YOU DON'T SUPPOSE ALL THESE DICTATORS HAVE BEEN LOOTING WITH SCB'S AND HSBC'S HELP?

It happens every time. Around about the time it becomes clear a corrupt Middle Eastern dictator will fall, but before he has actually fallen, the press begins to report on the hunt for the money the dictator looted from his country. There was the "discovery" of Hosni Mubarak's up-to $70 billion in February 2011. And reports, in March 2011, of the up to $200 billion that Moammar Qaddafi looted.

And today,

> Even as the war in Syria rages and Bashar al-Assad clings to power, the race to find the regime's vast—and mostly hidden—fortune is already underway. Experts say al-Assad and his associates have amassed as much as $25 billion through investments in banks, state industries and other concessions, and has stashed the money in offshore tax havens and in investments across the Middle East.

I don't mean to slight Eli Lake (or any of the other journalists linked) for reporting this. It's important the world remember that these dictators rule by and for the looting of their countries. Indeed, Lake's report is particularly useful in the way he maps out the industry that charges big fees to help bring looted money back to its rightful owners.

> Finding the money is of keen interest to the modern-day treasure hunters who specialize in recovering the wealth of fallen dictators. Sometimes called

> financial intelligence or forensic accounting, the industry comprises lawyers, accountants, ex-spies, former law enforcement investigators and even some retired journalists, all of whom look at the unrest in Syria as a business opportunity. Some firms charge several thousands of dollars per hour for the sleuth work of a team of six to eight investigators. Others get paid a "success fee," a small percentage of the overall haul.

It's just that few people ever want to talk about the looting that goes on—often with the assistance and for the profit of American and/or European banks—while it's occurring.

Which is one of the reasons why the flap over Standard Chartered is so interesting. It revealed that most of the regulators overseeing our sanctions and money-laundering enforcement really wanted SCB to reach a settlement on transactions that SCB now admits represent just a fraction of a percent of the affected transactions. And that's just the Iranian transactions; it doesn't include the Libyan transactions that Benjamin Lawsky alluded to in a footnote of the report.

And while there's no evidence in the DFS report that SCB was helping Assad loot his country, the Carl Levin-led investigation into HSBC describes several examples of HSBC evading sanctions so as to keep its Syrian business even after sanctions were imposed. In particular, there's the way HSBC apparently decided it wouldn't tell the Office of Foreign Asset Controls about the trust relationship its Cayman Island affiliate had with Rami Makhlouf, whom Lake singles out as a key Syrian target of the loot-hunters.

> Another account involving an individual on the OFAC list was housed at HSBC Cayman Islands. On February 21, 2008, a Syrian businessman by the name of Rami Makhlouf was placed on the SDN list by

> OFAC. One week later, HSBC Cayman Compliance personnel contacted HBUS to report that HSBC Cayman Islands currently held a trust relationship with Mr. Makhlouf and to inquire as to "what actions if any HSBC Group has taken in relation to the above mentioned individual." An HBUS Compliance officer asked the Cayman Compliance officer for more information about the Makhlouf accounts, and the head of HSBC Cayman Compliance responded: "The Trust is administered by HSBC Geneva. We raised concerns with this client in August 2007 however we were assured by David Ford that the relationship had been reviewed at a Group level and a decision had been taken to continue with the relationship." Ultimately, HBUS determined that it did not have any connection to Mr. Makhlouf and did not need to report any information to OFAC.

Maybe the loot-hunters should ask HSBC and SCB where Qaddafi and Assad put their money? Maybe that's what they bill out at such high rates to do?

The thing is, we can only point to these details because SCB and HSBC, because of Lawsky and Levin's efforts, have undergone more transparency than all the other banks helping dictators strip their country's wealth. Regulators apparently want to keep us from knowing how much purportedly respectable banks help these dictators to shore up their own power and loot their countries. Moreover, they only want to penalize these banks for a tiny fraction of the business they do with these dictators even after they've been sanctioned.

It's as if the regulators wanted to permit this kind of looting to happen, only to acted surprised at the sheer scope of the looting after the dictator's demise.