

10. Crime and Corruption: Stolen Asset Recovery [107]

Commitment:

“We will fulfill our international commitments to secure the return of stolen assets.”

- Declaration of the G8 on the Arab Springs

Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France			+1
Germany	-1		
Italy	-1		
Japan	-1		
Russia	-1		
United Kingdom		0	
United States			+1
European Union		0	
Average Score		-0.22	

Background:

Asset recovery is a fundamental principle of the UN Convention Against Corruption (UNCAC). Asset recovery is defined in Article 52 as “Prevention and detection of transfers of proceeds of crime.”¹⁰⁸³ In regards to the Arab Springs, asset recovery generally refers to money taken by dictators and placed in financial institutions in G8 countries. The convention allows for civil court cases to determine the status of the assets, and obliges the country to freeze assets, and “give priority consideration to returning confiscated property to the requesting State Party, returning such property to its prior legitimate owners or compensating the victims of the crime.”¹⁰⁸⁴ As of 25 November 2011, all G8 countries have signed the treaty and Japan and Germany have yet to ratify it.¹⁰⁸⁵

On 27 May 2011, the G8 launched the “Deauville Partnership” with the Prime Ministers of Egypt and Tunisia. This partnership “enshrines common values of freedom and democracy and is founded on the respect for the sovereignty of States and peoples, whose protection is the common responsibility of governments.”¹⁰⁸⁶ The G8 indicated the option to partner with other countries making the transition to democracy. At a meeting on 10 September 2011, Jordan and Morocco, Kuwait, Qatar, Saudi Arabia, Turkey, and United Arab Emirates have joined the partnership. The partnership now incorporates nine international and regional financial institutions, including the

¹⁰⁸³ United Nations Convention Against Corruption, United Nations Office on Drugs and Crime. (New York) 2004. Date of Access: 8 January 2012. http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf, 42

¹⁰⁸⁴ United Nations Convention Against Corruption, United Nations Office on Drugs and Crime. (New York) 2004. Date of Access: 8 January 2012. http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf, 47

¹⁰⁸⁵ Signatories to the United Nations Convention Against Corruption, United Nations Office on Drugs and Crime. (New York) 25 November 2011. Date of Access: 8 January 2012.

<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>

¹⁰⁸⁶ Declaration of the G8 on the Arab Springs (Deauville) May 27, 2011. Date of Access: 8 January 2012. <http://www.g8.utoronto.ca/summit/2011deauville/2011-arabsprings-en.html>

IMF.¹⁰⁸⁷ This partnership has two parts, “a political process to support the democratic transition and foster governance reforms, notably the fight against corruption and the strengthening of the institutions needed to ensure transparency and accountable government; and an economic framework for sustainable and inclusive growth”¹⁰⁸⁸. The fight against corruption is a key feature of economic reforms. The G8 has given its assistance in this area based on prior international agreements signed.

Commitment Features:

Stolen Assets Recovery Program (StAR) is a joint plan between the United Nations Office on Drugs and Crime (UNODC) and the World Bank which StAR operates under the UN Convention Against Corruption. It obliges states to ensure that “the recovered assets are used well, to support the attainment of the Millennium Development Goals (MDGs) or invest in badly needed infrastructure, for example.”¹⁰⁸⁹ Programs that are launched to uncover stolen assets, therefore, must also include mechanisms to ensure these are put to effective use.

For StAR to be successful, G8 Members must ratify and implement the UNCAC. Therefore, for successful compliance on this commitment, each member country must have ratified this treaty. StAR is intended to encourage bilateral activities, and the WBG and UNODC do not want to get involved in the proceedings. Therefore, to ensure compliance, member countries must have created framework agreements with countries in the Deauville partnership. Countries can also enlist private sector assistance, as that is acceptable under StAR.¹⁰⁹⁰

The Accra Agenda for Action was adopted by the G8 in 2007. In the agreement, member countries committed themselves to fight against corruption and to “take steps in their own countries to combat corruption by individuals or corporations and to track, freeze, and recover illegally acquired assets.”¹⁰⁹¹ The Fourth High Level Forum on Development Effectiveness (HLF4) took place in Busan, South Korea, from 29 November to 1 December 2011. In the “Statement of Resolve of the Arab Funds of the Coordination Group,” various multilateral financial organizations from the MENA area indicated their desire to be part of the process through which funds are distributed.¹⁰⁹² The role of the G8 countries then is to work with this “coordination group” to ensure the assets recovered target either MGDs or infrastructure. Under

¹⁰⁸⁷ Deauville Partnership Broadens Support for Mideast, North Africa, International Monetary Fund (Washington) September 10, 2011. Date of Access: 8 January 2012.

