



Stolen Asset Recovery Initiative

The World Bank • UNODC

Corruption Cases Involving Vast Quantities of Assets

General Findings on Cases of Corruption Involving Vast Quantities of Assets and PEPs

UNODC Expert Group Meeting
Lima, Peru
03 December 2018

Reminder: “VQA” Case Compendium

- Looked at over 30 cases to develop write-ups
- Open-source research
- Regionally and temporally diverse
- Old classics: Marcos, Duvalier, etc.
- Soon-to-be classics: 1MDB, Lava Jato, Moldova Bank Fraud

Case Criteria



Did it involve a vast
quantity of assets
(VQA)???

Reality:



All VQA cases
revolve around
PEP(s)

Example #1: Bribes for resource access

- Diezani Alison-Madueke, fmr. Nigerian Oil Minister
 - Accused of having accepted bribes in exchange for access to oil fields during 2011-2015
- Gulnara Karimova, fmr. first daughter of Uzbekistan
 - Convicted of trading influence to telecoms in exchange for illicit \$\$\$

Example #2: Stealing foreign aid in Haiti

- Jean Claude “Baby Doc” Duvalier
- President of Haiti, 1971– 1986
- Earthquake and poverty relief funds from international and multilateral donors
- Est. \$500 million
- Similar scheme: Ferdinand Marcos, Philippines

Example #3: Manipulating public expenditures

- Hosni Mubarak, fmr President of Egypt
 - Directed the issuance of fake invoices for public expenditures
 - Eg. a "Special Presidential Communications System"
- Similar cases: 1MDB, Ben Ali in Tunisia

Key Takeaways

- In order to “accomplish” grand corruption, you typically need:
 - Decision-making authority
 - Access to public funds
 - Limited checks on power
- Concerted int’l effort to address abuse of power through financial regs to target PEPs
 - FATF Rec 12

Thank you!



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Pursuing VQA Corruption Cases: Risks, Challenges, and Opportunities

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Reminder: “VQA” Case Compendium

- Looked at over 30 cases to develop compendium of indicative cases
- Open-source research
- Regionally and temporally diverse
- Common risks and opportunities emerged

Risks & Challenges

- Politics
 - Eg: 1MDB, Ben Ali, Duvalier, Mubarak...
 - (lack of political will can prevent asset recovery too)
- Destruction of evidence
 - Eg. Moldova, Marcos
- Establishing beneficial ownership in secrecy jurisdictions
- Transparency in extractive industries
 - Eg. DRC cases, OPL, Diezani Alison-Madueke

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Opportunities

- Investigative journalism / CSO work
 - Eg: BAE Systems, Kirchners in Argentina, DRC mining, Azerbaijani bribe cases
- Private investigative services
 - Eg. Moldova, Marcos, Duvalier
- U.S. DOJ Kleptocracy Initiative
 - Eg. Duvalier, Diezani Alison-Madueke, Karimova, BAE
- Plea bargaining
 - Eg. Lava Kato, Kirchners
- Technology and software



Thank you!



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