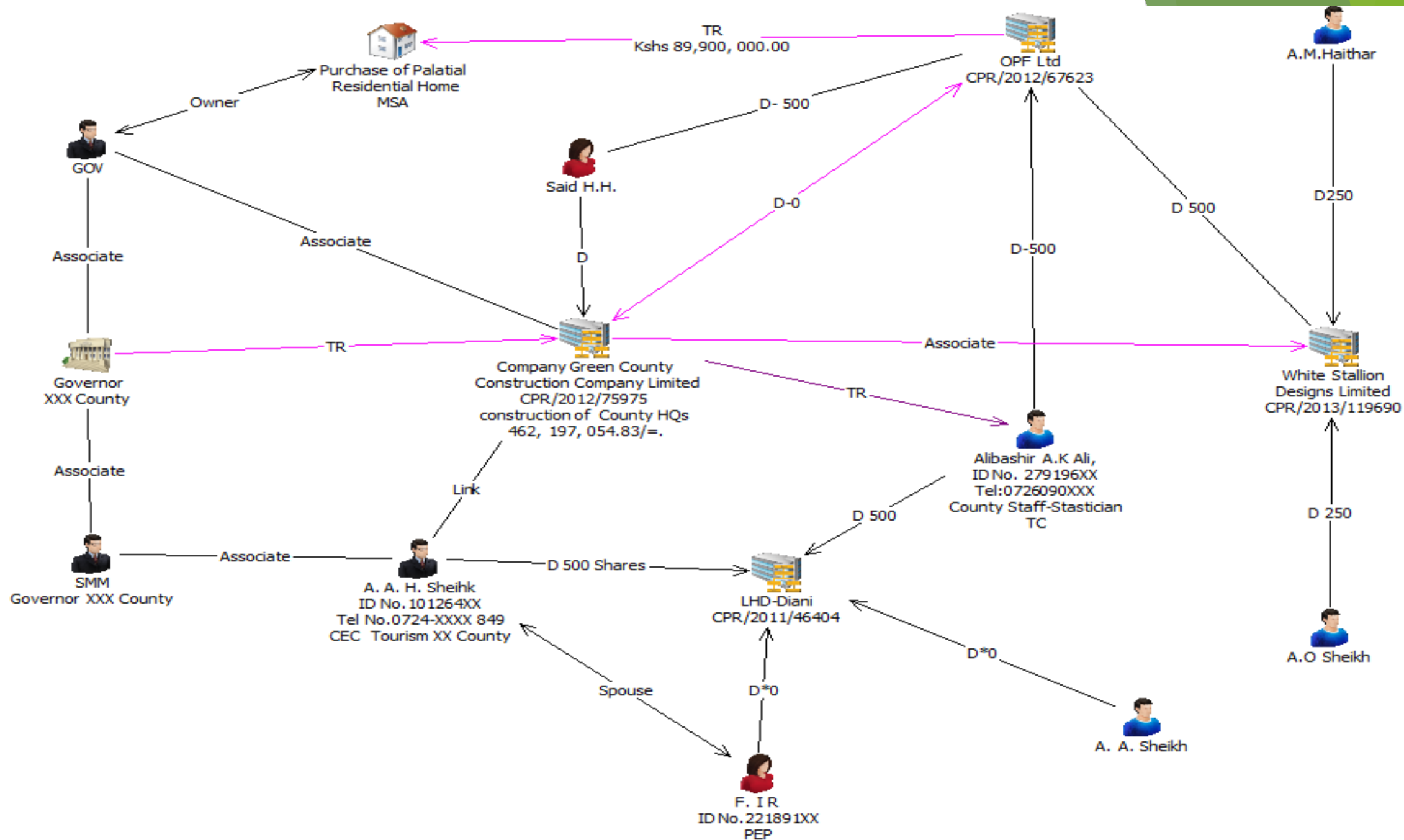


Tender Fraud & Money Laundering at XXX County

J.Makori

Report

- ▶ Ali A. H. Sheihk ID No.101264XX and Tel No.0724-XXX-849 formerly County Executive Committee (CEC) Member in Charge of Tourism XXX County and the, received tenders in XXX County through his **Company Green County Construction Company Limited**.
- ▶ **The** registered through proxies to conceal his identity. It is further alleged that a contract variation of Kshs 89,904, 366.52 (USD 881415.36) immediately after winning the tender. The variation was done ostensibly to finance GOV.SMM in his re-election.
- ▶ The bribe/kickback was remitted to Gov. XXX as purported property purchase transaction.



Findings

- ▶ **Alibashir A.K Ali** ID No. 279196XX and Tel No.0726XXX224, a son to **A A H Sheihk** is one of the directors in all companies owned by Sheik and has controlling interest as tabulated above.
- ▶ **Alibashir A.K Ali** is an employee of XXX County and works as a Snr-Stastician
- ▶ **Alibashir A.K Ali** was a member of Tender evaluation committee that awarded the tender to Company Green County Construction Company Limited.
- ▶ As soon as the contract was awarded, an upward variation of Kshs 89,904, 366.52 ((USD 881415.36). was done bringing the total contract sum to Kshs 462, 197, 054.83/= from 372,292,688.36/=
- ▶ Although A. A. H. Sheihk was not a director in GCCC Limited, he was listed in the bank mandate cards as authorized transaction agent and all mobile money transactions from the account were linked to his Tel No.0724-XXXX 849 .

Money Trail

- ▶ That the payments were made through A/C No 044026196XXX, XYZ Branch held at ABX Bank
- ▶ That once the payments were made, most of the funds were transferred (layering) to different companies accounts notably;
- ▶ LFT Hotel Limited
- ▶ White Stallion Designs Limited
- ▶ OPF Limited
- ▶ All these three (3) entities filed nil tax returns to our competent tax Authorities
- ▶ After IPC No. 1 was processed, CGCC Ltd remitted Kshs 89,900, 000.00 (USD 872,549.02) as purported property purchase scheme purported as a TPS-**Intergration**. (However Neither stamp duty was paid nor was the transaction agreement executed)

Cont..

- ▶ Gov. XXX was residing at the palatial home long before the transaction was done and all the utilities bills for the address were registered under his name.
- ▶ The House belonged to Gov XXX and the purported TPS was a phantom transaction
- ▶ Green County Construction Company Limited was awarded a number of contracts at XXX County Government and all the payments (USD 14,705,882.35) were made through A/C No 044026196XXX, XYZ Branch held at ABX Bank.
- ▶ Analysis of the bank account statement indicated large sums of cash withdrawals beyond the USD 10,000 limit with a narration 'purchase of construction materials' (Assessed to be kickbacks and a ploy to avoid money trail).

Way Forward

- ▶ Miscellaneous Application for asset seizure (Palatial home)
- ▶ Charging Gov XXX ,A. A. H. Sheihk and Alibashir A.K Ali for occupational conflict of interest and breach of public trust.
- ▶ Tax authorities -Investigate Tax evasion and creative accounting/ Aggressive tax planning by LHD Limited, White Stallion Designs Limited, OPF Limited and G.C.C.C Limited
- ▶ Valuation of the building by an independent expert to ascertain whether the variation was warranted

Challenges

- ▶ GOV is a PEP aligned to the Gov. of the day in an area dominated by rival opposition parties.
- ▶ Soon after the election A. A. H. Sheihk became an MP (PEP)
- ▶ A. A. H. Sheihk married F. I R, a sister to an other Powerful Governor in another County