

Genuine or scam: developmentchannel.tv; trading as Uganda Poverty Alleviation Program (UPAP) in Uganda – be aware

There is no easy money, and of course no free lunch. There are lots of fraudulent schemes. You must stay awake all day. Otherwise, chances of losing your hard-earned money are high at any lapse of common sense. As they say, “If it looks too good to be true, it probably is (too good to be true).” With high unemployment rates in Africa, people are thinking [innovatively] how to defraud others of their hard-earned money. You need to have a mindset of being cautious whenever presented with an investment opportunity to make quick cash. If it is that too good, why don't the people telling you the idea investing fully in it? Why are banks which have the best analysts at their disposal not taking advantage of such investment opportunities?

The issue

On the morning of 27th May 2018, I received an email to review and comment about the development channel; which is trading in Uganda under the name Uganda Poverty Alleviation Program (UPAP), whose flagship product is Teachers Revenue Source (TRS) business opportunity at <https://www.developmentchannel.tv> for teachers and other investors interested in earning US \$100 – US \$200 monthly. The writer, a one Ali, a journalist at The New Vision, pointed out that many people are investing in the company which is promising unbelievable returns. He sought for my advice as a fraud examiner.

The investigation findings

Like any investigator, my first instinct was to conduct a basic search of the name; ‘Development Channel Tv’, ‘Teachers Revenue Source’ and ‘TRS’ on popular search engines specifically Google. Two top links came up, www.zerosofttech.com/dev/DC/trs and developmentchannel.tv.

I was surprised to discover few online information about the company. Why no one has written any article about the ‘developmental’ business model. I tried to search for “Teachers Revenue Source Ponzi Scheme.” I could not find any reviews about the business. This is a sign that the business has just started and could be less than 10 years old. On further research, I noticed the company indicates on some of its brochures that

it was born on 11.1.11 or 11th January 2011. And in Uganda, the company started within the last two years. This could mean that most victims have not yet realized it, so no one has yet got a cause for action to report it to the authorities. The fact is; the marketing messages of development channel.tv are clear and convincing. It is on this basis that I am writing this commentary so that you may deal with the company carefully. Any good business opportunity has certain characteristics that you must look out for before investing. These are (1) business model and value creation; (2) history of founders and legal entity; (3) clear entry and exit terms; among others. Let's look at each in turn.

(1) Business model and value creation

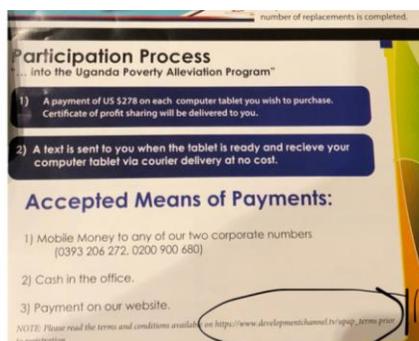
Sales shares to the public at Ugx. 1,000,000 (US \$278) per share. In return, the buyer gets a tablet computer and a Certificate of profit sharing. The certificate reads *“Certificate of Profit Sharing from Development Channel Ltd to pay annual dividend averaging up to US \$100 per month from its gross profit and valued through the existence of the Organisation.”* At the certificate footer, it further reads *“Subject to email communicated terms and conditions.”*

1.1 I could not get the email containing terms and conditions. However, in one of the brochures, on page 9, there is a note advising investors to read the terms on the link, https://www.developmentchannel.tv/upap_terms.

