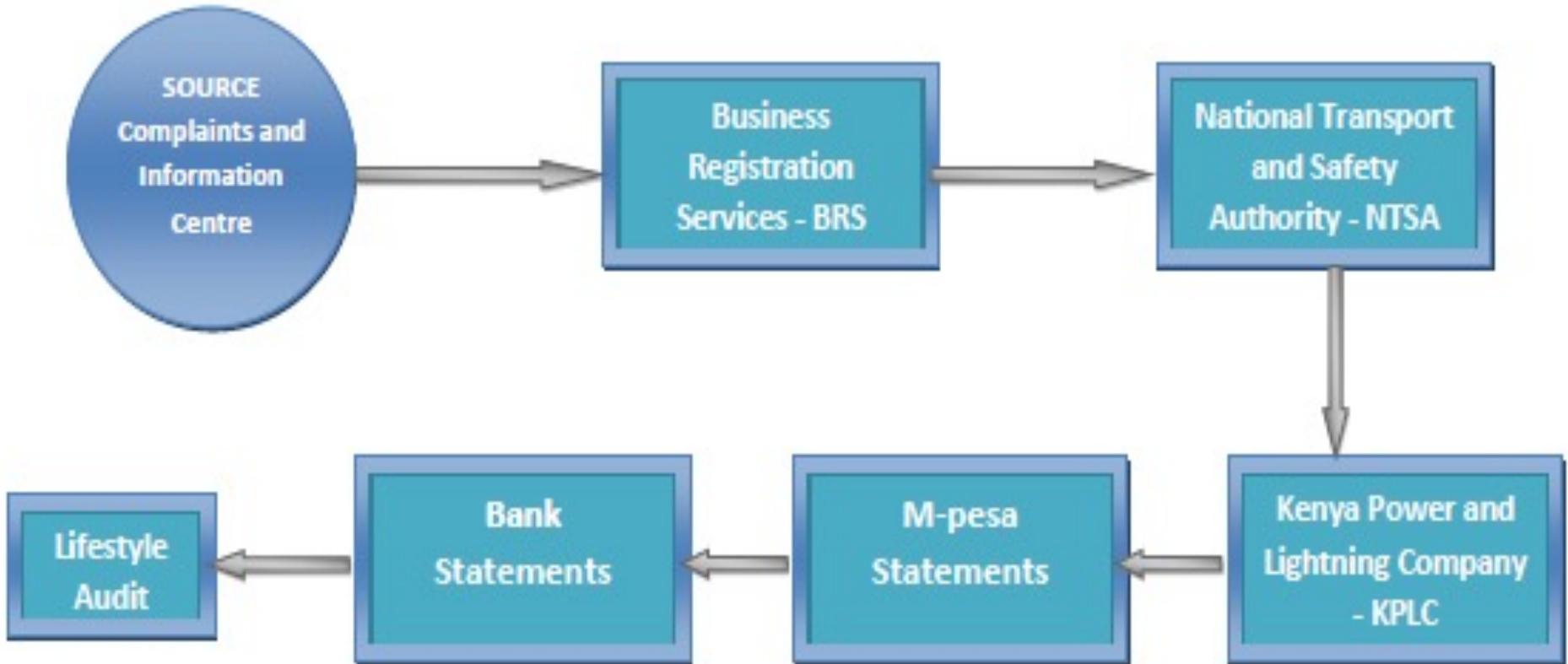


A Case Study Presentation
OECD Academy for Tax
Crime Investigation
Presented By: Susan
Mumo

- The subject was reported for ‘living beyond his means’ through an anonymous email sent through the Complaints and Information centre.
- A case file was opened to determine the authenticity of the allegations set against the subject.
- Analysis linked the subject to five companies where he was listed a director.
- The companies are all perpetual nil filers but available data from the i-Tax system indicated that they had traded and done sales of over Ksh 50 Million which had not been declared in their self assessed VAT and annual Income tax returns.

LINK ANALYSIS



- Aailed data from the National Transport Safety Authority revealed that he owned fifteen vehicles registered under his individual PIN and company PIN'S. Records further show that the vehicles were purchased through cash transactions as there was no history of credit facilities in the bank statements pointing towards funding the acquisition of the vehicles.
- Kenya Power and Lighting data revealed that the subject had 20 properties across the country ranging from high end residential properties to commercial properties. He also owns land in Nairobi and Kisumu areas.
- His job deployment history shows that the properties were acquired when he was posted to areas considered as 'wet revenue areas'.

- The MPesa statements revealed that the individual had been making huge cash deposits at specific banks/agent tills to the tune of Ksh 30 Million, whose source cannot be established.
- Further, I was able to identify several bank accounts owned by the subject in several financial institutions.
- In addition, the subject had taken up a mortgage facility with a financial institution and was making huge cash deposits to reduce the balance. It is suspected that this is a way for the subject to clean money obtained through corrupt means.

INVESTIGATIVE TECHNIQUES USED

- Open source - Google advance
- Restricted information-Use of iTax (tax system)
- Sourced Information - Registrar of companies, National Transport Safety Authority, Kenya Power and Lighting
- Informants - Use of bank statements, mobile money statements, informants.

Penalties

- Bribery Act of 2016.

An individual found guilty of an offence under Section 13- shall be liable on conviction, to imprisonment for a term not exceeding ten years, or to a fine not exceeding five million shillings, or both;

Offences

- **What are the principal offences under this legal framework?**
- Giving a bribe (Bribery Act, Section 5) - Receiving a bribe (Bribery Act, Section 5)
- Bribery of foreign public officials (Bribery Act, Section 8)
- Failure of a private entity to put in place procedures for the prevention of bribery (Bribery Act, Section 9)
- Failure of a private entity to prevent bribery by a person associated with it (Bribery Act, Section 10)
- Assisting a person or a private entity to give a bribe (Section 13, Bribery Act)
- Reference to an associated person in the Act shall mean a person who performs services on behalf of another person as an agent, employee or in any other capacity (Section 11, Bribery Act).

Anti-Corruption and Economic Crimes Act, 2003

- Conflict of interests (Sec. 42)
- Abuse of office (Sec. 46)
- A **fine** of up to **one million shillings** or **jail term** of up to **ten years** or to both;
- An **additional mandatory fine** of two times the benefit or loss or both if the benefit and loss can be quantified.
- Suspension from service.
- Disqualification from holding public office.

The Public Officer Ethics Act, 2003

- **Obligations on Public Officers**
- Avoid engaging in corruption
- Not to accept gifts or favours from people who are dealing with the office

KRA Anti-Corruption Policies & Guidelines

- 1) KRA Anti-Corruption policy
- 2) Gift policy
- 3) Conflict of Interest Policy
- 4) Whistleblowing policy
- 5) Lifestyle Audit Guidelines
- 6) System review guidelines
- 7) Integrity testing guidelines

CHALLENGES

- Pending LSA bill that is in the Senate for passing.
- Financial constraints
- Safety of investigators
- Physical location of properties owned.
- Inter agency co-ordination.

• CONCLUSION

The subject is currently undergoing a full lifestyle audit after preliminary investigations revealed that there is need to establish whether he engaged in any corrupt activities including but not limited to corruption, to fund his lifestyle.

The financial information obtained will aid in conducting investigations and coming up with recommendations to either recover assets and/or taxes relating to the same.

Q & A