



Spear of Integrity

3rd Edition

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Grand Regency Hotel Recovered

By Jairus Ngaah

Recovery of the multi-billion Grand Regency Hotel from Mr. Kamlesh Pattni and his company, Uhuru Highway Development Limited is a milestone in the fight against corruption in Kenya.

'This is the happiest day for the Commission as we conclude this great recovery of an asset obtained fraudulently using public funds,' said an elated KACC Director, Hon. Justice Aaron Ringera, during the handing over ceremony that took place on 9th April 2008 at the hotel lobby. Also present were Mr. Pattni and Prof. Njuguna Ndung'u, the Governor of Central Bank of Kenya.

The Hotel's history reads like a fable replete with shadowy twists. In 1993, Kenya was experiencing severe foreign currency deficit and Mr. Kamlesh Pattni and his companies entered into contracts with Central Bank for delivery of US dollars 210 Million. Consequently, he received from Central Bank the sum of Kshs. 13,525,211,000 in performance of spot contracts for the delivery of the dollars. In the end he failed to deliver the dollars thereby breaching the agreement.

Upon demand by the Bank for payment, Mr. Pattni acknowledged the debt and even paid Ksh. 100 million of the Ksh. 2.5 billion that was by then outstanding. He was, however unable to pay the balance. Central Bank moved to register a legal charge over the property L.R. No. 209/9514 also known as the Grand Regency Hotel. The Bank now had the option to sell the Hotel if Mr. Pattni defaulted. Or so they thought.

Mr. Pattni surprised Central Bank when he quickly lodged a suit in 1995 against the Central Bank and successfully obtained an injunction to stop the Bank from selling the property pending the hearing and determination of that case. On its part

Central Bank raised a counterclaim against Mr. Pattni seeking to sell the Hotel or have Mr. Pattni pay the Kshs. 2.4 billion. In 1999 the suit against Central Bank was dismissed for want of prosecution but Central Bank's counter-claim against Mr. Pattni and his companies was not determined and is still pending for determination to date.

In the meantime, after dismissal of his first suit, Mr. Pattni filed another one. This time he disowned the 2.4 billion debt and contended that the earlier acknowledgement was obtained under duress. Again this suit has never been heard almost ten years later.

At this point, Kenya Anti-Corruption Commission intervened. Pursuant to the mandate given by the Anti Corruption and Economic Crimes Act 2003, the



The Grand Regency Hotel

Commission is empowered to institute civil suits on behalf of any public body for recovery or compensation for property lost through corruption or economic crimes. In 2003 the Commission sued Mr. Kamlesh Pattni, Uhuru Highway Development Limited and fifteen other parties for recovery of the Grand Regency Hotel amongst other prayers.

Although this suit was filed more than four years ago, it too clogged in the wheels of justice just like the ones above. It was imperative for the Commission to find some practical and effective means of having its case finalized, with a view to getting the Hotel back and handing it over to Central Bank expeditiously, taking into account the public interests.

The Commission's window of opportunity came through the Statute Law (Miscellaneous Amendments) Act, 2007, which amended the Anti-Corruption and Economic

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CRIMINAL CASE FILES FORWARDED TO THE ATTORNEY GENERAL

The following are highlights of some of the criminal investigations and cases that the Commission has handed over to the AG pursuant to its mandate under section 35 of the Anti-corruption and Economic Crimes Act.

Kerio Valley Development Authority - KACC/Q.15/8.03.02

The case arose from allegations that the former Managing Director of Kerio Valley Development Authority fraudulently purchased two plots for the Authority at Kshs. 6.6 million Instead of Kshs. 2.5 million and the acquisition was done in contravention of the procurement procedures. Investigations established that the said Managing Director indeed abused his office.

The file was forwarded to the Attorney General with recommendation to prosecute the former MD which recommendation the Attorney General has accepted.

Kenya Wine Agencies - KACC/FIINQ.155DI05

This case arose from allegations of fraudulent acquisition of motor vehicles belonging to Kenya Wine Agencies Ltd (KWAL) by the former Managing Director and the former Deputy Managing Director. The investigation established that the two ordered for the purchase of Motor vehicles Registration KAR 505B Toyota Prado and KAN 143R Mercedes Benz without following the laid down procedures and indeed fraudulently acquired the same.

The file was forwarded to the Attorney General with recommendation that the former MD and Deputy of MD of KWAL be charged with economic crime. The recommendation was accepted by the Attorney General and the accused persons have been charged in court.

Ministry of Planning - KACC/FIINQ/37/2006

The Commission launched investigations into allegations that a Chief Economist in the Ministry of Planning and National Development received an imprest amounting to Kshs. 2,554,657/- from the Ministry of Water and Irrigation (former employer) to attend a diploma course in Management at the Global Training and Development Institute, University of Connecticut in USA but is said to have neither attended nor surrendered the imprest. The investigations revealed that the officer had indeed received per diem for more days than he was out of the country. However, there was no evidence of a criminal offence.

The Commission then forwarded the file to the Attorney General with recommendation that the Ministry recovers the unsundered imprest and that 20% of his basic salary be deducted for the period he attended training as required by the Civil Service Regulations. The recommendation was accepted by the Attorney General.

Kenya Reinsurance Corporation - KACC/INQ. 69(A)/2006

This case arose from an allegation that the former Managing Director of Kenya Reinsurance Corporation Ltd converted cheques totaling to Kshs. 6,730,291.20 meant for the Corporation to pay his personal mortgage. There was also another allegation to the effect that the former Finance Director of the said Corporation obtained Kshs. 5,423,183 from the Corporation by falsely pretending that the money was a refund of a deposit paid by M/S Rockhound Properties Ltd towards purchase of the Corporation's property at Villa Franca Estate.

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Crimes Act, No. 3 of 2003, to provide for, among other things, negotiations and settlement of claims by Kenya Anti-Corruption Commission with any person who may have caused loss of or damage to public property, without necessarily going through the painstaking court process.

