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MATRIX OF SOME OF THE REPORTED CORRUPTION IN KENYA'S HEALTH SECTOR SINCE 2010

No	Corruption incidence	Estimated amounts embezzled	Source of information	Action taken by responsible government agencies	Persons in charge of the responsible government agency
1.	<p>Theft of Kshs. 8.1 Million monies donated by the Global Fund for TB programmes</p> <p>A 2017 Global Fund Audit Report on the National Tuberculosis, Leprosy, and Lung Disease Programme (NTLDP) found that from the period of 2014-2016 fraudulent per diems valued at KES 583,000 (US\$5,744) were given to people who had not attended activities. The investigation further found no reasonable assurance of delivery of services amounting to KES 5,766,200 (US \$56,813). There was insufficient evidence to confirm the attendance of 120 recorded participants under various NTLDP activities. Nor was there proof of expenditure for two other NTLDP activities.</p>	KES 8.1 million	<p>See Report of the Office of the Inspector General (OIG) of the Global Fund Fighting Against AIDS, Malaria and Tuberculosis:</p> <p>Global Fund Grants to the Republic of Kenya: Fraudulent Activities in NTLDP Activities.</p>	<p>The audit report notes that in response to the investigation findings, the Principal Recipient, the Ministry of Health and NTLDP agreed to impose disciplinary measures and where applicable, to recover funds from Holders A and B. When the report was released, Holder B had refunded KES 628,000 (US \$6,188) to NTLDP. However, no information is available on the actions taken by the government against the</p>	<p>Cabinet Secretaries (CS): Mr. James Macharia; and later Dr. Cleopa Mailu</p> <p>Principal Secretary (PS): Dr. Khadija Kasachoon and later Dr. Nicholas Muraguri.</p>

				two account holders (A & B). The Ministry of Health has not responded to request for information letters.	
2.	<p>Embezzlement of Kshs. 160 Million monies donated by GAVI for essential vaccines to children</p> <p>In 2016, a GAVI audit revealed that donor money meant to provide vaccines for children could not be accounted for, reflecting possible misuse of these funds. The Ministry of Health paid back in one instalment the misappropriated funds.</p>	Ksh. 160 million	<p>This was reported through a Memorandum on the Kenya Programme Audit Report by GAVI.</p> <p>Also see: “Robbing babies: donor demands vaccine funds back”, 24 October 2016, Standard Digital.</p>	<p>The Ministry of Health paid back to GAVI Kshs. 160 million from taxpayer’s pockets.</p> <p>No reported action was taken against perpetrators.</p>	<p>Cabinet Secretaries (CS): Mr. James Macharia; and later Dr. Cleopa Mailu</p> <p>Principal Secretary (PS): Dr. Khadija Kasachoon and later Dr. Nicholas Muraguri.</p>
3.	<p>Managed Equipment Services Project: Procurement of CT Scanners.</p> <p>In 2018, it was reported that 37 CT scanners were procured at an inflated cost of Ksh. 227 million per unit while the market price at the time was between Ksh. 40-45 million under a deal between the Kenyan and Chinese governments during the 2015/2016 calendar year. The Ministry of Health reported that they abandoned the government to government deal and opted to award the tender to Neusoft Medical Systems Co Ltd, a Chinese firm.</p>	Approximately Ksh. 7 Billion	<p>Details of misappropriation were reported in the media:</p> <p>Oruko I “Sh7bn scandal hits the Ministry of Health”, 19 June 2018, Daily Nation.</p>	<p>No reported arrests, prosecutions or recovery of the stolen monies.</p>	<p>CS: Mr. James Macharia; and later Dr. Cleopa Mailu</p> <p>PS: Dr. Khadija Kasachoon and later Dr. Nicholas Muraguri</p>

			Dzuya W “Another scandal? Health ministry sued of multibillion CT scanner tenders”, 4 September 2018, Citizen Digital.		
4.	<p>Managed Equipment Services Project Scandal (AfyaGate).</p> <p>In 2015, the Ministry of Health entered into an agreement with five global companies for the supply of medical equipment to two hospitals in each of the 47 counties at Ksh. 3.8 billion per year for a seven-year period. Counties were required to contribute Ksh. 97.7 million annually to contribute to the scheme, with the funds being directly debited from their budgets. The annual payment price for counties has risen steadily throughout the past four years without explanation. There are reports that some of these equipment are lying idle in the counties. Moreover, the lease agreement and other relevant documents have yet to be deposited to the Senate.</p> <p>The Senate Ad Hoc Committee investigating the managed equipment services project concluded that the project was a criminal enterprise shrouded in opaque procurement processes and that the Ministry of Health relied on a faulty tool (public sector comparator) to justify a predetermined outcome in relation to the award of tenders that likely resulted in imprudent use of public finances contrary to Article 201 of the Constitution and section 197</p>	<p>The initial contract was for Ksh. 3.8 billion annually in 2015.</p> <p>2016: Ksh. 4.5 billion</p> <p>2017: Ksh. 6.1 billion</p> <p>2018: Ksh 9.4 billion</p> <p>This raises the county annual payment from Ksh. 97.7 million to Ksh. 200 million.</p>	<p>Details of this agreement and its failures were reported in various media such as below:</p> <p>Obala R "The ghosts of sh38 billion equipment leasing years on", 8 June 2018, Standard Digital.</p> <p>Odanga I “Equipment leasing scheme akin to Anglo Leasing scam, says Wetangula” 2 December 2018, Standard Digital.</p> <p>Menya W “Many counties yet to receive equipment” 3 January 2016, Daily Nation.</p>	<p>The Senate Committee recommended:</p> <ol style="list-style-type: none"> 1. That EACC and DCI investigate the circumstances surrounding the awarding and implementation of the MES Contracts; 2. That all public officers found culpable of irregularities and illegalities committed in the furtherance of the adverse commercial interests which were at the expense of the people of Kenya be prosecuted to the full extent of the law and be barred from holding public office; 	<p>Mr. James Macharia was the Cabinet Secretary (CS) for Health between 2013 and 2015.</p> <p>2. During this period (2013-2015), Dr. Nicholas Muraguri (2015-2017) served as the Director of Medical Services (DMS).</p> <p>3. Dr. Cleopa Mailu was the Cabinet Secretary for Health between November 2015 and January 2018.</p> <p>4. The Principal Secretaries</p>

<p>of the Public Finance Management Act that forbids wasteful expenditure.</p>		<p>For details on the project please see brief by the Parliament of Kenya (Senate) "The Managed Equipment Services Kenya: Brief and suggested questions".</p>	<p>3. That all private entities and persons found culpable of participating in the irregular and illegal acts of the liable public officers adversely mentioned in this report be investigated by the relevant investigatory authorities;</p> <p>4. The Office of the Auditor-General to expeditiously undertake a comprehensive forensic audit of the Managed Equipment Service Project.</p>	<p>responsible for Health during this period included Dr. Nicholas Muraguri (2016 - 2017), and Mr. Julius Korir, (2017-2018).</p>
<p>5. Manipulation of the Integrated Financial Management System (IFMIS). (#Mafyahouse scandal)</p> <p>It is reported that Ministry of Health officials manipulated IFMIS to log fraudulent transactions in the 2015/16 financial year including payments to phony suppliers; diversion of funds and double payment of goods.</p> <ul style="list-style-type: none"> ▪ Ksh. 2.4 billion pending bills arisen from illegal over expenditure 	<p>Approximately Ksh. 5 billion:</p>	<p>This was uncovered in the Auditor General's report 2015/2016 (the Office of the Auditor General is established by Article 229 of the Constitution of Kenya, 2010).</p> <p>The misfeasance was also covered in a number of media outlets:</p>	<p>No reported action against the perpetrators with a PS adversely mentioned in the scandal transferred to the Ministry of Lands</p>	<p>CS: Dr. Cleopa Mailu</p> <p>PS: Dr. Khadija Kasachoon and later Dr. Nicholas Muraguri.</p>