<http://www.imf.org/external/pubs/ft/survey/so/2011/CAR091011A.htm>

¹⁰⁸⁸ Declaration of the G8 on the Arab Springs (Deauville) May 27, 2011. Date of Access: 8 January 2012.

<http://www.g8.utoronto.ca/summit/2011deauville/2011-arabsprings-en.html>

¹⁰⁸⁹ Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan, United Nations Office of Drugs and Crime, World Bank (Washington) 2007. Date of Access: 8 January 2012.

<http://www.unodc.org/documents/corruption/StAR-Sept07-full.pdf>, 17

¹⁰⁹⁰ Stolen Asset Recovery (StAR) Initiative: Challenges, Opportunities, and Action Plan, United Nations Office of Drugs and Crime, World Bank (Washington) 2007. Date of Access: 8 January 2012.

<http://www.unodc.org/documents/corruption/StAR-Sept07-full.pdf>, 9

¹⁰⁹¹ Tracking Anti-Corruption and Asset Recovery Commitments, OECD (Washington) March 2011. Date of Access: 8 January 2012.

https://docs.google.com/viewer?url=http%3A%2F%2Fwww1.worldbank.org%2Ffinance%2Fstar_site%2Fdocuments%2FAccraReport%2FReport%2FAccra%2520Commitments.pdf, 12

¹⁰⁹² STATEMENT OF RESOLVE OF THE ARAB FUNDS OF THE COORDINATION GROUP, The Coordination Group (Busan) 1 December 2011. Date of Access: 8 January 2012.

http://www.aideffectiveness.org/busanhlf4/images/stories/hlf4/2011-11-02_Busan_Statement_of_Resolve.pdf

Accra, they have committed to devoting substantial resources to asset recovery, although only the United Kingdom and the United States have made substantial process in this area.¹⁰⁹³

Compliance Scale:

-1	The member country has not committed any new resources to the recovery of stolen assets AND therefore no assets recovered have been invested in effective projects as under StAR.
0	The member country has committed new resources to the recovery of stolen assets OR the member country has recovered assets and ensured they have been invested in effective projects as under StAR.
+1	The member country has committed new resources to the recovery of stolen assets AND recovered assets have been invested in effective projects under StAR.

Lead Analyst: Aoife Quinn

Canada: 0

Canada has partially complied with their international commitments to secure the return of stolen assets and has taken appropriate bilateral action in promoting StAR.

As of 24 May 2011 Canada imposed an asset freeze against people associated with the current Syrian regime and entities involved in security and military operations against the Syrian people.¹⁰⁹⁴ On the same date, Canada froze the assets of four individuals and two entities associated with the Syrian government.¹⁰⁹⁵ The names of the individuals are as follows: Mohammad Mufleh, Major General Tawfiq Younes, Mohammed Makhoulouf, and Ayman Jabir.¹⁰⁹⁶ The entities are as follows: Commercial Bank of Syria, and Syriatel.¹⁰⁹⁷

Canada is an active contributor to StAR.¹⁰⁹⁸ Canada established the Freezing Assets of Corrupt Foreign Officials Act and the Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations on 23 March 2011. The Freezing Assets of Corrupt Foreign Officials Act permits the Canadian Government to freeze the assets or restrain property of politically exposed foreign persons at the written request of a foreign state.¹⁰⁹⁹ The Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations give effect to written requests from Tunisia and Egypt

¹⁰⁹³ Tracking Anti-Corruption and Asset Recovery Commitments, OECD (Washington) March 2011. Date of Access: 8 January 2012.

https://docs.google.com/viewer?url=http%3A%2F%2Fwww1.worldbank.org%2Ffinance%2Fstar_site%2Fdocuments%2FAccraReport%2FReport%2FAccra%2520Commitments.pdf, 12

¹⁰⁹⁴ Statement by Minister Baird on Situation in Syria, Foreign Affairs and International Trade Canada (Ottawa) 13 August 2011. Date of Access: 20 December 2011.

<http://www.international.gc.ca/media/228.aspx?view=d>.

¹⁰⁹⁵ Statement by Minister Baird on Situation in Syria, Foreign Affairs and International Trade Canada (Ottawa) 13 August 2011. Date of Access: 20 December 2011.

<http://www.international.gc.ca/media/228.aspx?view=d>.

¹⁰⁹⁶ Statement by Minister Baird on Situation in Syria, Foreign Affairs and International Trade Canada (Ottawa) 13 August 2011. Date of Access: 20 December 2011.

<http://www.international.gc.ca/media/228.aspx?view=d>.

¹⁰⁹⁷ Statement by Minister Baird on Situation in Syria, Foreign Affairs and International Trade Canada (Ottawa) 13 August 2011. Date of Access: 20 December 2011.

