



## KENYA ANTI-CORRUPTION COMMISSION

### PRESS RELEASE

#### KACC IMPOUNDS 62 VEHICLES AT THE PORT OF MOMBASA

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Since the Kenya Anti-Corruption Commission Mombasa Regional office was opened in 4<sup>th</sup> June 2007, a lot of effort has been put in fighting corruption at the port of Mombasa. The Commission, through its intelligence machinery has been able to detect over **120** Customs Entries bearing a total of **266** containers of various goods, in which importers and/or clearing agents were trying to evade payment of taxes. The Commission has also so far detected a total of **62** motor vehicles of various makes and **80** containers of imports that were irregularly released at Kilindini port and various Container Freight Stations (CFSs) after collusion between Kenya Bureau of Standards, Kenya Revenue Authority officers and Clearing Agents.

The tax evasion ranges from attempts at making false declarations, to understating the quantity of goods in attempt to pay lesser taxes.

Acting on undercover investigations at the Port that has been going on for one year, Kenya Anti-Corruption Commission (KACC) has unearthed a racket where used car dealers import into the country vehicles whose age exceeds 8 years contrary to **Regulation KS 1515:20000** which states that:

**All road vehicles which are more than eight years old from the year of first registration shall not be allowed for importation. The difference between the date of registration and the date of manufacture shall be no more than one year.**

The Commission together with Kenya Police Vehicle Inspection Branch and other motor vehicles manufactures have confirmed that the impounded vehicles did not comply with the regulations stated above. These unscrupulous importers compromise KEBS and KRA officers to bring in the vehicles.

As a result of this investigation, a total of **62** motor vehicles of different makes have been impounded by the Kenya Anti-Corruption Commission in the last five months. These vehicles whose age ranges between 10 and 14 years are being held at the Port and at two Container Freight Stations in Mombasa. A total of 6 Investigation files have so far been completed. The files contain a number of vehicles totaling to 62 e.g a file can have 4 or even 20 motor vehicles. The files

are being crime-read to determine charges that may be preferred against suspects who include importers, Clearing Agents, KRA and KEBS officials.

The Commission has detained the vehicles and communicated to KEBS to ensure that the vehicles are re-shipped back to the country of origin or destroyed. The vehicles will not be release into the country.

Effect of this to the country:

- ◆ Vehicles purchased at about Kshs.300,000/= from the country of origin are sold in Kenya at Kshs.800,000 to Kshs.1.3 m. The importers are making a profit of over Kshs.500,000/= a unit. This defrauds unsuspecting Kenyans of the true worth of the vehicles. The net value of the 62 motor vehicles is approximately Kshs. 50 million.
- ◆ These vehicles are not allowed to be used in their countries of origin making Kenya a dumping ground of un-road worth vehicles
- ◆ Compromise road safety

During this period the Commission also has filed 70 cases for recovery of public assets worth over 1.5 Billion. These properties are spread over the mainland as well as island areas of Mombasa and the Coast region at large. Most notable ones are in town, Kizingo area and the affluent Nyali Estate. Majority of these properties are road reserves, public beach, public utility for health, schools, houses owned by KCAA, KRA and Meteorological Departments only to mention a few.



**NICHOLAS M. SIMANI**  
**PRINCIPAL PUBLIC RELATIONS OFFICER**

**FRIDAY, 4TH DECEMBER 2009**