



**DIRECTORATE OF INVESTIGATION AND ASSET TRACING**

**MONTHLY REPORT, JULY 2010**

## Introduction

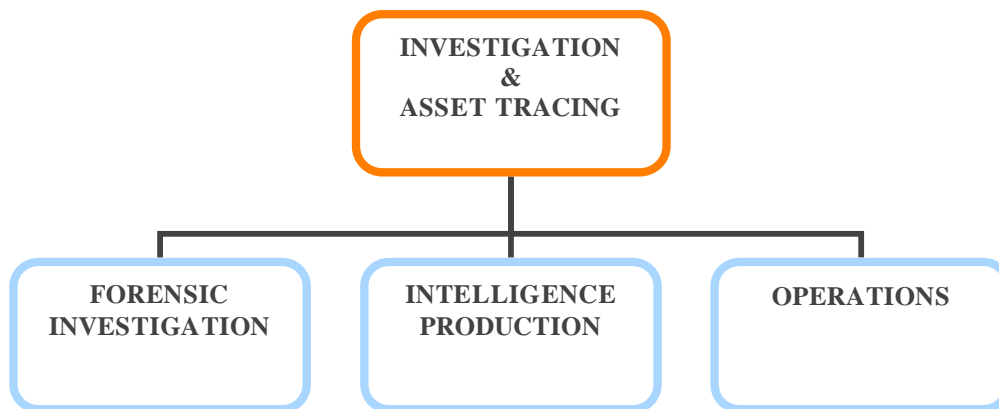
The Directorate of Investigation and Asset Tracing is one of the four Directorates of the Kenya Anti-Corruption Commission. The functions of the Directorate are to;

- Investigate Corruption and Economic Crimes as stipulated in the Anti-Corruption and Economic Crimes Act, 2003.
- Investigate the extent of liability, loss or damage to any public property for purposes of recovery or compensation,
- Investigate and trace the whereabouts of corruptly acquired assets for purposes of recovery.
- Assist any law enforcement agency in the country in investigation of corruption or economic crimes.

The Directorate have three Departments, namely; Operations, Forensics and Intelligence.

- i. Operations- comprising two divisions; Reports Centre and Rapid Response,
- ii. Forensics- comprising three divisions; Preliminary Investigation, Forensic Investigation and Asset Tracing,
- iii. Intelligence- comprising two divisions: Analysis & Production and Collection

## Structure of the Directorate



## Mombasa Office

The Mombasa Regional Office, which, commenced operations on 4<sup>th</sup> June 2007 have three Departments namely; Forensic Investigation (FI), Operations (OPS) and Intelligence Production (IP).

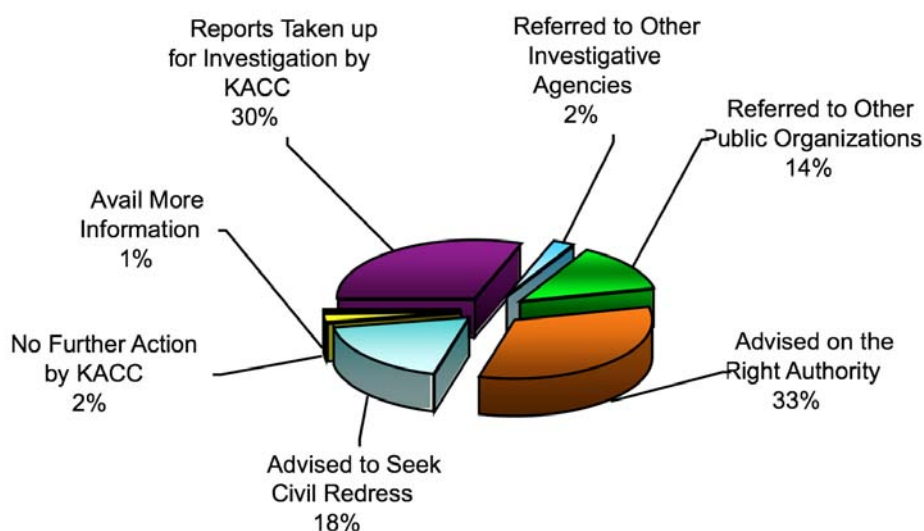
## Reports Centre – Nairobi

During the month of **July 2010**, the Reports Centre Division processed a total of **443** reports as compared to **393** in **June 2010**. A total of **388** reports were received and processed directly at the Nairobi office while a further **55** reports that had been received during the Eastern Province mobile outreach clinics were processed during the month.

