As a curious child growing up in the early 1990s, I had a general idea from reading the newspapers that my father brought home that Daniel arap Moi’s Kenya was not a place to play around. Then, in August 1992, these abstract ideas became realities. One evening, my visibly distressed mother brought home a newspaper bearing the photo of her elder brother appearing unconscious and lying on a bed at Nairobi Hospital. The caption had my uncle’s name, Francis Lukorito (whom we called Uncle L), followed by an explanation that the hospitalised Central Bank of Kenya employee had been arrested days earlier in relation to the mysterious death of the multiparty stalwart Masinde Muliro.

Pius Masinde Muliro, the founding member of the Forum for the Restoration of Democracy (FORD), had been declared dead on a Nairobi-bound flight from London, where he had gone to fund-raise for the party. FORD was a serious contender in the 1992 general election following the repeal of Section 2(a) of the constitution, abolishing Moi’s one-party state. That newspaper, with the usually charming Uncle L appearing bruised, swollen and defeated, became part of family memorabilia, in remembrance of the day my uncle became an enemy of the state.

Uncle L was a tall, heavily built and worldly individual who people aspired to become. He finished his high school education at Lenana School and proceeded to undergraduate Bachelor of Commerce studies at the University of Nairobi. He was an impressionable 23-year-old when the Central Bank of Kenya came calling in 1976. He was first sent to Milan, then to Washington, D.C. for further training. Within a short period of time, he became the bank’s superintendent, then the senior
Superintendent. The future was supposed to be bright – until August 1992 happened.

As narrated to the Judicial Commission of Inquiry into the Goldenberg Affair, where Uncle L took the witness stand on 14 January 2004, the truth was that Muliro and Uncle L came a long way. When Muliro was attending school in Tororo, Uganda, before proceeding to the University of Cape Town in South Africa, he made a habit of passing by my grandfather’s home at the Kenya-Uganda border, not too far from Tororo, where he spent time with my grandfather, who was his age-mate. Since then, Muliro remained a regular visitor to my late grandfather’s home, in the process becoming my uncle’s guardian.

On 14 August 1992, while minding his business at work, Uncle L received a call from a friend who informed him that Muliro was dead. Shocked and in disbelief, he left for Muliro’s Nairobi residence in Upper Hill, where he confirmed the news. As Muliro’s children contemplated their next move in dealing with their patriarch’s death, it was decided that Uncle L would become the treasurer for the funeral organising committee. Uncle L drove back to work, unaware that his association with Muliro was about to be conveniently used as a scapegoat to kick him out of the Central Bank – in a bigger game of chess that was being played at Moi’s State House.

Five days later, on 19 August 1992, three plainclothes policemen showed up at the Central Bank. With them was Mr. H. H. Njoroge, Uncle L’s head of division, and a Mr. Karanja, the bank’s chief security officer. The men requested Uncle L to accompany them. No explanations were given. Since the bank officials were aware of what was transpiring, Uncle L obliged. Outside the bank building, on Haile Selassie Avenue, Uncle L saw a Special Branch Peugeot 504 station wagon with two more men inside. There and then, in Moi’s Kenya of detention without trial, he knew his goose was cooked. Multiparty politics had been begrudgingly restored, and although it appeared the democratic space was expanding, in Uncle L’s world, there lurked a monster which was about to cripple the Kenyan economy, an ogre which he and a few others had tried to slay, but which had now come back to haunt them.

As senior superintendent, Uncle L had to scrutinise all export compensation scheme-related CD3 forms submitted to the Central Bank by commercial banks on behalf of their exporting customers. Uncle L worked with Mr. David Meader, an Australian national seconded to the bank from the International Monetary Fund. The duo flagged a whopping 17 billion shillings, which they considered an irregular payout to a company called Goldenberg International, which was purporting to be exporting massive amounts of gold and diamonds on a daily basis to Europe, the Middle East and Asia (even though Kenya had no known commercial deposits of either). For every US dollar earned in the purported sales abroad, Goldenberg was under a statutory export compensation claim where it was paid thirty US cents by the Central Bank in Kenya shillings as a reward for boosting Kenya’s exports.

