

May 26, 2011

# Qaddafi Reportedly Stashes Billions in Western Institutions

By DAVID JOLLY

PARIS — Col. Muammar el-Qaddafi has stashed billions of dollars of Libyan oil revenues with financial institutions on Wall Street and in Europe, according to a document made public Thursday by an international advocacy group.

Goldman Sachs, JP Morgan, HSBC Holdings and Société Générale are among the major banks that have helped the strongman to invest some of the Libyan sovereign wealth fund's \$53 billion, according to the document, which was published on the Web by Global Witness.

NATO warplanes have been carrying out air raids against Colonel Qaddafi's forces since March in an effort to drive him from power, and the International Criminal Court's chief prosecutor is seeking his arrest for alleged crimes against humanity.

The document, independently verified as authentic by The New York Times, is a summary of the Libyan Investment Authority's investments, created for the fund by the London office of the KPMG consulting firm and dated June 30, 2010.

It shows Goldman Sachs holding \$43 million in three accounts and HSBC holding \$292.69 million across 10 accounts. The Libyan fund also invested \$1 billion in structured financial products through Société Générale, and \$171 million worth of such instruments through JPMorgan Chase.

The market value of the fund's investments fell 4.53 percent in the second quarter of 2010 from the first quarter, to \$53.3 billion, the report showed.

The sovereign wealth fund invested \$19 billion in Libyan and Middle Eastern banks, including the Central Bank of Libya, the Arab Banking Corporation and the British Arab Commercial Bank, according to the report.

The fund also invested billions of dollars in the stocks of well-known companies, including General Electric, Halliburton, BP and Nokia, and held a large portfolio of United States government bonds.

The investments appear to have been legal at the time, although the United Nations, the European Union and the United States in February imposed targeted financial sanctions against the assets of Colonel Qaddafi and his family. The United States also froze the assets of Libyan government-owned and controlled entities.

“The Qaddafi family has significant personal control over the state funds invested in the Libyan Investment Authority,” Global Witness said in a statement. “According to the prosecutor of the International Criminal Court, “Qaddafi makes no distinction between his personal assets and the resources of the country.”

The organization called on banking regulators “to investigate whether these banks have done enough to ensure that state funds have not been diverted to the Gaddafi family’s personal benefit.”

Global Witness said the report showed that banks and investment houses should be required to disclose state funds that they manage, as “This would cost nothing and would allow citizens to see that state revenue is not being stolen by corrupt leaders.”

Fiona Laffan, a Goldman Sachs spokeswoman declined to comment, as did Jezz Farr, a spokesman for HSBC. JPMorgan Chase did not immediately return calls

Laura Schalk, a spokeswoman for Société Générale, said the French bank “deals with many sovereign funds and complies with all applicable rules and regulations in that matter, but we can’t comment on specific clients or transactions.”

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