

## **Kenya Joins Nations Pursuing Funds Stolen by Ex-Leaders**

**Marc Lacey.**

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To loot their treasuries, corrupt African leaders have used both simple suitcases and complex financial schemes. But stealing the money has always been far easier than bringing it back home.

After recently locating \$1 billion in looted taxpayer money hidden overseas, Kenya has begun an uphill effort to reclaim the funds believed stolen during the administration of the former president, Daniel arap Moi. Kenyan officials hope they will gain pointers from the failed attempts of their neighbors.

Congo came up virtually empty in its attempt to recover money stolen by Mobutu Seso Seko, the dictator who was chased out by rebels in 1997, and Nigeria is still trying to get its hands on huge sums stashed away in foreign accounts by Sani Abacha, a military ruler who died in 1998.

Across Africa, other governments are engaged in similar frustrating efforts. The searches highlight theft on a huge scale, but the hopeful note is that new, more democratic governments are trying to hunt down this money for the public good. "It's a tough task to get the money back," said Andre Pienaar, who oversees the African office of Kroll Inc., which has traced stolen funds for many governments, including Kenya. "Untangling a corrupt economy is a painful surgical process. It takes a long time and it's not always clear the patient will survive."

Zambia, waging an aggressive fight, has put former President Frederick Chiluba on trial for graft. Ghana is focusing on the former administration of Jerry Rawlings. Liberia is the latest to begin searching for looted funds, with the departure of Charles G. Taylor into exile.

The efforts are being stymied, though, by international banking laws, aggressive legal responses by accused officials and the sheer inventiveness of the money laundering. The search efforts are costly, too.

Kenya recently became the first country to sign the United Nations Convention Against Corruption, which could make it easier to recover stolen assets. But the convention has yet to be ratified by enough nations for it to go into force.

Of course, high-level corruption extends well beyond Africa, but the problem has been especially acute here, particularly during the cold war, when huge sums of foreign assistance were flowing in with no questions asked. Kenya was once considered one of Africa's economic powerhouses, but decades of corruption and misrule have left it in tatters. Now, after years in which people accepted graft as the way things were done, there is a growing popular movement against it in this country, where the average daily wage is less than \$1.

The biggest corruption scandal in Kenya is the Goldenberg affair, in which gold and jewelry exports were manipulated in the early 1990's to enrich top officials. That

scandal alone, the subject of a continuing investigation, may have cost the country as much as \$4 billion -- not much less than the annual budget.

As a first step toward recovering the looted money, Kenya intends to freeze some of the assets it has uncovered. But officials say they are still deciding on their precise legal strategy. Already, though, Kenya's approach is somewhat unusual because it is steering clear of Mr. Moi -- though it has not granted him immunity from prosecution -- and focusing on others in his administration.

Mr. Moi stepped down last December after 24 years in office, surprising many Kenyans who did not expect him to abide by the constitutional term limits. Although he tried to select his successor, he accepted the victory by Mwai Kibaki, an opposition leader who had once served as Mr. Moi's vice president.

At his inauguration, Mr. Kibaki accused Mr. Moi of misrule even as the former leader sat by his side. But for now the government appears to be treating Mr. Moi largely as an elder statesman.

"We recognize that former president Daniel arap Moi is an important democratic commodity, not only for us, but for Africa," said Mr. Kibaki's anticorruption chief, John Githongo. "He is treated special. He is different. He's just not any other guy." Mr. Kibaki's effort is, in one sense, more difficult than those in other countries, where new governments have replaced the old ones and then pursued former officials. Many officials in Mr. Kibaki's administration held prominent positions under Mr. Moi. The names of some of them have come up in the inquiries, and Mr. Kibaki has vowed to pursue whoever is implicated.

Mr. Githongo, a former campaigner against corruption, said steering clear of Mr. Moi still gave the government a vast array of corrupt officials to pursue, and huge sums to recover.

"The looting of Kenya has been a collective exercise by people of many nationalities," Mr. Githongo said. "They've worked together to rip off the Kenyan people. It's a multinational cast of crooks."

Kroll, which is based in New York, was hired by the Kenyan government to track the looted funds. Investigators said the \$1 billion tracked so far was hidden away using a variety of schemes.

Most of the money was deposited in overseas accounts, the investigators said. The money turned up in some of the same banks identified in the investigation of the Abacha government in Nigeria, banks like Citibank and Union Bancaire Privee in Switzerland. "These guys used some of the biggest, most respected banks to hide their money," Mr. Pienaar, the Kroll official, said.

Some of the cash was also used to buy foreign property. Investigators said they found that money from Kenyan taxpayers helped purchase two London hotels, spacious homes in the English countryside and fleets of luxury vehicles.

But entrenched interests in Kenya and other countries taking on corruption are doing their best to battle back. Mr. Githongo, for example, recently staved off an attempt by some officials within his own government to move him out of the president's office.

Nigeria is an example of how much work Kenya has ahead. General Abacha and his close aides are believed to have stolen \$3 billion from 1993 until he died in 1998.

Nigeria has recovered \$149 million from the British island of Jersey, and, just this week, \$87 million from Switzerland. The Swiss government has frozen \$618 million, which it says it eventually intends to return to Nigeria. The effort to recover the funds was so difficult that President Olusegun Obasanjo struck a deal with the Abacha family. The deal, which later fell apart, would have allowed the family to keep some of the money that Mr. Abacha acquired before he became president.

Recovering overseas money is just one aspect of the Kenyan campaign. Mr. Kibaki's administration has already forced numerous corrupt judges and civil servants to resign.

Philip Murgor, Kenya's top prosecutor, has assembled a team of lawyers to focus exclusively on corruption cases. He has 8 prosecutors now and expects to have 20 by next year.

"There are quite a few cases already in court and quite a few more to come," he said.