NAFUNA & CO. CLIENT GUIDES · GOLD & MINERALS · NO. 09

How to Prove a Gold Scam in Uganda

The Evidence You Need to Establish Fraud, Trace Payments and Pursue Legal Remedies

PREPARED BY

Nafuna & Co. Advocates and Legal Consultants, Entebbe, Uganda

AUTHOR

Scola Nafuna, Managing Partner

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Introduction

A failed delivery proves that something went wrong. Proving fraud requires more.

The pattern is familiar. A buyer pays for gold in Uganda. Delivery, export clearance or shipment is promised and does not happen. Further payments are demanded. The supplier becomes evasive, disputes the agreement or disappears, and the buyer concludes that the transaction was a fraud.

The conclusion may be right. Establishing it before the police, a prosecutor or a court requires a reconstruction of the transaction from admissible evidence: what was represented, by whom, whether it was false when made, what the maker knew, whether it induced the payment, and who received the money.

Client Guide No. 08 identifies the warning signs of a gold scam. This Guide addresses the next question: once a scam is suspected, what evidence proves it?

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A failed transaction establishes a commercial event. Proof of fraud requires evidence of the deception that brought the event about.

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SECTION 1

A Failed Transaction and a Criminal Fraud Are Different Things

The offence most often engaged is obtaining by false pretences under sections 284 and 285 of the Penal Code Act, Cap. 128. (Judgments decided before the 2023 revision cite the same provisions as sections 304 and 305.)

In *Nanteza Agati v Uganda*, Criminal Appeal No. 33 of 2023, [2024] UGHCCRD 10, the High Court set out the ingredients the prosecution must prove:

ELEMENT	WHAT MUST BE SHOWN
False representation	A representation of a material fact, past or present, that was false
Knowledge	The maker knew it was false, or did not believe it to be true
Intent	It was made with intent to defraud
Reliance	The victim relied on it

ELEMENT	WHAT MUST BE SHOWN
Obtaining	The victim parted with money or property as a result
Participation	The accused was the person responsible

The second column of that table decides most gold cases. A false pretence concerns a fact that exists now or existed before. A promise about the future is different:

REPRESENTATION OF PRESENT FACT	PROMISE ABOUT THE FUTURE
"We own 20 kg of gold."	"We will acquire 20 kg of gold."
"The gold is at the refinery."	"We will deliver the gold to the refinery."
"The export permit has been issued."	"We will apply for the export permit."

A supplier who promises delivery next week and fails to deliver has broken a promise. A supplier who said it already owned the gold, held it at a named refinery or held a permit, when none of that was true, has made a false representation of fact. The legal inquiry therefore begins with the representation that induced payment, and the failure to deliver comes second.

SECTION 2

Identify the Exact Representation That Induced Payment

The most important evidence in many gold cases is what was said before the money moved. It may be in a WhatsApp message, an email, a contract, an invoice, a voice note, a meeting or a document supplied by the seller.

For each material representation, record:

- its exact words
- who made it, and whe
- to whom it was communicated
- what the buyer did in reliance on it

Written representations should be preserved in their original form. Oral ones can be established through the buyer's contemporaneous notes, later messages that refer to them, and witnesses who were present.

A general allegation that “the supplier lied” is too imprecise to build a case on. The case needs the particular falsehood and the evidence that proves it false.

SECTION 3

Prove That the Representation Was False

The strongest evidence of falsity usually comes from a source independent of the person who supplied the original document.

WHAT THE SUPPLIER CLAIMED	WHERE THE TRUTH IS LIKELY TO BE FOUND
A valid Mineral Dealer’s Licence	The licensing record: holder, validity and scope
Ownership of the gold	Acquisition records, provenance, custody and any competing claims
Gold held at a refinery	The refinery’s own receiving records
An assay result	The issuing facility’s records
A government tax or charge	The records of the authority said to have assessed it
A payment already made	Authenticated bank records

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Documents supplied by the counterparty are evidence to be investigated, not facts to be assumed.

SECTION 4

Establish Knowledge and Intent to Defraud

A false statement may come from mistake, negligence or misunderstanding as well as deliberate deception. Criminal fraud requires the mental element.

Direct evidence, such as an admission or a message between participants, is uncommon. Intent is more often inferred from conduct: fabricated documents, false identities, contradictory

representations, concealed beneficiaries, unauthorised payment instructions or coordinated efforts to mislead.

