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14th July 2006

Hon. Martha Karua, EGH, MP
Minister for Justice and Constitutional Affairs
Co-operative House Building
Haile Selassie Avenue
Nairobi

Dear Madam,

RE: CHARTERHOUSE BANK AFFAIR

I refer to the above and to our Tuesday meeting, which was also attended by the Chairman of the Kenya National Commission on Human Rights, Mr. Maina Kiai and Mr. Titus MWirigi.

I take this opportunity to thank you very much for the audience you accorded us and to the very positive concern you had on both the Charterhouse Bank scandal and to my personal safety.

As advised, the KNCHR has written to the Police Commissioner, Brig. Hussein Ali, seeking explanations for my last Friday's harassment by his police officers and demanding a guarantee from his office for my personal safety.

I must also confirm that am with you, and all other Kenyans who have demonstrated the will, and by action to set our country free from corruption. Should you therefore require my assistance, in any way, in getting to the bottom of this scandal, kindly feel free to get in touch.

As explained in the meeting, my experience at Charterhouse Bank and as their internal auditor convinced me that the Bank was not established to carry out legitimate banking business. In view of this, I became suspicious of over 70% of the total number of accounts maintained by this Bank. In this regard, I provided KRA, through one of their senior officers by the name of Doreen the whole database of Charterhouse Bank's accounts totaling over 200. Within this list, I highlighted 85 accounts, which from my analysis had either not paid tax at all or had deliberately declared wrong business turnovers in order to pay less tax. This was with the understanding that the rest of the accounts be scrutinized for tax evasion. My source from KRA confirmed to me that they have assessed quite a number of accounts outside the 85 that I highlighted, though they have not exhausted the list.

KRA then promised to compensate me under their nationally advertised scheme, which states as under:

Kenya Revenue Authority wishes to draw the public's attention to a scheme that rewards persons who provide information as below:

- *Information leading to the identification of hitherto undisclosed taxes - a reward amounting to 1% of the tax identified up to a maximum of Kshs. 100,000/-*
- *Information leading to the recovery of hitherto undisclosed taxes - a reward amounting to 3% of the taxes collected.*

On 5th May 2004, they paid me cash Kshs.200,000/- which they described as a token of appreciation for providing very useful information with a confirmation that my rightful dues would follow soon. This was never to be the case. After over one year of several vigorous chasers they paid me by cheque a paltry Kshs. 250,279/20 on 13th June 2005. This payment was described as my dues for recoveries made from one of the accounts on the list. Subsequent follow-ups and visits to KRA have yielded no fruits even after several meetings with their Chairman, Mr. Mwangola, the Commissioner General Mr. Waweru and the Deputy Commissioner Mr. Nduati

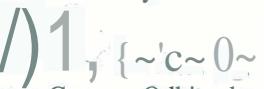
Mheshimiwa, I fail to understand why KRA cannot zero in on these accounts as a matter of urgency. They have been sitting on a potential tax recovery of over Kshs 20 billion while the country is continuously begging for donor funds all over the world. Furthermore the exposure of these criminals will enable other arms of the Government put to an end these malpractices.

I therefore kindly request you to prevail upon the Minister for Finance, Hon. Amos Kimunya to address this issue with his officers at KRA.

Enclosed please find copies of the following:

- A list of the suspected 85 accounts of Charterhouse Bank
- A copy of the KRA payment voucher for Kshs. 200,000/- dated 5th May 2004
- A copy of cheque no.022625 for Kshs 250,279/20 in favour of Peter George Odhiambo
- Copy of KRA's newspaper advertisement on their information reward scheme