When the amendment came into force in October 2007, KACC, Central Bank and Mr. Pattni engaged in lengthy negotiations to settle this claim out of court. Finally, an agreement was reached and on 9th April, 2008 a settlement was filed in court. The pact's highlights are that Mr. Pattni agreed to transfer to Central Bank ownership of Land Reference Number 209/9514; the Grand Regency Hotel, as well as cash proceeds of the hotel amounting to Ksh. 400 million held in bank accounts.

The Kenya Anti-Corruption Commission on its part committed to discontinue Civil Suit No. 1111 of 2003 while the Central Bank abandoned all its other claims against the defendants. The grand handover of the Hotel to Central Bank took place on 9th April, 2008, bringing to end a fifteen year search for justice.

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Investigations by the Commission have established that two cheques totaling to Kshs. 6,730,291.20 were remitted to Kenya Reinsurance Corporation for payment of premiums due and office renovation expenses, but the proceeds thereof were diverted and posted as credits into the mortgage account of the Managing Director. The investigations have also established that a Company called Rockhound Properties Ltd had expressed interest to purchase House No. 307 at Villa Franca Estate and was expected to raise a deposit of Kshs. 5,466,383. However, the sum of Kshs. 5,466,383 that was purportedly paid by Rockhound Properties Ltd as deposit was money remitted by Insurance Company as re-insurance premiums due to the Corporation. Out of the said sum, Kshs. 3,000,000 was used as part payment for a house for the Managing Director and Kshs. 2,000,000 was used to purchase stocks at the Nairobi Stock Exchange for the Finance Director and his wife.

The file was forwarded to the Attorney General with recommendations that the former Managing Director and the Finance Director be charged with various counts of economic crime contrary to Section 45(1)a of the Anti-Corruption and Economic Crimes Act. It was also recommended that the former Finance Director be charged with abuse of office, forgery and uttering a false document. The recommendations have been accepted by the Attorney General and the perpetrators of the economic crimes have been charged in court.

Kenyatta National Hospital - CIDI INQ. 66/ 2002

The Commission launched investigations into alleged fraud in the tender for supply, delivery and installation of patients' bedside lockers at Kenyatta National Hospital and found that officers at the hospital wrongfully charged the contract to the hospital's development account whereas the same was supposed to be funded by USAID. This was done without following the laid down procedures for utilising government funds. As a result, 80% advance was paid the supplier together with a tax waiver. There was evidence of abuse of office contrary to section 101(1) of the Penal Code against the former Director of KNH, the KNH planning Manager and the USAID project coordinator. There was also evidence of uttering a false document by the managing director of Countryside Suppliers Ltd.

The file was forwarded to the Attorney General with recommendation that the former Director of KNH, the Planning Manager and the USAID project coordinator be charged with the offence of abuse of office. It was also recommended that the Managing Director of Country Side Suppliers Ltd be charged with the offence of uttering a false document and obtaining Kshs. 41,371,515.15 by false pretences. The recommendation was

accepted by the Attorney General and the accused persons have been arraigned in court.

Kenya Pipeline Company - KACC/IFIINQ/9/2005

This matter revolves around allegations of irregularities at the Kenya Pipeline Company Ltd (KPC) in a Kshs. 2 billion borrowing contract entered into with Triple A Capital Ltd. KPC allegedly required external funding in the tune of Kshs. 2 billion to pay its international creditors. An arrangement was entered into with Triple A whereby Triple A was to take up the debts of KPC and directly negotiate with KPC's international creditors on payments and then get repaid by KPC together with the agreed charges. The investigation established an elaborate conspiracy to defraud KPC by the then Managing Director and Chairman of the Board of Directors of KPC together with two Directors of KPC. Triple A had no money to make the payments and KPC ended up availing money to Triple A to enable it to subsequently pay the creditors.

The file was forwarded to the Attorney General with recommendation that various persons be charged as follows;

The then Managing Director and Chairman of the Board of Directors of KPC together with two Directors of KPC be charged with the offence of conspiracy to defraud contrary to Section 317 of the Penal Code

The then Managing Director and Chairman of KPC's Board of Directors be jointly charged with four counts of abuse of office and two counts of economic crime for fraudulent payment from public revenue for services not rendered

Two directors of Triple A Capital Ltd be charged with economic crime for fraudulent acquisition of public property.

The recommendation was accepted by the Attorney General on 24.1.08. On 6th February 2008, the AG called for the file to enable him give further directions. The file was returned on 7th February 2008 and KACC is awaiting further directions on the matter.

Kenya Medical Research Institute - KACC/ ING.49/8.12.2004

This is an inquiry into allegations of misappropriation of Government funds disbursed by Treasury through the Ministry of Health to KEMRI amounting to Kshs. 142 million during the Financial Year 1999/2000. Investigations established that Treasury had indeed released the said sum to KEMRI for purposes of finalizing payment for its staff housing project which was being constructed by Cyperr Enterprises Ltd. The investigation also revealed that out of the Kshs. 142 million, Kshs. 93,704,800 was allegedly stolen by the Director of KEMRI and a lawyer hired by KEMRI to deal with the matter. The Director of Cyperr Enterprises Ltd is also alleged to have stolen some of the money.

The file was forwarded to the Attorney General with recommendation that the Director of KEMRI and the lawyer involved be charged with stealing. It was also recommended that a Director of Cyperr Enterprises Ltd be charged with obtaining kshs. 8.5 million by false pretences and two counts of uttering a false document.

It was further recommended that the Government should find ways and means of completing the stalled KEMRI Staff Housing Project as Kshs. 521,727,170 has already been spent on the project which is now wasting away and that the Commission pursues the persons who embezzled the Government funds with a view to recover the same through civil proceedings.

The Commission is currently awaiting advice from the Attorney General.