<http://www.international.gc.ca/media/228.aspx?view=d>.

¹⁰⁹⁸ The Stolen Asset Recovery Initiative (StAR), United Nations Office on Drugs and Crime, 2011. Date of Access: 22 December 2011. <http://www.unodc.org/unodc/en/corruption/StAR.html>.

¹⁰⁹⁹ Tunisia and Egypt, Foreign Affairs and International Trade Canada (Ottawa) 16 December 2011. Date of Access: 20 December 2011. http://www.dfait-maeci.gc.ca/sanctions/tunisia_egypt-tunisie_egypte.aspx?lang=eng&view=d.

to freeze assets of their former leaders and senior officials or their associates and family members suspected of having misappropriated state funds, or obtained property inappropriately as a result of their office, family, business or personal connections. On 16 December 2011 Canada amended and updated the list of persons whose assets are subject to freezing under the Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations.¹¹⁰⁰ There are currently 48 politically exposed foreign persons registered in Tunisia.¹¹⁰¹ There are currently 21 politically exposed foreign persons registered in Egypt.¹¹⁰²

Canada froze CAD2.3-billion in Libyan assets under UN sanctions against Moammar Gadhafi's regime.¹¹⁰³ An estimated CAD\$2-billion in Libyan assets held by Canadian institutions still remains frozen because it is part of broader United Nations sanctions still in effect.¹¹⁰⁴

On 13 August 2011, Foreign Affairs Minister John Baird stated that Canada has frozen the assets of additional individuals and entities associated to the Assad regime in Syria.¹¹⁰⁵

As of 30 April 2012, Canada has yet to unfreeze its Libyan assets.¹¹⁰⁶

There is no evidence of Canada returning stolen assets to their foreign jurisdictions. Though the assets remain frozen, they still remain in Canadian control. For this reason, Canada has failed to fully comply with this commitment.

Analyst: Sarah Burton

France: +1

France has fully complied with their international commitments to secure the return of stolen assets and have taken appropriate bilateral action in promoting StAR in the recovery of assets.

France is releasing Libyan assets to allow the Libyan government to have the resources necessary for the reconstruction of Libya.¹¹⁰⁷ Pending the unfreezing of all assets, France secured the authorization of the Security Council's Sanctions Committee to unfreeze EUR1.5 billion on 31

¹¹⁰⁰ Tunisia and Egypt, Foreign Affairs and International Trade Canada (Ottawa) 16 December 2011. Date of Access: 20 December 2011. http://www.dfait-maeci.gc.ca/sanctions/tunisia_egypt-tunisie_egypte.aspx?lang=eng&view=d.

¹¹⁰¹ Schedule 1 POLITICALLY EXPOSED FOREIGN PERSONS (TUNISIA), Department of Justice (Ottawa) 19 December 2011. Date of Access: 20 December 2011. <http://laws.justice.gc.ca/eng/regulations/SOR-2011-78/page-2.html#h-6>.

¹¹⁰² Schedule 2 POLITICALLY EXPOSED FOREIGN PERSONS (EGYPT), Department of Justice (Ottawa) 19 December 2011. Date of Access: 20 December 2011. <http://laws.justice.gc.ca/eng/regulations/SOR-2011-78/page-3.html#h-7>.

¹¹⁰³ Canada freezes \$2.3-billion in Libyan assets. The Globe and Mail (Toronto) 1 March 2011. Date of Access: 22 December 2011. <http://www.theglobeandmail.com/news/politics/ottawa-notebook/canada-freezes-23-billion-in-libyan-assets/article1925091/>.

¹¹⁰⁴ Canada lifts sanctions against Libya – but assets remain frozen. The Globe and Mail (Paris) 1 September 2011. Date of Access: 22 December 2011. <http://www.theglobeandmail.com/news/politics/canada-lifts-sanctions-against-libya-but-assets-remain-frozen/article2149780/print/>.

¹¹⁰⁵ Statement by Minister Baird on Situation in Syria, Foreign Affairs and International Trade Canada (Ottawa) 13 August 2011. Date of Access: 20 December 2011. <http://www.international.gc.ca/media/228.aspx?view=d>.

¹¹⁰⁶ Muammar el-Qaddafi (and related entities and individuals), Stolen Asset Recovery Initiative (United States). Date of Access: 30 April 2012. <http://assetrecoverywatch.worldbank.org/star/moreview/5>

¹¹⁰⁷ Frozen Assets, France Diplomatie (France) 15 December 2011. Date of Access : 23 December 2011. <http://www.diplomatie.gouv.fr/en/country-files/libya/events-6776/article/libya-frozen-assets-q-a-15-12-11>.

