

# SAUDI ROYAL SUCCESSION AND PETRODOLLAR LAUNDERING

I was mostly offline when King Abdullah died, so while I got to read the fawning tributes to the regressive monarch, and have caught up in time to read about the contest General Dempsey is staging in tribute (h/t @tweetsintheME), I missed the far more important detail from last week's succession: that King Salman named Mohammed bin Nayef as Deputy Crown Prince. As Steve Coll lays out, this makes the American favorite (and the architect of Saudi Arabia's brutal internal policing) third in line for the throne. Coll draws a parallel to the way that Abdul Aziz ensured succession would pass from his oldest son, Saud, to the more competent Faisal.

Saud was corpulent, self-indulgent, and incompetent. Abdul Aziz rightly feared that he was not up to advancing and preserving what he had built.

Yet Abdul Aziz's second surviving son, Faisal, was shrewd, austere, and serious. Before he died, the king forged a compromise: he decreed that his throne would pass laterally from his eldest son to his youngest son, however long that took. This meant that, while Saud would become king upon Abdul Aziz's death, Faisal would become Crown Prince, in a position to run things while Saud indulged himself. That decision proved sound. Faisal and the larger royal family eventually persuaded Saud to resign. Faisal modernized Saudi Arabia in many respects until, in 1975, a family member assassinated him.

Coll argues this appointment will signal to the world the Saudis intend to stick around for the long haul (and, implicitly, will remain a ruthless police state as well).

Within the kingdom and outside, the choice of Muhammad bin Nayef as the Deputy Crown Prince, and the vehicle for dropping down a generation, will be read by many as a signal of reasoned debate and consensus about continuity within the Council. Bin Nayef ran counterterrorism operations in Saudi Arabia when the kingdom cracked down on Al Qaeda after 2003. He then became the interior minister. He is a favorite in Washington and London, regarded as more serious and committed to government than many others in the royal family. He is also a ruthless type who has spent his ministry's enormous budget building one of the world's most attentive police states.

I'm not surprised MbN has been slotted into the succession plans. But I'm rather interested in how this will affect a key tool of US-Saudi relations, the Technical Cooperation Agreement which I spent some time obsessing about when MbN came to the US to renew it just as Obama shuffled his cabinet post-reelection. The State Department has been sitting on a FOIA for the Agreement – which might explain details about how US government employees report up through the Saudi chain of command, or might lay out how the new cybersecurity agreement relates to having given the Saudis Third Party status at NSA. But it also might describe how this serves as a vehicle for petrodollar laundering – a way to bind the KSA to the dollar.

Whatever State was hiding, it was also hiding a relationship that put MbN squarely in charge of the relationship.

Meanwhile, the Brits have themselves been rolling out a strange petrodollar money

laundering instrument. As Jack of Kent has begun to explore it, the Ministry of Justice has rolled out a fake commercial front, Just Solutions international (yes, small-i), that will increase judicial cooperation between England and Wales and the repressive Saudi government. JoK weighs this deal – which apparently is not yet a done deal – this way.

In respect of transparency, the simultaneous MoU and commercial bid are not in the public domain, and both of them should be, even if there was no question of a connection between the two. Both are documents which, on their own terms, should be published in the public interest.

In respect of domestic policy, your view on whether this is a a good way of scarce MoJ resources to be used – especially in a period of substantial cuts – will ultimately be a value judgment. And most people who follow the operation of the prison and probation services will legitimately wonder if the UK is in any position to market expertise abroad.

In respect of whether the proposal will improve the lot of those in the Saudi punishment system, your view will partly depend on whether you are satisfied by the the MoJ's (eventual) responses to the questions posed by Amnesty International. And even if the assistance is a Good Thing, there is no reason why it should be offered by the UK on a "commercial" basis.

In respect of whether the proposal will give wrongful legitimacy to the barbaric Saudi punishment system will also ultimately be a value judgment.

However, in respect of the the concern as to whether the proposal creates a conflict of interest, the position is

clear.

The MoJ, responsible for the legal system of England and Wales, is seeking a commercial relationship, by which it intends to make a surplus to be used for other services, with a foreign state which as the Corner House case alone documents coerces the legal system of England and Wales by illegitimate means at its disposal.

Interesting, PriceWaterhouseCooper seems to have a role, which it may also have had with iterations of the US petrodollar laundering ventures.

In short, it's a weird deal that, like the TCA's apparent current structure, blurs where our sovereign nation ends and where our contracts to sustain order in KSA begin. It might make the Saudis less oppressive. Or it might not – and it might tie the English corrections system more closely to the Saudi one.

And it would seem to put MbN, again, in a central role.

I don't know if these are related or not, and I'm not sure how much, as Deputy Crown Prince, MbN will retain his portfolio in overseeing repression in KSA. But they're both weird deals that deserve more scrutiny.

The Saudis, though, may have already decided they want more of the same.