Asset Tracing and Recovery (The Egyptian Experience)

Historical Background:

• One of the main objectives of the 1952 revolution was to terminate corruption, bribery and favoritism.
• The 60s; expansion of the state’s governmental system and the founding of the Public Enterprise Sector.
• The establishment of the ACA, the objective was to combat corruption and safeguard public funds.
• Mid 70s and 80s; the shift from the centrally planned socialism economy to the market capitalism economy.
• The 90s; Application of Bank Secrecy law, Central Bank’s law amendments, Stock Exchange and Privatization laws.
• The last decade witnessed serious occurrences such as; linked fortune and authority, complex interests networks and the spread of systematic corruption.
The Traditional method of Tracing Assets:

- Priority was given to tracing domestic assets and latter towards signs and information linking to assets abroad.
- Investigating and tracing fortunes and assets normally follow the arrest and seizure of the predicate crimes like bribery, abuse of authority, profiteering, embezzlement, etc..
- Limiting the investigations on the main suspect and spouse and his youngsters.
- Concentrating investigations on illegal gain crimes, and less efforts directed to money laundry crime.
- Cases were ACA traced and recovered assets abroad; The Great antiquities case “Tarek el Swesy”, “El Habbak” case.

The revolution forced a new perspective on the Egyptian authorities
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The Situation following the Revolution:

- The worldwide welcome to the Arab Spring, and several states initiated freezing assets procedures.
- The high expectations of the Public to recover looted assets from abroad and the over estimation of its’ volume.
- The Military Council forms the Asset Recovery Committee.
- ACA received thousands of citizen’s complaints, and investigation requirements from different prosecution authorities.
- Prosecutions and trials commenced under extreme public and Media pressures.
- The General Prosecutor Office started sending MLAs.
The Recommended Procedures of Asset Tracing and Recovery:

- Investigating predicate crimes should involve evaluation and clarification of its financial proceeds.
- Investigations to prove predicate crimes, illicit gain and money laundering crimes should be done simultaneously.
- During gathering intelligence process, efforts should be focused on signs and information leading to assets abroad linking it to domestic corruption incidents.
- Enhancing and expanding the scope of investigations to include more family relations, business partners, associates, lawyers, auditors, etc..
- Facilitating bilateral arrangement with counterpart ACAs, FIUs to exchange information –UNCAC article 48 – and utilize initiatives like Interpol /Star Focal Point Initiative.
Difficulties and Challenges:

- The Corruption networks under investigations are complex and overlapping, they ruled the country for decades and that enabled them to “legalize their corruption activities” and conceal the proceeds of corruption.

- Various legal systems and different procedural regulations that should be followed to exchange information with counterpart ACAs and foreign Judicial authorities.

- Obstacles of building confidence and credibility with counterpart ACAs, unclear intents, and negative political influences.

- Illegal gain crime and dual criminality problems.

- Financial fines sanctions versus confiscation penalties and difficulties in their application abroad.

- Money laundry crime practical difficulties during stages of prosecution and trail procedures.
Best Wishes
The Administrative Control Authority
ACA