

Stephen Hiatt (editor)

A Game As Old As Empire

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The worldwide web of corruption

The British playwright and actor **Noel Coward** said in the 1960s that *"everybody in the world is bent"*, and reading *A Game As Old As Empire* seems to confirm that view. Published as a sequel to best-selling *Confessions of an Economic Hit Man*, this is a compilation of contributions from investigative journalists and specialists whose experiences support and expand on **John Perkins'** exposé of how debt became a tool for political dominance. The authors, including TJN's **John Christensen**, **Jim Henry** and **Lucy Komisar**, provide detailed evidence of how economic hit men employed by powerful institutions have systematically undermined the integrity of markets and the rule of law.

The **Bank of Credit and Commerce International (BCCI)** was heavily involved in financing gun-running, drug-trafficking, money-laundering, and funding dictators, whilst being "in bed" with the **Reagan** and **Bush** administrations, who were implicated in illegal dealings, such as **Oliver North's** Iran-Contra deal. The **Central Intelligence Agency** was fully aware of these activities and funded them. BCCI provided counterfeit documents and letters of credit, enabling **Osama Bin Laden**, his extended family, and other wealthy Saudis to use tax havens to hide at least \$30million by registering sham organisations like the **Muwafaq Foundation**, a known **al-Qaeda** front. The use of nominee directors, shell companies, false record keeping and the illegal purchase of another bank was known but not reported by their auditor, **Price Waterhouse**, who helped BCCI perpetrate their fraudulent activities.

The Nigerian dictator **Sani Abacha** arranged to have \$15 million a day of foreign aid, loans and taxpayers money transferred to his bank accounts in Switzerland and other tax havens, with the full knowledge of hundreds of bankers, lawyers and accountants across a wide number of jurisdictions. None of them reported anything to the police. Much of Abacha's stolen wealth came to my home island of Jersey, where very little of the considerable money-laundering that goes on is reported to, or recorded by, the police.

Compelling evidence is given, too, of the extent of corruption in the banking, accounting and legal professions: **Riggs Bank** described Chilean dictator **Augusto Pinochet** under its know-your-client protocols as a *"retired professional who achieved much success in his career"* and sold him offshore companies to use for evading taxes. The accountancy firm **KPMG** evaluated that the potential profit from selling illegal tax shelters was greater than the potential fines, so they went ahead and promoted the shelters to their clients. A tax partner from London-based accountants **Moore Stephens** said, *"no matter what legislation is in place, the accountants and lawyers will find a way around it."* A corporate lawyer working for the Reagan administration said, *"I do not subscribe to the theory that a company that violates tax and exchange control regulations is a bad corporation."*

The web of corruption also extends to think-tanks and academia. In a devastating chapter on recent events in post-war Iraq, British researcher **Greg Muttitt** introduces us to **Dan Witt**, who heads the **International Tax and Investment Center**, an American lobbying organisation funded by big business but masquerading as a *"research and education foundation."* Witt has spearheaded efforts to shift Iraqi oil reserves out of national ownership and into the hands of his clients. Control over oil reserves is a particularly sensitive issue in Iraq, so Witt had to find a solution that makes it look as if the Iraqis maintain control of their oil, but in practice don't. Supported by the work of a UK-based academic, Witt proposed the use of Production Sharing Agreements which allow the government to *"be seen to be running the show - and the company can run it behind the camouflage of legal title symbolizing the assertion of national sovereignty."* And who said it wasn't about oil?

Commercial banks have loaned millions of dollars to militia to fight civil wars, and made questionable loans to countries already suffering from massive debts, where lending is not based on logic, asset security or even ability to repay, but, as **Citicorp** say, *"access to the marketplace."*

A Game As Old As Empire is a must read for anyone seeking a deeper understanding of how the world's financial system is rigged by powerful business interests of the North to ensnare poor countries and poor people in a worldwide web of corruption.

Chris Steel