August 2011.¹¹⁰⁸ France also transferred €230 million to the Central Bank of Libya (CBL).¹¹⁰⁹ Moreover, at the Sanctions Committee in New York, France supported the unfreezing in full of the assets of the Central Bank of Libya (CBL) and the Libyan Foreign Bank (LFB) at the Security Council.¹¹¹⁰ The French government stated that it would unfreeze any assets by 16 December 2011.¹¹¹¹ Once completed, all of these assets will then be under the full control of the Libyan authorities.¹¹¹²

According to President Sarkozy, France has taken all the domestic measures necessary in order to block any suspicious transactions.¹¹¹³ The French government introduced a criminal offence for owning “unjustified” assets, a law that can be used against the proceeds of crime in cases where assets are disproportionate to the lifestyle of their owner, who has habitual contact with criminals.¹¹¹⁴ The French Government is conducting a preliminary enquiry into the assets of former Tunisian leader Ben Ali.¹¹¹⁵

In addition, France hosted the second StAR-INTERPOL Asset Recovery Focal Points Meeting in July 2011 at the INTERPOL General Secretariat in Lyon, France.¹¹¹⁶ The meeting brought together over 113 asset recovery experts from 56 countries and it served as a framework to facilitate case cooperation and helped enhance relationships among practitioners.¹¹¹⁷

The French government is initiating a program that will outline a framework for the recovery of stolen assets which is founded on the Initiative of the World Bank for the restitution of stolen assets, will refuse to entry to public agents and corrupt official representatives, as well as increase transparency in the public sector, in particular public markets, by the end of the year 2012.¹¹¹⁸

¹¹⁰⁸ Frozen Assets, France Diplomatie (France) 15 December 2011. Date of Access : 23 December 2011. <http://www.diplomatie.gouv.fr/en/country-files/libya/events-6776/article/libya-frozen-assets-q-a-15-12-11>.

¹¹⁰⁹ Frozen Assets, France Diplomatie (France) 15 December 2011. Date of Access : 23 December 2011. <http://www.diplomatie.gouv.fr/en/country-files/libya/events-6776/article/libya-frozen-assets-q-a-15-12-11>

¹¹¹⁰ Frozen Assets, France Diplomatie (France) 15 December 2011. Date of Access : 23 December 2011. <http://www.diplomatie.gouv.fr/en/country-files/libya/events-6776/article/libya-frozen-assets-q-a-15-12-11>

¹¹¹¹ Frozen Assets, France Diplomatie (France) 15 December 2011. Date of Access : 23 December 2011. <http://www.diplomatie.gouv.fr/en/country-files/libya/events-6776/article/libya-frozen-assets-q-a-15-12-11>

¹¹¹² Frozen Assets, France Diplomatie (France) 15 December 2011. Date of Access : 23 December 2011. <http://www.diplomatie.gouv.fr/en/country-files/libya/events-6776/article/libya-frozen-assets-q-a-15-12-11>.

¹¹¹³ Tunisia : assets of former President Ben Ali, his family and his entourage, France Diplomatie (France), 20 January 2011. Date of Access: 23 December 2011.

<http://www.diplomatie.gouv.fr/en/country-files/tunisia-286/france-and-tunisia/political-relations-5169/article/tunisia-assets-of-former-president>

¹¹¹⁴ Tracking Anti-Corruption and Asset Recovery Commitments – A Progress Report and Recommendations for Action, OECD and the World Bank, 2011. Date of Access: 23 December 2011. http://www1.worldbank.org/finance/star_site/documents/AccraReport/Report/Accra%20Commitments.pdf.

¹¹¹⁵ Stolen Assets: Time to Act Now. Transparency International (Berlin). Date of Access: 23 December 2011. http://www.transparency.org/global_priorities/other_thematic_issues/global_crisis/stolen_assets_act.

¹¹¹⁶ International Asset Recovery, INTERPOL (Berlin) 2011. Date of Access: 23 December 2011. <http://www.interpol.int/Crime-areas/Corruption/International-asset-recovery>.

¹¹¹⁷ The Global Focal Point Initiative Established by INTERPOL and StAR – Creating a global network of anti-corruption practitioners, INTERPOL (Berlin) 2011. Date of Access: 23 December 2011. <http://www.interpol.int/Crime-areas/Corruption/International-asset-recovery>.

¹¹¹⁸ Déclaration finale du Sommet de Cannes, Présidence de la République – Élysée (France) 4 November 2011. Date of Access : 23 December 2011. http://www.elysee.fr/president/les-actualites/declarations/2011/declaration-finale-du-sommet-de-cannes.12375.html?search=avoir&xtmc=avoirs_voles_&xcr=2.

