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Sisi and His 40 Thieves

Why Corruption Lingers in Cairo

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On December 9, 2014, at the headquarters of one of Egypt's most powerful anti-corruption bodies, the Administrative Control Authority (ACA), Prime Minister Ibrahim Mehleb gathered state officials to inaugurate Egypt's newly drafted four-year national strategy for combating corruption. The timing was auspicious; it was International Anti-Corruption Day.

The officials met in a large, white room filled with sky-blue chairs. Minister of Interior Mohammed Ibrahim (since sacked) was there, along with ACA Chairman Muhammad Amr Heiba (now replaced and made an advisor to President Abdel Fattah al Sisi), Advisor to the Minister of Justice Azzat Khamis, and Khalid Saeed, chairman of the technical secretariat of a body now known as the National Coordinating Committee for Combating Corruption. Sunlight streamed in from the windows onto the white walls. Mehleb boasted about Sisi's success in moving Egypt up 20 places on Transparency International's latest annual Global Corruption Perception Index—from 114th place to 94th out of more than 170 countries.

Apparently, it is a family affair. One of Sisi's sons, Mustafa, is an officer at the ACA and part of the graft clean-up crew. In April, he claimed to have helped the security service *Amn el-Dawla* bring a case against seven government contractors and officials who were accused of paying and soliciting a total of \$170,000 in bribes within the Red Sea governorate's Executive Agency for Drinking and Sewage Water.

But our year-long investigation, based on leaked documents and insider accounts, reveals a slew of corrupt practices and an abject failure to curb corruption by these very groups who claim to be combating it. For starters, Egyptian officials hid at least [\\$9.4 billion of state funds](#) in thousands of unaudited accounts in Egypt's Central Bank, as well as in state-owned commercial banks, and spent it by the end of the 2012–13 fiscal year. Known as “special funds,” many of these accounts are operated by bodies such as the Ministry of Interior and the ACA.

Since Egypt's military overthrew former President Mohamed Morsi in 2013 and took power just as that fiscal year ended, it is possible that a portion of Gulf aid that had flowed into the country was stowed into army-operated special fund accounts. Earlier this year, the *Mekameleen* channel in Istanbul broadcast a series of leaked audio recordings of Sisi and his Chief of Staff Ahmed Kamel apparently discussing the movement of \$30 billion of Gulf aid into accounts operated by the army. Other leaked conversations between Kamel, Sisi, and various Gulf dignitaries reveal plans for Gulf aid to be transferred to various army figures through bank accounts operated by the *Tamarod* activist movement, which helped spearhead protests against Morsi in June 2013.

These special funds accounts also appear to be linked to Mubarak's ACA Chairman, General Mohamed Farid al Tohamy, a man considered by many to be Sisi's mentor. (The two first crossed paths when al Tohamy was director of Egypt's Military Intelligence and Reconnaissance Unit.) During the 2010–11 fiscal year, these special funds accounts held almost \$900 million, some of which was used by the ACA, though it is not clear how much. That was also the year Hosni Mubarak was deposed. Soon after, then-President Morsi removed al Tohamy from the ACA following public allegations by a subordinate investigator that al Tohamy had sabotaged incriminating evidence to protect members of the Mubarak regime. Al Tohamy was criminally indicted on charges such as hiding evidence that implicated businessmen connected to the top generals of the Supreme Council of the Armed Forces (SCAF) who had sold illegally subsidized fuel and used the ACA budget funds to purchase gifts for then SCAF chief, Field Marshall Mohamed Hussein Tantawi. But when Sisi took power, the case mysteriously vanished and he appointed al Tohamy (recently retired) to lead the military-affiliated Egyptian General Intelligence Directorate, or *Mukhabarat*, which reports directly to the Office of the President.