Timing matters most. Evidence that the supplier never owned the gold it claimed to own *before* it received payment is particularly significant. Diversion of the money immediately after receipt may also be relevant. Later evasiveness, disappearance or refusal to refund adds to the picture, and should be weighed together with the evidence of what the supplier knew and said when the buyer was induced to pay.

SECTION 5

Prove That the Buyer Relied on the Representation

The case must connect the deception to the payment. The buyer should be able to say:

- which representation caused the buyer to procee
- which documents arrived immediately before payment
- which conditions the buyer believed had been met
- whether payment was made because gold was said to be available, a permit was said to have been issued, or a government charge was said to be due

Chronology often decides this. A refinery certificate arrives on Monday, payment is demanded on Tuesday, and money is sent on Wednesday. If the certificate is later shown to be fabricated, that sequence supports the inference that it was used to induce the payment. The buyer's own account should be supported by the messages and bank records of those days.

SECTION 6

Follow the Money

Preserve the transfer instructions, SWIFT messages, confirmations, account statements, receipts, mobile-money records, cryptocurrency transaction identifiers and all correspondence about payment. Together they should show the amount, currency, date, sending account, beneficiary and stated purpose of each payment.

Proof that money reached an account differs from proof of who controlled or benefited from it. The account may belong to a company, an intermediary or a nominee. Establishing control may require account-opening documents, signatory details and later transaction records, obtained through lawful procedures such as a court order or a police investigation. Where funds passed through several accounts, the sequence must be reconstructed. Where cryptocurrency was used, the blockchain shows transfers between addresses; linking an address to a person requires further evidence.

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Follow the money before you send the money. If it has already been sent, reconstruct its movement before deciding whom to pursue.

SECTION 7

Identify Every Participant and What Each Did

Gold transactions often involve brokers, agents, company representatives, transporters, refinery staff and people who claim to arrange government clearance. A case built against the wrong person fails.

For each participant, separate the roles: the contracting seller, the person who introduced the deal, the person who made the false representation, and the person who received the money. These may be four different people. A company director may have authorised the transaction, or an intermediary may have acted without authority. A person who introduced the buyer may have taken no part in the deception.

Where several people appear to reinforce one another (one claims to own the gold, a second confirms it, a third produces a refinery certificate, a fourth collects a clearance fee) the question is whether they knowingly cooperated. Shared telephone numbers, common bank beneficiaries, overlapping company interests, repeated document templates and messages between participants can show coordination. A business relationship alone does not prove conspiracy; the agreement required by section 289 of the Penal Code Act must be established on evidence.

SECTION 8

The Three Trails as Evidence

The Three-Trail Test described in Client Guides No. 05 and No. 08 becomes, after a fraud, the structure of the evidence:

TRAIL	WHAT IT PROVES IN A FRAUD CASE	TYPICAL SOURCES
The document trail	Who the parties were and what was represented	Contracts, invoices, licences, certificates, permits, purported assessments

TRAIL	WHAT IT PROVES IN A FRAUD CASE	TYPICAL SOURCES
The gold trail	Whether the gold existed, who held it and whether it was the gold sold	Assay records, weighing records, seals, custody logs, photographs, handlers' testimony
The money trail	Who asked for payment, who received it and where it went	Bank, mobile-money and cryptocurrency records

Divergence between the trails is often the case itself. The contract names Company A as seller, the assay concerns gold held for Company B, and the money went to Individual C. Unexplained, or explained in ways contradicted by independent evidence, those differences locate the deception. The trails also identify the defendants, the witnesses and the people from whom records should be sought.

Each document should be tested against the fact it is offered to prove. A genuine company registration proves the company exists; a genuine licence proves authority within its scope; a genuine assay proves the composition of the sample tested. Where forgery or alteration is suspected, preserve the original physical or electronic document for examination.

SECTION 9

WhatsApp Messages and Other Electronic Evidence

Many international gold deals are negotiated almost entirely by WhatsApp and email, so electronic records are often the core of the case.

The Electronic Transactions Act, 2011 governs their use. Section 8(1) prevents the rules of evidence from being applied to deny admissibility merely because a record is electronic or is not in its original form. Section 8(2) places on the person introducing an electronic record the burden of proving its authenticity, by evidence capable of supporting a finding that the record is what it is claimed to be. Under section 7(2), authenticity is assessed by whether the information has remained complete and unaltered, the purpose for which it was generated, and all other relevant circumstances.

