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US Could Face Chill By Seizing E. Guinea Assets

by The Associated Press

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JOHANNESBURG (AP) — Relations between Washington and oil-rich Equatorial Guinea may cool now that U.S. authorities say they intend to seize property in California allegedly bought with money looted by the heir-apparent to Africa's longest-serving dictator.

In the strongest signal yet sent to corrupt leaders, the United States said it would seize a luxury mansion, jet and sports cars belonging to President Teodoro Obiang Nguema's favorite son. U.S. authorities charge he bought them with \$70 million looted from a country where thousands have no access to electricity or clean water.

"We are sending the message loud and clear: The United States will not be a hiding place for the ill-gotten riches of the world's corrupt leaders," Assistant Attorney General Lanny Breuer said Wednesday.

U.S. authorities say Teodorin Obiang Mangué used his position to siphon millions of dollars for his personal use, according to two civil forfeiture complaints filed in the District Court in Los Angeles and Washington, D.C.

The cases against Obiang's son come as the strongman of 32 years grooms him to take over as Equatorial Guinea's leader. A series of constitutional reforms being voted on in a referendum next month would all but ensure his son would succeed him.

While Obiang, his family and a tight circle of friends have become fabulously wealthy — the country now has a per capita income higher than its former colonizer, Spain — life for the vast majority of the country's 680,000 people remains a struggle.

Earlier this year, Global Witness reported that Teodorin Obiang had commissioned plans to build a super-yacht costing \$380 million — nearly three times what the country spends on health and education each year.

Human rights groups have urged the U.S. government to deny visas to members of the Obiang family and to seize their property under U.S. laws that forbid illicit enrichment.

The U.S. State Department has consistently condemned Obiang's government in its annual human rights reports, including torture, abductions, executions and repressive rule that "led to the death or exile of up to one-third of the country's population."

Still, the timing of this week's announcement raises questions as the United States has known about such plunder since at least 2004, when a U.S. Senate Committee investigated a bank for holding deposits of some \$700 million belonging to Equatorial Guinea government entities, senior officials and Obiang family members.

The committee said Riggs Bank had "turned a blind eye" to evidence it was handling proceeds of foreign corruption. One bank official gave evidence that more than \$1 million was brought to the bank, and in one case the cash was bundled in plastic wrap.

Obiang went on to visit the White House in 2006, when Secretary of State Condoleezza Rice welcomed him on an official state visit as "our good friend." And President Obama and his wife also have been photographed with Obiang in New York.

Relations were not always so cordial: In 1994, Washington closed its embassy in Equatorial Guinea after the government accused the U.S. ambassador of performing witchcraft when he attended a cemetery service honoring British airmen who crashed there during World War II. Bennett received a death threat.

The same year Exxon Mobil discovered oil, ending Equatorial Guinea's status as a backwater. Pressure from U.S. oil companies and Obiang, during a 2006 official visit where he had breakfast with President George W. Bush, led to the U.S. embassy reopening.

Because wealth is concentrated in a tiny clique, the embassy pays rent to one of Obiang's ministers. But the U.S. Senate drew the line at renting or buying land from Obiang himself to build a new embassy.

In a 2009 diplomatic cable published by WikiLeaks, ranking U.S. diplomat Anton K. Smith described Equatorial Guinea as a country beset by foreign and homegrown predators, "sharks ... buccaneers and adventurers," but called Obiang one of the good guys.

"There are good guys and bad guys here. We need to strengthen the good guys — for all his faults, President Obiang among them — and undercut the bad guys," wrote Smith, now the U.S. consul general in Halifax.

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US Government Seeks \$70M From African Official

by The Associated Press

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LOS ANGELES (AP) — The son of Equatorial Guinea's president plundered his country's natural resources through corruption, spending more than \$70 million in looted profits on a Malibu mansion, a Gulfstream jet and Michael Jackson memorabilia, the U.S. government said.

In what appeared to be a concerted action, France last month seized 11 luxury sports cars belonging to Teodorin Nguema Obiang Mangué, a government minister in the West African country and heir-apparent to the presidency. And a Spanish investigative judge has been asked to seize properties in Madrid and Las Palmas in the Canary Islands owned by President Teodoro Obiang Nguema, his sons and some ministers, acting on a case brought by the Pro-Human Rights Association of Spain.

Teodorin Obiang, who is in his early 40s, used his position to siphon millions of dollars for his own personal use, U.S. authorities said in two civil forfeiture complaints filed in the District Court in Los Angeles and Washington, D.C. The complaints say Obiang's assets can be forfeited because he engaged in misappropriation and theft of public funds for his benefit.

The U.S. government is seeking to recover \$70 million in stolen funds from Obiang for "the benefit of the people of the country from which it was taken."

"We are sending the message loud and clear: The United States will not be a hiding place for the ill-gotten riches of the world's corrupt leaders," said Assistant Attorney General Lanny Breuer.

An email message left for Purificacion Angue Ondo, Equatorial Guinea's ambassador to the U.S., was not immediately returned. President Obiang has denied charges of corruption in the past. Teodorin Obiang told a South African court in 2005, in a dispute about two Cape Town mansions valued at \$4 million, that he earned \$4,000 a month as a minister but that in his country it is legal for companies owned by ministers to bid for government contracts with foreign groups and receive "a percentage of the total contract."

U.S. authorities believe Teodorin Obiang amassed more than \$100 million through various schemes while he served as the country's forestry minister. His current government salary is about \$6,800 a month, according to court documents.

The U.S. action follows years of investigations including a Justice Department and Immigration and Customs Department probe that showed Obiang transferred about \$75 million into U.S. banks between 2005 and 2007, and indicated U.S. banks had not shown due diligence.

This came after the Obiang fortunes helped bring down the once-venerable Riggs Bank in 2004, when a U.S. Senate Committee investigation found the bank had "turned a blind eye" to evidence it was handling proceeds of foreign corruption in deposits of some \$700 million deposited by its biggest customers — Equatorial Guinea government entities, senior officials and Obiang family members. One bank official gave evidence that more than a million dollars was brought to the bank in one instance in cash enfolded in plastic wrap.

Some \$26.5 million of that was transferred in suspicious transactions to Banco Santander in Spain, and used to buy properties being investigated there.

The U.S. Senate Permanent Subcommittee on Investigations last year found that powerful Equatorial Guinea officials and their families used attorneys, real estate agents and lobbyists to circumvent anti-corruption laws.

Human rights groups including the Global Witness and the Open Society Justice Initiative for years have been asking the United States to deny visas to the Obiang family and seize their property under U.S. laws against unjust or illicit enrichment.

It was unclear why the action suddenly was being taken. A spokeswoman for the Department of Justice, Laura Sweeney, declined to comment "at this time" in an email response to questions. Ken Hurwitz, senior legal officer at the New York-based Open Society Justice Initiative, said he had heard reports that the Malibu property was being put up for sale.

Equatorial Guinea was a backwater until American energy company Exxon Mobil discovered oil and gas there in 1994. U.S. companies continue to dominate the industry there but face growing competition. Most oil from the country, which produces billions of dollars in annual revenue, is exported to the United States.

Despite its newfound wealth, life for the vast majority of the country's 680,000 people remains a struggle and the majority live below the poverty line with tens of thousands having no access to electricity or clean water, according to U.N. and World Bank figures.

Earlier this year, Global Witness reported that Teodorin Obiang had commissioned plans to build a superyacht costing \$380 million — nearly three times what the country spends on health and education each year.

U.S. authorities said Teodorin Obiang spent \$30 million on a Malibu mansion, \$38.5 million on a Gulfstream jet and about \$3.2 million on Michael Jackson memorabilia, including a crystal-covered glove from the "Bad" tour and a basketball signed by the singer and former Chicago Bulls star Michael Jordan.

Among the other items purchased by Obiang, according to federal officials, was a 2011 Ferrari automobile valued at more than \$530,000. Obiang also stored 24 luxury cars worth nearly \$10 million at the Petersen Automotive Museum in Los Angeles and shipped them to France. Among the supercars seized in France last month are Maseratis, two limited edition Bugatti Veyrons, Maseratis, Ferraris, Porsches and Rolls Royces.

Obiang would give various stories to banks that questioned where he had received large sums of cash from, authorities said. When Obiang opened an account at a California bank in 2007, he claimed that he acquired money from a family inheritance and from trading expensive and custom automobiles, court documents show.

Associated Press writer Michelle Faul contributed to this report from Johannesburg.