After analysis and classification, the reports were disposed off as follows:

- The Commission took up for investigation **135** reports which were found to be within its mandate. The Intelligence Production Department accounted for **58** of the reports; the Operations Department took up **33** reports, Forensics Department took up **39** reports, Preventive Services **1** report while Legal Services took up the remaining **4** reports.
- **11** reports were forwarded to other investigative agencies for action with the Criminal Investigations Department accounting for **3**, Police **3**, Immigration **1** and the Kenya Revenue Authority **4**.
- The Commission referred **60** other reports to various Public Service Organisations for administrative intervention.
- In **80** reports the complainants were advised to seek civil redress.
- In **145** reports the complainants were advised on the right authority to report to.
- **9** reports did not disclose offences requiring intervention and were marked for No Further Action (NFA).
- In the remaining **3** report, the complainant was requested to avail more information.

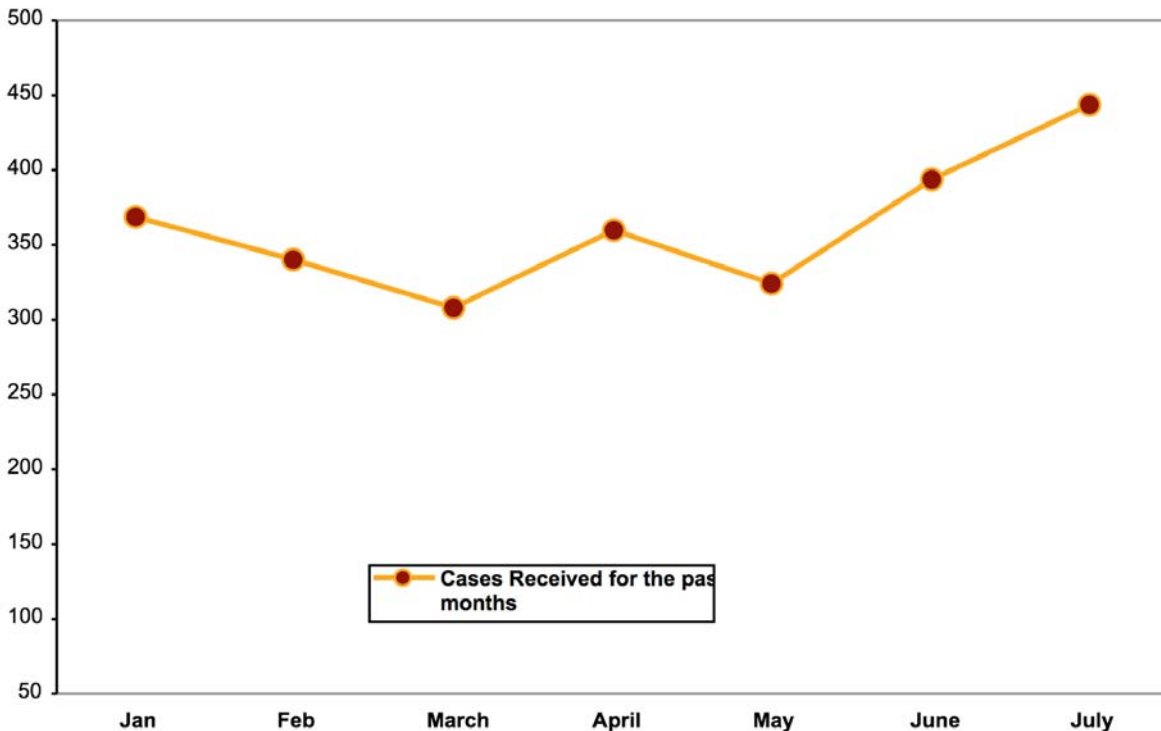
### Categorization of reports processed by KACC in July 2010