However, proof of sales and exports of gold and diamonds later turned out to be forgeries.

By mid-1992, six months prior to the first multiparty presidential election in three decades, the flow of CD3 forms intensified. At that time, Uncle L and Mr. Meader raised red flags about what they believed was fraud by writing to the Central Bank’s chief banking manager, the director of research, the deputy governor and the national debt office. As they kept scrutinising more CD3 forms, more anomalies surfaced. Unknown to Uncle L and Mr. Meader, the scheme involved some of the most powerful individuals in Kenya, including the Head of the Special Branch (Kenya’s intelligence service), who was a partner in Goldenberg International, a company owned by Kamlesh Pattni.

Two decades later, while answering a question posed by the Goldenberg Commission’s lead counsel, Dr. John Khaminwa, Uncle L admitted that he and Mr. Meader suspected that they were in the
middle of a multi-billion financial scandal, which was being executed right in front of their eyes. As it would later emerge, some of the individuals whom they wrote to complain about the 17 billion shillings and other irregularities were in fact part of the action.

**Khaminwa:** Why do you believe Mr. Riungu, Mr. Waiguru and Mr. Karanja were responsible for your arrest?

**Lukorito:** Because when I was working on pre-shipment finance papers, Mr. Pattni was very close to Mr. Riungu. On a daily basis, Mr. Pattni would come and see Mr. Riungu. While working on the papers with Mr. Meader, I would see Mr. Pattni going into Mr. Riungu’s office next door.

Upon entering the Peugeot 504, Uncle L was driven to the Nairobi Area Police Headquarters, where he was taken to a basement office. There, he met three policemen - Mr. Kimurgor, Mr. Murage and Mr. Slim - who wanted to know how he knew Muliro, how he came to know about Muliro’s death, how close he was to the opposition leader, and whether he knew where Muliro stayed. Uncle L gave them the history by writing a 16-page statement.

Later that evening, he was thrown into the back seat of the Peugeot, where he was made to lie down on the vehicle’s floor. The policemen sat and stepped on him as they drove along. After a not-so-smooth drive, the vehicle slowed down at what seemed like the entrance of a building. As they pulled Uncle L out, he saw Hotel InterContinental’s beige façade. If he hadn’t expected the worst, then being in the precincts of Nyayo House gave him reason to be afraid.

Two decades later, while answering a question posed by the Goldenberg Commission’s lead counsel, Dr. John Khaminwa, Uncle L admitted that he and Mr. Meader suspected that they were in the middle of a multi-billion financial scandal...As it would later emerge, some of the individuals whom they wrote to complain about the 17 billion shillings and other irregularities were in fact part of the action.

He was taken to an upper floor within Nyayo House where he met a new set of hostile Special Branch interrogators. This time, the story was that he was an opposition mole within the bank. He told them he wasn’t. The beating started. Uncle L collapsed. When he came to, he was in a dark room filled with water that made his skin itchy. His body was swollen and aching all over. Lucky for him, he was picked up later that night and delivered to Parklands Police Station.

The following morning, Uncle L was driven to Nairobi Area Police Headquarters. This time there was not much to talk about other than kicks and blows. He collapsed. When he came to, he found himself at Nairobi Hospital, where the photo in the newspaper my mother brought home was taken. How the media knew who he was, why he had been arrested and where he was hospitalised is anyone’s guess. Uncle L had not been charged with any crime, but he had been badly tarred with a broad brush - he was now a government official caught in the middle of the country’s “dangerous” opposition politics. He stayed bedridden for six days.

The impact of the beatings meted on Uncle L are captured in the 14 January 2004 proceedings of the Goldenberg Commission, which read: (The witness was then referred to a medical report signed by Dr. D. K Gikonyo, a physician and cardiologist, which showed that on admission, among other things, his blood pressure was extremely high – 230/130. (He has since become hypertensive.) After a mandatory two week sick leave, Uncle L was quickly interdicted.

“Following your arrest by the police on 19 August 1992, we write to advise you that it has been decided to interdict you with immediate effect in accordance with Rule 6.35 (b) of the Staff
Rules and Regulations,” read the letter from the Central Bank of Kenya’s Administration Division, signed by Mr. C.K. Ndubai. “While on interdiction, you will be paid half your salary and you will be required to report on every working day to the Head, Security Division, where you will sign a register of attendance. You will not leave your place of work except with the permission of the Head of Security Division. The interdiction will remain in force until further notice.”

This is how a lame game of ping pong at the highest level of Moi’s government started. On 21 September 1992, Uncle L received another letter, ostensibly reversing his earlier interdiction and requesting him to report to the Principal, Development Division, for assignment of duties.

“This is to advise you that it has been decided that your interdiction be lifted with immediate effect and that you report in your former Division. Accordingly, please arrange to report to the Principal, Development Division immediately for assignment of duties.”

On 8 July 1993, Mr. J. K. Waiguru, the Central Bank’s Secretary had some news.

“Following the lifting of your interdiction and posting back to your division, there has been further development in this matter. Would you please report to the Deputy Governor for further instructions.”

When Uncle L went to see the deputy governor, he was advised to go and see the head of the civil service, Prof. Philip Mbithi, who was stationed at Harambee House. Prof. Mbithi told Uncle L to go home and wait. Someone would be sent to him. Uncle L waited for over six months without pay. Then in February 1994, Prof. Mbithi sent someone to Uncle L’s Nairobi home to bring him over. On reaching Harambee House, Prof. Mbithi referred Uncle L to his personal assistant, Mr. S. Z. Ambuka. Mr. Ambuka showed Uncle L a letter dated 10 February 1993 – signed by Mr. Ambuka – addressed to Dr. Wilfred Koinange, the Permanent Secretary in the Ministry of Finance.

You will recall that early this week, I talked to you about the redeployment of the above-named officer who previously worked with the Central Bank and whom we were asked to assist in redeploying to any of the other banking institutions.

You asked me to check with the Central Bank and confirm [Uncle L’s] status with them before you could take over the case. I had discussions with the bank secretary who confirmed that:

(a) When [Uncle L] had a discipline case with them, he was struck off their payroll.

(b) However, when it was later decided that [he] be forgiven and rehabilitated, he was reinstated in the payroll.

(c) Later on, a decision was made that [Uncle L] be referred to the Office of the President for reallocation of duties elsewhere. When he was referred to the Office of the President (and subsequently to Treasury), he ceased being in the CBK payroll.

(d) The Bank Secretary advises that [Uncle L] could apply for early retirement from the bank. This early retirement, if approved, would be frozen as [Uncle L] would not be entitled to any retirement benefits until he attains the mandatory age of 50 years.

(e) [Uncle L] would then be available for you to assist him get a fresh placement in any other financial institutions.

[Uncle L] has accordingly been informed and is herewith sent to you for the necessary
There it was. Having tried to kick Uncle L out of the Central Bank and failed, his case had now been referred to the country's top civil servant at Harambee House to enact the final chess move. It was being fashioned as a case of an ill-disciplined employee, but no one at the Central Bank wanted to take administrative responsibility for Uncle L's predicament. It was all so confusing until Jacinta Mwatela, a witness at the Goldenberg Commission, solved the puzzle.

**Khaminwa:** Were you forgiven and rehabilitated?

**Lukorito:** I do not know that I was supposed to be forgiven because I had committed no offence.

**Khaminwa:** Something I don't seem to understand. You were employed by the Central Bank, then how does the Head of the Public Service come into a corporate organisation like CBK?

**Lukorito:** I do not understand either.

**Khaminwa:** In Mrs. Mwatela's statement in Exhibit 111, could you read what she says about you.

**Lukorito:** [Reads statement.] "I remember Mr. Pattni visiting me in my new office. He arrogantly and proudly reprimanded me for my alleged stupidity in questioning his affairs. He claimed that my stupidity would get me nowhere. I did not reply to him. He specifically referred to one Mr. Lukorito who had been sacked and informed me that no one played about with him and got away with it. I knew he had powerful connections and no purpose would be served in answering him."

There it was, confirmed in black and white: Goldenberg. Uncle L's mistake was that he had stood in the way of Kamlesh Pattni, who could leverage state power, including the Office of the Head of the Civil Service, to deal with him firmly.

Unless one lived through it or studied Moi's state in the 1980s and 1990s, one may be prone to ask: How could Pattni wield so much power within the state, including at the Office of the President, knowing that power was centralised around Moi? More importantly, one may then want to ask: How did Uncle L try to interfere with the Goldenberg pay-outs, and did he have powers to stop Kenya's biggest economic crime to date? The answer lies in an exchange between Uncle L and lawyer Cecil Miller, appearing for the Deposit Protection Fund at the Goldenberg Commission.

**Miller:** Mr. Lukorito, did you question the duplication of CD3s in writing?

**Lukorito:** Yes. They should be with CBK.

**Miller:** Who did you write to?
**Lukorito:** The chief banking manager, the director of research, the deputy governor and the national debt office.

**Miller:** Did you get a response?

**Lukorito:** They did not come directly but they came in the form of whether we had agreed on the level of Treasury Bills that we were to advertise for the weekly tenders. If we all agreed on the amount, we would advertise.

**Miller:** Am I right in saying that technically you were the final port of call in relation to CD3s and pre-shipment?

**Lukorito:** Yes my lords.

**Miller:** If you look at page 17 of your statement, you mention Exchange and Pan African banks.

**Lukorito:** Yes my lords.

**Miller:** You then proceed to say on page 18; “The funds would be withdrawn from CBK under a currency withdrawal scheme by the two banks and then the amount withdrawn by the beneficiaries at the bank.” Would you know who the beneficiaries were?

**Lukorito:** I would not know my lords. We would detect the money movement using the open market operations ledger.

**Miller:** You raised a concern on page 39 – your memo – on the potential snowball effect on the banking sector. And you got a response which you say you were not satisfied with?

**Lukorito:** I was not my lords.

**Miller:** If you look at page 14 of your statement, you list the beneficiaries of the pre-export finance scheme. You left the bank in November 1994.

**Lukorito:** I was arrested on August 19, 1992 and from that day I just used to report but I was not working within the bank.

**Miller:** So you would not know that three of these banks went into liquidation thereafter?

**Lukorito:** I wouldn’t know.

**Miller:** And you would not know whether they had paid their pre-shipment funds by the time?

**Lukorito:** I would not know.

Dr. Wilfred Koinange seemed like a man of few words. “I have nothing to do with you,” he told Uncle L. With that, my uncle was forcibly retired from the Central Bank of Kenya aged 40, an age where he wasn’t entitled to a pension. This is how Kenya is known to treat its best.

“That is all I wish to say in deciding to risk my life by becoming an actor instead of a privileged spectator in the fraudulent deals through CBK during my last years with them.” Uncle L told the Commission when wrapping up his testimony. “And while I can claim a background in central banking, I can only claim a very great interest in the fields of money, banking and finance which would have enabled me to contribute to the economic transformation taking place in our sub-region. It is my hope that someday I will have the opportunity to bring to consummation that
Sometime in 2014, Uncle L pulled me aside during a family gathering, sat me under a tree and started reading to me a letter of solidarity sent to him during his travails at the hands of the Moi state by a mutual friend he shared with Muliro, who had since moved abroad. The letter was aged, worn thin by the elements and now turning brownish. As he read it, it was as if he was being transported into a different realm. Tears started rolling down his cheeks, but his voice didn’t falter. He was crying, but he wasn’t. I felt both sorry and proud of him, for his endurance, defiance and stoicism. It was an awkward yet special moment. As always, the conversation veered back to Goldenberg. He quickly dispatched his son to bring more documents. He wanted to show me the architects of the 1990-1994 Goldenberg fraud.

Unless one lived through it or studied Moi’s state in the 1980s and 1990s, one may be prone to ask: How could Pattni wield so much power within the state, including at the Office of the President, knowing that power was centralised around Moi?

According to Uncle L, much as it had siphoned billions of shillings, Goldenberg International was not the only guilty party; the Goldenberg Inquiry listed over 500 individuals and companies as recipients of portions of the loot. In the end, the Kenyan public was defrauded to the tune of 158 billion shillings (2.8 billion US dollars at the 1994 exchange rate), the scam transferring the equivalent of over 10% of Kenya’s GDP for the 5 years concerned into private hands. In the process, the Kenya shilling collapsed – dropping from 21 shillings in 1990 to 56 shillings in 1994 against the US dollar. Some of the names Uncle L mentioned, known to those who know within the banking system, left me dumbfounded. But then no one could talk. Those like him who dared speak were unceremoniously pushed to the gutter, their lives turned upside down.

The same fate befell Joseph Mumelo, the Central Bank’s Head of Foreign Exchange, who was married to my mother’s first cousin. As mentioned in the 8 February 2020 Saturday Nation article “Legitimate and dubious means Moi used to build empire”, Uncle Joe was asked not to interfere whenever money was siphoned through the Moi-affiliated Transnational Bank. In 1993, a terrified and non-cooperative Uncle Joe was arrested and detained before being kicked out of the bank.

When I joined Nairobi School in 1999, my family had already moved out of Nairobi, and so I spent my mid-term breaks either at Uncle Joe’s or Uncle L’s. They both had children my age. By then, Uncle L had long moved to his rural home. Uncle Joe retreated to his new home on the outskirts of Nairobi.

Whenever I visited, Uncle Joe and I stayed up until the wee hours of the morning playing Scrabble. He would open up to me about all sorts of things. Through him and Uncle L, I learnt the proper meaning of lying low. Just like Uncle L, Uncle Joe never drove any of his cars. He enlisted the services of a taxi driver who drove a Volkswagen beetle, and unless the guy showed up, Uncle Joe rarely left the house. On some nights, when he was brought home by his friends, Uncle Joe refused to get out of the vehicle until the song playing on the car stereo played to the end. His were little pleasures. Just like Uncle L, with his roaring voice, he cursed loudly at Moi and his men on the rare occasions he watched the news. Everyone knew to stay quiet.

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Seeing that Uncle Joe died before he could appear as a witness at the Goldenberg Commission, Uncle L decided to do family duty by adding Uncle Joe’s police statement at the time of his arrest as an annexure to his own, so that Uncle Joe could be heard posthumously. Below, the Commission’s Dr. Khaminwa questions Uncle L about Uncle Joe’s statement on the pay-outs.

**Khaminwa:** Would you look at your additional statement and read it.

**Lukorito:** [Reads statement.] “Further to my January 12, 2004 statement, I wish to state that sometime in July 1993, I learnt from the Central Bank of Kenya that one of my former seniors there, Mr. Joseph Mumelo had been arrested by police and was at Kileleshwa Police Station. I visited him and he told me that the previous governor Mr. Kotut had asked him to pass some cheques relating to some banks and when he later on put it in writing, the governor disowned him. I told him that I also had a similar problem with pre-export finance in relation to Goldenberg International. He told me he believed that it was the source of my problem with the bank. I later learnt that he was released and retired from bank service. I have been shown a statement recorded from the late Mumelo on July 23, 1993. The deceased shared the same views as those noted in my memo to Mr. Riungu on January 21, 1992.

**Khaminwa:** You state that you had problems with Mr. Kotut regarding pre-export finance, could you remind us what the problem was?

**Lukorito:** We got some applications from Goldenberg International but Mr. Riungu was absent. The papers were pushed to Mr. Kotut’s office but we never got any reply. We were not able to proceed because the papers were, to me, very suspect. They had the same CD3 serial numbers from different banks and the amounts were substantial. Mr. Mumelo appeared scared and told me that he was not staying at home because he had been threatened by powerful people. He was moving from hotel to hotel. He cautioned me and from July 1993, I never drove any of my vehicles.

Uncle Joe’s and Uncle L’s well-being – careers, livelihoods, health, family life and their wives’ and children’s welfares and futures – all became collateral damage because they raised queries which had the capacity to unravel Goldenberg. These are the hauntingly traumatic memories some families have of Moi and his government. Sadly, the Goldenberg culprits remain unpunished to date.

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