

# Finance Bill 2023 Role in Kenya "Kwanza" Pyramid Scheme

The Kenya Treasury is running a sophisticated pyramid scheme, and the Housing Levy in Finance Bill 2023 is part of that plot.

Pyramid Scheme definition: A fraudulent moneymaking scheme in which early participants are paid out of money received from later recruits, with the final recruits putting money in and getting nothing back.

The KK administration is running a duplicitous scheme where, treasury is owing government department X billions of shillings, and waits out until there are a lot of complaints...then diverts money from department Y to pay department X...When department Y complains about lack of funds, treasury diverts money from NHIF and NSSF to pay Y...

## Patients' agony as hospitals reject broke NHIF cards

Sunday, June 04, 2023

Poor patients who depend entirely on the national insurer to pay their hospital bills will have to pay cash or stay without treatment after private hospitals said they will ban the use of the card due to non-payment by the agency.

Nearly 80 per cent of Kenyans have no private insurance and depend on the National Health Insurance Fund (NHIF), the backbone of President William Ruto's Universal health coverage plan.

In public hospitals that still accept NHIF cards as a mode of payment, services paid for by the insurer are either not available or require patients to visit private facilities for expensive tests.

Health Cabinet Secretary Susan Nakhumicha last week said hospitals are owed Sh20 billion by NHIF and had asked the National Treasury to expedite the payment.

Ms Nakhumicha said she was aware that NHIF has been struggling

NHIF ends up owing hospitals Sh20 billion.

Hospitals start turning patients with NHIF cards back.

A Kenyan has been making NHIF payments for years, only to go to hospital and be refused treatment, because the govt diverted his money to other departments, WITHOUT HIS AUTHORISATION.

## Bitter reality of NHIF cash crunch and attempt to navigate through financial maze

Health & Science | By Beldeen Waltaula | 1h ago | 6 min read



National Hospital Insurance Fund (NHIF). It boasts over 16 million members and approximately 30 million dependents. [Jonah Onyango, Standard]

Nelson Korir, a Nairobi resident, visited a private hospital in the city for a routine check-up.

To his surprise, when he mentioned having National Health Insurance Fund (NHIF) as his mode of payment, he was informed that it was no longer accepted, despite being up to date with his remittance.

Civil servants in a government telecommunications department disclosed that they were unable to access services because the government had not remitted their statutory deductions to NHIF, despite deducting the amounts from their salaries.

Health CS Susan Nakhumicha this week acknowledged the financial challenges faced by NHIF. She attributed the difficulty in disbursing funds from the treasury to the government's financial constraints,

In case of NSSF, the missing billions will become public information, when a lot of pensioners miss payment.

What makes this GoK pyramid scheme even more sinister is that, despite govt raiding NHIF and NSSF, they have still not been able to effectively fund counties or schools.

Treasury is months behind in payments to counties and schools.

When the matter of school funding was taken to parliament, the CS said they were dispatching Sh28 billion, only to end up sending Sh24 billion.

According to school heads, they don't know whether this money is to fund last term's debts, or pay for this term's school needs - because it is not enough for both.

## School heads unhappy as Education ministry releases Sh24bn

Monday, June 12, 2023

The Ministry of Education has released Sh24 billion in capitation funds to primary and secondary schools with warnings to principals against sending students home for not paying school fees.

The amount is Sh4 billion short of what Education Cabinet Secretary Ezekiel Machogu had promised to send to schools a week ago. This comes amid reports that schools had started sending learners home to collect fees following the delayed disbursement of the funds.

By Friday last week, schools had received the money but principals and other education stakeholders complained that the money was insufficient to cater for the huge debts schools owe. Some of the principals who spoke to Nation on condition of anonymity claimed they are struggling to run schools.

"We don't know how to use these funds with the debts we have been incurring, but yes we have received capitation although it is little. We cannot rely on school fees, especially for boarding schools like mine which is a national school," said a principal.

## **Where Housing Levy in Finance Bill 2023 Comes in**

No reasonable person believes that the Housing Levy is for building houses for poor Kenyans.

If the government really wanted low income earners to own houses, they would liaise with banks to offer them affordable mortgages, with the govt as guarantor.

The govt is under immense pressure to return all NHIF money, so it can pay the hospitals their billions.

Soon, they will be facing similar pressure regarding NSSF billions they have diverted.

Then there are the counties, schools...

Within a very short period, say, 3 months, businesses will refuse to supply schools, counties and various other govt departments unless paid UPFRONT.

At that point, GoK can't go to NHIF, can't go to NSSF...govt services will come to a halt.

That is how countries collapse.

They desperately need the Finance Bill 2023 to pass in parliament, and forcefully start deducting workers' salaries for the "affordable housing scheme".

But, in reality the money will be used to repay some of the diverted funds from NHIF/NSSF, and also send some to the counties, to reduce public pressure.

