



global witness

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Secret documents reveal multi-million dollar shopping spree by African dictator's son; US authorities fail to act on evidence of corruption

LONDON: Confidential U.S. government documents uncovered by campaign group Global Witness and reported on in today's New York Times, strongly suggest that Teodorin Obiang, son of the dictator of oil-rich Equatorial Guinea, purchased a \$33 million private jet, a \$35 million Malibu mansion, speedboats and a fleet of fast cars using corruptly acquired funds.

A new Global Witness report, '*The Secret Life of a Shopaholic*', explains how, despite the ample evidence against him, Teodorin continues to be allowed into the U.S. He is reported to be building a custom 200 foot yacht with shark tank but the ordinary citizens of the West African nation continue to exist in poverty and oppression.

"U.S. law requires the State Department to deny visas to foreign officials when there is credible evidence they are involved in corruption; yet the authorities have continued to allow Teodorin to come and go as he pleases. The only possible excuse would be if there was an active investigation and a need to continue gathering evidence, but the investigation is inactive. One wonders whether the U.S. is inclined to turn a blind eye to the evidence of corruption-fuelled excess because of its desire to retain access to his country's oil," said Anthea Lawson, a senior investigator at Global Witness.

According to the documents from the Justice Department and Immigration and Customs Enforcement (ICE), Teodorin, who earns a few thousand dollars a month as a minister in his father's government, transferred about \$75 million into U.S. banks between 2005 and 2007, via wire transfers processed by Bank of America, Wachovia, UBS, Union Bank of California and First American Trust.

The first two of these banks filed suspicious activity reports to the authorities about the transactions and eventually blacklisted him as a customer – but not until after they had helped him move tens of millions of dollars into the country.

"This was a spectacular moral failing by the banks, and reveals a disturbing chain of gaps in the design and implementation of the anti-money laundering laws. In 2004, the U.S. bank, Riggs, was fined \$41 million and sold off at a discount after a Senate inquiry uncovered it was banking for the corrupt Obiang family. Have no lessons been learnt at all?" Ms Lawson said.

The documents were written by investigators from the Justice Department and ICE to request information from French law enforcement agencies as some of the transfers had come via French banks. They relate to a preliminary money laundering investigation. No charges have been made and sources have told Global Witness that the investigation has effectively stalled.

"With its plentiful oil, paid for by American companies, Equatorial Guinea should be one of the richest countries in the world. Instead its people are among the poorest, and the government is an extreme example of a kleptocracy in action. The U.S. has generally taken a far more effective and robust approach to tackling foreign corruption and bribery than many of its international peers but it seems to have a blind spot when it comes to Equatorial Guinea," said Ms Lawson.

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Read the report: www.globalwitness.org/shopaholic

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Global Witness investigates and campaigns to prevent natural resource-related conflict and corruption and associated environmental and human rights abuses.