Yours sincerely


Peter George Odhiambo

CC Mr. Maina Kiai,
Chairman
Kenya National commission on Human Rights

Sl No	Account Name	No of Alc's	Turnover (Millions)
1	Africa Waste Paper Ltd	1	288
2	Ahmed Abdullahi Ali	1	165
3	Alloy Steel & Castings Ltd	1	681
4	Auto Import Ltd	1	101
5	Brand Imports	3	966
6	Carco Distributors Ltd	1	400
7	Cemoack Limited	2	1,022
8	Commercial Corporations (K) Ltd	1	865
9	Communication Carrier Ltd	1	166
10	Compulynx Ltd	1	284
11	Copy Cat Ltd	1	119
12	Creative Innovations Ltd	4	1,199
13	Crescent Construction Co Ltd	1	165
14	Cruel Properties Ltd-Ksh AIC	1	2,000
15	D.Shah	1	423
16	D.Shah & Mr.R. Vithlani	1	36
17	Dalbi Investments Ltd	1	4,000
18	Dalbi Petroleum Ltd	1	200
19	Drive In Tyre Centre	1	179
20	East African FoUmdry Works IKI Ltd	1	433
21	Ehsani 111 Abbas	1	153
22	Ehsani Hamed & S.R.Shah	1	10
23	Ensom Holdings Corporation Ltd	1	115
24	Farm Tea Packers	1	110
25	Fones Direct Ltd	1	249
26	Green Comer Cafe Ltd	1	150
27	Greenhills Investments Ltd	1	415
28	Hotnet Ltd	1	150
29	Jak Industries Ltd	1	201
30	Jakharia Packers	1	457
31	Jamachar (KfLtd)	1	254
32	John Harid Ltd	1	160
33	Jubilee Tyres Ltd	1	135
34	K S Brahambhatt & Others	1	209
35	Kariuki Muioua & Co clients	2	566
36	Kempaper Ltd	1	676
37	Kenmosa Holdinos	1	116
38	Kilimanjaro Carvino Exports Ltd	1	108
39	Kings Investments Ltd	1	7
40	Kingsway Automart Ltd	1	2,102
41	Kingsway-Mart Ltd	1	246
42	King-swa-yMotors (K) Ltd	2	701
43	Kingsway Properties Ltd	1	6
44	Kingsway Tyre & Automart Ltd	2	4,442
45	Kingsway Tyres Ltd (Piranha Centre)	5	1,236
46	Kitek (7) Ltd,Kahawa	1	125
47	Malde Transporters Ltd	1	652
48	Manoj R Shah (Lions AIC)	1	99
49	Marera Pharmaceuticals Ltd	1	137
50	Markfirst (Kenya) Ltd	1	144
51	Motor Boutique	1	349
52	Nairobi Mineral Water Company Ltd	1	300
53	Naivasha Mattresses	1	204
54	Naivasha Self Service Stores Ltd	1	624
55	Nakumatt Holdinos Ltd	1	28,723
56	Nakumatt Investments Ltd	1	700
57	Paoleti Satta hino	1	92
58	Pacific Systems Ltd	1	190
59	Pegrumo Limited	4	524
60	Pepe Ltd	1	310
61	Petroleum and Industry Services Ltd	1	150
62	Phones Direct Ltd	1	159
63	Realty Trading Company Ltd	1	400
64	Roxxon Trading Company	1	119
65	Scorpio Telecommunication Ltd	1	151
66	Sevani Brothers & Company Limited	1	351
67	Shalish Pratapai	1	2,100
68	Shawaz Textile Mills Ltd	1	100
69	Street Shah & Dilipun Shah	1	157
70	Sona Industries Ltd	1	152
71	Spanich Ltd	1	117
72	Sunmatt Ltd	1	371
73	Televie Insurance Brokers Ltd	1	104
74	The Copy Cat Ltd	1	136
75	Udilution Petroleum Company Ltd	1	2,000
76	Tusker Mattresses Ltd	1	8,716
77	Ukay Estates Ltd	1	228
78	Unilene Investments Ltd	1	198
79	Vita Ltd	1	500
80	Wajji Mudji & Co	1	205
81	W.E.Hiley (Muthaiga)	1	5,890
82	Wellen International Ltd	1	400
83	William K Cited	1	103
84	Wild Shelter Ltd	1	102
85	Yava Phone Link (K) Ltd	1	354
		103	78,631

KENYA REVENUE AUTHORITY

SERIAL No. A-23862

REQUISITION FOR IMPREST/PER DIEM ALLOWANCE (VOUCHERY)

VOUCHER No.

A. To be completed by the Applicant (in One duplicate)

1. Name of Applicant M. S. N. Mwaura

2. Rank SD Dept 1/5 Station PATROSY

3. Daily Rate of Allowance KShs 50

4. No. of Days 7 From 20/05/04 To 27/05/04 Inclusive/exclusive

5. State Briefly why Allowance is Required To play football for Information

6. (i) Total Per Diem KShs 350 In words Three hundred and fifty

(ii) Accountable Imprest KShs 200000 In words Two hundred thousands

7. **Undertaking**

I undertake to account for and refund any unutilised balance of the above imprest within seven working days upon return to duty station to which the amount unaccounted for or due for refund should be recovered from my salary without any reference to me.

Signature of Applicant M. S. N. Mwaura

Date 05/05/04

B. Confirmations: (by Finance Dept.)

Outstanding Imprest Shs. 0

Date 20/05/04

Signature of officer I/C Imprest

C. Recommendation; (Delete as Appropriate)

(i) Applicant is released/not released to undertake the travel

(ii) Recommended Allowance(s)

Per Diem - KShs 50

Imprest - KShs 200000

(iii) Endorsement of above recommendation by an authorised officer

(Commissioner/Head of Dept./Head of Division/Head of Station)

Signature of authorised officer ✓

Date 20/05/04

D. Vote Book Control Certificate

Balance available in the chargeable item after taking into account this commitment is

KShs. 0

Account No. 00000000000000000000000000000000

Signature Accountant I/C ✓

Date 20/05/04

E. Approval; (as per approval authorisation limits)

Signature of Authorised Officer ✓

Date 20/05/04

F. Disbursement: (by Finance Department)

Please debit a total amount of Shs. 200000

as detailed in Part G below.