Therefore, Housing Levy in Finance Bill 2023 is meant to buy time.

Also, increased taxes in the bill are meant to buy time.

But these extra taxes are impractical because, when cost of living is unbearable for most citizens, you reduce taxes, you don't increase them.

PROBLEM: Even if Kenyans meekly let the govt add these extra taxes and levies, that wouldn't solve the country's economic crisis - it would just postpone the day of reckoning.

For one, the shilling has consistently been losing value against the major currencies.

In the past 9 months, the Shilling has dropped by 17% against the American Dollar.

This means that, if GoK had a debt of, say, Sh100 billion it owed a certain foreign bank 9 months ago - repaid in dollars - then that debt is now Sh117 billion.

The foreign debt as at 13 September 2022, when this regime came to power has increased by 17%.

This is money that has been lost, just by the shilling weakening.

NOTE: Total foreign debt has increased by even higher margin, since they are still borrowing - borrowed almost Sh1 Trillion since they came into power - even though they lie about it.

As long as the shilling continues weakening, even if Kenyans agreed to pay the housing levy at 1%, within a few months, the head of state and his deputy would be back demanding to increase it to 5% - to pay the increasing foreign debt, although they would claim it is to build even more modern houses.

That is why no responsible leader would allow the nation's treasury to be ran like a Pyramid Scheme.

Kenya government has only 2 options on the table:

## **Option I: Dismantle the Treasury Pyramid Scheme**

**1. Immediately end Treasury Pyramid Scheme by shelving Housing Levy/Finance Bill 2023,** and inviting economic experts from private sector and other political parties to help draft a new people-friendly Finance Bill.

**2. Immediately stop government wastage:**

No more foreign trips by govt officials unless absolutely necessary;

No more seminars in posh hotels;

No more entertainment funding, unless it is to entertain foreign govt officials visiting the country;

The Big Man and his deputy must stop spending tens of millions of taxpayers' shillings weekly bribing pastors.

### **3. Immediately dismantle cartels at KPLC:**

Reverse the 67% increase in electricity price in past 9 months - this 2/3 increase in power cost is money being stolen by Energy ministry cartels;

Lower the cost of electricity by 70% in 1 month - so that a consumer paying KPLC sh10k per month, will now be paying sh3k per month;

This will boost manufacturing, leading to increased exports = more tax paid to KRA, and strengthening of the shilling;

Also more jobs will be created, meaning more PAYE to KRA;

It will also lead to lowered cost of living.

# Electricity costs soar by 67pc in President Ruto's first nine months in office

Friday, June 02, 2023



Power technician repairs a transformer.

By Kegha Muturi

The cost of electricity has soared by 67 percent in the last nine months from a combination of higher fuel costs, currency depreciation and the review of electricity tariffs. A *Business Daily* analysis of data from the Kenya National Bureau of Statistics (KNBS) reveals that the average price of 50 kilowatts/units (kWh) of electricity has increased from Sh796.83 in August last year to a mean of Sh1,326.54 at the end of May.

This has seen the cost of electricity exert the most pressure on consumer spending with electricity inflation being tabulated at ...

## Crude oil

2023 Data - 1

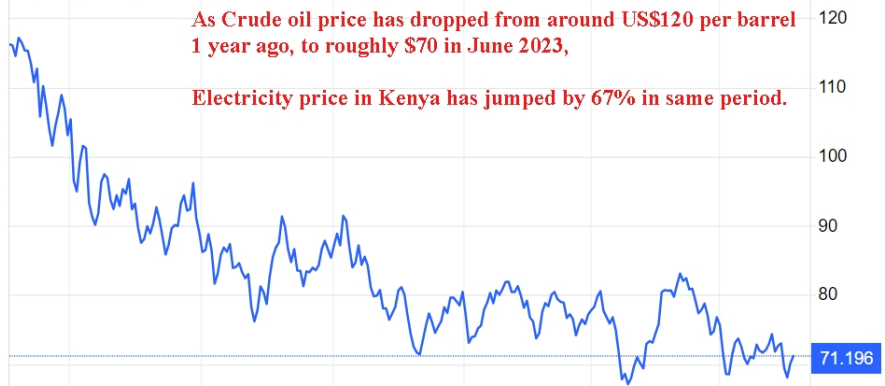
Summary Forecast Stats Alerts Export

Search...

Crude Oil WTI (USD/Bbl) 71.196 +1.068 (+1.52%)

As Crude oil price has dropped from around US\$120 per barrel 1 year ago, to roughly \$70 in June 2023,

Electricity price in Kenya has jumped by 67% in same period.