Figure 1: Deadlink of terms in brochure

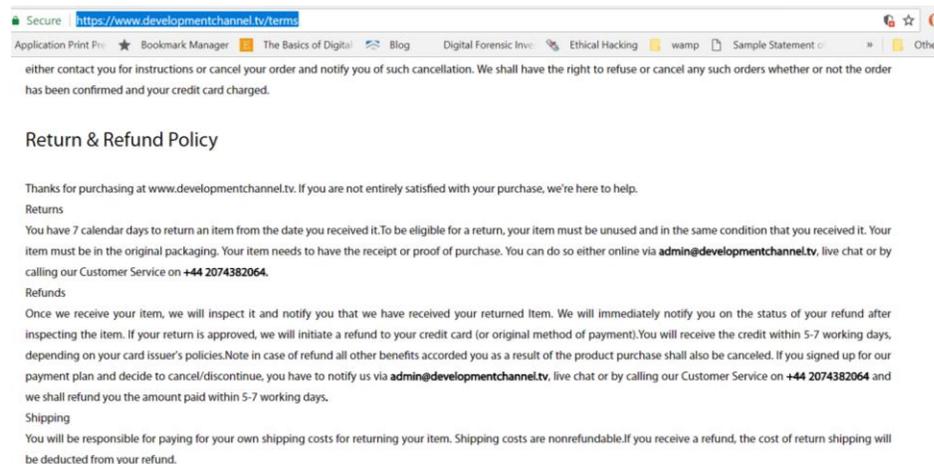


Figure 2: Deadline in the print brochure of UPAP



1.2 I tried to access the link in the print brochure and found that it is a dead link. However, I checked on the site, <https://www.developmentchannel.tv/terms> and found an active link to the terms.

Figure 3: Terms and conditions (extract)



1.3 The terms do not mention anything about the share certificate. Nothing about the dividend offer averaging US \$100 monthly. Nothing about the shareholder rights whatsoever. And above all, it further reads:

“These Terms and Conditions shall be interpreted and governed by the laws in force in England and Wales. Each party hereby agrees to submit to the jurisdiction of the England and Wales courts and to waive any objections based upon venue. developmentchannel.tv is operated by Development Channel Ltd a company registered company registered in England and Wales.”

1.4 So, a Uganda certificate holder must submit to the jurisdiction of the England and Wales. Notwithstanding that a Ugandan registered company sold the share certificate, which then refers to the England and Wales laws!

1.5 My visual observation of the tablet computers given to the members who pay US \$278 is that they are substandard. Such tablets could be obtained from a manufacturer in China at a wholesale price of US \$50. So, development channel is selling sub-standard tablets at a huge margin.

1.6. Thereafter, they also promise a monthly profit share of US \$100 after the first 12 – 18 months. The business model is such that when you buy the tablet, they invest money

in any of the 25 'global' business of your interest. The developmentchannel.tv has 25 start up companies that they [will] invest in out of which you will receive divided for the rest of your life! Of course, none of these companies is listed on any stock exchange! And that is where the catch is.

1.7 In Uganda, if you buy the share at US \$278, you get a tablet, with some education content downloaded from several free online resources. And that is it. You pay and get a tablet. The profit share certificate [modelled around Islamic financing profit share model) does not guarantee you monthly payments! It is just a promise that if the companies [25 of them different sectors] they invest in make profits, you will be given dividends. But you know what happens to shareholders when a business they invest in make losses. You share losses as well. So, dear investor – be careful with your hard-earned money. And based on the terms I found on line, you have no right whatsoever to claim anything from the company!

1.8 It is the promise of the monthly profit share that is driving people to buy shares as well as get a tablet with education content. Based on my analysis, it is unlikely that developmentchannel.tv can sustain paying all subscribers dividends of US \$100 monthly for the rest of their lives. The best they can do is paying some money to old members; from the cash injected by new recruits. No wonder the company is undertaking aggressive marketing the guerrilla style, by doing mass recruitments jobless youth without any education whatsoever. They are so shrewd that you will find in Churches, schools, hospital, and everywhere in between. They want to get so many members. I must give it to the architects of the business – the 25 companies that they say will generate the revenues are well thought out and music to the ears of any leader.

1.9 Developmentchannel.tv promises to create value by getting money from members and investing in 25 companies playing in various sectors – including (i) education (No Dropout); (ii) Legal services (Global Defender); (iii) Community development and decent housing (Forgotten Places); (iv) Credit facilities (Flow); (v) Personal vehicle ownership (Car Connect); (vi) Charity (Teachers Revenue Source); and several other companies involved in different sectors. The ideas are great! The founders plan to inject

the money in these companies which will provide the profits to give out as dividends to ALL shareholders.

