

# **MUBARAK'S LOOT: \$38 MILLION FOUND! STILL HIDDEN? \$69,962 MILLION**

The New York Times heralds that,

## **Swiss Locate Funds Linked to Mubarak**

But what the story really reports is that the Swiss have located just “several dozen million Swiss francs,” which works out to less than \$38 million of the up to \$70 billion Hosni Mubarak reportedly looted from Egypt. The real headline of the story ought to be...

## **Former Western Allies Dragging Feet on Mubarak's Millions**

... as the important news of the story, appearing in paragraphs 11 and 12, is:

On Thursday, the United States Treasury Department advised American banks to monitor movements of funds by former senior Egyptian political figures that “could potentially represent misappropriated or diverted state assets, proceeds of bribery or other illegal payments.”

European foreign ministers are scheduled to discuss the issue at a meeting on Sunday and Monday. As of Friday, no reports had emerged that assets belonging to the Mubaraks or the five associates had been frozen in the United States or other countries in Europe.

In other words, while the Swiss have found some petty cash which might be Mubarak's, no one in Mubarak's former patron governments has bothered to freeze his assets (though the Treasury Department decided, a full week after Mubarak stepped down, weeks after Western intelligence services apparently listened in on urgent Mubarak family conversations about moving their loot, and almost a month since it looked like he might be forced to step down, to **start** monitoring funds that might be his or other former top Egyptian officials).

And it's not like this is the first that Egyptians have asked the rest of the world to stop Mubarak from looting their country. This WikiLeaks cable, reporting a meeting with one of the leaders of Egypt's April 6 movement (so probably someone who had a key role in the Egyptian uprising), not only dismissed the thought of overthrowing Mubarak before the 2011 elections to be "outside the mainstream" of Egyptian opposition.

XXXXXXXXXXXX offered no roadmap of concrete steps toward April 6's highly unrealistic goal of replacing the current regime with a parliamentary democracy prior to the 2011 presidential elections. Most opposition parties and independent NGOs work toward achieving tangible, incremental reform within the current political context, even if they may be pessimistic about their chances of success. XXXXXXXXXXXX's wholesale rejection of such an approach places him outside this mainstream of opposition politicians and activists.

But it also treated this activists' suggestion that the U.S. freeze Mubarak's accounts back in December 2008 with the thick disdain of scare quotes.

(C) XXXXXXXXXXXX described how he tried to convince his Washington interlocutors that the USG should pressure the GOE to

implement significant reforms by threatening to reveal information about GOE officials' alleged "illegal" off-shore bank accounts. He hoped that the U.S. and the international community would freeze these bank accounts, like the accounts of Zimbabwean President Mugabe's confidantes. XXXXXXXXXXXX said he wants to convince the USG that Mubarak is worse than Mugabe and that the GOE will never accept democratic reform. XXXXXXXXXXXX asserted that Mubarak derives his legitimacy from U.S. support, and therefore charged the U.S. with "being responsible" for Mubarak's "crimes."

The diplomats who met with this activist made it clear to label the judgment that Mubarak's looting was "illegal" as the activist's viewpoint, not necessarily one they shared. So, too, did they mark U.S. "responsib[ility]" for Mubarak's "crimes" with quotation marks signaling they didn't necessarily agree.

This pisses me off all the more because – after seeing Yves Smith rave about it for weeks – I've been reading Nicholas Shaxson's *Treasure Islands* (I'm hoping we'll be able to arrange a book salon when the book comes out in the U.S. in April). Normally, discussions of developing nation elites looting their countries focus on the corruption of the countries themselves. But Shaxson shows how the ability to loot a country like Mubarak has depends on a whole network of secrecy jurisdictions, of which Switzerland is now just the stodgiest. Indeed, Shaxson shows that the UK and U.S. have competed since World War II to set up the most extensive secrecy jurisdictions to ensure the looted funds from the rest of the world end up driving our financialized economies.

Mubarak's looted billions – indeed, his ability to loot billions as representatives of our government scoff at activists who call such looting illegal – plays a fundamental role in

our house of cards economy. And, given that we reward obedient client dictators with permission to loot their country, it plays a fundamental role in American hegemony in this world.

Yves predicted that authorities would find a few billion, seize a few houses, and declare victory.

If the authorities nab a few billion, plus all the tangible assets like houses, they can declare victory and try to cover up the fact that a great deal was lost.

That seems to be what this NYT article serves to do: dangle the discovery of a fraction of a percent of Mubarak's total heist as a victory, as U.S. and British authorities very deliberately stall on doing anything to stop Mubarak from hiding the rest.