The reason why graft is still so pervasive, despite the large number of government agencies designated to fight it, is that these agencies are accountable to no one. Right now, Egypt's anti-corruption strategy tasks the bodies represented at December's gathering, along with a host of others including the *Mukhabarat*, with implementing a series of benchmarks, a process that began last year and is set to finish by 2018. These benchmarks include outwardly well-intentioned measures such as "establishing special courts to address issues of corruption throughout 2015–16," "passing a new civil society law," and "creating an official means for an exchange of information between civil society, the bureaucratic corps, and anti-corruption bodies" (albeit in a way that does not "harm national security.") Progress was to be measured by several performance indicators. Most common among these are "reports" to be drafted, vaguely, "with the knowledge" of the National Coordinating Committee for Combating Corruption. It is not clear what body will draft the reports or whether the task will fall under the purview of the National Coordinating Committee, which is the primary body tasked to implement and monitor this new anti-corruption strategy.

The National Coordinating Committee's members include representatives from a number of questionable bodies, such as unreformed ministries and Egyptian anti-corruption groups such as the ACA, Anti-Money Laundering Unit, Public Prosecutor, Ministry of Interior, *Mukhabarat* intelligence service, and Ministry of Justice. Many of these bodies have either been implicated in acts of corruption, or are being actively investigated by the Central Auditing Organisation (CAO), a state auditing and anti-corruption body chaired by Hisham Genena, and are thus, among the players most interested in sabotaging the anti-corruption committee. (The Interior Ministry is also infamous for a litany of human rights abuses, including the *Raba'a al-Adawiya* massacre of Muslim Brotherhood supporters following Egypt's anti-Islamist military putsch, which Egypt's *Mukhabarat* under al Tohamy have also been alleged to have helped plan and organize.) It is possible that these corrupt groups have begun turning the National Coordinating Committee into a place of backroom deals. As a result, since both the CAO and ACA are represented on the National Coordinating Committee, the CAO's investigations have put it at loggerheads with a number of other bodies. In particular, over the last year, Genena has flung a lot of mud at the Interior Ministry, publically accusing members of siphoning state funds into private bank accounts. He has also pointed a finger at individual members of the Public Prosecution and ACA of being involved in purchases of state land at undervalued rates, and of actively working to sabotage his anti-corruption cases by stalling those that the CAO sends to the courts. Genena has also targeted prominent members of the judiciary. These judges include the newly-appointed Minister of Justice Ahmed Zind and his associates who have called for Genena's blood—they have filed a case for him to be impeached for "insulting" members of the judiciary. The case is being reviewed by the Office of the Public Prosecutor, which is close to the police, army, and the judiciary headed by Zind. It seems increasingly likely that the judiciary will block any prosecutorial efforts brought forth by Genena.

It may seem that Genena is a lone fish in alligator-infested waters, but he is shielded, in part, by his unbridled support for Sisi and Egypt's current military regime. In one media appearance, Genena claimed that Sisi had personally given him the green light to root out corruption in state institutions including the Interior Ministry. He has often claimed that both Egypt's military and Office of the Presidency are free of corruption, and have not held anything back from his audit squad.

Genena's loyalty has, so far, paid off. Last month, a prominent television host was sentenced to six months in jail for charges including insulting Genena on air and accusing him of being a member of the now illegal Muslim Brotherhood. Then in November last year, Genena submitted a memo to both Mehleb and Sisi accusing the police of burgling a room his auditors had used during an investigation of the Interior Ministry. The police were said to have stolen investigative records and notebooks. And yet, Genena now works with them on the National Coordinating Committee for Combating Corruption.

Sisi's and the military's support of Genena is only one sign of potential mission creep: that Egypt's intelligence and security forces could well play an expanded role in corruption. After all, a similar scenario played out in Algeria. Before the country's bloody civil war in the 1990s, its intelligence services, the *Département du Renseignement et de la Sécurité* (DRS), largely focused on security and counter-terrorism matters. Afterward, it was accorded power to investigate internal corruption in state institutions, including ministries and state-owned enterprises, and became intimately entangled with the web of Algeria's key *décideurs*, the core power-brokers and decision-makers in *le pouvoir*.

Since the civil war, the DRS has been led by KGB-trained military intelligence Chief Lieutenant General Mohammed “Toufik” Medienne who is now believed to be engaged in a power struggle with President Abdelaziz Bouteflika. Medienne has since had an eye on almost all state operations, often using and leaking evidence to blackmail, publicly humiliate, or eliminate political rivals—much as Egypt’s media, some with close military ties, may already have done. “State institutions are the most powerful and dangerous opposition to Sisi,” wrote *Al-Maqal* newspaper in a column this month by Ibrahim Eissa, another high-profile media personality widely-known for his close association with the armed forces.

The details of the recently released 32-page [anti-corruption strategy](#) itself are hopelessly confounding. It doesn’t even specify or delimit the role or influence that each member of the National Coordinating Committee for Combating Corruption can have. The final six pages, which set forth those anti-corruption benchmarks that Egypt’s police and intelligence services would have a role overseeing, and the timeframe for which they are to be implemented, are conspicuously absent from the truncated [20-page English](#) and [23-page French](#) translations that the committee circulated. These versions include creating an “amended” pay structure for bureaucrats, passing whistle blower protections and freedom of information laws, and amending bids and tenders laws.

The drafters must have excluded these benchmarks to avoid accountability. Even though Egypt’s national anti-corruption strategy does attempt to create space for civil society, the media, and other actors to take part in monitoring corruption and the implementation of the strategy’s benchmarks, these watchdogs have been largely co-opted or stripped of their ability to operate freely. For example, a draft law, leaked in November 2014, seeks to criminalize the dissemination of any information related to the army, which it considers “by nature as secrets related to national security.” Even though the law has yet to pass, it has already had a chilling effect. The leaked conversations between Sisi and Chief of Staff Kamel from earlier this year went essentially unreported by the local Egyptian press.

Even though few dared to report on the leaks, the police began a media crack down, targeting the very journalists who had shown restraint in reporting on the army. Instead, these writers published stories about the Ministry of Interior. Over the last few months, police summoned a number of journalists from the private daily *Al-Masry Al-Youm* and the pro-regime daily *Al-Dostour*, and referred them to the State Security Prosecution after each paper published reports about allegations of corruption within the Interior Ministry. Ironically enough, *Dostour* claimed that the Ministry of Interior itself had recommended the journalist who heads the paper’s crime page, which ran the controversial corruption story. Nobody was kept in custody, however, and this month the Ministry said it had dropped its legal charges against *Al-Masry Al-Youm* as part of its “efforts to strengthen its relationship with the different parties in the nation and different media outlets.”

Another draft law, released shortly after Sisi rose to the high office, would give the government power to shut down, freeze assets, block funding, confiscate property, and reject the governing boards of any non-governmental organizations, stripping them of any ability to enforce the benchmarks Egypt has set up for itself in its anti-corruption strategy. Much like during Mubarak’s rule, Sisi has learned how to consolidate his power. But his is a different consolidation strategy: In the midst of intense rivalry between the Armed Forces and Ministry of Interior, Mubarak favored the police due to his fear of a potential military coup, often using them to spy on and limit the powers of the army. To a degree, Mubarak sought to reign in the influence of entrenched military figures, much as Algeria’s Bouteflika sought to accomplish in late 2013 with his rival, Medienne (by reportedly prying from the DRS its anti-corruption and military counter-intelligence units and handing them to a perceived loyalist he appointed to Algeria’s Ministry of Defence). Sisi has, however, tilted more toward the army and military intelligence and has reigned in the non-military security services.

Sisi’s actions recall the story of Ali Baba, and how he tricked 40 thieves out of their gold, by learning the password to their treasure caves, “Open Sesame!” In this case, that key word is “anti-corruption.”