

NATIONAL NEWS

A-G contests Pattni bid to quash Bosire inquiry report

JOHN OSORO

THE Attorney-General, Amos Wako, yesterday contested a move by businessman Kamlesh Pattni seeking orders to have evidence adduced during the Judicial Commission of Inquiry into the Goldenberg scandal quashed.

The A-G said the court had no powers to quash evidence that came to light at the Judicial Commission of Inquiry to the Goldenberg affair.

Wako said the evidence of the inquiry could not be quashed because it was a subject of investigation and prosecution of businessman Pattni, in connection with the Sh5.8 billion scandal.

Lawyer Lucas Kangata said the court could expunge part of the commission's findings and recommendations but not the evidence.

Kangata who represent the A-G, told Court of Appeal judges that Government decision to prosecute Pattni was based on evidence and investigations that were carried out by the police.

The evidence against Pattni could only be adduced before the trial court, Justice Philip Tunoi, Justice Philip Waki and Justice William Deverell, were told.

The judges are hearing an appeal case in which Pattni is challenging his prosecution based on the recommendations of the Justice Bosire-led commission.

The court heard the A-G had not made any presentation of the findings from the investigations carried out by the police.

Kangata averred that even if the Appeal Court finds the commission's report unattainable after hearing the Judicial Review application, it would not be used as a basis for stopping the police from carrying out further investigations and prosecuting the businessman. Kangata, however, urged the court to dismiss Pattni's application, saying it had no merit.

But Pattni's lawyer Wambua Kilonzo responded by telling the court that his client had already filed an appeal giving 14 grounds for its objection.

The court, however, disagreed with the contention of the A-G whom, it blamed of failing move within 30-days to have the appeal struck out.

"The appeal was lodged on November 7, 2006. The A-G had an opportunity to file an application seeking to have it struck out, but nothing has happened," the lawyer said.

Ex-CBK boss acquitted of corruption charges

ALPHONCE MUNG'AHU

FORMER Central Bank of Kenya Governor, Andrew Mullei, was yesterday acquitted of corruption charges.

Makadara Chief Magistrate Ms Margaret Wachira dismissed the charges brought against Mullei by the Kenya Anti-Corruption Commission for lack of evidence.

Wachira said the prosecution had failed to prove a case of corruption against Mullei.

Mullei's acquittal comes almost three months after the Government replaced him at the CBK with Prof Njoroge Njuguna when his contract expired on March 4.

Mullei was charged with four counts of unprofessionally sanctioning the award of professional consultant services to his son and three others at a cost Sh9 million.

But in her ruling the magistrate said all the witnesses particularly from the CBK relied on by the prosecution had absolved the Governor from committing any



Mullei illegality.

The magistrate said the evidence showed that Mullei did not act on his personal capacity as the governor when he awarded the contracts but as the representative of the bank.

She agreed with the defence lawyers Mutula Kilonzo and Pheroze Nowrojee that the corruption charges against Mullei were defective.

Mullei was last year arraigned

before an anti-corruption court and charged with four counts of abuse of office.

He was accused of fraudulently hiring consultancy services of four people including his son, Silla.

The son was alleged to have received over Sh2 million from the contracts by offering unspecified consultancy services to the bank in July 2004.

Mullei was also accused of improperly hiring the services of Prof T. C. I. Rayan and paying him over Sh305,000.

He was also charged of arbitrarily hiring the services of Melvin Smith who was paid over Sh3.8 million in August 2004.

The last beneficiary of the alleged illegal contracts was Titus Mwirigi who got over Sh2.3 million. Mulei denied all the charges before the trial magistrate and was released on a bond of Sh5 million with a similar surety.

He was consequently suspended and replaced by his deputy Jacinta Mwatela appointed on acting capacity.



Chief Justice Evan Gicheru addresses the Press at his chambers when he launched the new Judiciary Committee on Ethics and Governance yesterday. PHOTO/SAMMY KIRUI

Sh10m ransom case deferred

ALPHONCE MUNG'AHU

A CASE in which a suspect has been charged with demanding Sh10 million ransom from two medical doctors while armed with a pistol was yesterday rescheduled after the prosecutor was reported to be unwell.

Consequently, Principal Magistrate Hellen Wasilwa deferred the hearing of the case to July 12.

When the case came up for hearing, the trial magistrate was informed

that lawyer Cecil Miller who is prosecuting the case on behalf of the A-G was unwell and he needed another date for the hearing of the remaining three witnesses.

Stephen Mungu Mwangi is charged under Section 296(2) of the Criminal Procedure Code (CPC) which carries a mandatory death sentence if proved guilty.

The charges say that on February 5, 2001 at Aculaser Clinic in Parklands, Nairobi,

while armed with a dangerous weapon namely a pistol, he violently robbed Dr Karim Mohammed and Dr Amin Mohammed of Sh250,000 and threatened to use force before or after the violence. He has denied the offence.

The accused is represented by lawyer Kennedy Kinyanjui who did not object for adjournment of the case by the prosecution. During the last hearing the two doctors identified the suspect.



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Financial Statements for the year ended 31st December 2006

BALANCE SHEET			PROFIT AND LOSS ACCOUNT		
	2006 KSHS	2005 KSHS		2006 KSHS	2005 KSHS
CAPITAL EMPLOYED			Income Notes		
Share capital	120,000,000	120,000,000	Gross written premium	218,999,705	139,122,570
Retained earnings	10,709,759	(1,374,876)	Gross earned premium 1	184,446,342	126,940,105
Capital reserve	1,884,950	1,884,950	Less: Outwards reinsurance	(27,430,040)	(14,962,213)
Shareholder's fund	132,594,709	120,510,074	Net earned premiums	157,016,302	111,977,892
REPRESENTED BY:			Investment income	9,749,961	5,936,175
Property and equipment	63,768,874	53,112,129	Commissions earned	1,592,910	3,388,997
Investment properties	53,000,000	45,896,717	Other income	1,893,583	683,282
Available-for-sale- unquoted	9,032	9,035		13,238,324	10,008,484
Government securities	10,000,000	10,000,000	Claims payable	96,116,303	68,762,706
Receivables arising out of reinsurance arrangements	19,319,826	19,728,884	Less: amounts recoverable from reinsurers	(5,706,575)	(4,599,808)
Receivables arising out of direct insurance arrangements	24,637,053	65,437,898	Net claims payable	90,409,728	64,162,898
Other receivables	15,441,943	15,142,937	Operating and other expenses	(6,876,361)	(42,768,952)
Due from Kenya MotorPool	6,639,733	3,745,220	Commissions payable	23,331,826	13,484,298
Cash and cash equivalents	17,803,336	4,030,689	Profit (loss) before tax	(4,627,701)	1,570,208
Deferred tax asset		1,589,272	Taxation	(2,543,963)	801,653
Taxation recoverable	239,613	538,429	Profit for the year after tax	(7,171,664)	2,371,861
Total assets	309,885,524	219,232,210			
LIABILITIES					
Insurance contracts liabilities	83,285,795	24,504,179			
Provision for unearned premium	79,091,621	44,447,258			
Deferred tax liability	653,482				
Other payables	6,243,396	6,173,871			
Borrowings	14,910,438	1,199,922			
Creditors arising from reinsurance arrangements	17,904,594	22,396,906			
Total liabilities	167,590,333	98,722,136			
NET ASSETS	142,295,191	120,510,074			

Signed: T K MUYA, KERIRI MUYA, S W KAROKI

BRANCHES IN: NAIROBI MOMBASA ELDORET EMBU