<ul style="list-style-type: none"> ▪ Ksh. 515 million diverted from the National AIDS Control Programme. ▪ Ksh. 889 million funds to be disbursed to county governments to support their free maternity care programmes and for the supply of 100 portable mobile clinics diverted (the procured containers are still lying idle at a warehouse in Miritini Mombasa). 		<p>Kimanthi K "Audit review underway as row rages over IFMIS", 9 May 2019, Daily Nation.</p> <p>Leftie P "How officials manipulate IFMIS to steal public funds" 27 September 2019, Daily Nation.</p>		
<p>6. Looting of over Kshs. 10 Billion from the National Hospital Insurance Fund (NHIF)</p> <p>Since 2018, there have been several reports of looting at NHIF mostly in false medical claims</p>	<p>Approximately 10 Billion</p>	<p>See Newspaper reports:</p> <p>Cyrus O., Roselyne O. "Over Sh10 billion feared lost in new NHIF pay scandal" 25 February 2019, The Standard.</p>		<p>CEO of NHIF at the time was: Geoffrey Mwangi.</p>
<p>Projects in the health sector that lack transparency and accountability (raising the great possibility of mega corruption and looting of public resources)</p>				
<p>7. Kenyatta National Hospital public-private partnership (PPP) to build a 300-bed private hospital block.</p> <p>The hospital entered into a build-operate-transfer PPP where a private entity would finance, construct, operate and maintain the private block for a number of years to recover their costs and make</p>	<p>Not available</p>	<p>The proposed PPP was reported in a number of media outlets – the status of the PPP, however, remains unclear because of the State's unwillingness to provide information:</p>		<p>Cabinet Secretary: Sicily Kariuki</p>

<p>a profit before transferring it to the State. Ernst and Young are conducting a feasibility study of the project.</p> <p>Issues raised:</p> <ul style="list-style-type: none"> • No publicly available Agreement establishing the PPP. • No Public participation in the process • No publicly available information on procurements documents detailing the hiring of Ernst and Young. 		<p>Idagwah L “KNH, partners to build 300-bed private hospital’ 28 June 2018, Business Daily.</p> <p>The details of this PPP are also available on the Kenya PPP Programme Status Report of June 2018 (this is not available online)</p>		
<p>8. The hiring of 100 Cuban doctors and medical specialists to be deployed to work with medical teams in various counties for 2 years.</p> <p>Media reported that Kenya welcomed an unknown number of research teams from Cuba who will develop joint projects with Kenya Medical Research Institute (KEMRI).</p> <p>Issues:</p> <ul style="list-style-type: none"> ▪ No publicly available information on the hiring and costs involved. 	N/A	<p>The decision to hire doctors from Cuba was queried by various stakeholders and this was reported as follows:</p> <p>Ndiso J “Kenyan Doctors hired by move to hire Cuban doctors”, 14 May 2018, Reuters.</p> <p>Wanjala E “Medical association raises concern over Cuban doctors’</p>		Cabinet Secretary: Sicily Kariuki

			qualification" 5 January 2019, The Star.	
9.	<p>Afya Care – Wema wa Mkenya, Universal Health Care Pilot Project.</p> <p>The UHC Pilot Project was rolled out in four counties – Nyeri, Isiolo, Kisumu and Machakos in December 2018. The process of piloting was illustrative of a number of significant gaps that underpin participatory democracy and decision making including:</p> <ol style="list-style-type: none"> i. Priority counties were chosen without consultation and the reasons given for their prioritisation were not debated – priorities for each county were set without consultation; ii. The county governments began to roll out UHC without reaching consensus on essential packages with their residents; iii. The financial and human resources commitment from each level of government in the roll-out of UHC remains unclear; iv. Registration onto health insurance begun without providing residents with the requisite information to make an informed decision. To date, the contents of the essential package in each county remain unclear. 	The information on financial commitments is not available	<p>The problems encountered in the roll-out of UHC under the current circumstances have been reported in:</p> <p>Gathura G "Reality of inadequacies hits ministry ahead of nationwide UHC rollout", 8 June 2019, Standard Digital.</p> <p>Wesangula D "Hiccups in State bid to roll out affordable healthcare for all" 7 April 2019, Standard Digital.</p>	Cabinet Secretary: Sicily Kariuki