

## The Sentry Applauds Kenyan Action to Freeze the Accounts of South Sudanese Minister Lomuro

The asset freeze should be the first of many such actions to disrupt South Sudanese illicit flows.

June 17, 2021

The Sentry applauds the [move](#) by Kenyan authorities to freeze South Sudanese Minister of Cabinet Affairs Martin Elia Lomuro's bank accounts, which contain 13.42 million shillings (\$124,000), and urges more such actions to investigate, freeze, and seize illicit assets in Kenya belonging to corrupt South Sudanese elites. The Kenyan Asset Recovery Agency was reported to have pointed out that Lomuro had operated two bank accounts, including one with access to US dollars. His accounts saw several suspicious transactions and a transfer of half a million US dollars between them. The United States [sanctioned](#) Lomuro in December 2019 for his role in perpetuating South Sudan's conflict.

As reporting by The Sentry and others has highlighted, some South Sudanese politically exposed persons (PEPs), businessmen, and UN-sanctioned individuals continue to exploit the Kenyan real estate and banking sectors to funnel illicit proceeds derived from plundering their country's public coffers. The value of assets parked in Kenya by corrupt elites often far exceeds what they could likely afford on their official salaries, as was reported by Kenyan authorities in the case of Lomuro. Several South Sudanese leaders continue to own luxury properties, conduct business, and access banking services in Kenya with relative ease, even as their own country suffers from deadly violence and repeated humanitarian crises.

Illicit proceeds derived from corruption in South Sudan are a threat to the integrity of Kenya's financial system and to the country's status as a regional economic hub, and they can worsen the problem of de-risking. The recent action against Lomuro's assets should therefore be the first of many such concerted steps to disrupt illicit money flows from neighboring South Sudan. Kenya should take urgent action to investigate and seize the assets of corrupt South Sudanese elites and ensure that Kenya is no longer a haven for conflict- and corruption-related proceeds. Kenyan financial institutions should also bolster their compliance efforts to ensure that they do not provide services to corrupt officials and their associates. These steps are particularly salient given Kenya's mutual evaluation this year by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), which will assess the country's anti-money laundering framework and the implementation of laws to disrupt illicit money flows.



**Justyna Gudzowska, Director of Illicit Finance Policy at The Sentry**, said: “Global anti-money laundering measures are only as strong as the weakest jurisdiction. The recent steps taken by Kenya to freeze Lomuro’s assets signal to corrupt elites that they should think twice before looking to Kenya to hide their ill-gotten gains.”

**Sheila Masinde, Executive Director at Transparency International Kenya**, said: “This is a progressive move in combating illicit financial flows to ensure that money illicitly transferred across borders is frozen, recovered and legally returned to its rightful owners - citizens of affected countries. IFFs affect the delivery of social economic development for local communities and countries, undermine good governance and perpetuate conflict and violence. Therefore, this action by Kenyan authorities is a potential deterrence to individuals who may be scheming to launder money through Kenya's financial system. However, there are many loopholes, including vulnerable financial systems, and weak implementation of legislations such as the Proceeds of Crime and Anti-Money Laundering Act, that need to be tightened in Kenya. Further, the Central Bank of Kenya and the Financial Reporting Center should put effective systems in place to adequately shield the country from becoming a safe haven for illicitly acquired money.”

Kenya should also encourage South Sudan to initiate steps to join ESAAMLG and build a strong anti-money laundering framework. Neighboring Uganda, gray-listed by ESAAMLG for lax money laundering laws, should take action to seize assets belonging to corrupt South Sudanese elites.

Kenya can and should play an important role in supporting transparency, long-term peace, and governance in South Sudan, and building an unwelcoming environment for those who profit from conflict and violence is integral to this effort.

**Read The Sentry’s reporting on corrupt South Sudanese assets in Kenya:**

[East Africa’s Leverage for Peace: Target Real Estate in Kenya and Uganda Connected to South Sudan’s Spoilers](#)

[The Taking of South Sudan: The Tycoons, Brokers, and Multinational Corporations Complicit in Hijacking the World's Newest Nation](#)

[War Crimes Shouldn’t Pay: Stopping the looting and destruction in South Sudan](#)

[Making a Killing: South Sudanese Military Leaders' Wealth, Explained](#)