Due to the actions taken by France in regards to the freezing of assets, their return to their countries of origin, and the domestic policies in place to ensure this, France is in full compliance with this commitment.

Analyst: Sarah Burton

Germany: - 1

Germany has not complied with its commitment to secure the return of stolen assets and promote the World Bank / United Nations StAR to support Egypt and Tunisia in the recovery of assets.

Germany has yet to ratify the 2003 UNCAC.¹¹¹⁹ The UNODC and the World Bank's StAR requires ratification of the UNCAC by all participating nations.¹¹²⁰ However, Germany has frozen over EUR7.3 billion of money associated with the Gaddafi regime. Furthermore, Foreign Minister Guido Westerwelle has called on the UN Security Council to expedite the release of frozen Libyan assets.¹¹²¹

Germany has committed funding to Arab Spring initiatives, but none have been targeted toward stolen asset recovery. In December 2011 Dr. Norbert Lammbert pledged EUR100 million for 2012-2013 on behalf of the German parliament to support the democratic transition in the Arab region. In addition to the financial pledge the German parliament has provided the Tunisian government with translated versions of German legislative and legal texts aimed at aiding in the development of the democratic model.¹¹²²

Thus, although the Arab Spring has elicited a response by the German Government, the government has not worked within the StAR framework endorsed by the G8. Therefore, Germany has not complied with this commitment.

Analyst: Rezwana Islam

Italy: - 1

Italy has not complied with its commitment to secure the return of stolen assets and support Egypt and Tunisia in the recovery of assets.

Although Italy did seize control of Libyan foreign assets as dictated by a United Nations Security Council Resolution in February 2011¹¹²³ it has not taken any steps toward repatriating frozen assets, nor has it contributed any new resources to supporting the multilateral and universal instruments to which it is a Party State, including StAR and UNCAC.

¹¹¹⁹ Reclaiming Stolen Assets from Corrupt Autocrats. Barham, John. Date of Access: January 5, 2012. <http://www.securitymanagement.com/article/reclaiming-stolen-assets-corrupt-autocrats>

¹¹²⁰ Tracking Anti-Corruption and Asset Recovery Commitments: A Progress Report and Recommendations for Progress, OECD & StAR 2011. Date of Access: 3 January, 2012. https://docs.google.com/viewer?url=http%3A%2F%2Fwww1.worldbank.org%2Ffinance%2Fstar_site%2Fdocuments%2FAccraReport%2FReport%2FAccra%2520Commitments.pdf

¹¹²¹ Germany urges UN to quickly free up Libyan assets, The Guardian (London) 23 August 2011. Date of Access: 12 January 2012. <http://www.guardian.co.uk/world/feedarticle/9810774>

¹¹²² Germany Pledges 100 Million Euros to "Arab Spring" Countries. 8 Dec 2011. Date of Access: Jan. 4, 2012. <http://www.tunisia-live.net/2011/12/08/germany-pledges-100-million-euros-to-arab-spring-countries/>

¹¹²³ As Libya takes stock, Moammar Kadafi's hidden riches astound, Los Angeles Times (Los Angeles) 21 October 2011. Date of Access: 9 January 2012. <http://articles.latimes.com/2011/oct/21/world/la-fg-kadafi-money-20111022>

On 7 June 2011, UNODC Executive Director Yuri Fedetov met with several senior Italian officials to discuss a range of drug and crime related matters.¹¹²⁴ The meeting covered current developments in North Africa, however it did not include a strategy for the repatriation of Libyan assets frozen by the Italian government in February 2011.

Prime Minister of the National Transitional Council Mahmoud Jibril and members of the opposition leadership in Libya met with representatives from Italy at a summit hosted in Doha, Qatar on 24 August 2011. One of the topics under discussion was the recovery of billions of dollars in Libyan assets frozen when sanctions were imposed on Quaddafi's regime. Mahmoud Jibril stated that "the NTC wishes to use these funds to restore law and order, establish stability, and keep the country's economy afloat during the advent of a post-Qaddafi Libya."¹¹²⁵

On 25 August 2011, Italian Prime Minister Silvio Berlusconi met with NTC Prime Minister Mahmoud Jibril in Milan. Berlusconi promised to release USD505 million of Libyan assets, however the funds have yet to be released.¹¹²⁶

Thus, Italy has been awarded a score of -1 for having not committed new resources to the recovery of stolen assets, and not invested recovered assets into effective projects under StAR.

Analyst: Benjamin Chacon

Japan: -1

Japan has not complied with its commitment to secure the return of stolen assets and promote the World Bank / United Nations StAR to support Egypt and Tunisia in the recovery of assets.