**Breakdown of Reports Processed.**

	<b>Category</b>	<b>Referral Agency</b>	<b>No. of cases</b>	<b>Total</b>
1	<b>Reports taken-up for action by KACC</b>	KACC - Intelligence Production	58	<b>135</b>
		KACC – Rapid Response	33	
		KACC – Forensics	39	
		KACC – Legal	4	
		KACC – Preventive Services	1	
2	<b>Reports Forwarded to Other Investigative Agencies</b>	Criminal Investigations Department	3	<b>11</b>
		Police	3	
		Kenya Revenue Authority KRA	4	
		Immigration Department	1	
3	<b>Reports Forwarded to Other Public Service Organisations</b>	Ministry of Basic Education	13	<b>60</b>
		CDF National Management Committee Secretariat	8	
		Nairobi city Council	3	
		Public Procurement Oversight Authority	3	
		Teacher Service Commission	2	
		Provincial Administration	2	
		Ministry of Tourism and Wildlife	2	
		Interim Independent electoral Commission IIEC	2	
		Other Public Bodies	25	
4	<b>Advised to Pursue the Matter in Court</b>			<b>80</b>
5	<b>Advised on the right authority to report matter to</b>			<b>145</b>
6	<b>Complainants to Avail More Information</b>			<b>3</b>
7	<b>No Further Action by KACC</b>			<b>9</b>
<b>Total</b>				<b>443</b>

## Total cases received from January –July 2010



## Highlights of the Major Reports Received in Nairobi

- Allegations that the Member of Parliament for Wajir North Constituency, Mohamed Hussein Gabow and the Constituency Development Fund Committee have misappropriated millions of shillings meant for development projects. The CDF management committee picked in 2008 comprises friends and relatives of the MP.

• **Case No:** 26397                      **Date Received:** 6/07/2010                      **Referred to:** *Intelligence*

- Allegations that the Acting Director, Air Safety at Kenya Civil Aviation Authority received a benefits from M/s Air Kenya Express in reference to the installation of Early Ground Proximity Warning System (EGPWS). It is alleged that the director received 12,500 US Dollars to extend the companies license to operate without the system after the Government directed that all turbine-engine aeroplanes of over 5,700 KGs should have the system equipped.

**Case No:** 26408                      **Date Received:** 7/07/2010                      **Referred to:** *Intelligence*

- Allegations that a parcel of land owned by Sunset Hotel, Kisumu has been fraudulently acquired by private individual. The hotel is a fully owned government hotel and was developed by Kenya Tourism Development Corporation (KTDC) to improve tourism in Nyanza Province. It is alleged that the private developer has now put up a stone wall on the land and Sunset Hotel/KTDC have no legal right to it. The land is estimated to have a market value of Kshs. 75 million.

- **Case No:** 26705                      **Date Received:** 22/07/2010                      **Referred to:** *Forensics*

- A number of reports have been forwarded to us by the Pending Bills Closing Committee (PBCC) under the Ministry of Finance. Some of these reports are as follows:-
  - The Government is seeking to recover Ksh 133,408,590.93 as overpayment to an International Contractor for sewerage construction project while the contractor is seeking delayed payment of Ksh 78,493,685.87 for the same project culminating a dispute which has threatened to spill over to the courts. The company claims outstanding dues in regard to the Kisii Sewerage Project in respect to Contract no. WW/LA/841.

**Case No:** 26541      **Date Received:** 14/7/2010      **Referred to:** *Forensics*

- A report from the Pending Bills Closing Committee requesting investigations into circumstances under which the Ministry of Health overpaid Njama Limited by Kshs 15,923,951 for Contract no. D11-CE913 JOB NO. 6596A for construction of Karatu Health Centre in Kiambu. It is alleged that the tender was awarded in April 1986 and was supposed to be completed by July 1987. However, the contractor did not complete the work despite receiving payment. The contract was completed in 2006 by another contractor but M/S Njama Limited has a pending claim of Kshs 203,020,979.80 that is unsupported by documentary evidence.

**Case No:** 26421      **Date Received:** 8/07/2010      **Referred to:** *Forensics*

- A report by the Pending Bills Closing Committee that the Ministry of Finance overpaid ICS (Inspection and Control services Ltd) by US\$ 816,715.54 in a Contract for verification Program of Imports into Kenya awarded to the Company in 1998 and was due for completion in 2000. It is alleged that the procurement of the said services was irregular and that whole program was marred by irregularities that occasioned the overpayment.