The fraud theory

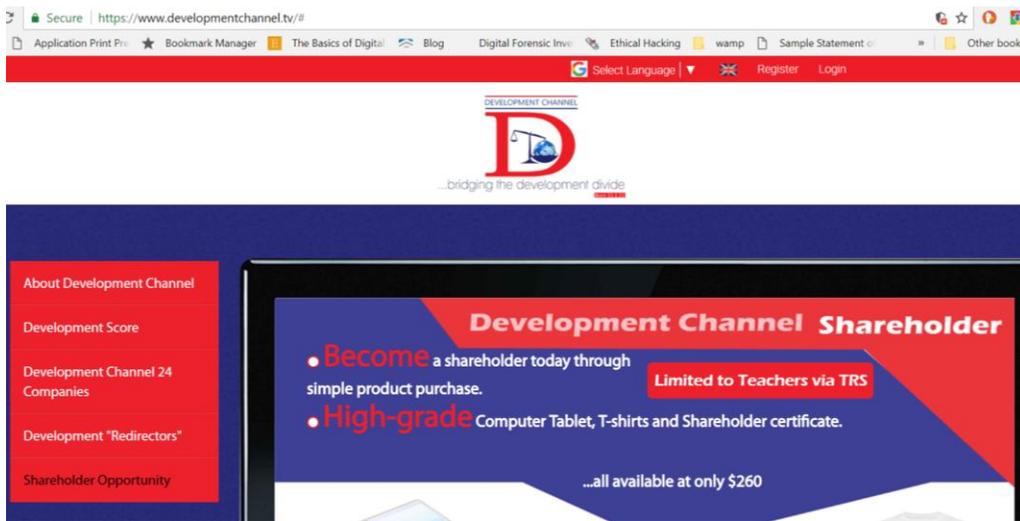
1.10 The developmentchannel.tv has NO obligation to pay out the monthly dividend since shareholders are entitled to profits or losses! It is such a cunning business model that the company will get people's money (US \$278); give them substandard tablets in return and then a certificate of share ownership promising dividends which will likely never come. Whether the money is indeed invested in the 25 companies, is another matter for our law enforcement to find out. Whether these companies will make profits, no one knows. The share certificate offer is a scam to take money since shareholders share losses as well. After 12 months, if the company have not made a profit to payout as dividends, they will just report to 'shareholders'. In fact, if the developmentchannel.tv runs bankrupt and is sued, all shareholders will lose their capital contribution.

It is this trick of giving share certificates that will make every investor lose their money without having any legal recourse to the founders. The scheme is so good that only government regulators like Capital Markets Authority must come in to help the public. The business is operating behind a source enterprise, yet it is getting money from the public. This calls for regulatory involvement.

2. History of the founders and legal entity

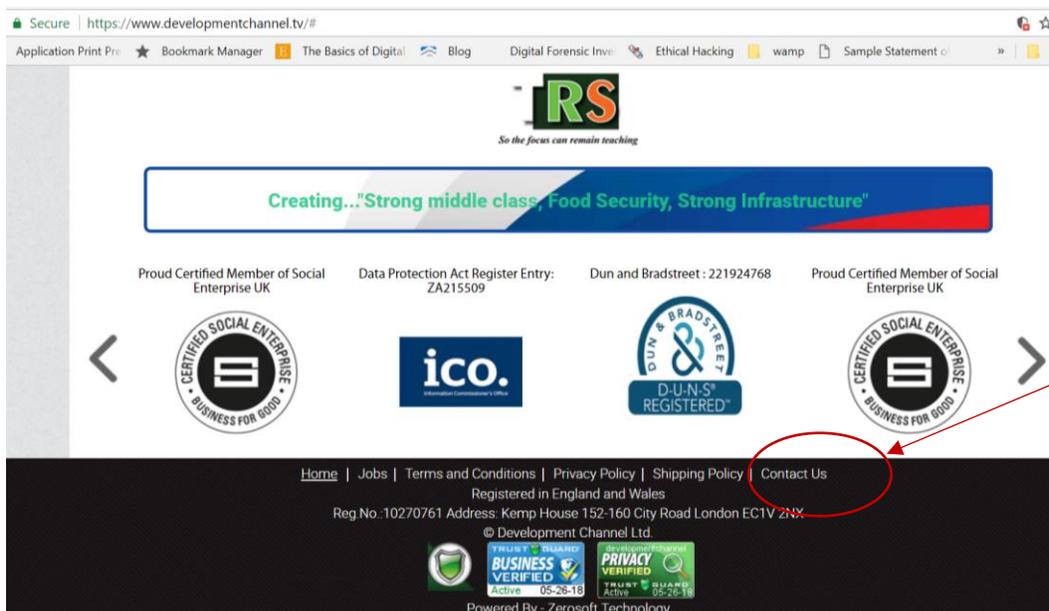
2.1 One of the characteristics of genuine businesses, you find faces of their founders and or directors and staff on their websites and company brochures. Not on <https://www.developmentchannel.tv>. When you try to click on the menu item, About Development Channel, <https://www.developmentchannel.tv/#> it returns you to the home page, indicating that it is a dead link. This is true for all the other menu items, see Figure 1, dead links on top menu. It returns a /# at the end, which re-directs you to the home page.