Nairobi High Court

Integrity Award Scheme Launched



Section 42 of the Anti-Corruption and Economic Crimes Act. It is an offence if one fails to disclose a direct or indirect private interest in a decision that is to be made

The Kenya Anti-Corruption Commission in collaboration with the Cabinet Office launched the Annual Integrity Awards Scheme in 2007. The awards seek to recognize efforts made by organizations and individuals in the fight against corruption with a view to encouraging integrity at both levels.

A coordinating Committee has been set up with representatives from the Cabinet office; Ministry of State for Public Service; Performance Contract Steering Committee; the State Corporation Advisory Committee and the Kenya Anti-Corruption Commission.

To inaugurate the award scheme, the Committee will honor public sector institutions that have shown marked interventions in instituting anti-corruption strategies; improved governance and service delivery in line with the Public Service Integrity Programme.

In recognizing those public institutions that demonstrate commitment to enhancing integrity and service delivery, the Commission seeks to institutionalize integrity, accountability and transparency in public institutions.

Within the public sector, in 2007 sub-sectors namely ministries and state corporations participated. Watch this space for the winners who will be feted at an award ceremony to be announced soon!

PRISONS EMBRACE ANTI-CORRUPTION

All Kenya Prisons Service institutions will now be required to constitute Corruption Prevention Committees. The Committees' brief is to keep a constant check on organizational operations and procedures to ensure that there are no opportunities for corruption and if they detect it, the same is reported. They will further see to it that corruption prevention initiatives and strategies are integrated and adhered to within departments.

The development is one of the outcomes of integrity trainings undertaken in 2007 in all Kenya Prisons Service Provincial headquarters.

The trainings were attended by 434 Kenya Prisons Service officers who were sensitized on the definition and the evils of corruption and economic crimes. Participants included officers in charge of prisons and their deputies as well as field managers from a wide array of functional areas including administration, finance, procurement and stores. It was observed that many functional areas sometimes act as corruption avenues. The trained officers are expected to spearhead anti-corruption initiatives.

Also being explored is the possibility of entrenching anti-corruption, integrity and ethics, as core content in the Prisons Staff Training College curriculum.



Prisons Headquarters, Nairobi



A pensioner dependant presents her case to a KACC officer in Nyeri



A pensioner airs her views in a public forum in Kisumu

Pensioners Speak Out

The Provincial Commissioner's compound, normally abuzz with expectant members of the public, experiences a hush, courtesy of its star constituent. A wizened 85-year-old woman hobbles into the meeting room. The dust on her bare feet bears testimony to the trek. When did she begin her journey, we all wonder? It is barely 9 am. Her walking stick is smooth and rounded; you can tell they have been together for many years. She slumps into the seat, heaves and leans the stick on a pillar. Like other pensioners in the Provincial Commissioner's Hall, grandma learnt from her local Chief that the Kenya Anti-Corruption Commission will be in town today. She had sighed as her heart, many times broken, still found a song. Behold at last, 'Nairobi' had come to Kakamega!

To a frozen audience, grandma narrates how her grandchildren have waited ten years to receive dues from the Pensions Department. Once in a while she breaks into a helpless giggle. Her son, along with his wife, have long passed on. And like many African communities say in proverb: 'once a child is out of the womb, you cannot return it'. What to do with *otwichukhulu*, 'the little ones?' The local office had 'closed' her case. Her file had been forwarded to Nairobi. What more could they do? Her question that follows is rhetoric and almost in a whisper: 'Where is Nairobi? I have heard of Kisumu, but Nairobi? Which buses go there?'

Instinctively, her head bows to gaze at her feeble feet and cane. Speaking of dry eyes would do injustice to the mood this revelation has created.

One year before retirement, civil servants are required to submit relevant documents to their Ministries to facilitate pension processing. While it is expected that a retiree is paid within three months, this is often not the case. Retirement signals frustrations of endless follow ups to Ministries and the Pensions Department. The systemic problems create a fertile ground for corrupt practices. As such, the Kenya Anti-

Corruption Commission receives numerous complaints related to pension claims.

Consider the case of a pensioner who retired in 1994. He was paid his dues until 1998 when he transferred his account from KCB Industrial Area to KCB Westlands. Instead of effecting the changes, he was deleted from the payroll for six years from February 1998 till September 2003 when he was re-instated. He has never received the returned pension. Could the records have been destroyed deliberately to cover up fraud?

Such complaints prompted the Commission to examine the systems, policies, procedures and practices of the Pensions Department. The purpose was to offer advice to the Permanent Secretary Ministry of Finance and the Director of Pensions on ways of sealing corruption loopholes to improve delivery of services to pensioners. The Examination entailed studying the instruments applied by the Department; the feedback mechanism between Ministries and the Department and conducting public forums with pensioners in all Provinces countrywide.

The public forums exposed various forms of inefficiencies, misconduct and corrupt practices. While a few pensioners had positive feedback, many shared horrifying experiences in the process of obtaining their dues. Countless widows and orphans were living in misery, some retirees eventually dying before tasting the fruits of years of labour. Touched by these experiences, the Commission compiled some of the complaints and forwarded them to the Director of Pensions for action. The Director acted swiftly and some complainants have started receiving their dues.

The Commission hopes that once the final report of the Examination is released, it will, not only lead to the sealing of corruption loopholes in the Pensions Department, but also spearhead policy and legal reforms to address the plight of pensioners.

Demystifying the National Anti-Corruption Plan

By Kenya Integrity Forum Secretariat



Mr. Karanja Kabage addresses the NACP Annual Review Conference

It was the American philosopher, Thomas Browne, who noted that government is too big and important to leave to the politicians. Indeed, no sector in the running of the government should be abandoned entirely to technocrats and law makers. The people must provide the basis for all change through honest critiques, idea-generation and feedback to those charged with running a nation. It is because of this concept that the National Anti-Corruption Plan was conceived in the year 2000.