**NB: They claim high power cost is due to high fuel price for Thermal Power Plants.**

Jul Sep Nov 2023 Mar May

1D 1W 1M 6M 1Y 5Y 10Y 25Y All

## USD to KES Chart +1.86% (1M)

1 USD = 139.242 KES Jun 9, 2023, 02:06 UTC

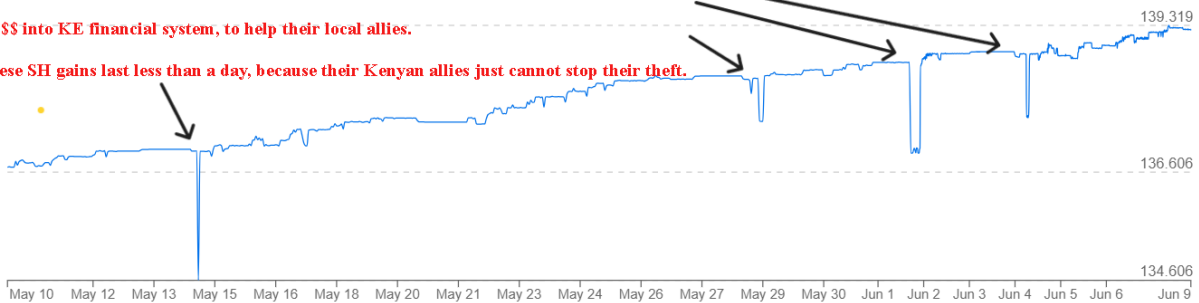
US Dollar to Kenyan Shilling

12H 1D 1W 1M 1Y 2Y 5Y 10Y

These sudden Shilling heavy gains are when Kenya govt's very, very powerful foreign friends

dump \$\$ into KE financial system, to help their local allies.

But these SH gains last less than a day, because their Kenyan allies just cannot stop their theft.

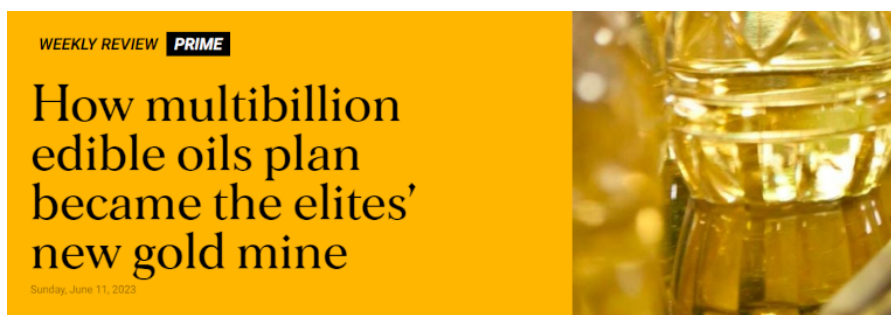




#### 4. Immediately end sabotage of local industries:

No more tax free importation of products that are also made locally, unless local supply is insufficient;

This will save billions in lost taxes, and reduce pressure on the shilling.



Consider the following recent case: An analysis of Kenya Revenue Authority import entries – which are accountable documents – of three large consignments of cooking oil that were brought into the country by a Dubai-based entity under the government's duty-free import programme, not only uncovered red flags of rent-seeking behaviour but revealed how big bucks are being made by these well-connected traders.

Clearly, the nouveau rich of the duty-free cooking oil imports game are making tidy margins. Even more revealing in the import entry documents is the fact that the origin of the cooking oil is stated as Malaysia while the exporter and the invoices are from a Dubai-based entity by the name Multi Commerce FZC whose address is stated as Sharjah, UAE.

KAM chairman Rajan Shah said the cheap imports have cut their production capacity by at least 20 per cent, adding that this has reduced the corporate tax that the government collects from processors. The State missed out on the 10 per cent duty that's normally collected by the Kenya Revenue Authority.

“By cutting production by at least 20 per cent, it means that companies that manufacture packaging containers have also been affected. About Sh29 billion will be lost in Import duty, VAT, IDF, and other fees, which have been waived on the importation of the 125,000 tonnes. The government will also lose corporation tax of about Sh500 million,” said Mr Shah.

**5. Immediately dismantle KRA board and reconstitute it with people who are not corrupt:**

You cannot have thieves running KRA and hope they will not steal.

Why would you appoint a known crook as KRA Board chairman?

The Big Man recently went to KRA headquarters and demanded they stop stealing taxes collected.

No one took the Big Man seriously because, if he doesn't want them to steal, he would just sack them.

Unless KRA board is sent home, and a new one, made up of people of unquestionable integrity is appointed - who would then have 2 weeks to recruit managers, also of unquestionable integrity - billions of shillings will continue to be stolen there each month...

In short, there are many ways the govt can stop the economy from collapsing - without hurting wananchi - if head of state and his deputy want.

## **Option II: Continue with Treasury Pyramid Scheme via Housing Levy/Finance Bill 2023**

And hope Kenyans will not do anything about it.

#Maandamano

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