Signature ✓

Date 20/05/04

G. For Accounts dept. use only

Description	Account Code	Debit	Credit
Imprest Debit	540020	200000 =	
Bank	H01020		200000

Signature ✓

Date 20/05/04

H. For cash office use only

Received by: ✓

Cash/Cheq. No. ✓

Cashiers Paid Stamp: ✓

Cash Book Voucher No. ✓

Checked by ✓

Date 20/05/04

PAID	
05 MAY 2004	
REF NO. 10000000000000000000000000000000	
R/R DATE 05/05/2004	
CHEQUE NO. 912913	
Posted by <u>✓</u>	
Computer processing <u>✓</u>	
Date <u>20/05/04</u>	

PRIVATE AND CONFIDENTIAL

Date: 13th April 2006

To: Mr. Nduati
Investigations
Kenya Revenue Authority

Re: Reward for disclosure of Information

Refer to our meeting last year at the Commissioner General's office which had been arranged by the Chairman of KRA Mr.Mwangola.

As you are aware, we handed over to your office the relevant information that has enabled you to increase your tax collection from the traders who have over the last 5 years been evading paying duty. Please note that the list contained over 400 account holders. You will concur with us now, that the information we gathered for you has been fruitful and has also assisted the Central Bank of Kenya in their investigations. We wish to reiterate your remark that it is your policy to reward appropriately those who have helped you increase taxes by giving such confidential information. Since the matter has already been given the greenlight by the Commisioner General during our meeting and at the same time you confirmed having received the confirmation from your counterpart at KACA Dr.John Mutonyi,we trust that you will kindly make good your promise to reward us for the work done in helping you to apprehend the tax evaders. We have been patient for over 2 years now and believe that its time now for you to motivate us so as we may forward to you new information.

Our cry for reward is further enhanced by the fact that the matter is now out of court.

We therefore request you to reward us first and foremost for only the following 10 out of the over 400 cases reported to you.

Sr	Name	No of Accounts	Turnover
1.	Brand Imports	3	1 billion
2.	CemparkLtd	2	1 billion
3.	Creative Innovations	4	1.1 billion
4.	Kariuki Muigua & Co.Adv	3	600 million
5.	Kempapaer Ltd	1	870 million
6.	Kingsway Tyres(& allied groups)	13	9 billion
7.	Nakumatt Holdings	2	30 billion
8.	Pegrume Ltd	4	600 million
9.	Shailesh Prajapati	1	2.1 billion
10..	Tusker Mattresses	1	3.7 billion

Looking forward to your response on the matter.

Signed:

Date: 6th June 2005.

To: The Commissioner General
Kenya Revenue Authority
Times Towers, Nairobi.

Ref: Reward for information.

I, Mr. Peter George Odhiambo of P.O.Box 2820-00200 City Square, Nairobi hereby confirm giving information with regards to tax evasion of some companies, which are now under your investigations. Some of the 15 out of the over 200 companies with their turnovers for the last 5 years indicated are as below:-

I.Brand Imports	I billion
2.Cempark Ltd	I billion
3.Creative innovations	I billion
4.D.Shah	500 million
5.Fones Direct Ltd	249 million
6.Kariuki Muigai & Co. Advocates	600 million
7.Kemraper Ltd	870 million
8.Kingsway group of companies	9 billion
9.Nakumatt holdings	28 billion
10.Shailesh Prajapati	2 billion
II.Tusker Mattresses	4 billion
12.Yaya Phone Link Ltd	354 million
1LPeg rurne Ltd	500 million
14.Kempaper Ltd	870 million
15.Malde Transporters	650 million

The information was obtained by my virtue of employment. Original documents pertaining to the above are under your custody.

I trust that the information has been useful to you and has assisted you to increase the revenues that in turn help to build the country. I believe that once you complete your investigations, you will reward me with the full amount per company as stipulated by the act.

In the meantime, I would appreciate to receive your sum of Kshs. Two Hundred Thousand Only) as discussed for motivation which shall ultimately be deducted from the final settlement amount on completion of your investigations.

It is also my trust that the information is treated in strict confidence.

Yours,

Peter Odhiambo
1/t/
~:~ QI ~:~ 1987 Y.Q. ~:~
b.o.b. Of

Date: