

Investigative journalism and human rights: a Polis seminar report

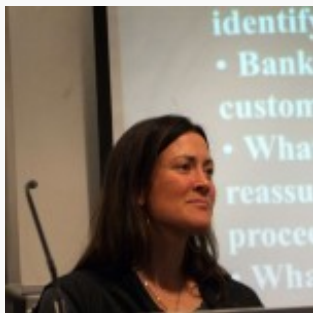
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In the networked journalism age there is a lot that the news media can learn from other organisations that have expertise in investigating the kind of stories that we should be covering. Polis teamed up with the Centre for Investigative Journalism to put on a special seminar with Anthea Lawson and Robert Palmer from Global Witness to explain how to investigate human rights abuses and corruption. This report by Polis intern Emily Cholette.

Does this add up? Do you see a red flag?

The minister of Agriculture and Forestry of Equatorial Guinea, Teodoro Nguema Obiang Mangue (also known as Teodorin), has a modest official salary of about \$7000/month. However, his assets included one \$30 million Malibu mansion, one \$38.5million private jet, and more than two dozen luxury cars including two Bugattis valued at \$2 million each.



Anthea Lawson, Global Witness

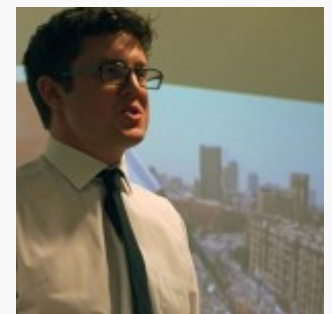
In 2007, a monthly credit card statement surfaced belonging to Denis-Christel Sassou Nguesso, a Congolese politician, showing that he had spent over \$32000 in Paris on luxury purchases at Louis Vuitton and Roberto Cavalli.

As these politicians spend frivolously abroad, the majority of the population of their respective countries live under the poverty line, sometimes for as little as \$1/day in earnings.

Money laundering continues to be a serious problem worldwide. The above cases are only two examples among many others cases where politicians have been accused of keeping their countries natural resource revenues, such as oil (one of the main exports of Equatorial Guinea and Congo) to themselves. The money is staying in the hands of the elite, and is not trickling down to the rest of the country.

Anthea Lawson and Robert Palmer, two investigative journalists/campaigners from Global Witness have worked hard to uncover and expose corrupt politicians and their illicit earnings. Lawson and Palmer also place the blame of money laundering on the financial institutions that approve these illegal transactions.

However, financial institutions are not always aware that the transactions are illegal because a front company is often set up to disguise the transfer as legal. For example, Denis-Christel Sassou Nguesso set up a front company in Anguilla titled “Long Beach”, where it is suspected that oil revenues were transferred from the Congo into it. This company, which had no official workings and only existed on paper, was used to pay off his \$32000 shopping spree in Paris.



Robert Palmer, Global Witness

Thus, financial institutions are obliged to perform due diligence and background checks on every client and transaction. They are required to identify the source of funds, the beneficiaries' name, and make sure that the beneficiary is not involved in illegal activity such as terrorism and/or corruption.

When performing due diligence on Teodorin and his family, red flags should have been noticed immediately. His family includes Francisco Macías Nguema (his uncle), president of Equatorial Guinea from 1968 to 1979, who was involved in the genocide of Bubi, and his father Teodoro Obiang, current president, who has also been accused of

being corrupt. Consequently, there have been a number of investigations in France and the United States into

Teodorin's assets to determine whether or not they are proceeds of corruption. Fortunately, this has resulted in the seizure of many of Teodorin's luxury cars, and Riggs (a financial institution in USA) closed its operation after approving illegal transactions belonging to Teodorin and his family.



The Journalists at Polis

Unfortunately, London being one of the main financial districts of the world means that it is also a hot spot for money laundering. Palmer stated that the Financial Security Authority (FSA) recognizes that three quarters of UK banks reviewed (27 banks were reviewed) were not doing enough to determine the legitimacy of their client's earnings even when they had adverse information about the client's integrity. Even though there is an ensuing and hefty fine to any institution that break the anti-money laundering laws and regulations, illegal and illicit transactions still continue to take place.

There needs to be more red flags waved when a politician is purchasing a \$30 million mansion, and on the other hand more than 50% of the people in their home country lack access to safe water. Something does not seem to add up...

This report by Polis intern Emily Cholette.

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