Figure 4: Dead links on top menu



2.2 The developmentchannel.tv is trading in Uganda as Uganda Poverty Alleviation Program (UPAP), which is registered entity and located on plot 173 Port Bell Road. In the brochure of UPAP, the developmentchannel.tv website is indicated as the official website. Under the contact page, you have option of selecting the relevant office.

Figure 5: Contact page on the site



2.3 The UPAP, a local branch of developmentchannel.tv indicates that it is headquartered in the United Kingdom, at Kemp House; 152-160 City Road; London; EC1V 2NX, see figure 6. Online search of the address leads to Capital Offices (see Figure 7).

Figure 6: Head offices

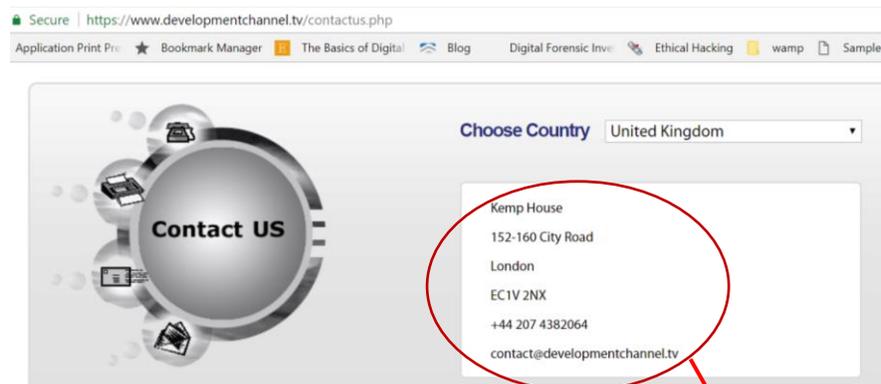


Figure 7: Offices of development channel are virtual offices

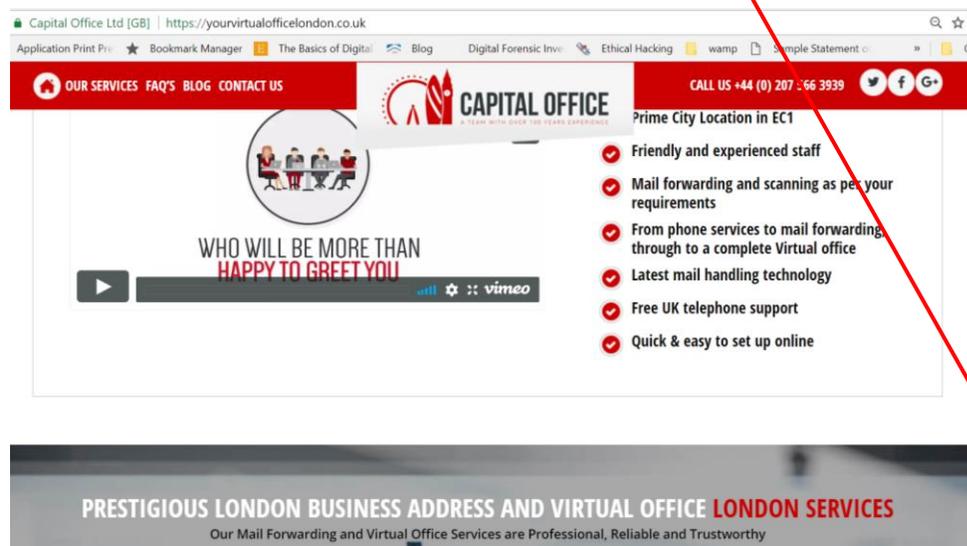
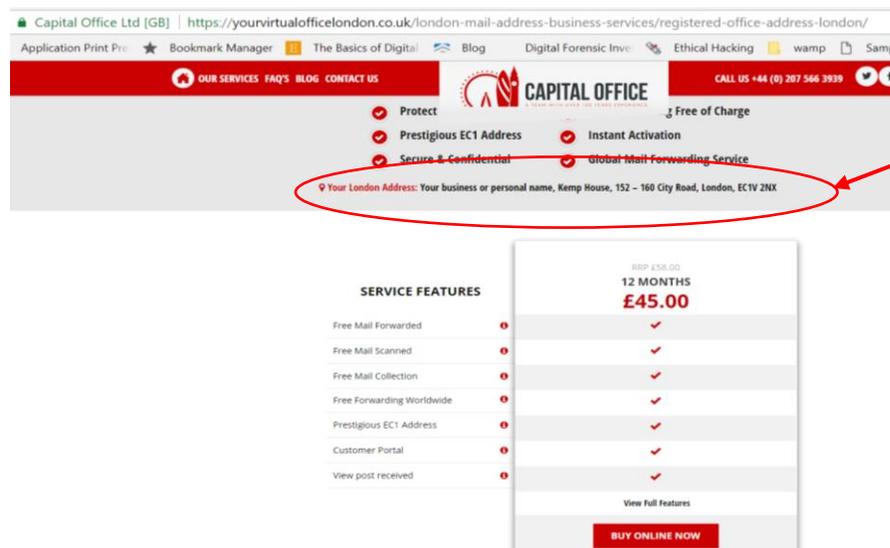


Figure 8: Virtual office location



2.4 Careful analysis of Figures 6 and 8 shows that the office indicated on the website of developmentchannel.tv is the same as the virtual office. Below is the advert on the Capital One offices in London for anyone to rent from any where in the world to use as a virtual office, <https://yourvirtualofficelondon.co.uk/london-mail-address-business-services/registered-office-address-london/>

DO YOU WANT TO IMPRESS YOUR CLIENTS?

A prestigious Registered Office Service that is Reliable and Trustworthy Private Limited Companies and Limited Liability Partnerships incorporated in England & Wales are legally required to have a registered office address within the same jurisdiction. A registered office address is required to be displayed on all correspondence including your business website. A service address in a prominent location can help improve your companies image whilst keeping your personal address private, secure and off public record. The registered address we provide also includes free mail forwarding globally. A mail forwarding address can also be used in conjunction with a registered office. Our team has been based in City Road since 1971 and can be trusted to provide you with a secure and reliable registered office services.

2.5 As shown above, it is easy for a fraudster anywhere in the world to open a virtual office and get an office address. This means it is not easy to confirm the exact faces of people operating the office. It is unlikely that a serious global company with headquarters in London could have a virtual office for her operations!

2.6 A further search of the company's domain on the whois.com did not return any useful information either.

2.7 A one Charles Nwabuikwu Labert appears on a profile, Endole Suite, at www.suite.endole.co.uk. I could not confirm whether this is the same developmentchannel.tv. However, the profile below is telling of the quality of the company!

Figure 9: No data about founders of the company

The screenshot shows the Endole Suite interface for 'Development Channel Ltd'. The 'Key Data' section states: 'Development Channel Ltd is an active (dormant) company incorporated on 11 July 2016 with the registered office located in Essex. Development Channel Ltd has been running for 1 year, 10 months. There are currently 1 active director and 0 active secretaries according to the latest confirmation statement submitted on 10th July 2017.' The 'Status' is 'ACTIVE (DORMANT)'. The 'Incorporated' date is '11 July 2016 (1 Year 10 Months Old)'. The 'People' section lists 'Mr Charles Nwabuikwu Lambert'. The 'Shareholders' section shows '1 shareholder'. The 'Financials' section shows: 'Year Ended Jul 2017', 'Total Assets £1m', 'Total Liabilities £0', 'Net Assets £1m', 'Cash in Bank Unreported', 'Employees Unreported', 'Turnover Unreported', and 'Debt Ratio (%) 0%'. There are buttons for 'BUY A REPORT' and 'UPGRADE TO PREMIUM'.

2.8 Developmentchannel.tv has taken an approach of working with locals, who then register local branches in their respective countries to enroll more people. This strategy helps provide a local face for the company and some element of believability. In addition, the local companies then buy credibility in Uganda by placing advertorials in national newspapers, see Figure 10 and Figure 11, or visit https://www.newvision.co.ug/digital_assets/7baeb3fb-b92e-43b3-8355-fddcf1a53571/40-Development-Channels-hp.pdf

Figure 10: advertorial in New Vision

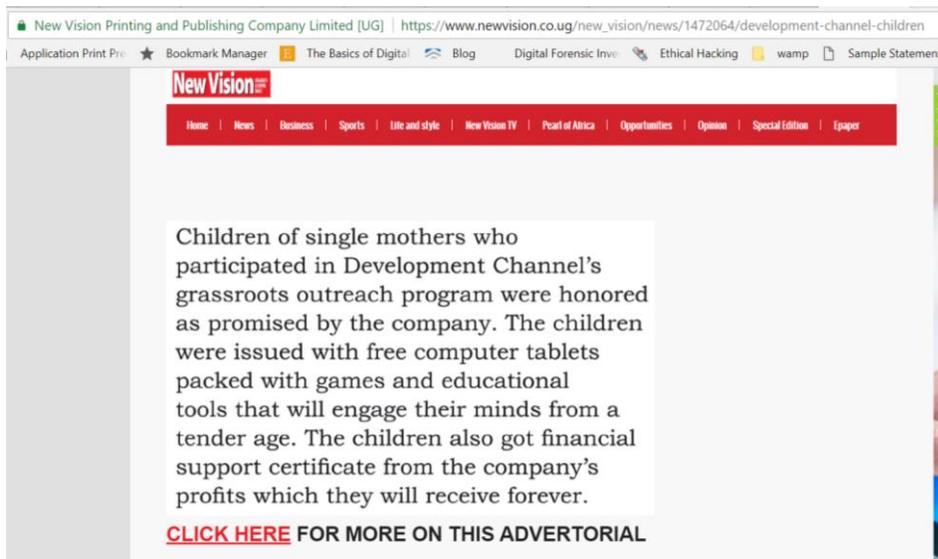


Figure 11: Advertisement in New Vision to buy credibility



2.9. The company has done the same in the Monitor newspaper. Anyone with money can pay for an advertorial in the local papers. Few people understand the difference between advertorial and editorial content.

2.10 The other strategy used by development channel is provide employment opportunities to locals, regardless of qualifications or training. Visit <https://www.theugandanjobline.com/2018/02/entry-level-accountant-job-positions-development-channel-uk.html> or

http://www.alljobsinliberia.com/jobsdetails.php?id=2207&cat_id=29

Developmentchannel.tv approach is to use local people as their face to mobilize the masses. And this trick is working.

Figure 12: Job opportunities

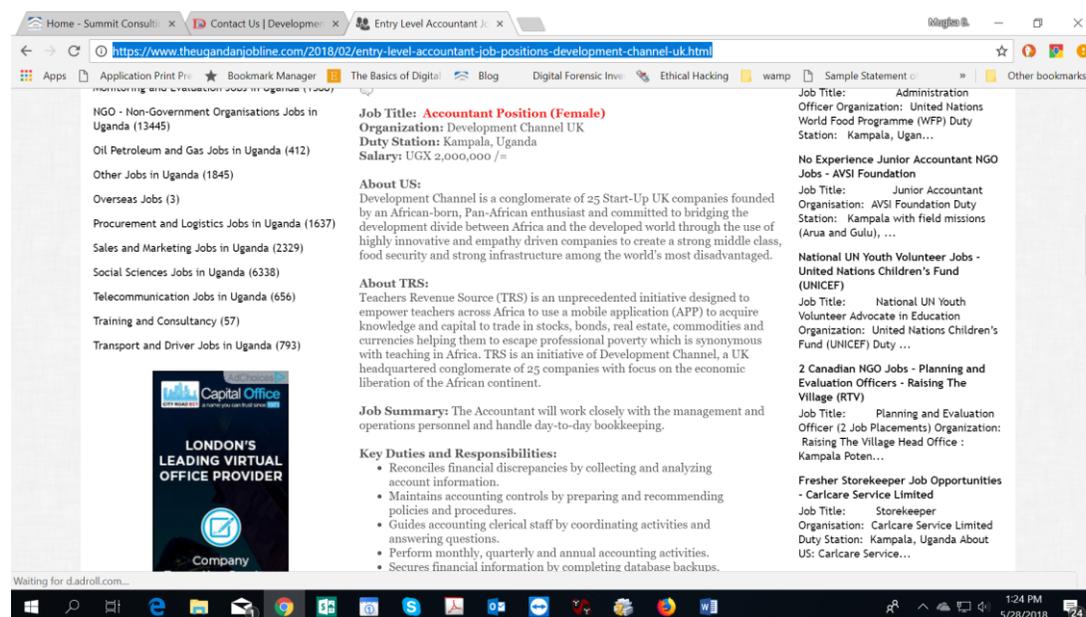


Figure 13: Job advert 1/2

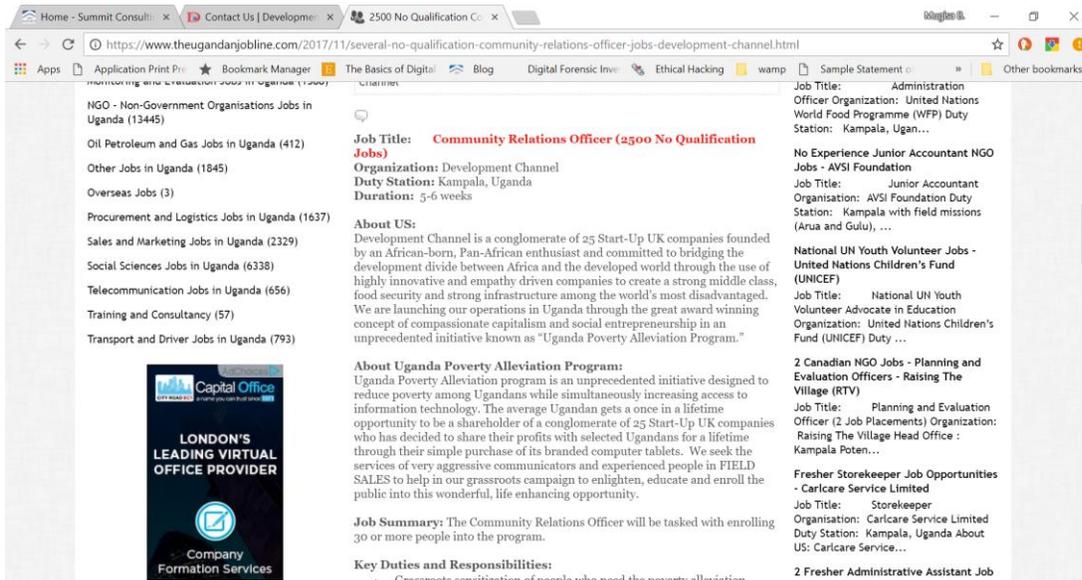
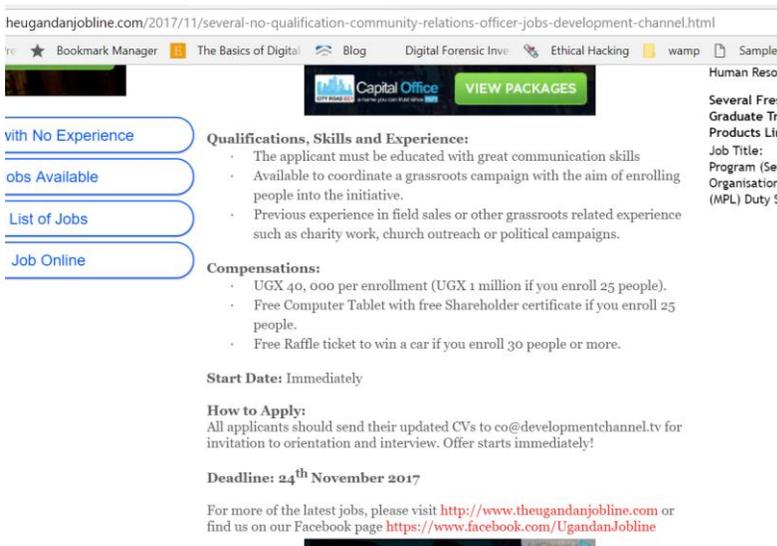


Figure 14: Job advert 2/2



2.11 Figure 14, Job advert 2/2, the company placed ads inviting 2,500 community relations officers, no qualifications required. And each earns Ugx. 40,000 per enrollment. Remember, each enrollment is worth US \$278 or Ugx 1,000,000 which the enrolled person paid. Because it is a mass recruitment, it is unlikely that staff are getting employment letters! It is not surprising that everywhere you go, at Churches, Mosques, schools or any public square areas you will find developmentchannel.tv team. The regulators must come in quickly to educate the public about this. To be continued...