts of the company were involved in varying capacities ranging from attending senior meetings where activities involving payments were tabled, through requesting and authorizing payments, to actively discussing budget lines for payments. Many held very senior positions including at board-level within BAT's subsidiaries in Africa and worked across diverse functions within the company including finance, legal, corporate and regulatory affairs and anti-illicit trade.**

BAT admitted in its Grounds of Response in Hopkins' Employment Tribunal that an Area Head of Corporate and Regulatory Affairs for East and Central Africa had asked for “unlawful bribes” to be made.<sup>36</sup>



## **Takeaway #3:**

**BAT used these payments to  
influence policy in its favor.**

### Takeaway #3

Between 2011 and 2013, BAT used payments to obtain information about and influence tobacco control policy in four countries: Burundi, Comoros, Rwanda and Uganda.

All four countries had been actively attempting to pass FCTC-based legislation, and the timing of the payments links to efforts in each country to do so.<sup>37, 38, 39, 40</sup> With the exception of Uganda, which passed its Tobacco Control Act in 2015 after an intense four-year battle against tobacco industry opposition,<sup>41</sup> at the time of the research, tobacco control legislation in each of these countries remained non-compliant with the FCTC.<sup>42</sup>

The [analysis suggests](#) BAT's payments, some of which were sanctioned by senior leadership, likely contributed to the delay in tobacco control policies that would have saved lives in these countries.

When the researchers started analyzing the documents, one of the many things that shocked them was just how cheaply BAT, a company with huge amounts of cash at its disposal, was able to buy influence across Africa. As a reference point, in 2012, the then-CEO of BAT was paid in excess of £1 million (roughly US \$1.6 million dollars) as a base salary before other bonuses and add-ons.<sup>43</sup>

In comparison, the annual average salary in Kenya at the time was roughly US \$5,000.<sup>44</sup> That puts the following into perspective:

### How Much Does Policy Influence Cost?

**US \$3,000:** Payment to alter national legislation in Burundi prior to presidential assent and have the Burundi civil servant promote BAT's interests at the fifth session of the FCTC's Intergovernmental Negotiating Body—a global meeting where a draft Illicit Trade Protocol was negotiated and agreed upon. The official concerned denied ever receiving the money.<sup>10, 26, 28, 45, 46, 47</sup>

**US \$20,000:** Payment to a Ministry of Health official in Rwanda to obtain draft tobacco control regulations. This official admitted taking the money, but said it had nothing to do with tobacco.<sup>10, 26, 28, 48, 49, 50, 51, 52</sup>

**US \$3,000:** Payment to a civil servant and tobacco control report author in Comoros to obtain draft tobacco control regulations.<sup>26, 28, 43, 53</sup>

**US \$5,966:** Payment to MPs on the Parliamentary Committee on Tourism, Trade, and Industry, during debates over the Uganda Tobacco Control Act, endorsed "in return for a favourable report" from the committee gathering information to inform the parliamentary debate on the Act.<sup>54</sup> The documents detail strategies for leveraging support from the parliamentarians on this committee.

**Undisclosed amount:** At the same time 25 payments were made to farmers in Uganda, three of whom were quoted in national media speaking out against the Tobacco Control Bill.<sup>55, 56</sup> Documents suggest the journalist authoring one of these stories was paid three times by BAT during this period.<sup>48</sup>

**Takeaway #3**

BAT also attempted to use payments to undermine efforts to control tobacco smuggling. Because of the tobacco industry's long involvement in tobacco smuggling, the Illicit Trade Protocol mandates the use of track and trace systems that are independent from the tobacco industry. These systems track tobacco products through the distribution chain to ensure all taxes have been paid and, if necessary, trace illicit product back to where it entered the black market. Using payments in Kenya, BAT attempted to promote its own system, Codentify, there and thwart the selection of an independent rival system designed by SICPA, a Swiss company.

To this end, BAT paid US \$28,749 to sources within the Kenya Revenue Authority<sup>26, 28, 38, 42, 57, 58</sup> and US \$38,645 to former Kenyan Justice Minister Martha Karua,<sup>26, 28, 42, 59, 60, 61</sup> who was running a presidential campaign at the time, in exchange for intelligence and for assistance with BAT's efforts to prevent SICPA from winning the tender over Codentify. Justice Minister Karua admitted a donation was made, but claims she thought it was a personal donation from Hopkins and not BAT.<sup>62</sup>

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## **Takeaway #4:**

**BAT used payments to  
sabotage competitors.**

#### Takeaway #4

Despite BAT already having a nearly monopolistic market position across large swathes of Africa, the company was still trying to acquire market share from its competitors. Most of BAT's efforts to undermine other tobacco companies targeted small African competitors (in addition to Japan Tobacco International [JTI], another of the world's largest tobacco companies), with a key focus on paying to obtain data that might expose their alleged involvement in tax evasion and cigarette smuggling. BAT sought to use this data to build relationships and curry favor with the relevant tax and revenue authorities—even though there is long-standing evidence of

BAT's involvement in these same activities in Africa and beyond.<sup>63, 64, 65</sup>

BAT was the party driving the payments. With the exception of the 2012 incident in which the chair of Uganda's Committee on Agricultural, Animal Industry and Fisheries approached BAT for a possible payment of US \$20,000 (which documents indicate BAT paid), the documents suggest that BAT instigated each of these transactions. This defies BAT's alleged claim that bribery is "the cost of doing business in Africa"<sup>89</sup>—that the African way of doing business was somehow forcing it to commit bribery.

### BAT targeted these competitors:

**Mastermind Tobacco Kenya (MTK): A local tobacco company, which emerged as a major competitor to BAT in the region in the early 2000s**

Operation Snake: BAT created labor unrest by establishing a trade union to undermine MTK. BAT provided 4.5 million Kenya Shillings (US \$56,027) to a service provider to orchestrate payments and coordinate the operation through "covert means,"<sup>72, 73</sup> frequently reporting back to BAT.<sup>61, 74, 75, 76</sup> According to the service provider that BAT was using to facilitate this activity, over 100 MTK staff were recruited to the union and a dispute was successfully lodged with the Kenyan Ministry of Labour and Human Resource Development by the union after MTK "refused to deduct union fees."<sup>61</sup> Payments included "handsome offer[s]" for "vocal employees."<sup>77</sup>

**Japan Tobacco International (JTI): Another tobacco company with a history of involvement in smuggling<sup>66</sup>**

Worried about JTI's possible involvement in tobacco smuggling, BAT attempted to obtain intelligence on JTI's operations in Zambia, Tanzania,<sup>67, 68, 69</sup> Uganda, Rwanda and DRC.<sup>70, 71</sup>

Operation Deep Jungle: The aim was to establish "a permanent source" for BAT "inside JTI Tanzania."<sup>59</sup>

**Takeaway #4**

**Continental Tobacco Uganda (CTU):  
Subsidiary of Mastermind Tobacco Kenya;  
one of BAT's main competitors in Uganda<sup>78</sup>**

In December 2011, a group of farmers from the Bunyoro region of Uganda complained they were not being paid by CTU,<sup>79</sup> prompting an investigation by the Parliamentary Committee on Agricultural, Animal Industry and Fisheries chaired by MP Kasirivu-Atwooki Baltazar Kyamanywa.

In 2012, prior to submitting the committee's report to Parliament, Kyamanywa apparently approached Muyita (then a BAT employee in Uganda) stating that "we [BAT] might wish to review [the report]...if we wanted that we could amend it" and "for this to happen it would cost \$20,000."<sup>80, 81</sup> The documents indicate that between July and October 2012, a payment of US \$20,000 to Kyamanywa was authorized,<sup>9, 82</sup> and that a service provider claims the payment was sent partly via bank transfer and partly hand-delivered in cash.<sup>83</sup> In August 2012, the service provider emailed the draft parliamentary committee report to BAT staff via unofficial email accounts, noting: "FYI finished draft. We also added no licenses for the season."<sup>84</sup> When asked by the BBC whether he had taken the bribe from BAT, he said: "No, no, no, that is not true."<sup>10</sup>