Japan has yet to ratify the 2003 UNCAC.¹¹²⁷ Japan has legislation which only prosecutes the act of bribery but does not seize the profits of active foreign bribery. Existing legislature does not explicitly provide the means to confiscate the indirect profits of active bribery.¹¹²⁸ However, Japan has frozen Libyan assets associated with the Gaddafi regime in accordance with the UN Security Council. It has not yet returned the funds to the National Transitional Council.¹¹²⁹

On Friday Sept. 23, 2011 Japanese Prime Minister Yoshihiko Noda announced support for the Arab Spring through loans totalling to JPY76 billion to be given as assistance in building

¹¹²⁴UNODC and Italy discuss crime and drug prevention, United Nations Office on Drugs and Crime (New York) 7 September 2011. Date of Access: 9 January 2012.

<http://www.unodc.org/unodc/en/frontpage/2011/June/unodc-and-italy-discuss-crime-and-drug-prevention.html>

¹¹²⁵ Britain: UK to release frozen Libyan assets, Associated Press (London) 22 August 2011. Date of Access: 9 January 2012. <http://news.yahoo.com/britain-uk-release-frozen-libyan-assets-103238325.html>

¹¹²⁶ Italy to unfreeze \$505 million in Libyan assets, The Independent (London) 25 August 2011. Date of Access: 14 January 2012. <http://www.independent.co.uk/news/world/europe/italy-to-unfreeze-505-million-in-libyan-assets-2343744.html>

¹¹²⁷ Tracking Anti-Corruption and Asset Recovery Commitments: A Progress Report and Recommendations for Progress, OECD & StAR 2011. Date of Access: 3 January, 2012. https://docs.google.com/viewer?url=http%3A%2F%2Fwww1.worldbank.org%2Ffinance%2Fstar_site%2Fdocuments%2FAccraReport%2FReport%2FAccra%2520Commitments.pdf

¹¹²⁸ Identification and Quantification of the Proceeds of Bribery: A joint OECD StAR analysis OECD & StAR 2011. Date of Access: 3 January, 2012. http://www.keepeek.com/Digital-Asset-Management/oecd/governance/identification-and-quantification-of-the-proceeds-of-bribery_9789264121652-en

¹¹²⁹ Japan freezes assets of Libya's Gaddafi, others, Reuters (London), 7 March 2011. Date of Access: January 20, 2011. <http://www.reuters.com/article/2011/03/08/us-libya-japan-idUSTRE72707L20110308>

infrastructure and developing industry in the Middle East and North Africa. Noda also announced Japan's support for nation-building efforts in South Sudan through the existing UN peace building operation.¹¹³⁰

Although the Japanese government has responded to the Arab Spring, it has not been within the stolen asset framework endorsed by the G8. Thus, Japan has been awarded a score of -1 for its lack of compliance on this commitment.

Analyst: Rezwana Islam

Russia: -1

During the compliance period Russia has not committed any new resources to the recovery of stolen assets. Therefore no assets recovered have been invested in effective projects under the Deauville Partnership. Thus, Russia receives a score of -1.

Analyst: Andrey Shelepov

United Kingdom: 0

The United Kingdom has not fully complied with its commitments on the recovery of stolen assets in the Arab Spring.

On 27 February 2011, the UK froze and seized the equivalent of GBP900 million worth of Libyan currency that was linked to Muammar Gaddafi.¹¹³¹

The United Kingdom's Bribery Act, 2010 came into force on 1 July 2011. This is a part of the UK's work in the OECD Working Group on Bribery International Business Transactions and the UN Convention Against Corruption. This act is extra-territorial, and also applies to companies who do business in the UK.¹¹³²

On 29 August 2011 UK foreign secretary William Hague said that it was likely to take some time before Libyan assets could be repatriated.¹¹³³ However, in turn, the British Government's Asset Freezing Unit (AFU) announced in late August that Libyan assets would remain frozen and it would work closely with the World Bank and other institutions to monitor the situation.¹¹³⁴

On 2 March 2012, the High Court received the Libyan government's attempts to seize a house in London valued at over £10 million from Saadi Gaddafi, the son of Mummar Gaddafi.¹¹³⁵

¹¹³⁰ Japan announces it will make loans to aid 'Arab Spring' movements Takeshi Endo The Yomiuri Shimbun September 25, 2011. Date of Access: 1 January 2012. <http://www.stripes.com/news/pacific/japan-announces-it-will-make-loans-to-aid-arab-spring-movements-1.156066>

¹¹³¹ Britain freezes Gaddafi family assets as £900m of Libyan currency impounded (United Kingdom) 28 February 2011. Date of Access: 8 January 2011. <http://www.guardian.co.uk/world/2011/feb/27/gaddafi-family-assets-frozen-queen>

¹¹³² The UK Bribery Act (London) 2 June 2011. Date of Access: 8 January 2011.

<http://www.fco.gov.uk/en/global-issues/conflict-minerals/legally-binding-process/uk-bribery-act>

¹¹³³ Banks face myriad difficulties in trying to return corrupt Gaddafi money (United Kingdom) 30 August 2011. Date of Access: 22 December 2011. <http://blogs.reuters.com/financial-regulatory-forum/2011/08/30/pepwatch-banks-face-myriad-difficulties-in-trying-to-return-corrupt-gaddafi-money/>

¹¹³⁴ Banks face myriad difficulties in trying to return corrupt Gaddafi money (United Kingdom) 30 August 2011. Date of Access: 22 December 2011. <http://blogs.reuters.com/financial-regulatory-forum/2011/08/30/pepwatch-banks-face-myriad-difficulties-in-trying-to-return-corrupt-gaddafi-money/>

¹¹³⁵ Mathiason, Nick. "Libya acts to seize £10m Gaddafi house in London . 2 March 2012. Date accessed: 2 May 2012. <http://www.guardian.co.uk/world/2012/mar/02/libya-acts-seize-gaddafi-house-london?INTCMP=SRCH>

The UK has made some progress in the return of stolen assets in Libya, however these assets have not been invested in effective projects under StAR and therefore full compliance has not been achieved.

Analyst: Christopher Sullivan

The United States: +1

The United States has fully complied with its commitment to secure the return of stolen assets.

The United States has ratified the UNCAC and works with the United Nations Convention Against Corruption (UNCAC) and the StAR Initiative. It is also a member of the OECD's Anti-Bribery Working Group.¹¹³⁶ The Treasury Department's Office of Terrorism and Financial Intelligence (OTFI) and Financial Crimes Enforcement Network (FinCEN) put in place sanctions and provisional measures against senior Egyptian, Tunisian, Libyan, and Syrian government officials from January to May 2011.¹¹³⁷ In this period, United States issued a number of Executive Orders, including Executive Order 13566¹¹³⁸ and Executive Order 13572¹¹³⁹ which set out to identify and freeze the assets of Libyan ruler Muammar Gaddafi and Syrian President Bashar al-Assad. Also within this period, the Federal Bureau of Investigation (FBI) opened a preliminary investigation into ousted Tunisian President Zine al-Abidine Ben Ali, "seeking information on whether he has any assets in the United States."¹¹⁴⁰

On 21 June 2011, StAR released a report "*Barriers to Asset Recovery*" that advises policy makers on reforms what will enable the recovery of stolen assets. It offers a number of recommendations to improve communication and international cooperation.¹¹⁴¹ The report frequently calls attention to the United States' practices as "proactive in developing effective and efficient strategies to combat corruption by identifying, recovering and repatriating stolen assets."¹¹⁴² The document lauds both the United States' bilateral and multilateral capacities with regards to investigating, identifying, tracing and retrieving assets resulting from corrupt offences in other jurisdictions.¹¹⁴³

In August 2011, the UN Security Council's Libya Sanctions Committee approved a US proposal to unfreeze USD1.5 billion of Libyan assets to be used to provide critical humanitarian and other

¹¹³⁶Remarks by Assistant Secretary Daniel Glaser to the Washington Institute for Near East Policy, US Department of the Treasury (Washington) 2 December 2011. Date of Access: 8 January 2012. <http://www.treasury.gov/press-center/press-releases/Pages/tg1377.aspx>

¹¹³⁷Remarks by Assistant Secretary Daniel Glaser to the Washington Institute for Near East Policy, US Department of the Treasury (Washington) 2 December 2011. Date of Access: 8 January 2012. <http://www.treasury.gov/press-center/press-releases/Pages/tg1377.aspx>

¹¹³⁸Blocking Property and Prohibiting Certain Transactions Related to Libya, Federal Register (Washington) 2 March 2011. Date of Access: 8 January 2012. <http://www.gpo.gov/fdsys/pkg/FR-2011-03-02/pdf/2011-4753.pdf>

¹¹³⁹Blocking Property of Certain Persons With Respect to Human Rights Abuses in Syria, Federal Register (Washington) 3 May 2011. Date of Access: 8 January 2012. <http://www.gpo.gov/fdsys/pkg/FR-2011-05-03/pdf/2011-10910.pdf>

¹¹⁴⁰FBI Probe To Target Tunisia's Ex-Leader, The Wall Street Journal (New York) 9 February 2011. Date of Access: 8 January 2012. <http://online.wsj.com/article/SB10001424052748704364004576132493279520786.html>