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The National Anti Corruption Plan, which was adopted in May 2006,

divided Kenyan society into fourteen distinct sectors, for ease of dissecting corruption, and the sectors in turn constituted themselves into the Kenya Integrity Forum.

The Kenya Integrity Forum is a coalition whose members form the core pillars in the Nation's fight against corruption.

Kenya Integrity Forum members are:

- Legislature
- Professional Associations
- Judiciary
- Civil Society
- Executive
- Religious Organizations
- Watchdog Agencies
- Media
- Enforcement Agencies
- Private Sector
- Local Authorities
- Labour
- Kenya Anti-Corruption Commission
- Education

Convening once every year in a National Integrity Review Conference, the Forum acknowledges that fighting corruption must be part of day-to-day activities. There is also an acknowledgement that one agency alone is not adequate to fight graft as the vice has penetrated all systems and society as a whole.

Kenya is one of the first African countries to develop a national plan to address corruption, and its objectives include:

- To transform the situation where corruption was a low-risk high-gain undertaking to one where it is a high-risk low-gain venture
- To involve all organizations and individuals in Kenya in fighting corruption
- To create public awareness of the causes and terrible effects of corruption, and the role of the public in its prevention and eradication
- To promote good governance in every sector
- To enhance collaboration among Kenyans in ensuring that all corruption cases are reported, investigated and prosecuted
- To encourage all organizations and individuals to develop their strategies for preventing and fighting corruption
- To encourage all organizations and individuals to contribute towards the evaluation, improvement and reinforcement of the plan
- To create an environment where any corrupt activity is seen and expressed as a social aberration.

The initiatives spearheaded under the National Anti Corruption Plan places the fight squarely on the citizenries' shoulders. Kenyans must rise up to their feet and open their eyes to the fact that, "the accomplice to the crime of corruption is frequently our own indifference" (Bess Myerson)". Are we up to the task of removing the log of corruption from our own sector, or are we content blaming one thing or the other?



Mombasa Office Ruffles The Coast

The establishment of the KACC Mombasa Office on 4th December 2007 heralded a milestone in the Commission's efforts to widen its reach to the Coastal and North Eastern region. Initially, all the activities were centred at the Headquarters in Nairobi.

The Mombasa office has hit the ground running, providing members of the public with an avenue to report all forms of corruption. In March 2008, the regional office received 179 reports of which 65 were found to fall under the mandate of KACC and thus taken up for investigation.

The presence of the regional office has been appreciated by the residence of the two provinces because it not only serves as a deterrent measure but issues related to corruption activities are promptly attended to. Bringing the services closer to the people has also led to an increase of better services, adherence to procedures and regulations in government departments' particularly in the public procurement procedures.

An intelligence – gathering mechanism which was established has enabled the Commission unearth various tax evasion syndicates at both the Kilindini Port and the Old Port. The system has facilitated for the regional office to monitor and investigate issues such as:

- False declarations by importers in order to pay lower taxes.
- Irregular release of containers by KRA officers without being subjected to verification in a bid to conceal false declarations by importers.
- Smuggling of goods into the country through various entry points without paying relevant taxes particularly through the Old Port.

Information gathered from the public and collaborations from key agencies have led to the seizure of more than 100 containers suspected to have been irregularly released without the requisite taxes being paid and the arrest of two dhows suspected to have been smuggling goods from Somalia through the old Port.

As part of the spill-over effects, there has been an increase in revenue collected at the port by KRA through levying of the evaded taxes and



KACC Mombasa Office

imposition of fines. According to statistics obtained from KRA, in a span of six months since the opening of its Mombasa Regional Office, revenue rose from a monthly collection of Kshs 10.56 billion in June 2007 to Kshs 11.94 billion in October 2007, an increase of over Kshs 1.3 billion! Kenya Revenue Authority through its Investigations Branch has played an active role in these investigations.

The officers based in Mombasa launched investigations into Kenya Ports Authority's (KPA) procurement procedure during the purchase of two ships to shore cranes, estimated to cost Ksh. 1 billion. Because of the Mombasa office intervention, KPA has embarked on a vigorous process of instituting quality controls in the procurement processes with the intention of streamlining and sealing any loopholes that can manifest any form of corruption.

Inquiries into allegations that KPA spent Kshs 150 million on building materials for renovations of KPA houses is being undertaken by the Regional office. Officials from the office are also following leads into allegations that the KPA acquired three new tugboats and irregularly sold seven old ones as scrap metal upon which the buyers of the old tug boats renovated and hired them back to KPA.

The Commission has, in addition, instituted 14 suits for preservation of public land in the Coast region with the aim of recovering the parcels, which are valued at over Kshs 118 million. The matters are all currently pending in court.

The public has taken advantage of the proximity of the offices and have been constantly reporting incidences of corruption on a daily basis. Their desire to having a corruption free region has led to various sting operations being conducted resulting in the arrest of nine government officers who demanded and received bribes from members of the public. Among the arrested officers is a Court Clerk, a prosecutor with the State Law office, Police officers, KRA official, Provincial Administration Officer, officers from Forestry department, Home Affairs, Local Government and the Constituency Development Fund, all of whom have been charged in court.

The Anti-Corruption and Economic Crimes Act, Section 7 (1) g empowers the Commission to educate the public on the dangers of corruption and enlist the public's support in combating corruption and economic crimes. With the great support from the people of the Coast Province, it's expected that the fight against corruption can be won. It is your duty as a Kenyan to be on the front line against corruption.

Toward International Asset Recovery

By Oscar Angote

Arusha was the host town for members of the East African Association of Anti-Corruption Authorities in a workshop on International Asset Recovery. The workshop held in February was organised by the United Nations Office on Drugs and Crime (UNODC).

In his opening address, the KACC Director Justice Aaron Ringera, reiterated the need for the members of the East African Association of Anti-Corruption Agencies to work in tandem in Asset Recovery. As a measure of deterrence to the corrupt companies and individuals, all the agencies are focused on making the corrupt realise that “corruption does not pay”. By taking away the benefit obtained there would be less attraction to participate in the evil.

Participants drawn from Special Brigade Anti-Corruption (Burundi), Uganda’s Inspectorate of Government (IG), Tanzania’s Prevention & Combating of Corruption Bureau (PCCB) and the Kenya Anti-Corruption Commission (KACC), were invited to share their experiences and also learn from the panel of eminent anti-corruption crusaders from the World Bank, United Nations Office on Drugs and Crime, International Centre for Asset Recovery (ICAR) and the Office of the Attorney General, Switzerland.

Switzerland’s Federal Prosecutor, Ms. Maria Schnebli, gave valuable insights into the role her office plays in Mutual Legal Assistance (MLA) and in asset recovery. Mr. Rick Messick of the World Bank gave the participants tips on the asset recovery cases and cited a number of cases and legal arguments that could be advanced by the agencies in the recovery efforts. He also gave the participants a checklist of key actions required to actualise the United Nations



Heads of Anti- Corruption Authorities in East Africa. From left, Dr. Edward Hosea of Tanzania, Justice Faith Mwendha Uganda and Justice Aaron Ringera, Kenya

Convention Against Corruption. Ms. Yara Esquivel Sato an anti-corruption specialist from ICAR gave the participants a first hand guide through the steps in the Asset Recovery chain, right from investigations to asset recovery. She was emphatic that good investigations will lead to recovery.

This was the first workshop held under the auspices of the East African Association of Anti-Corruption Authorities. It brings to life the dream of the founders which is to deny the corrupt a safe haven anywhere in the region.

WORLD BEAMS SPOTLIGHT ON CORRUPTION

By Regina Muriuki

The Indonesian island of Bali, was the venue of the Conference of the State Parties to the United Nations Convention Against Corruption in January. The Conference gathered envoys from 107 countries that have ratified the Convention to review strides made and challenges encountered in anti corruption efforts. Spotlights were beamed on asset recovery, peer review mechanism, self-assessment, technical assistance and international co-operation.

Kenya’s delegation was led by the then Permanent Secretary, Justice and Constitutional Affairs, Ms. Dorothy Angote and comprised representation from the Ministry, Attorney General’s office and KACC. Kenya was the first country to ratify the United Nations Convention Against Corruption in Mexico in 2003.

Ms. Angote spoke on the policy, legal and institutional framework that Kenya has put in place in the fight against corruption since ratifying the Convention. Noteworthy are the enactment of the Anti-Corruption and Economic Crimes Act and the Public Officers

Ethics Act and also the establishment of the Kenya Anti-Corruption Commission. She cited challenges such as politicization; endless court references; as well as non-co-operation from some countries in matters of asset recovery, as huddles facing Kenya in the fight against the vice.

The Conference, also attended by the World Bank, European Union and Transparency International, noted that corruption diminishes the wealth of

countries; is a cancer to development and is also an enemy of political order. Emphasized was the need for Mutual Legal Assistance and mobilization of the civil society in the fight against graft.

The meeting encouraged nations to strengthen domestic legislation and institutions that fight corruption. Anti-Corruption agencies, it was observed, should be given the resources and the independence they require to implement their mandates.

What is the United Nations Convention Against Corruption?

Key Principles

Prevention:
That corruption can be prosecuted after the fact, but first and foremost, it requires prevention.

Criminalization:
The Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption.

International Cooperation:
Countries agreed to cooperate in investigation and the prosecution of offenders.

Asset Recovery:
Countries concurred that this is a particularly important issue for many developing countries where high-level corruption has plundered the national wealth, and where resources are needed for reconstruction.

A Day at the Customer Service Desk

by Pauline Munyi

The revolving doors toss in a frail-looking old woman, dark rings around her glazed eyes; the epitome of torment and immeasurable anger. Upon your greeting, she shoots back a brash but honest “Mmh...Not good my daughter”, an instant vanquisher of our usual mechanical, “I’m fine”. Then you see that look you have come to know only too well – she knows she has come to the right place – the safe haven that she mercifully heard about, where all the troubles are attended to. You cannot dare disappoint her. Here, you are, faced with harsh reality, that whatever the nature of her complaint, even if her issues cannot be resolved here – when she leaves the door, you have a duty to make her, and all the rest of them, feel welcomed and that their trip was worth while. For it is in here, that they know someone will truly listen, care and understand their pain. If you haven’t taken a course in Communication, then welcome to Customer Care 101.

Your reverie is instantly broken by the aggrieved man, whose own Bishop, the leader of his local sect, knowingly tampered with his marriage certificate

because he had secretly eyed the man’s bride! Another one shoves a wad of receipts across your face, unchallenged evidence of all the airtime spent in a national Win-A-Car competition only to ‘come out with nothing’ as he puts it. While this is happening, another client is getting ejected, by the revolving door he’d just used to enter the building. He’s dragged in a direction opposite to an absent-minded one who is lost in the

a warm and genuine smile – the Customer Care signature – must never fade

thoughts of his earthly burdens. Meanwhile, the phones are ringing off the hook, because other people need your services too!

Oh, by the way, it is only nine o’clock, and the day’s action has barely begun. Through all these, a warm and genuine smile – the Customer Care signature and the face of the Commission – must never fade.

It is in this kind of scenario that one questions their ‘good’ training and the practical skills they’ve acquired.

Despite the need for such qualities as professionalism, tact, calm, and knowledge, experience rates listening as the most important.

Customer Care deals with real human beings, not robots, hence the need to go beyond mechanical boundaries and embrace a more humane approach to dealing with others. No school can teach or prepare you for this. All the positive values of a person, which include the robust, unrelenting energy to serve; unquestionable integrity; good observation skills; ability to treat others with sensitivity and a sense of humor, are severely tested here. Customer care practitioners would be well advised to adopt a lighter attitude towards life as it goes a long way in ensuring one’s sanity. One thing makes it endurable, namely, a personal link to a spiritual entity. Regardless of one’s religion or belief, when situations seem hard and beyond control, there is a comfort in trusting a higher force to help bring much-needed order to the job.

All these qualities and abilities, when well utilized, set one apart from ordinary service providers, exceeding expectations of those they serve, and leaving lasting impressions of themselves and those they represent.

Information Education and Communication Materials

A key mandate of the Kenya Anti-Corruption Commission is to educate the public on the effects of corruption and economic crime. The effectiveness of anti-corruption efforts and change in attitudes depends on an informed public, the willingness of people to report corruption and their support for a transparent society.

This would not be possible without education reaching the public in the community, at their work places, schools, churches and universities. Setting the climate for change, creating a transparent, ethical and just society begins with education.

KACC has developed a variety of information, education and communication materials disseminated in various forums to the public and private sectors and also available on request from KACC. The Information, Education and Communication materials include simplified versions of:

a) The Anti-Corruption and Economic Crimes Act that illuminates the legal framework

establishing KACC. It also outlines the various offences of corruption and economic crime and stipulates the penalties for offenders.

b) The Public Officer Ethics Act outlines the acceptable code of conduct for public officers and further requires public officers to declare their wealth.

c) The Public Procurement and Disposal Act establishes procedures for procurement and disposal of public assets. The aims to prevent corruption through promotion of integrity, efficiency and fairness as well as transparency and accountability.

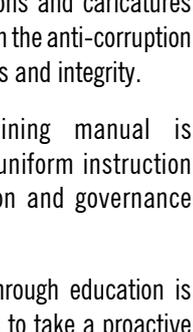
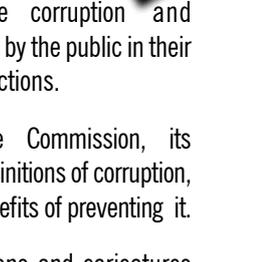
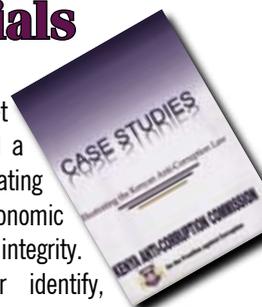
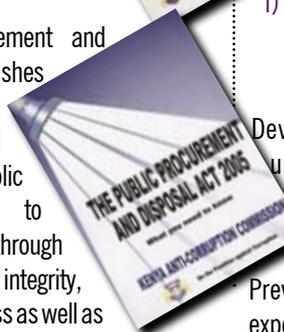
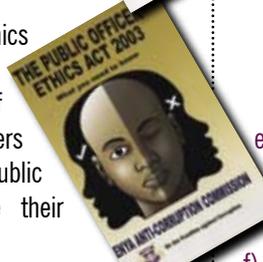
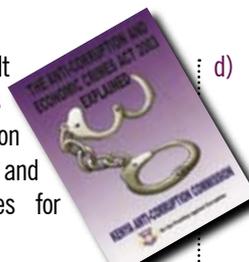
d) Case studies booklet which is a guide and a training tool illustrating corruption offences, economic crimes, ethics and integrity. It helps the reader identify, confront and resolve corruption and ethical situations faced by the public in their work places and interactions.

e) Brochures about the Commission, its mandate as well as definitions of corruption, its effects and the benefits of preventing it.

f) Posters with illustrations and caricatures educating the public on the anti-corruption legal framework, ethics and integrity.

Development of a training manual is underway to provide a uniform instruction tool for anti-corruption and governance issues.

Prevention of corruption through education is expected to spur the public to take a proactive role in the fight against corruption.



KITU KIDOGO? CALL CORRUPTION BY ITS REAL NAME

By Christine Nabwire

When members of a society become comfortable with corruption they give it common place names that are familiar. This includes children who are brought up to believe it is ok to give kitu kidogo. Corruption indeed goes by many household names. It is a phenomenon that takes many forms with different types of participants. In some circles it is referred to as *Kitu Kidogo*, *Chai*, or *Lunch*.

Phrases like kick me, kick back, grease his or her palm, buy fuel for the vehicle, are all but justifications of the evil called corruption. People not only become familiar with such words but also comfortable and accustomed to dancing to the tunes of those who have mastered the art of receiving bribes. All the while, the recipients enrich themselves while posing as helpful hardworking citizens who are only taking away to give to another person. Yet judging by the origin of the word corruption, it simply means to destroy. It originates from the Latin word *Corruptus*.

Corruption is a giant problem for most countries in Africa. Here it seems to be cheaper, less time consuming and less risky, as compared to good virtues, societal values or morals. It is sometimes admired by society when a person who has corruptly and in the most questionable manner gathered wealth is treated like royalty. Under such circumstances people will easily fall for that path which is wide, free and inexpensive. As Jesus said, the road to hell is wide, smooth and many are found on that path, whereas, that which leads to paradise is narrow, and thorny. According to an online writer who refers to himself as Ejire from Nigeria, a path that has not often been used will grow weeds, thorns and dangerous animals abound, making it inaccessible to lazy ones, who often settle for short-cuts in order to survive. Corruption, he says, makes that righteous path unsuitable, highly expensive and discouraging to many. Some of the few users often fall away as a result of painful experiences when they tried to prove that corruption is indeed an uncalled for offence.

Corruption manifests itself in abject poverty. As most of the society gets more frustrated they also get involved in criminal activities such as armed robbery, petty theft, drug trafficking and ethnic violence just to make ends meet. Corruption leads to poverty, dangerous crimes, civil disobedience, ethnic violence, full-scale wars and famine. Corruption kills dreams and is a source of despair for many a soul. It is a crime that affects the general populace adversely by denying them quality education, medical attention, housing, transport and eventually their livelihood therefore making life intolerable.

Does the culture of your organisation matter?

By Jacqueline Marita

Rise in corruption and unethical conduct of those elected or appointed to positions of power has become of major concern to society. Media has exposed scandals such as Enron, WorldCom, Goldenberg, Anglo leasing as well as unethical conduct of individuals such as the former World Bank President Paul Wolfowitz, former Kenyan National Aids Control Council head Margaret Gachara and other government leaders worldwide. This has made many organisations and government leaders begin to pay keen attention to their internal culture. Apart from negative perception by the general public, scandals have been found to affect productivity and service delivery. The flip side of the coin is positive organisational culture contributes greatly to productivity and favourable perception.

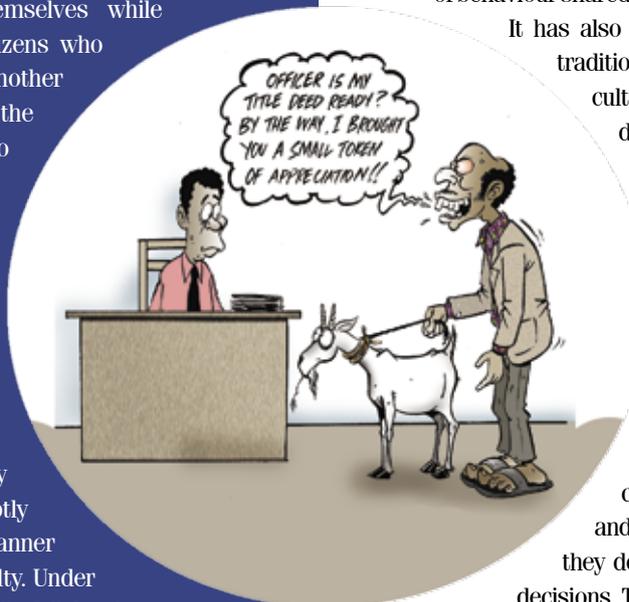
Organisational culture has been defined as beliefs, values, attitudes and norms of behaviour shared by individuals within the organisation (Schein 1992).

It has also been defined further as the established routines, traditions, ceremonies and reward systems. Organisational culture refers to the ways in which people understand, describe and make sense of their working context which enables them to define what is legitimate and acceptable in that organisation. This affects behaviours of individuals within the organisation hence the greater need for an ethical culture.

Organisational culture can be observed or perceived. Think of an organisation that you recently visited. How were you treated? What did you observe? How did this make you feel about that organisation? Where there is an ethical culture people respect each other and they are open and honest. They readily share with the others what they do and also involve others in processes to arrive at decisions. There is a general feeling of being valued and a sense of responsibility. Professionalism good governance, transparency, accountability, justice, fairness, upholding and adhering to high standards of integrity and values, will be observed and reflected.

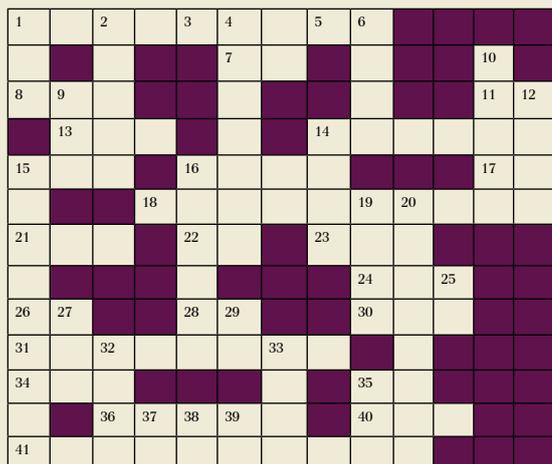
How can an ethical organisational culture be developed and shaped? Organisational culture begins with the leadership of the organisation embracing the change that they want to see in the people that they lead. Strong leadership sets an example which will be adapted by other staff in an organisation. If leadership propagate values of self-enrichment, corruption and disregard of ethics, staff will follow suit. This leads to organisations having an unethical and negative culture and consequently bad profile. The reverse is also true. Positive work culture motivates staff, enhances productivity and builds positive outlook to the public.

The choice to embrace strong ethical values must be clear and focused right from recruitment stage. It also must be an on-going socialisation process where staff are continuously challenged to live the values the organisation espouses and not just profess them. Furthermore systems and structures must be put into place to promote the values the organisation advocates. Organisation culture needs to constantly be constructed to enable an organisation achieve its strategic goals, vision and objectives as well as seek to identify and eliminate those behaviours that can propagate corruption. Is your organisational culture ethical?



CROSSWORD

By Samuel Wanjere



Across

1. The building that houses KACC (9)
7. Not out (2)
8. By-product of petroleum (3)
11. Abbreviation for Assistant Judge (2)
13. Acquire (3)
14. Natukae na _____, amani na uhuru (6)
15. One of the digits of the foot (3)
16. Common legume (4)
17. _____ quick as lightning (2)
18. KACC reports only to this authority (10)
21. A pen needs this to write (3)
22. Abbreviation for not applicable (2)
23. Prefix denoting three (3)
24. _____ tse fly (3)
26. Abbreviation for Kenya Times (2)
28. Not down (2)
30. Sound used to demand silence (3)
31. To overlook somebody; as a result of bias (8)

34. A small mound of earth from which the ball is struck in playing golf (3)
35. Abbreviation for night letter (2)
36. The number of Kenyan provinces (5)
40. A kind of slippery, ribbon-like fish (3)
41. Copies (10)

Down

1. Abbreviated full name of the Investigations Directorate (IAT)
2. Between two and four (3)
4. Name of the KACC Director (7)
6. To stretch the mouth open involuntarily through drowsiness, boredom, etc. (4)
7. In the past (3)10.
10. A heathen; idolater (5)
12. Not unfair (4)
14. A whole; single entity (4)
15. Prankster; deceiver (9)
16. Capital of The Gambia (6)
17. Specialized skills or knowledge; facilities (4)
20. Weapons which are hurled; projectiles (8)
25. Sound used to express doubt or surprise (2)
27. To fasten with a knot (3)
29. Abbreviation for preliminary investigation (2)
32. Not shallow (4)
33. _____ bene (4)
35. Born; used to indicate a married woman's maiden name (3)
37. Abbreviation for in limbo (2)
38. Abbreviation for Government Issue (2)
39. Abbreviation for High Court (2)