**Case No:** 26404      **Date Received:** 7/07/2010      **Referred to:** *Forensics*

## Reports Centre – Mombasa

A total of **39** reports were received and processed in the month of July **2010**. Disposal after analysis is as follows:-

**17** reports fell within KACC's mandate and were distributed as follows:

- **4** to Intelligence Production,
- **6** to Forensic Investigations
- **7** to Rapid Response

**7** reports were referred to the other government bodies and investigative agencies.

**14** Advised accordingly

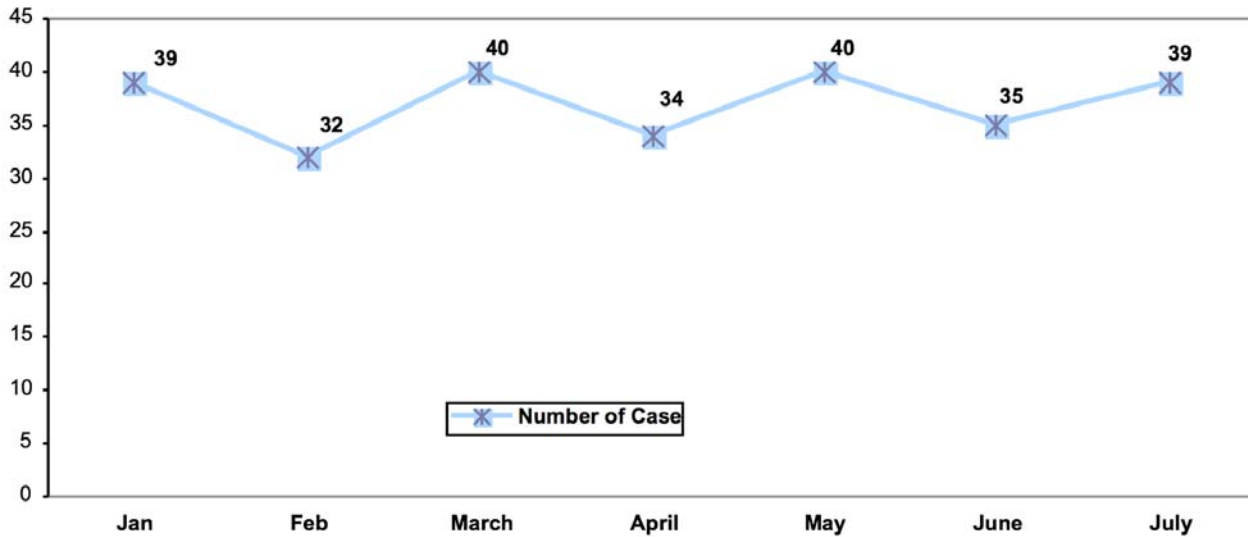
**1** was marked No Further Action

## Breakdown of Processed Reports.

	Category	Referral Agency/Department	No of Cases	Total
<b>1</b>	Cases taken up for action by KACC	Intelligence Production	4	<b>17</b>
		Rapid Response	7	
		Forensic	6	
<b>2</b>	Referred to other	Police	1	<b>5</b>

	Investigative Agencies	CID	3	
		Kenya Revenue Authority	1	
<b>3</b>	Referred to other Organisations	National Housing Corporation	1	<b>2</b>
		Provincial Commissioner, Coast	1	
<b>4</b>	Advised	Pursue the matter in court	2	<b>14</b>
		Right Authority	12	
<b>5</b>	Complainants to Avail More Details			<b>-</b>
	No Further Action NFA			<b>1</b>
<b>TOTAL</b>				<b>39</b>

### No of Cases received from January



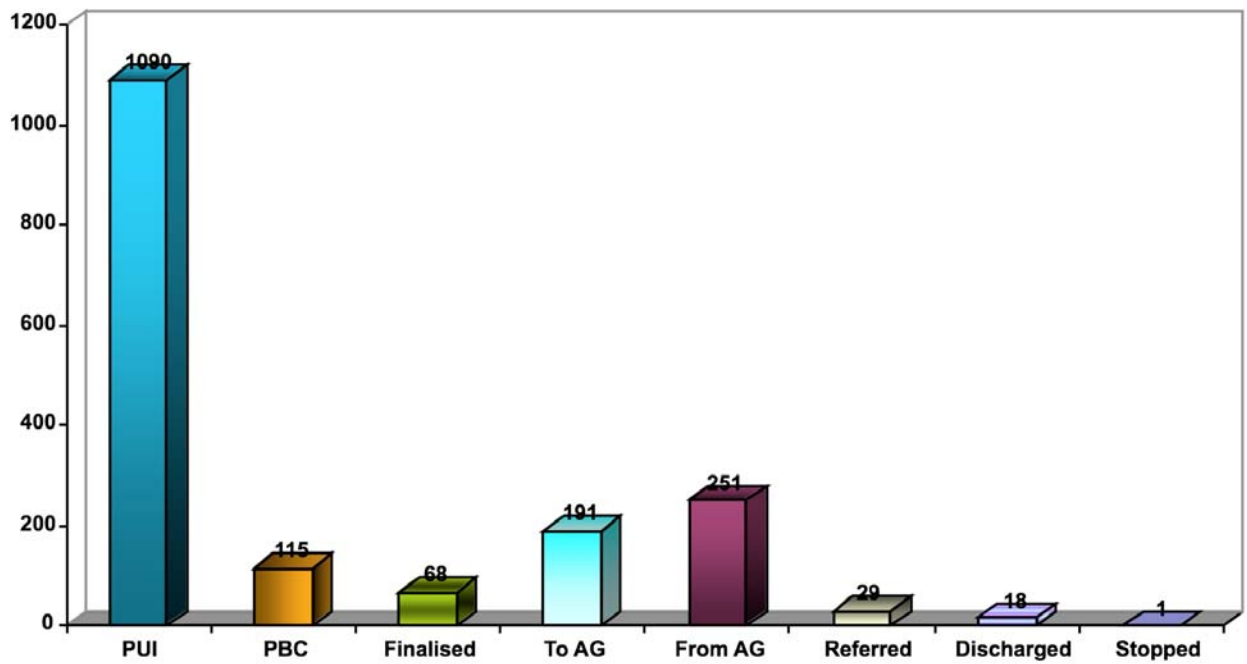
## Case Output for the month of July 2010

Item	Description	No. of Cases	
		Segment	
<b>1.PUI</b>	<b>Cases Pending Investigation</b>		
	Cases Received for Investigation	23	<b>63</b>
	Cases Assigned for Investigation	23	
	Completed Files Forwarded to Crime Reader	17	
<b>2.Pbc</b>	<b>Cases Taken to Court:</b>		
	- Cases Taken for Plea	3	<b>3</b>
<b>3.Finalised</b>	<b>Cases Finalized Before Court:</b>		
	- Convictions	-	<b>-</b>
	- Acquittals	-	
	- Discharges	-	
	- 'Nolle prosequi'	-	
<b>4.TO A-G</b>	<b>Files sent to the Attorney-General:</b>		
	- With Recommendation to Prosecute	5	<b>7</b>
	- With Recommendation for Closure	2	
	- With Recommendation for Administrative Action	-	
	After Further Investigations	-	
<b>5. From A-G</b>	<b>Files Received from the Attorney-General</b>		
<b>Advice</b>	To Prosecute	3	<b>7</b>
	To Close Due to Insufficient Evidence	5	
	For Administrative Action	-	
	For Further Investigation	-	
	To Consolidate	-	
<b>6.REFERRED</b>	Cases Referred to Other Agencies	1	<b>1</b>
<b>7.REPORTS</b>	Investigation Reports Prepared For Action	1	<b>1</b>

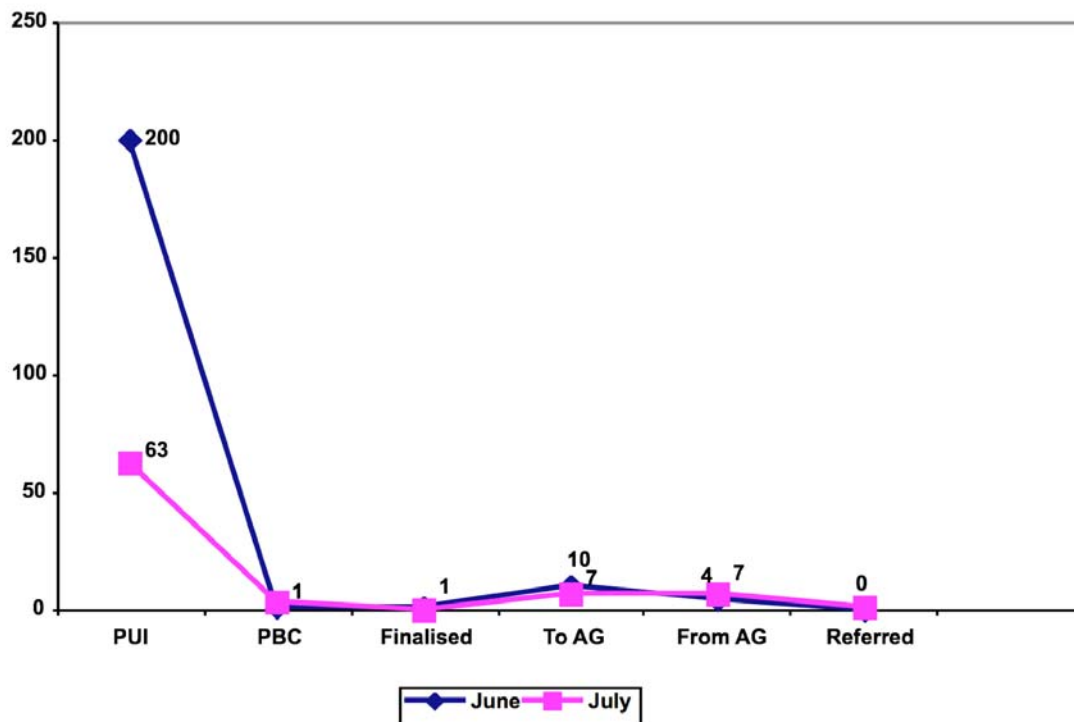
\* Bribe demand cases not included.



## Graphical Representation of the Cases as of 30<sup>th</sup> July 2010



## Comparative Analysis of Cases processed in June and July 2010



## Forensic Investigation – Mombasa

Below is a tabulation of cases and their respective status handled by the Department in July 2010

Item	Description/Status	No of cases	Total
<b>1. Cases/ Reports</b>	<b>Case Status/Distribution</b>		
	New Cases Received during the month	<b>6</b>	
	New Cases assigned for Investigations	<b>4</b>	
	Cases under investigations	<b>25</b>	
	Cases awaiting allocation	<b>74</b>	
<b>2.To A-G</b>	<b>Files sent to Crime Reader(s)</b>		
	- With Recommendation to Prosecute	<b>2</b>	<b>3</b>
	- With Recommendation for Administrative Action	<b>1</b>	
		<b>-</b>	
<b>3. From A-G</b>	<b>Files Received from the Attorney-General/Crime Reader(s)</b>		<b>3</b>
	To Prosecute	<b>3</b>	
<b>4. Court</b>	<b>Cases in Court:</b>		<b>2</b>
	- Cases Taken for Plea	<b>2</b>	

## Rapid Response – Nairobi

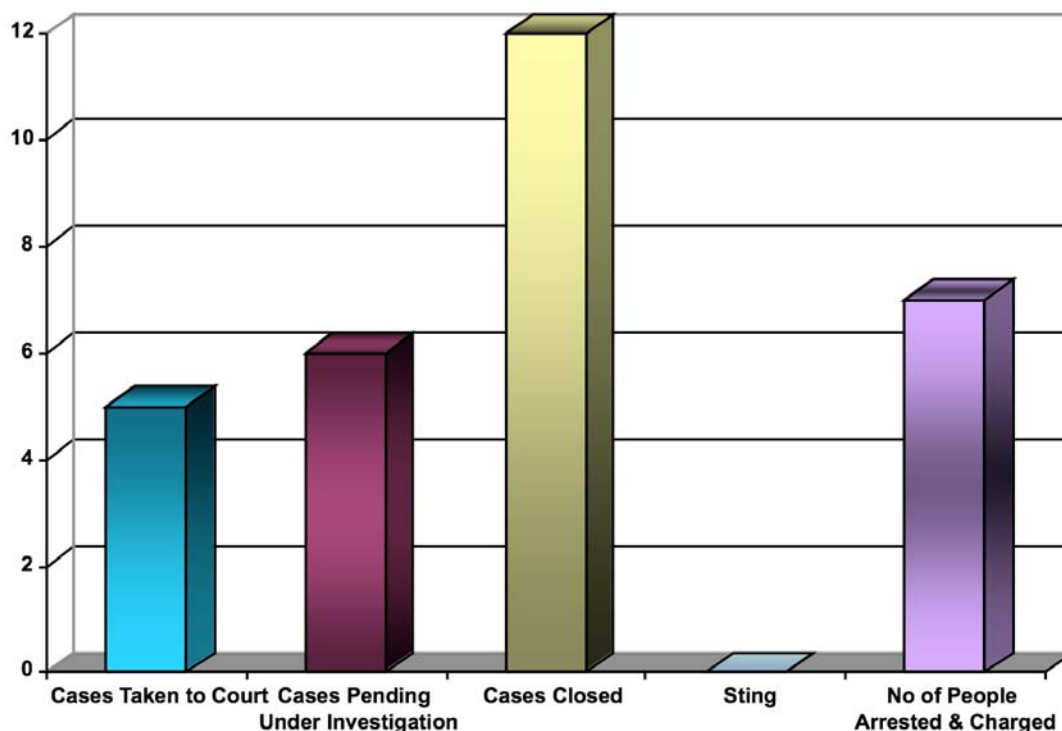
### Summary of Cases Received in July 2010

Below is a tabulation of cases and their respective status handled by the Department in July 2010

### New cases received During the Month

Category		Status	No of Cases
1.	Bribery	Number of cases taken to court	<b>5</b>
		Cases pending under Investigations	<b>6</b>
		Cases Closed, No Further Action	<b>12</b>
		Cases Referred to other Agencies	<b>0</b>
2.	Sting		
<b>TOTAL</b>			
<b>Number of persons arrested and charged</b>			<b>7</b>

### Graphical Representation of the cases processed.



### Running Summary of Cases in 2010

The summary below shows the cumulative total number of cases dealt with by the Rapid Response Division- Nairobi from January-July 2010.

Status	Jan	Feb	March	April	May	June	July	Total
Number of cases taken to court	3	3	5	3	6	3	5	<b>28</b>
Cases Closed, No Further Action	10	14	12	8	18	9	12	<b>83</b>
Cases Referred	20	1	0	0	0	1	0	<b>22</b>
Number of Persons arrested and charged	0	0	0	5	7	4	7	<b>23</b>
Cases Pending Under Investigation								<b>6</b>

## Rapid Response – Mombasa

The summary below shows the cumulative total of cases dealt with by the Rapid Response Division, Mombasa, in July 2010

Category		Status	Total
1.	Bribery	Number of cases taken to Court	1
		Cases Pending Under Investigation	3
		Cases Closed - No Further Action	3
		Cases referred	0
		PAKA	0
2.	Sting		0
<b>TOTAL</b>			<b>7</b>
<b>Number of arrested and charged</b>			<b>1</b>

## Running Summary of Cases in 2010

Status	Jan	Feb	March	April	May	June	July	Total
Number of case taken to Court	1	1	1	1	3	0	1	8
Cases closed. No further action	2	-	-	-	3	2	3	8
Cases referred	-	-	-		-	-	-	-
Number of Persons arrested and charged	2	-	-		-	-	1	3
Cases Pending under investigation								7

## Intelligence Production Department- Nairobi

The following report outlines the activities undertaken by Intelligence Production Department during the month under review.

### 1. Reports

The Department conducted **16** integrity testing and received **45** reports from the Report Centre, **15** Intelligence Reports (IR) from various officers during the month of July **2010**.

#### Breakdown

Item	Sources	No of Reports	Total
Reports Received	Report Centre	45	<b>76</b>
	Integrity Testing	16	
	Confidential Sources (Self generated by officers)	15	
<b>Handling of the Reports</b>			
	Task	Division	No of Reports
1	Intelligence Development/Probe	Collection	3
2	Analysis	Retained for analysis	42
3	Integrity Testing Programme	Collection	16
<b>TOTAL</b>			<b>61</b>

## Intelligence Production – Mombasa

The following report outlines the activities undertaken by Intelligence Production Department during the month under review.

### Reports

The Department received **5** Reports from the Reports Centre and 2 reports from confidential sources.

#### Months Activities

1. Undercover investigations /activities at the port of Mombasa and the Mombasa Municipal Council.
2. Undercover investigations into diversion of transit vehicles into the local market to evade payment of taxes.
3. Preliminary Investigations on cases allocated through Report Centre/Intercore.

**TABLE 10: BREAKDOWN OF CASES**

<b>Item</b>	<b>Sources</b>	<b>No of Reports</b>	<b>Total</b>
Reports Received	Report Centre	5	7
	Confidential Sources	2	
<b>Handling of the Reports</b>			
	<b>Task</b>	<b>Division</b>	<b>No of Reports</b>
1	Intelligence Probe	New tasks to Collection Division	5
		Tasks completed during the month	2
2	Preliminary Investigation	Preliminary Investigation	5
3	Full Investigation	Forensic Investigation	2