In practice:

- a screenshot is useful, and the original conversation on the original device, with account details and metadata, is stronger
- preserve complete conversations, including messages before payment, later demands and any change in the supplier's account or number
- never edit, annotate or replace the originals, and give lawyers and investigators working copies

- where a device or account may be compromised, have the evidence preserved professionally

SECTION 10

Proving That a Government Charge Was Fabricated

Fake export taxes, royalties, customs charges and release fees are common. To prove the fabrication, obtain the demand itself and identify the statutory basis claimed, the authority said to have assessed it, the amount, the person said to be liable and the nominated recipient.

The authority's records can show whether the assessment was ever issued. Bank records can show whether the money went to an official collection account or a private one. Some charges are published: the Ministry of Energy and Mineral Development's Public Notice of February 2026 sets the export fee on refined gold at USD 200 per kilogram, paid through the Uganda Revenue Authority. A fabricated invoice may support allegations of forgery and uttering a false document under sections 319, 324 and 328 of the Penal Code Act, depending on the evidence of who made and used it. See Client Guide No. 04.

SECTION 11

Witnesses and Independent Corroboration

The buyer's account is the starting point; independent witnesses strengthen it. They may include people present at negotiations, company officers, refinery personnel, assay technicians, transporters and bank officials, each identified by the facts within that person's own knowledge. A refinery technician can prove that a particular sample was tested; a company officer can prove that an intermediary lacked authority; a bank official can authenticate records.

Approach witnesses through proper procedures, and keep their personal knowledge separate from what they were told by others. Preserve evidence that contradicts the buyer's account as well. A reliable assessment examines the complete record.

SECTION 12

Build an Evidential Chronology

The chronology is the organising document of a gold fraud case. It runs from first contact through every representation, document, payment, inspection, regulatory obstacle and later communication, and links each event to its evidence:

DATE	PERSON	REPRESENTATION OR ACT	EVIDENCE	SIGNIFICANCE
3 March	Seller's agent	Says 20 kg of gold is held at a named refinery	WhatsApp message	Representation of present fact
4 March	Seller's agent	Sends refinery "holding certificate"	PDF attachment	Document offered to prove the representation
5 March	Buyer	Pays USD 150,000 to nominated account	Bank confirmation	Payment induced
20 April	Refinery	Confirms it never received the consignment	Letter from refinery	Representation false when made

(The entries follow the composite example in Section 13.)

A well-built chronology can reveal that a payment preceded the document said to authorise it, that an assay was dated before the gold reached the refinery, or that someone claimed authority under a licence that had already expired. It can equally reveal innocent explanations and weaknesses in the allegation.

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A chronology becomes evidence-led when every material event is connected to an identifiable source.

SECTION 13

A Worked Example

The following example is a composite, drawn from patterns in matters the firm has handled. Names, amounts and identifying details have been changed. It shows how the elements of the offence and the three trails combine.

A buyer in Dubai is offered 20 kg of refined gold by a Kampala company, Company A, through its agent, Mr X. Mr X sends Company A's genuine Mineral Dealer's Licence, a photograph of bars on a refinery scale, and a "holding certificate" said to come from the refinery. The buyer pays USD

150,000 to an account in the name of Company B, which Mr X describes as Company A's finance partner. Delivery never happens, and a USD 20,000 "export clearance fee" is demanded.

ELEMENT	EVIDENCE IN THE EXAMPLE
False representation of present fact	Mr X's message that the gold "is at the refinery now"
Falsity	The refinery confirms it never received the consignment and never issued the certificate
Knowledge and intent	Mr X produced the certificate himself; Company A's directors confirm he had no gold allocated to him
Reliance	The certificate arrived the day before payment, and the buyer's messages refer to it
Obtaining	Bank records show USD 150,000 received by Company B
Participation	Company B's account-opening records show Mr X as a signatory

The document trail (genuine licence, fabricated certificate), the gold trail (no consignment at the refinery) and the money trail (an account Mr X controls, unconnected with the licensed company) point to the same person. The genuine licence, which made the offer credible, plays no part in the proof except to show that Company A itself may be a victim of the misuse of its name.

SECTION 14

Criminal Complaint or Civil Proceedings

The two serve different purposes:

	CRIMINAL COMPLAINT	CIVIL PROCEEDINGS
Purpose	Liability for an offence	Recovery of money, damages, restitution
Decided by	Police investigate; prosecutors decide whether to charge	The buyer, as claimant

	CRIMINAL COMPLAINT	CIVIL PROCEEDINGS
Mental element	Must be proved	Required for fraudulent misrepresentation; not required for breach of contract
Recovery of money	Not automatic, even on conviction	The direct object of the claim

A criminal complaint should identify the complainant, the suspects, the representations, the payments, the supporting documents and the circumstances suggesting intent, and should separate established facts from matters requiring investigation. It may ask the police to examine particular accounts, company records, licences and communications.

A buyer may have a contractual claim even where the evidence falls short of criminal fraud. The choice between the two, or the use of both, depends on who the defendants are, the evidence, jurisdiction, limitation periods, where the assets are and the remedy sought. Where assets may be moved, preservation orders should be considered promptly.

SECTION 15

Evidence Buyers Commonly Lose

Buyers focused on getting the gold or the money back often lose the evidence needed to do either. Messages are deleted, accounts closed, originals replaced with edited copies, numbers disconnected. The exact payment instructions, and the messages explaining why a particular account was used, go missing. Some buyers deal only with an intermediary and never establish who the contracting seller was.

Preserve the record as soon as concerns arise: keep originals, make secure backups, and take advice before any step that could affect the evidence or the prospects of recovery.

CHECKLIST

Evidence Checklist

A buyer seeking legal assistance should assemble, where available:

01 The name, contact details and identity information of each participant.

02 Company registration and licensing documents supplied by the seller.

03	The Sale and Purchase Agreement and any proposed amendments.
04	Invoices, receipts and purported government assessments.
05	Complete WhatsApp, email and other communications.
06	Bank transfer records, payment instructions and beneficiary details.
07	Photographs, videos, assay reports and custody documents concerning the gold.
08	Export permits, customs documents and correspondence with authorities.
09	A chronological statement of the representations, payments and later events.
10	Details of witnesses, known assets, previous complaints and steps already taken with banks, police or lawyers.

Keep the originals and provide working copies through a secure channel.

How Nafuna & Co. Can Assist

Within the scope of a given engagement, Nafuna & Co. Advocates and Legal Consultants can review the transaction record, identify the material representations, verify the documents, examine the payment and commodity records, prepare an evidential chronology, and assess the criminal and civil remedies available. The firm can also assist with formal demands, complaints to the competent authorities, litigation and applications for interim relief.

The first assessment establishes what the evidence proves, what remains unverified, and which further inquiries could change the outcome. The firm's services and engagement procedure are set out in _____.

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Verification should precede reliance.

RELATED NAFUNA & CO. CLIENT GUIDES

No. 01 Buying Gold in Uganda: A Legal Due-Diligence Guide for Foreign Buyers

No. 02 How to Verify a Ugandan Mineral Dealer's Licence

No. 03 Ten Documents to Request Before Travelling to Uganda to Buy Gold

No. 04 Before You Pay: Payment Safeguards in a Ugandan Gold Transaction

No. 05 The Seller Wants You to Pay Someone Else: Third-Party Accounts in Ugandan Gold Transactions

No. 06 Is This Gold Deal Legal? When a Gold Transaction Is Illegal Under Ugandan Law

No. 07 "But the Gold Is Mine": Carrying Gold Through Entebbe Airport

No. 08 Common Gold Scams in Uganda: Warning Signs Foreign Buyers Should Know

Next Forthcoming: Recovering Money After a Gold Scam in Uganda

AUTHORITIES

- Penal Code Act, Cap. 128, sections 284, 285, 289, 319, 324 and 328 (formerly sections 304 and 305 and related provisions of Cap. 120)
- *Nanteza Agati v Uganda*, Criminal Appeal No. 33 of 2023, [2024] UGHCCRD 10 (High Court, Criminal Division, Wolimbwa J, 19 February 2024)
- Electronic Transactions Act, 2011, sections 7 and 8
- Ministry of Energy and Mineral Development, Public Notice, *Gold Purchase Procedure in Uganda* (February 2026)

IMPORTANT NOTICE

This Client Guide provides general legal information and does not constitute legal advice concerning any particular transaction, suspected offence or recovery claim. The worked example in Section 13 and the chronology entries in Section 12 are a composite drawn from patterns in matters the firm has handled; names, amounts and identifying details have been changed.

The legal character of a disputed transaction depends upon the applicable law and the evidence. Suspicious circumstances do not by themselves establish criminal liability. The admissibility, authenticity and weight of particular records must be assessed in the context of the relevant proceedings.

Submission of documents to Nafuna & Co. does not constitute independent verification or establish a professional engagement.

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Scola Nafuna
Managing Partner
Nafuna & Co. Advocates and Legal Consultants

Suite 1, Ground Floor, One Nine Square
Plot 19 Portal Road, Entebbe
P.O. Box 225, Entebbe, Uganda
+256 772 408455