**Leaf Tobacco & Commodities Uganda (LTC):  
Subsidiary of the Pan African Tobacco  
Group**

In 2008, BAT paid an executive of LTC Uganda US \$110,000 in exchange for "information on the illicit activities of Leaf Tobacco and Commodities Limited (Uganda), including details relating to tax evasion, use of counterfeit tax stamps and cigarette smuggling operations."<sup>85, 86</sup> The same document acknowledged "the involvement of the Ugandan Revenue Authority" and "an immunity from prosecution agreement" which protected this executive as long as he cooperated with the Ugandan Revenue Authority.<sup>87</sup>

Another document suggests BAT had potential sources within the Uganda Revenue Authority whom it was looking to pay on a regular basis for information.<sup>88</sup>

## **Takeaway #5:**

**African governance, economies  
and people are being harmed.**

## Takeaway #5

Evidence shows that bribery fuels corruption, entrenches bad governance and undermines good governance, thereby hindering economic development and government stability.<sup>90, 91</sup> The research summarized in this report illustrates how a tobacco company's use of potentially questionable payments can compound this problem by encouraging and entrenching poor governance and preventing progress in tobacco control policy implementation. The analysis of BAT's payments highlights the importance of anti-bribery legislation<sup>92</sup> and fully investigating allegations of questionable payments. The analysis also underscores how these payments may directly impede progress on the United Nations Sustainable Development Goals, and specifically undermine Goal 3 on promoting health and well-being for all, and Goal 16, Target 5, which aims to "substantially reduce corruption and bribery in all their forms."<sup>93</sup>

As one of the only regions in the world where tobacco sales are increasing, African countries have the most to gain from fully implementing and enforcing the FCTC and the tobacco control measures it contains. Conversely, BAT, as the dominant tobacco company in many parts of East, Central and Southern Africa, has the most to lose. Countries' full compliance with the FCTC could threaten BAT's long-term profitability, which may depend increasingly on Africa as tobacco sales elsewhere decline.

Implementing tobacco control measures would prevent the inevitable increases in preventable tobacco-related diseases and

the enormous human and financial costs they pose to people, their families and society at large. This would leave citizens and their countries far better able to cope with the health and economic impacts of pandemics such as COVID-19.<sup>94</sup>

When BAT uses potentially questionable payments to prevent the implementation of lifesaving tobacco control policies, people and economies will continue to suffer. Africa's continued development will be stymied by a company whose primary interest is addicting its customers and profiting from their addiction; the report shows BAT is willing to use questionable tactics to get what it wants. The research suggests BAT ultimately used paltry sums of payments as a form of modern-day colonialism to exploit people, resources and governments in Africa for its own benefit.

**...BAT ultimately**

**used paltry sums**

**of payments as a**

**form of modern-**

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**exploit people...**



## Conclusion:

**BAT must be further investigated and held accountable.**

## Conclusion

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The researchers also examined BAT's public responses to the bribery allegations outlined in the 2015 BBC Panorama program. These have a common thread: denial. Its three main responses thus far have been:

- Shoot the messengers: BAT claims Hopkins and Muyita cannot be trusted because they left in "acrimonious circumstances" or had a "vendetta" against the company.<sup>95</sup> Both former employees, however, had in fact used the company's own internal whistleblowing processes before being dismissed.
- Deny how it operates in Africa: "We do not and will not tolerate corruption,"<sup>76</sup> yet the analysis shows that senior BAT staff not only tolerated, but actively participated in, such practices, and that BAT was, with just one exception, the party instigating the payment transactions.
- Deny how it operates around the world: "We categorically deny the suggestion that this is how BAT operates around the world," yet the documents provide evidence that other BAT subsidiaries reached out to those involved to explore how such practices might be used in other parts of BAT.

Governments have the right and responsibility to fight corruption and protect their people from predatory companies.

The analysis shows BAT's extensive use of payments in East and Central Africa. It is likely that, due to the use of strict inclusion

criteria, BAT's efforts to conceal these payments and the fact the documents focused on Africa, the analysis reveals only the tip of the iceberg.

It therefore provides a basis for relevant government institutions in countries around the world in which BAT operates to examine whether similar practices are happening in their countries.

Journalists have a role to play, as well; the documented payments to journalists might explain why BAT's conduct fails to garner media attention, highlighting the importance of the media raising awareness around the tobacco industry's conduct.

There is overwhelming public interest in making the analysis—and substantial supporting material—public in order to protect public health and the integrity of government decision-making worldwide. It is time to hold BAT to account.

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