¹¹⁴¹Fact Sheet: Barriers to Asset Recovery Study, Stolen Asset Recovery Initiative (Washington) Date of Access: * January 2012. http://www1.worldbank.org/finance/star_site/documents/EnglishBARFacts.pdf

¹¹⁴²Barriers to Asset Recovery, World Bank (Washington) Date of Access: 8 January 2012. http://www1.worldbank.org/finance/star_site/documents/barriers/barriers_to_asset_recovery.pdf

¹¹⁴³Barriers to Asset Recovery, World Bank (Washington) Date of Access: 8 January 2012. http://www1.worldbank.org/finance/star_site/documents/barriers/barriers_to_asset_recovery.pdf

assistance to the Libyan people.¹¹⁴⁴ The US request to unfreeze Libyan assets is divided into three key portions: transfers to international humanitarian organizations (up to \$500 million); transfers to suppliers for fuel and other goods for strictly civilian purposes (up to \$500 million); and, transfers to the Temporary Financial Mechanism established by the Contact Group to assist the Libyan people (up to \$500 million).¹¹⁴⁵ However, according to Marti Adams, a Treasury Department spokeswoman on October 21 2011, the US has turned over only \$700 million of the \$1.5 billion authorized by the United Nations.¹¹⁴⁶

The Open-Ended Intergovernmental Working Group on Asset Recovery held its fifth inter-session meeting in Vienna on 25 and 26 August 2011. The United States proposes a more comprehensive system for the recovery of stolen assets, primarily through developing greater international cooperation in confiscation vis-à-vis bilateral and multilateral agreements.¹¹⁴⁷

On 8 September 2011, a new framework for US-Tunisia bilateral cooperation (US-Tunisia Joint Political and Economic Partnership) was inaugurated.¹¹⁴⁸ To further strengthen bilateral legal cooperation, the United States and Tunisia entered into negotiations to establish a Mutual Legal Assistance Treaty concerning criminal matters. Furthermore, in a statement released by US Secretary of State Hilary Clinton and Tunisian Foreign Minister Mohammed Mould Kefi, the Governments intend to conclude negotiations before the end of the current year for a foreign assistance program to “support the development of more transparent, responsive, and accountable criminal justice institutions.”¹¹⁴⁹

On 23 April 2012, President Obama announced plans to freeze the assets of individuals that help the Iranian and Syrian governments use cellphone tracking or Internet monitoring to oppose peaceful dissent in those countries.¹¹⁵⁰

Thus, the United States has been awarded a score of +1 for having committed new resources to the recovery of stolen assets and investing recovered assets in effective projects under StAR.

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¹¹⁴⁴ September 2011 Libya, Security Council Report (New York) Date of Access: 9 January 2012. http://www.securitycouncilreport.org/site/c.gIKWLeMTIsG/b.7717295/k.2DDC/September_2011brLibya.htm

¹¹⁴⁵ FACT SHEET: Unfreezing Assets to Meet the Critical Humanitarian Needs of the Libyan People, United States Mission to the United Nations (New York) 25 August 2011. Date of Access: 9 January 2012. <http://usun.state.gov/briefing/statements/2011/171065.htm>

¹¹⁴⁶ As Libya takes stock, Moammar Kadafi's hidden riches astound, Los Angeles Times (Los Angeles) 21 October 2011. Date of Access: 9 January 2012. <http://articles.latimes.com/2011/oct/21/world/la-fg-kadafi-money-20111022>

¹¹⁴⁷ Proposals for a multi-year workplan for the Open-ended Intergovernmental Working Group on Asset Recovery, Conference of the States Parties to the United Nations Convention against Corruption (Marrakech) 14 October 2011. Date of Access: 9 January 2012. <http://www.unodc.org/documents/treaties/UNCAC/COSP/session4/V1186416e.pdf>

¹¹⁴⁸ New Framework For US-Tunisia Bilateral Cooperation Launched, US Policy News, 23 September 2011. Date of Access: 8 January 2012. <http://www.rttnews.com/Content/Policy.aspx?Id=1720104>

¹¹⁴⁹ Joint Statement on the U.S.-Tunisia Joint Political and Economic Partnership, Us Department of State (Washington) 22 September 2011. Date of Access: 8 January 2011. <http://www.state.gov/r/pa/prs/ps/2011/09/173787.htm>

¹¹⁵⁰ Knox, Oliver. “Obama visits Holocaust Museum, unveils new Syria and Iran sanctions” ABC News 23 April 2012. Date Accessed: 2 April 2012. <http://abcnews.go.com/Politics/OTUS/obama-visits-holocaust-museum-unveils-syria-iran-sanctions/story?id=16196269#.T6HWUqtrPZc>