

Why Israeli police raided Nairobi offices of construction firm

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Officials in an inquiry into allegations of bribery of top transport ministry officials by an Israeli construction firm to influence award of road tenders in Kenya have widened their search.



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This is after Israeli investigators raided the company's offices in Kenya and froze some of the firm's bank accounts.

Shikun & Binui, through its foreign subsidiary Solel Boneh International Holdings, was chosen to build the World Bank-funded Mau Summit-Kericho-Kisumu Highway at a cost of Sh14 billion in 2010.

The company - one of the largest construction firms in Israel - has been gunning for other projects in Kenya.

On February 20, Israeli police began questioning former senior managers at Shikun & Binui, who are suspected of having bribed Transport officials in Kenya to win the tenders.

Officials questioned

On Sunday, the company said its Kenyan offices had been searched by Israeli police and said it is fully cooperating with the investigators. The move is likely to see some top Kenyan Transport ministry officials also questioned.

Kenyan police are yet to make public an update on the investigation, which has put the spotlight on the procurement of mega infrastructural projects in Kenya.

"On and after February 20, 2018, a number of current and former employees of SBI AG, Shikun & Binui and the Shikun & Binui subsidiary that holds its shares in SBI AG - including employees who had completed their work for the company over five years ago - were held for investigation or summoned for testimony by the Israeli police," said the company in regulatory filings.

"Some of those investigated were incarcerated for various lengths of time and/or released to house arrest and/or released with limitations," it added while disclosing that Israeli police had also frozen some of the company's bank accounts.

"Israeli police seized various bank accounts of Shikun & Binui and of some of its subsidiaries - accounts in which were deposited a total of more than NIS 200 million (about Sh5.7 billion) - as well as other assets, and searched and seized documents in SGI AG's offices in Israel and Kenya," said the firm.

However, the firm said it had struck a deal on February 22 to have the accounts unfrozen subject to the depositing of Sh7.2 billion with the Israeli police as a guarantee, pending the completion of the investigation.

Internal investigation

The company said its own internal investigation, as well as that by the World Bank's Integrity Office, had been halted to pave way for the completion of the Israeli police one.

"During January 2018, SBI AG was notified by the INT department of the World Bank, the department that investigates Integrity claims, that it intended to audit a number of SBI AG's completed projects in Kenya, some of which had been completed long ago," said the company.

Source: *Daily Nation*

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