39 HC	32 Deep	19 Arts	10 Pagan	2 Three	4 Ringera	6 Yawn	9 Ago	15 Tweekster	16 Bantui	20 Missiles	25 Eh	27 Te	28 Pi	38 GI
Down: - 1 IAT	36 Eight	28 Up	21 Ink	14 Undugu	15Toe	16 Bean	17 As	18 Parliament	13 Get	8 Tar	11 AJ	17 As	16 Bean	17 As
ACROSS: - 1 Integrity	7 In	22 NA	23 Th	24 Tse	26 KT	35 NL	41 Replicates	31 Sideline	34 Tee	35 NL	40 Eel	30 Ssh	31 Sideline	34 Tee

ANSWERS



Standing with displaced families

Following the violence after the general elections, the Kenya Anti-Corruption Commission was not left behind in demonstrating social responsibility. On 25th January 2008, staff members from the Commission visited the Jamhuri Park and presented food stuffs, clothing and other essentials to assist displaced families.

KACC Scoops Website Award

The Kenya Anti-Corruption Commission scooped the Second prize in the Corporate Websites Category of the Public Relations Society of Kenya 2007 Awards For Excellence. The award was presented during a colourful gala dinner in December 2007.

The Public Relations Society of Kenya organizes annual Excellence Awards to recognize and showcase the best in the PR profession in Kenya.

Participation is open to organizations in the public and private sector. The awards are in their seventh year and are divided into twelve categories.



Mr. Gerald Masila, Managing Director of one of the sponsoring firms, Kenya Wine Agencies, presented the Award to the beaming Commission's Public Relations Officers. Visit the website on www.kacc.go.ke

What Shall I Do?

By Purity Gitonga

What shall I do?
Its getting dark
And am afraid
Afraid to sleep
Fear fills my heart

What shall I do?
Other children are afraid
Afraid of darkness
Afraid to be left alone
Tears wash their cheeks

What shall I do?
Somebody help
The little children
Innocent children
Are afraid
Afraid to sleep
Somebody help

We need our parents, our homes
Innocent children
Need to play
Twilight play makes us smile
Somebody help
We need peace, peace peace

Two on Sh19m graft charges

By CAROLINE RWENJI

Two senior civil servants and a contractor have been charged with corruption.

Mr Barnabas Ariga, the director of Urban Development, and his deputy, Mr Nicholas Nyamweya, have been accused of graft adding up to Sh19 million.

And the managing director of Sacc Civil Engineering Works Ltd, Mr Hudson Okindo, has been accused of corruptly giving Sh1.6 million for the award of the tender for the Migori/Awendo Bus Park project.

The action was initiated by the Kenya Anti-Corruption Commission.

KRA official in court over bribe

A KENYA Revenue Authority official has been charged with soliciting a Sh450,000 bribe. Mr Dickson Wekesa Manyasi, an assistant commissioner in the Domestic Tax Department, is alleged to have demanded the cash from Mr Patrick Baraza so as not to charge Erdemann Company (K) Ltd with failing to enter a sales transaction in an electronic tax register.

Do not interfere with 12 parcels of land, judge tells minister after KACC plea

By KENNEDY LUMWAMU

Agriculture minister William Ruto has been stopped from interfering with 12 plots the State claims he acquired irregularly.

Mr Justice Mohammed Ibrahim, sitting in Eldoret, made the orders yesterday after an application under a certificate of urgency by Mr Oscar Angote of the Kenya Anti-Corruption Commission.

Mr Angote said the commission had finalised investigations into the alleged illegal allocations at Kapsoya estate. According to him, the plots were hived off from Eldoret municipality land Block 8/83.

Sued alongside Mr Ruto is the former commissioner of Lands, Mr Wilson Gachanja, and private firms Magut Agencies Ltd and Somog.

Banks to be probed over graft

By EVELYN KWAMBOKA

THE anti-graft body has obtained orders to investigate bank transactions in connection with the sale of Miwani Sugar Company's 9,000 acres of land.

Three commercial banks are to provide the Kenya Anti Corruption Commission (KACC) with records of transactions made by a private company suspected to have bought the land.

KACC moved to court yesterday after directors of Crossley Holdings Limited allegedly declined to volunteer any information on the sale of the sugar company's property.



The Grand Regency Hotel cases 'collapsed after it was handed over to the CBK'

Court cases concerning the Grand Regency Hotel collapsed after businessman Kamlesh Pattni surrendered it to Central Bank of Kenya, Finance minister Amos Kimunya told MPs.

He described the move to surrender the hotel as unprecedented and exemplary and appealed to others with pending cases on graft to emulate the architect of the Goldenberg scandal.

Not criticise

The minister said the controversial sale of the hotel would be done transparently.

Mr Kimunya asked members to laud and not criticise CBK and KACC once the hotel was sold.

(Editorial-Grand Regency)

The Kenya Anti-Corruption Commission Director (retired) Judge Aaron Ringera was upbeat when it announced that this was the largest single asset that had reverted to the public through the action of commission. Indeed, this is the largest single acquisition by the commission for the public, he said. All Kenyans will be delighted with that. They will get something back out of the billions stolen from Treasury through Goldenberg.

We congratulate KACC, its director and staff for this feat. Indeed, we agree that, it is better for the country to recover such an asset rather than sending those who held it to prison.

KISII

29 accused of trying to defraud tea agency

A lawyer, a doctor and two police officers are among 29 people facing charges of conspiracy to defraud Kenya Tea Development Authority. They were taken to Ogembo law courts by the Kenya Anti-Corruption Commission.

Send all correspondence to: