



# President Obama's Trip to Africa July 2015

## Enough Project | Electronic Press Kit

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## The Sentry Report: [The Nexus of Corruption and Conflict in South Sudan](#)

By The Sentry Team | July 27, 2015

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### **Executive Summary:**

South Sudan was born amid great hope. The citizens of the world's newest nation voted with one voice in support of independence for a country that boasted vast natural wealth. Goodwill from the international community brought significant international development assistance and the country was expected to quickly transition to self reliance, for the most part, on the basis of its own oil revenues. Instead, South Sudan has plunged into civil war, economic collapse, and creeping international isolation. The country's elites have built a kleptocratic regime that controls all sectors of the economy, and have squandered a historic chance for the development of a functional state. These predatory economic networks play a central role in the current civil war, because much of the conflict is driven by elites attempting to re-negotiate their share of the politico-economic power balance through violence.

This report maps out the corruption and the conflict-financing system in South Sudan and describes the likely channeling of illicit money flows. The primary goal of this report is to focus on the mechanics of the system, rather than specific individuals or their networks of facilitators and enablers. While seemingly focused on the government, the report acknowledges that the rebels were also part of this kleptocratic system in the past, and are likely to be involved again in the event of a negotiated settlement. The Sentry continues in-depth investigations into illicit economies, funding streams, and supply chains of the armed opposition.

This report identifies four major vectors along which the country's wealth and revenues are diverted towards the personal and institutional interests of elites:

- I. **The Extractives Sector:** The extractives sector, which is the largest source of national revenue, is mismanaged and highly opaque
- II. **The Military State:** The military controls the economy; directly by taking the largest share of the budget and indirectly through closely held companies and contracts
- III. **State Spending:** The procurement system is prone to corruption, waste, and a lack of tangible results, and suppliers tied to elite interests are regularly awarded lucrative contracts
- IV. **Money Laundering Hub:** The emerging financial sector in South Sudan has been exploited by elites who use it as a laundering and revenue-generating vehicle

South Sudan's economy is currently facing a major financial squeeze with oil revenues drying up and conflict and corruption minimizing the effectiveness of foreign investments and humanitarian donations. As the economic situation worsens, the illicit economy has expanded. Key elites and institutions have maintained their funding lines and dominant economic positions, while others have sought to diversify their economic holdings to stay abreast of the new reality. Understanding the financial drivers of the



conflict and the motivations of the major players is essential to negotiating a peaceful settlement in the region. Our findings strongly suggest that, in addition to a political strategy, the international community and regional actors should pursue a more deliberate strategy to diminish the incentives and resources that are funding and fueling the current conflict. This strategy includes: promoting budget and beneficial ownership transparency, conditioning aid and assistance on measurable improvements in procurement and contracts oversight, building sanctions enforcement capacity, and pushing for targeted financial enforcement measures to freeze and recover assets of those who have skimmed profits from the ongoing conflict.

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## Report:

### [President Obama in Africa: Countering Violent Kleptocracies is a Prerequisite for Peace](#)

By The Enough Team | July 22, 2015

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President Barack Obama’s travel to Kenya and Ethiopia offers a unique opportunity to make progress on U.S. commitments to accelerate economic growth, strengthen democratic governance, and promote peace and security across the continent. Achieving these objectives in regions of Africa that have been torn apart by deadly conflict requires a dedicated focus on the core source of instability and autocracy in these places: the violent kleptocracies, or highly corrupt systems that are closely linked to conflict. These systems have taken root and led to full-scale war in South Sudan, Sudan, the Democratic Republic of the Congo, the Central African Republic (CAR), Somalia, and other neighboring countries, as leaders and business partners have amassed significant personal wealth in large part by partnering with armed groups and commanders to extract it.

The administration’s and the broader international community’s engagement to date on conflict mitigation in Africa—including leadership in and support for peace processes, peacekeeping missions, and accountability measures—has not made a dent in disrupting or dismantling the kleptocracies that allow these wars to continue. Highlighting this most vividly are the cases of Sudan and South Sudan, where the calculations of warring parties have not yet shifted despite huge investments in conventional tools by the United States and the broader international community.

The administration’s initiatives on conflict in Africa have, however, made a positive lasting impact in several other areas. Killings by the Lord’s Resistance Army (LRA) have declined by more than 90 percent, and LRA attacks have decreased by 30 percent in the time since President Obama authorized U.S. military advisors to deploy to support a regional counter-LRA mission. Concerted U.S. engagement in support of Congo’s regional peace process and U.S. pressure on Rwanda played an important role in helping Congo and the United Nations defeat the deadly M23 rebel group in late 2013. Additionally, U.S. support for greater transparency and rule of law in the minerals sector has helped decrease the amount of funding from conflict minerals that is available to armed groups. While the security situation in Somalia remains tenuous, U.S. support to the Somali government and African Union peacekeeping forces deployed in Somalia has helped to push Al-Shabaab out of key towns and create space for the revival of governance and economic recovery.

The international community, however, needs a fresh strategy for addressing the deadly nexus between conflict and corruption, and President Obama’s trip to the region can set the tone for prioritizing new policy approaches to conflicts that had once seemed intractable. Kleptocratic systems have developed in the absence of financial, regulatory, and legal accountability for warlords hijacking and looting states and using mass atrocities, including sexual and gender-based violence, to attain or maintain power. Several studies document a strong connection between corruption, state weakness, and social and political instability. This hijacking of states is worsened by the high volume of illicit financial outflows from African economies—tens of billions of dollars annually—that have increased over time. For example, in Congo, an estimated \$4 billion in illicit financial flows leaves the country every

year through the manipulation of mining contracts and budgets, in part through flows of minerals from the east of the country, where conflict has continued for the past 22 years.

A new strategy for peace requires a partnership between Africa, the United States, and other influential actors focused on creating accountability for the architects of atrocities and disrupting their access to the means that enable them to wage war. Broad-based partnerships are needed to support those who fight against corruption and for greater transparency and accountability for atrocity crimes and economic crimes. The United States should leverage the diplomatic and economic influence of external partners like China, the European Union, and Persian Gulf states to work with the African Union and sub-regional African organizations to address root causes of these complex emergencies. Such partnerships, and U.S. leadership, can begin to counter violent kleptocracy, accelerate economic growth, strengthen democratic institutions, and improve peace and security.

To buttress such a new strategy, the Enough Project offers the following specific policy recommendations that could be a priority focus of the Obama administration coming out of the president's trip to Africa:

1. The United States, the U.N. Security Council, the African Union, and the European Union should prioritize targeted sanctions against individuals, companies, institutions, and other actors that facilitate grand corruption, participate in illicit natural resource trade (including conflict gold), and commit atrocities in conflict-affected areas in Africa. Particular efforts should be made to craft systemic strategies that leverage counter-terrorist financing, anti-money laundering, and transnational organized crime authorities in order to target entire networks of atrocity financing over the less effective one-off sanctions on individual commanders or companies.
2. The United States and other donors should expand their existing efforts to build the technical capacity of African regional financial institutions beyond their current emphasis on countering money laundering and terrorist financing to also include a focus on international sanctions enforcement. Existing programs should be expanded to help enhance the operational capacity of regional financial intelligence units (FIUs). These FIUs are central national agencies responsible for receiving, analyzing, and transmitting disclosures on suspicious transactions to the competent authorities, making them the appropriate locus of expanded sanctions implementation activities.
3. The Secretary of the Treasury should direct more resources towards African sanctions enforcement investigations in the Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN), allowing them to focus on those suspected of facilitating grand corruption, participating in illicit natural resource trades, and committing atrocities in Africa's deadliest conflicts.
4. The United States, along with the European Union, the United Kingdom, and Canada, should lead efforts to disrupt and dismantle the elite networks that steal wealth from conflict-affected African countries. Specifically, the U.S. Department of Justice Asset Forfeiture and Money Laundering Section (AFMLS), in leading the Kleptocracy Asset Recovery Initiative, should investigate and locate the proceeds of grand corruption in conflict countries and use asset forfeiture provisions to recover those assets and return them to the countries and communities from which they were stolen. While in the region, President Obama should urge Kenya and

Ethiopia to share intelligence and contribute actively to the asset recovery inter-agency network of eastern Africa to jump-start these efforts.

5. The U.S. Office of Global Criminal Justice should encourage and support efforts to investigate and prosecute the war crime of pillage—theft in the time of war, including large-scale theft of natural resources and wildlife trafficking. The International Criminal Court (ICC), hybrid courts, and national prosecutors could more effectively pursue these pillage investigations and prosecutions with U.S. support. The United States, along with ICC states parties, should encourage ICC Chief Prosecutor Fatou Bensouda to revive the court’s financial crimes unit and appoint special advisors on financial forensics and natural resource theft as part of a comprehensive approach to investigating and prosecuting widespread pillage in South Sudan, Sudan, Congo, and CAR.
6. The U.S. government should urge a greater number of African governments—including South Sudan, Rwanda, Uganda, and others—to join international regulatory institutions for high-value natural resources, such as the Extractive Industries Transparency Initiative (EITI). These governments should be encouraged to work to implement the practices of these regulatory institutions and initiatives and increase budget transparency.
7. The United States should increase its democracy and governance support to diverse coalitions of people and nongovernmental organizations (NGOs) in the region that are actively seeking to hold their own leaders to account for economic crimes. The United States has a longstanding commitment to empowering those who advocate together for democratic political transformation, participatory governance, participation in peace processes, and greater government transparency, but funding for these efforts has fallen in recent years. USAID can support these communities by expanding local groups’ access to funding, training, and networking to strengthen their ability to expose mass corruption and the misappropriation of their countries’ natural resource wealth.

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**Policy Brief:**  
**[Creating a Cost for Those Destroying South Sudan](#)**

By Akshaya Kumar and John Prendergast | Jul 23, 2015

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President Barack Obama's historic visit to Kenya and Ethiopia comes at a time of deep crisis in neighboring South Sudan. American contributions to the massive humanitarian response and support for the Intergovernmental Authority on Development (IGAD) mediation effort to end South Sudan's 19-month war have been considerable. However, the peace process has been undermined by competing mediation efforts by various African interlocutors which allows the warring parties to "forum shop" and demonstrate a complete lack of will to implement anything they agree to, particularly a string of agreements to cease hostilities.

The recently expanded IGAD Plus mediation structure will hopefully address the forum-shopping concerns. However, much more work is needed to develop the essential ingredient for a durable and lasting agreement: the leverage necessary to alter the calculations of the parties from pursuing war to pursuing peace. The leaders of the two sides fight on in the belief that there will be no personal consequence, and outside actors collaborate in the destruction of this embryonic state through their military support and collusion in vast corruption, both past and present. Without a wider strategy of leverage-building financial pressures and a push to secure regional and broader international cooperation for that approach, it will be difficult to address the deep political divisions fueled by a violent struggle for the spoils of a corrupt state.

In South Sudan, corruption and illicit financial flows, the offshoring of assets by elites, large-scale abuse and mismanagement of the extractives industry, security sector fraud, the convergence of licit and illicit systems, disguised beneficial ownership, and regulatory evasion have all combined to create a kleptocratic governing system. President Obama's trip offers an opportunity to reorient U.S. government policies to move beyond threats and focus on a much more robust strategy of disrupting and ultimately dismantling this system, which is funding, fueling, and profiting from the conflict in South Sudan.

While in Kenya and Ethiopia, President Obama should take the following steps:

- **Asset Freezes, Travel Bans, and an Arms Embargo:** Urge President Uhuru Kenyatta and Prime Minister Hailemariam Desalegn to work with the United States in support of a multilateral arms embargo and the imposition of an escalating set of high-level sanctions designations against politically influential individuals and their enablers. Also, encourage the Kenyan and Ethiopian leaders to enforce the existing sanctions designations by freezing the assets and restricting the travel of the six military commanders who are already designated by the U.N. Security Council. Make it clear that if the presence of any of the designated individuals is required for the peace process, the government of Ethiopia can request a case-by-case exemption from the U.N. Sanctions Committee as provided under U.N. Security Council Resolution 2206. This push in the region should be coupled with a directive to the Departments of State and Treasury as well as to other relevant agencies to intensify their efforts to collect information and develop dossiers on

potential additional targets for sanctions. These targets may include South Sudan’s high-level political leaders and their financial backers, in the region and beyond. This strategy could lay the foundation for a rapidly escalating targeted sanctions regime that begins to finally create a cost for those making the decisions to continue the war or fund and profit from it.

- **Kleptocracy Asset Recovery and Return:** Urge Kenya and Ethiopia to contribute actively to a transnational effort to trace, seize, freeze, and return the proceeds of corruption to the people of South Sudan by sharing intelligence through the Asset Recovery Inter-Agency Network of Eastern Africa. At the same time, prioritize U.S. inter-agency support to the Department of Justice’s Kleptocracy Asset Recovery Initiative as it seeks to identify actionable cases of grand corruption with a strong connection to the United States. Work with the U.K.’s Proceeds of International Corruption Unit and with Europol, Canada, and Australia to pursue this agenda internationally.
- **Capacity Building for U.N. Sanctions Enforcement:** Offer to expand the U.S. government’s existing effort to build the technical capacity of East African financial institutions beyond the Treasury Department’s current emphasis on anti-money laundering and counter-terrorist financing support to also include capacity-building assistance for more effective U.N. sanctions enforcement. Prioritize the programs that enhance the operational capacity of regional financial intelligence units in Uganda, Kenya, and Ethiopia to coordinate asset freezes. Urge President Kenyatta and Prime Minister Hailemariam to submit member state reports on Kenyan and Ethiopian efforts to enforce U.N. Security Council Resolution 2206. These reports should include a discussion of Kenyan and Ethiopian domestic sanctions implementation frameworks.
- **Beneficial Ownership Transparency:** Ask Kenya, Ethiopia, and other African states to adopt regulatory reforms to increase transparency about the beneficial owners of corporate assets and trusts. Connect the proliferation of shell companies and secrecy jurisdictions in Africa with the broad problem the continent faces with illicit financial flows and the recent U.N. decision to redouble efforts to combat these practices. At the same time, urge the U.S. Department of Treasury to incorporate expanded control requirements and a look-back provision into the U.S. government’s proposed beneficial ownership rule, set to be released in August.
- **Connecting Regional Infrastructure Projects to Peace:** Make clear that the U.S. government is ready to work with Chinese President Xi Jinping to lead a comprehensive review of bilateral and multilateral funds earmarked for regional infrastructure projects in East Africa to assess the viability of such investments given the conflict in South Sudan. Regional sanctions enforcement should be made a criteria in an overall risk mitigation strategy governing the disbursement of donor funds, foreign investment, and technical assistance to implement these important infrastructure development projects.
- **Accountability for Pillage and Grand Corruption:** Build on the U.S. government’s May 2015 pledge of \$5 million for justice and accountability in South Sudan and on both warring parties’ February 2015 commitment to a hybrid court by urging the immediate creation of a hybrid court for South Sudan with an investigative wing to begin work even before the conflict ends. The court should have jurisdiction over crimes against humanity, human rights abuses, economic crimes—including pillage, as a war crime—and grand corruption. While in the region, also



amplify the U.S. government’s push for the African Union Peace and Security Council to consider and release the AU Commission of Inquiry’s report on South Sudan.

- Empowering Anti-Corruption Civil Society Actors: Meet with civil society, especially anti-corruption campaigners from Kenya, Ethiopia, and South Sudan. In the longer term, the United States should prioritize funding to civil society groups in South Sudan that are actively engaged in anti-corruption campaigns to improve transparency and accountability in government spending. In South Sudan, which recently ratified the U.N. Convention Against Corruption, laws already criminalize corruption and require elected officials to disclose their assets and corporate interest. South Sudanese civil society groups can advocate that these provisions be enforced.

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**Press Release:**

**[New Report Examines Obama Policy Legacy in Africa's Deadliest Conflicts](#)**

*As President Heads to Kenya and Ethiopia, Report Details Nexus of War and Grand Corruption*

July 22, 2015 -- In advance of President Obama's historic trip tomorrow to Kenya and Ethiopia, a report published today by the Enough Project analyzes the president's policy legacy in key conflict-affected areas in Africa.

The new report, "[President Obama in Africa: Countering Violent Kleptocracies Is a Prerequisite for Peace](#)," details opportunities to address key issues relating to conflict, and the effectiveness of the Obama administration's initiatives on peace and security, democratic governance, and economic growth in Africa.

The president's visit will bring him into the heart of a region that has been, over the last two decades, the site of the world's deadliest conflicts.

**[John Prendergast](#), Founding Director of the Enough Project**, said: "For President Obama to ensure that his signature efforts have positive impact in regions of Africa that have been torn apart by deadly conflict, a dedicated focus for the last 18 months of his administration is required on the core source of instability and autocracy in these countries, the violent kleptocracies, or highly corrupt systems that are closely linked to conflict."

**[Akshaya Kumar](#), Sudan and South Sudan Policy Analyst at the Enough Project**, said: "When confronted with grotesque human rights abuses like the ones taking place in the context of Africa's deadliest wars, we often speak of the international community's moral obligation to help or a broad responsibility to protect those at risk. But, the cold hard truth is that there are people who profit from the war economies and the grand corruption that enables these wars to persist. Businessmen, banks, and consumers in countries like the United States, India and China bear another type of responsibility too: that of complicity."

**[Sasha Lezhnev](#), Associate Director of Policy at the Enough Project**, said: "President Obama has had some important successes in dealing with conflict in Africa, for example in helping dramatically reduce the killings of Joseph Kony's Lord's Resistance Army. But there is still not enough focus on holding the financiers and perpetrators of mass atrocities accountable. The President should help the Treasury and Justice Departments devote more resources to African conflicts to investigate, sanction, and prosecute those most responsible for war crimes in Africa."

The report highlights specific challenges and opportunities in South Sudan, Sudan, the Democratic Republic of Congo, and the Central African Republic, and offers recommendations to address and help to dismantle the financing and profiteering in Africa's deadliest conflicts:

1. **Targeted sanctions:** The United States, the U.N. Security Council, the African Union, and the European Union should prioritize targeted sanctions against individuals, companies, and others that facilitate grand corruption, participate in illicit natural resource trade (including conflict gold), and commit atrocities in conflicts in Africa. Furthermore, the Secretary of the Treasury

should direct more resources toward African sanctions enforcement investigations in the Office of Foreign Assets Control (OFAC) and the Financial Crimes Enforcement Network (FinCEN).

2. **Prosecutions:** The U.S. Office of Global Criminal Justice should encourage and support efforts to investigate and prosecute the war crime of pillage— theft in the time of war, including large-scale theft of natural resources and wildlife trafficking. The International Criminal Court (ICC), hybrid courts, and national prosecutors could more effectively pursue these pillage investigations and prosecutions with U.S. support.
3. **Asset recovery and return:** The U.S. Department of Justice Asset Forfeiture and Money Laundering Section (AFMLS), in leading the Kleptocracy Asset Recovery Initiative, should investigate and locate the proceeds of grand corruption in conflict countries.

Today, the Enough Project also joined a diverse community of 19 advocacy, faith and human rights organizations issuing an [open letter to President Obama](#). The letter urges the president, as he embarks on his trip to Kenya and Ethiopia, to press for a solution to the ongoing crisis in South Sudan. The letter stresses the need for greater regional cooperation to pressure the warring parties to make necessary concessions for a sustainable peace in South Sudan, including accountability for economic and atrocity crimes.

Link to the full report: <http://eno.ug/1Okx900>

Link to the open letter: <http://eno.ug/1ef5eD1>

For more background, read the new op-ed by John Prendergast in TIME Magazine: "[President Obama Must Help Tackle Africa's Hijacked States](#)."

**Press Release:**

**[New Investigative Project THE SENTRY to Counter Financing of Africa's Deadliest Conflicts](#)**

*Launch of 'The Sentry' Coincides with POTUS Trip to Africa this Week*

**July 20, 2015** – Today, the Enough Project announced the launch of [THE SENTRY](#), a new investigative initiative that seeks to dismantle the networks of perpetrators, facilitators, and enablers who fund and profit from Africa's deadliest conflicts. The Sentry's arrival comes as President Obama prepares for an historic trip to Africa later this week.

Co-founded by George Clooney and John Prendergast, building on lessons learned from their earlier Satellite Sentinel Project initiative, The Sentry uses open source data collection, field research, and state-of-the-art network analysis technology to track and analyze how conflict is financed, sustained, and monetized. The new website for The Sentry, [www.TheSentry.org](http://www.TheSentry.org), also features a secure portal for the confidential and anonymous submission of tips, leaks, and information.

**John Prendergast, co-founder of The Sentry, said:** "Conventional tools of diplomacy usually have not helped end conflicts because they don't alter the calculations of those fueling war and committing atrocities. Given the current profitability of conflict, new efforts must center on how to make war more costly than peace. The objective of The Sentry is to follow the money and deny those war profiteers the proceeds from their crimes."

**George Clooney, co-founder of The Sentry, said:** "Real leverage for peace and human rights will come when the people who benefit from war will pay a price for the damage they cause."

The Sentry today also published four [Country Briefs](#) detailing the nexus of conflict, corruption, and violent kleptocracy in South Sudan, Sudan, Central Africa Republic, and the Democratic Republic of Congo.

**Sentry Analyst Akshaya Kumar pointed out,** "The points of convergence where illicit schemes rely on legitimate global financial and transport infrastructure, at times represent the most profitable links in the conflict value chain, and also those most vulnerable to disruption. Direct perpetrators of mass atrocities may be relatively insulated from international pressure, but their facilitators are certainly not."

**Omer Ismail, Sentry Analyst, said:** "Without countering systematic looting by governments and rebel groups, peace and protection efforts stand little chance of success. The good news story that Africa has become, and which in the next days the President will appropriately highlight, in many parts of the continent will continue to be undermined by these hijacked states and their long-running, predatory civil wars. A new framework must be developed to adapt, implement, and enforce the tools of financial crimes enforcement to give these countries back to the people."

**Sentry Co-Founder John Prendergast elaborated:** "The Sentry's ultimate objective is to alter the incentives for funding or profiting from violence and mass atrocities. This will lend greater

support to broader accountability measures as well as provide leverage to peace efforts aimed at ending Africa’s deadliest conflicts.”

The Sentry’s investigations will produce analytical reporting that engages civil society and media, supports regulatory action and prosecutions, and provides policymakers with the information required to take effective action. The Sentry examines the techniques used to finance and profit from conflict, including:

- **Convergence of licit and illicit systems**—illicit actors conceal their operations and launder their profits through globalized systems of finance, trade, and transportation.
- **Regulatory and sanctions evasion**—illicit actors find ways to adapt to and avoid international laws, sanctions, and regulations.
- **Disguised beneficial ownership**—illicit actors employ increasingly sophisticated methods to disguise their true identities to avoid detection and exposure.
- **Extractive industries and natural resource trafficking**—illicit actors extract, tax, and sell natural resources to fund and sustain their operations.
- **Corruption and illicit financial flows**—illicit actors compete violently to capture state resources and divert funds for their own personal enrichment and to finance their armed campaigns.
- **Security sector fraud and abuse**—illicit actors manage state and military expenditures to fund off-budget activities with little-to-no transparency or accountability.
- **Elite financing and offshored assets**—illicit actors abuse their power and position to accumulate significant wealth that is then laundered through offshore jurisdictions to evade detection.

**Read The Sentry’s COUNTRY BRIEFS:**

[South Sudan](#), [Sudan](#), [Central Africa Republic](#), and the [Democratic Republic of Congo](#)

**TIME Op-ed:  
President Obama Must Help Tackle Africa's Hijacked States**

Source: <http://time.com/3965549/obama-kenya-hijacked-states/>

*John Prendergast | July 21, 2015*

*John Prendergast is the founding director of the Enough Project and a former director of African Affairs at the National Security Council.*

**African civil wars often mask criminal corruption on a grand scale. Anti-corruption measures could be more effective than aid in giving respite to victims**

On July 23rd, President Obama will be visiting what has been the deadliest neighborhood in the world over the past twenty years. He'll be touching down in the two most stable countries in the region, Kenya and Ethiopia. Though beset with human rights issues of their own, they are swimming in a sea of extreme instability. The armies of Somalia, Sudan, South Sudan, the Democratic Republic of Congo, and the Central African Republic, along with a veritable alphabet soup of rebel groups and criminal militias, are the most visible manifestations of Africa's biggest challenge: the nexus between massive corruption and violent conflict.

The good news story that Africa has become in many parts of the continent will continue to be undermined by these hijacked states and their long-running, predatory civil wars. Without countering systematic looting by governments and rebel groups, peace and protection efforts stand little chance of success. A new framework must be developed to adapt, implement, and enforce the tools of financial crimes enforcement to give these countries back to the people.

In the region President Obama is visiting, which stretches from northeast to central Africa, more than nine million people have perished and fifteen million people have been rendered homeless over the past two decades. The region is rife with child soldiers, modern-day slavery, and war-related sexual and gender-based violence.

The status quo – violence and grand corruption – is good for a certain kind of business: the illegal kind. Illicit financial flows out of Africa are double the inflow of foreign aid. The irony of the “resource curse” is particularly true in the region that President Obama is headed to, as vast natural resource wealth is violently pillaged by African and non-African collaborators. Meanwhile, U.S. taxpayers have spent tens of billions of dollars in emergency aid, peace processes, and peacekeeping missions, frequently without a focus on root causes.

Countries in this region are often referred to as failed states. In reality, these states are very successful at what they have been restructured to accomplish by those in control. They instead should be considered hijacked states, in which rulers use state authority, institutions, and deadly force to finance and fortify crony networks. In these states, corruption is not an anomaly — it is the foundation of the intended system. For example, Congolese leaders have siphoned off vast amounts of the country's mineral wealth through bogus contracts and smuggling networks, and manipulate the judiciary, military and police to service the corrupt system.

Access to a complex global financial system enables violent kleptocratic networks to exploit natural resource endowments, pillage, and launder their profits to wage war. Technically savvy and skilled at

abusing legitimate systems of finance, trade, and transport, these networks have remained largely untouched by law enforcement, regulation, or international sanction.

Conventional tools of diplomacy usually have not worked because they don't alter the calculations of those fueling war and committing atrocities. Given the current profitability of conflict, policy efforts must center on how to make war more costly than peace. One way is follow the money and deny those war profiteers the proceeds from their crimes.

In response, there are United Nations expert groups that study the problem and the World Bank tries to combat corruption, but the kleptocrats are undeterred. My organization, the Enough Project, just launched a new initiative called The Sentry, which is investigating the war economies sustaining Africa's deadliest conflicts and supporting efforts to dismantle the illicit networks that allow government and rebel leaders to fund their violent campaigns. Going forward, a new policy framework is needed.

First, anti-corruption measures like the Department of Justice's Kleptocracy Asset Recovery Initiative should be used to counter hijacked states, as legal prosecutions can be highly effective in holding corrupt elites to account. Second, targeted sanctions regimes – asset freezes and travel bans on individuals and entities – should focus on the nerve centers of the financial networks that sustain and profit from war.

Third, working with local and global civil society organizations, naming and shaming corrupt actors can be an effective tool of isolation. Fourth, law enforcement efforts focused on trafficking of wildlife and resources can play a critical role in squeezing the profits from violence.

Fifth, regulatory efforts also can be strengthened to improve supply chain transparency, such as the Kimberley Process for blood diamonds. Sixth, peace processes attempting to end Africa's deadliest conflicts must design agreements that prevent these states from being hijacked again by unscrupulous leaders.

On his trip, President Obama will have to address the degree to which hijacked states benefit from war economies and thus are largely impervious to conventional diplomatic tools. To have a chance at success, future peacemaking partnerships between the U.S. and Africa need to ensure that human rights crimes no longer pay.

Source: <http://time.com/3965549/obama-kenya-hijacked-states/>

## CNN Op-ed: Sanctions Threats Not Enough in South Sudan

Source: <http://www.cnn.com/2015/06/24/opinions/clooney-kumar-sudan-action/index.html>

*By George Clooney, Akshaya Kumar and John Prendergast | June 25, 2015*

*George Clooney is co-founder of the Satellite Sentinel Project with John Prendergast, who is founding director of the Enough Project, where Akshaya Kumar is a senior analyst. The views expressed are their own.*

The scale of the crisis facing South Sudan is hard to comprehend -- 2 million people have been displaced as the country has tumbled back into a greed-driven war that has also left almost half the population without enough food to eat.

To stop the death spiral, the United States and South Sudan's neighbors must urgently fashion a new approach to peacemaking that creates a more effective peace process, one with serious, biting consequences for those South Sudanese government and rebel leaders who continue to fan the flames of war and who are completely insulated from the suffering of their people.

With this in mind, President Barack Obama's visit to Kenya and Ethiopia next month provides a golden opportunity to help rescue one of the central legacies of his administration in Africa: American support for the creation of the world's newest state.

South Sudan was born in 2011 via a referendum that occurred peacefully in part because of deft diplomacy by the Obama administration, at times led by the President himself. The referendum was the result of a peace deal that ended a war between the north and the south of the country, one that cost over 2 million lives.

After securing their country's independence, however, South Sudan's political leadership embezzled hundreds of millions of dollars from the state treasury, leaving little for education, health or other services. Soon, this violent kleptocracy degenerated along factional lines, and by December 2013, a power struggle among a handful of the country's elite mutated into civil war. A year and a half later, those men are still holding the country hostage to their ambition and greed.

Since the war began, our Satellite Sentinel Project has reported on the wanton destruction of South Sudan in back-and-forth, scorched-earth campaigns. Abuses being committed by South Sudan's fighting forces are not unlike those we documented right across the border in neighboring Sudan. Chilling atrocities by both sides in the past month have also been exposed by Human Rights Watch and Amnesty International.

In response, both the United States and the U.N. Security Council have authorized targeted sanctions against specific South Sudanese government or rebel leaders obstructing peace.

Sanctions in this and other African conflicts, however, have been more of a box-checking exercise rather than the instrument of serious financial pressure they should be. Illustratively, the United States has so far imposed asset freezes and travel bans on a few South Sudanese field commanders who have little known contact with the global financial system, and the U.N. Security Council has actually sanctioned no one despite the authorization to do so.

U.S. Secretary of State John Kerry recently promised additional "sanctions against the individuals... who have hidden money away, hidden property away, who have literally stolen from the nation, even as they are letting the nation kill itself."

If those important words are followed up by a comprehensive assault on the financial underpinnings of South Sudan's extreme violence by the United Nations, United States, European Union and South Sudan's neighbors, real leverage could be gained in support of peace and human rights. But establishing a sanctions authority cannot and should not be an end in itself. Instead, it should be seen as a beginning, requiring serious investigations into where the financial pressure points are, laser targeting against human rights perpetrators and their financial facilitators, and robust enforcement.

Africa is full of cases in which post-colonial transitions have been undermined by grand corruption, civil war, dictatorship, gross human rights abuses and interventions by former colonialists. This hijacking of the state by corrupt leaders willing to use mass violence and harsh repression to maintain or gain power is the deepest root cause of Africa's continuing woes. In contrast, the many African states that have overcome this cycle are thriving.

This is why targeting the corrupt networks and their international enablers -- including unscrupulous bankers, corporations and traffickers looking for easy but illicit money -- should be the centerpiece of the international community's response to countries in crisis such as South Sudan, Sudan, Democratic Republic of Congo, Burundi, Zimbabwe and others. As [study](#) after [study](#) has shown, much more money is flowing out of Africa illicitly than is coming in through aid and investment.

In response to this intersection of grand corruption and protracted conflict, we are launching a new initiative in July supporting efforts to dismantle the financial networks fueling and profiting from Africa's deadliest wars. Our investigators will follow the money wherever it leads into the international system, and we'll seek action against those facilitating and enabling the atrocities in Africa's killing fields.

Late next month, President Obama will be right next door to South Sudan, meeting with the very regional leaders in Kenya and Ethiopia that together with the United States have enormous financial leverage to end the suffering.

Since greed is driving the calculations of South Sudan's government and rebel leaders, the surest route to peace is by hitting them in their wallets.

Source: <http://www.cnn.com/2015/06/24/opinions/clooney-kumar-sudan-action/index.html>

## Daily Beast: How Obama Can Stop South Sudan's War

Source: <http://www.thedailybeast.com/articles/2015/07/24/how-obama-can-stop-south-sudan-s-war.html>

*John Prendergast and Akshaya Kumar | July 24, 2015*

*John Prendergast and Akshaya Kumar are Founding Director and Policy Analyst at the Enough Project. They have collaborated with George Clooney to launch The Sentry (thesentry.org) this week to track the assets of those perpetrating, funding or profiting from war crimes like those in South Sudan.*

### **A savage civil war has engulfed the world's newest country, but President Obama, landing in neighboring Kenya, can help end the bloodshed.**

In the weeks leading up to South Sudan's independence in July 2011, two sounds were inescapable in Malakal's market. Loudspeakers alternated between blasting the country's newly composed national anthem and President Obama's "Yes We Can" speech. For many South Sudanese, the speech, with its references to slaves and abolitionists, resonated at a visceral level.

Now, nineteen months into a new civil war, as President Obama lands in neighboring Kenya, that marketplace and the dream of a peaceful future for the world's newest country lies in ruin.

Malakal, which sits at the gateway of South Sudan's remaining productive oil fields, has become the most visible prize of a war that cannot be won through armed combat, yet continues to be fought with increasing ferocity. South Sudan's warring sides have exchanged control of the town at least 10 times. Malakal's diverse population has been forced to flee, leaving its market a charred and empty shell.

President Obama will not be far from refugee camps in Kenya and Ethiopia housing tens of thousands of women and children displaced by South Sudan's war.

Over 20,000 people who speak five different languages live huddled together in a little over a half square mile at a UN peacekeeping base. South Sudan's national anthem, with its pledge to "uphold us in peace and harmony," has been discarded. The clarion call that "yes we can" represented to so many is being ignored by leaders who used their power to accumulate wealth instead of building a nation. President Obama will not be far from refugee camps in Kenya and Ethiopia housing tens of thousands of women and children displaced by South Sudan's war. He is meeting with two of the heads of state currently mediating South Sudan's peace efforts and is addressing the African Union on issues of regional security.

To maximize impact, President Obama should work with South Sudan's neighbors to dismantle the complex system of corruption and illicit financial flows that are funding and profiting from the conflict in South Sudan. In addition, by making a public commitment to a hybrid court, with international judges, an investigative wing and jurisdiction over economic crimes, President Obama will help combat what has become an accountability-free zone.

This week, Human Rights Watch published evidence of brutal gang rapes, unlawful killings of civilians, and the deliberate destruction of seeds intended for planting as a part of the South Sudanese

government's recent scorched earth campaign. Previous reports from the UN peacekeeping mission's human rights division have implicated the armed opposition in cold-blooded massacres at hospitals and mosques. Without clear financial and legal consequences for those directing and fueling atrocities, abuses like these will continue.

President Obama can also bring new energy to the UN's multilateral asset freeze and travel ban regime for South Sudan, which recently added six military commanders from the government and opposition to its sanctions list. To build on this momentum, President Obama should encourage his counterparts in the region to ensure asset freezes and travel bans are enforced in their countries and urge them to support a new round of high-level designations against politically influential individuals and their enablers.

In South Sudan, targeting field commanders alone is ineffective. The country's political elites who are responsible for the looting of South Sudan's natural resource wealth, however, are much more vulnerable to international financial pressure. President Obama should also urge regional leaders to support an arms embargo to limit the warring parties' access to military hardware used to attack civilians.

Beyond this, billions in oil revenues have been stolen from the country's treasury and stashed abroad. The real leverage over South Sudan's elites will come through a transnational effort to trace, seize, and return these ill-gotten gains to the people of South Sudan. President Obama can jumpstart this effort by urging Kenya and Ethiopia to share intelligence about stolen money. At the same time, he should prioritize support to the Department of Justice's Kleptocracy Asset Recovery Initiative as it seeks to identify actionable cases of grand corruption from South Sudan with a strong connection to the United States.

Finally, President Obama should use his trip to pressure Kenya and Uganda to adjust their laws to increase transparency about the real owners of corporate assets and trusts. In his public remarks, he could connect the proliferation of shell companies and tax havens in Africa with the broader problem the continent faces with the massive illicit financial outflows, now more than double what Africa receives in foreign aid. A global push for greater ownership transparency, including a strong final rule from the Department of the Treasury in August to implement greater customer due diligence transparency in the United States, will help ensure that sanctions enforcement and asset recovery efforts are not stymied by anonymous companies and opaque business records.

The hope that filled the South Sudanese at the cusp of independence has been replaced with utter despair at their leaders' shameless corruption, tit-for-tat scorched earth campaigns, and the looming threat of famine. South Sudan's citizens are still waiting for their chance to say "yes we can" to the opportunity and prosperity that independence promised. U.S. leadership on anti-corruption efforts and financial consequences targeting those most responsible for the escalating violence can help make that dream less of a distant reality.

**Source:** <http://www.thedailybeast.com/articles/2015/07/24/how-obama-can-stop-south-sudan-s-war.html>

## The Hill: An Evolving Obama Success Story in Africa

Source: <http://thehill.com/opinion/op-ed/248715-an-evolving-obama-success-story-in-africa>

*Sasha Lezhnev and John Prendergast | July 21, 2015*

*Prendergast is founding director of the Enough Project, where Lezhnev is associate director of policy. More information on Enough's The Sentry can be found at [thesentry.org](http://thesentry.org).*

As President Obama departs for East Africa, one of his administration's major successes has largely been forgotten: helping dramatically reduce mass atrocities in central Africa by Joseph Kony's Lord's Resistance Army (LRA). Over the past 28 years, the LRA has been an epic human rights abuser, committing crimes almost exclusively against civilians, from cutting off girls' lips to forcing children to hack their friends to death with machetes. Kony's rebel group abducted more than 66,000 people, including 30,000 child soldiers, and is responsible for over 100,000 deaths.

Bolstered by a supportive Congress, the Obama administration has helped erode the LRA's core strength and reduced human suffering. Following the passage of the LRA Disarmament and Northern Uganda Recovery Act in 2009, the most co-sponsored stand-alone Africa bill ever passed in Congress, the president deployed more than 100 U.S. special operations forces military advisers to the African Union countermission in October 2011. This deployment, together with nonmilitary steps including community protection programs, has helped lead to a 90 percent decrease in LRA killings.

While the LRA is not yet defeated, the number of its core fighters has been cut in half since the U.S. advisers were deployed, reduced to roughly 150 to 200 fighters. Several top LRA commanders have either been captured or killed since the U.S. deployment, including former deputy commander Dominic Ongwen, who surrendered in January 2015 and is now facing trial for war crimes at the International Criminal Court. Local communities in central Africa who have felt safer now from the LRA have thanked the United States for its advisory mission and asked the administration to continue its effort.

However, the job is not yet complete, and there is a growing danger that the LRA will regenerate as it has several times in the past. Several defectors have told us in interviews that the LRA will never die as long as it is led by Kony, who is the glue that holds the rebellion together. Many LRA fighters believe he has spiritual powers, and his instruments to instill fear into his troops are extreme.

Importantly, the Sudan government supports Kony. According to defectors, Kony moves in and out of Kafia Kingi, a border region controlled by Sudan. The LRA is also increasingly poaching elephants and trafficking the ivory tusks to Sudanese-held territory. Trading with Sudanese army officers and others, the LRA receives up to 25 boxes of bullets for each tusk. Park rangers say that if more is not done to stop the LRA and South Sudanese poachers, Africa's oldest national park, Garamba, could lose its entire elephant population. A recent study by The Resolve, Invisible Children and the Enough Project found that the LRA is also trafficking gold and diamonds. In order to investigate the sources of financing for the LRA conflict and other deadly conflicts in Africa, the Enough Project is launching The Sentry, an initiative aimed at helping dismantle the networks of perpetrators, facilitators and enablers who fund and profit from these wars.

The smuggling of ivory, gold and diamonds has already translated into recent gains for the LRA. Attacks and abductions are on the rise this year compared with 2014, and Kony has promoted two of his sons



into a functioning senior command structure. With Kony in command, the LRA retains its capacity to abduct new fighters and continue attacks against civilians.

Instead of phasing out the mission at a critical time, the Obama administration should bolster its counter-LRA policy.

First, the president should press the African Union to follow up with Sudan to expel the LRA from its territory. Sudan invited the A.U. two years ago to visit and investigate the safe haven allegations, but the A.U. has dropped the diplomatic ball since then.

Second, the administration should ensure that the removal of Kony from the battlefield is an explicit objective of the U.S. mission, not simply the reduction of attacks, an outcome that can be temporary.

Third, the U.S. should extend the mandate of the advisers, who are reportedly building better rapport with the A.U. forces.

Fourth, the U.S. Agency for International Development should increase support to help reintegrate former LRA combatants, especially child soldiers, back into their communities. Many of them remain unassisted, and the U.S. should work with the European Union and A.U. to fund roads to support economic development.

Obama's trip to Africa provides a unique opportunity to double down on a foreign policy success in the making and ensure that Kony's reign of terror in central Africa comes to a swift conclusion.

**Source:** <http://thehill.com/opinion/op-ed/248715-an-evolving-obama-success-story-in-africa>

## About THE ENOUGH PROJECT

The Enough Project seeks to build leverage for peace and justice in Africa by helping to create real consequences for the perpetrators and facilitators of genocide and other mass atrocities. Enough aims to counter rights-abusing armed groups and violent kleptocratic regimes that are fueled by grand corruption, transnational crime and terror, and the pillaging and trafficking of minerals, ivory, diamonds, and other natural resources. Enough conducts field research in conflict zones, develops and advocates for policy recommendations, supports social movements in affected countries, and mobilizes public campaigns. Learn more – and join us – at [www.EnoughProject.org](http://www.EnoughProject.org).

## About THE SENTRY

The Sentry seeks to dismantle the networks of perpetrators, facilitators, and enablers who fund and profit from Africa’s deadliest conflicts. Our investigations follow the money from conflict zones and into global economic centers, using open source data collection, field research, and state-of-the-art network analysis technology. The Sentry provides information and analysis that engages civil society and media, supports regulatory action and prosecutions, and provides policymakers with the information they require to take effective action. Co-founded by George Clooney and John Prendergast, The Sentry is an initiative of the Enough Project, with its supporting partners C4ADS and Not On Our Watch (NOOW). Learn more at [TheSentry.org](http://TheSentry.org).



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