



EQUATORIAL GUINEA'S STOLEN ASSETS FRAMEWORK FOR REPATRIATION

**Proposal for the repurposing of US\$200 million in stolen
Equatorial Guinean assets seized around the world**

Policy Briefing | February 2023

Executive Summary

President Teodoro Obiang Nguema and his family have ruled Equatorial Guinea with absolute power for over 40 years. Despite being an oil-rich nation, Equatorial Guineans experience widespread poverty as rampant embezzlement and human rights violations deny them basic economic and social rights, as well as civil and political rights. Meanwhile the country is accumulating further debt via loans, including US\$2 billion from China and US\$282 million from the IMF.

More than US\$200 million in assets from the President's son, Vice President Teodoro ("**Teodorin**") Nguema Obiang, have been seized in Brazil, France, Switzerland, and the United States ("**the four countries**"), as the product of corruption. It is critical that these funds be delivered to provide desperately-needed support to the victims of corruption – the people of Equatorial Guinea – in a responsible and accountable manner, and avoid feeding back into the country's corrupt system.

Recommendations

In repatriating the confiscated assets, the four countries should:

1. Apply the Civil Society Principles for Accountable Asset Return, which include ensuring that funds returned are traceable throughout disbursement, that those involved in corruption cannot benefit, and that monitoring processes are put in place, and
2. Engage meaningfully with independent civil society in determining how the funds are spent in a way that provides redress to the victims of corruption. Some proposals are outlined below, including:
 - a. Scholarship programs
 - b. Community-based activities: culture and the arts
 - c. Journalist training program
 - d. Community-based activities: social justice

Assets Seized

United States

US\$30 million

In 2014, the US Department of Justice settled its civil asset forfeiture case after Teodorin relinquished US\$30 million to the US. An additional more than US\$6 million was added following the sale of Teodorin's mansion. The funds are intended to be used for the benefit of Equatorial Guineans.

Under the terms of that settlement, two thirds of the available funds must be distributed through a process agreed upon by the US and Teodorin, while the US may distribute the remaining third as it sees fit, for the benefit of the people in Equatorial Guinea. \$26.6 million was used for Covid-19 vaccines for the people of Equatorial Guinea, and the US\$10.3 million is yet to be repurposed.



Teodorin's Malibu mansion which was seized by US authorities in 2011 (Image from Google Earth, 2021).

Switzerland

US\$24 million

In October 2019, the Swiss government auctioned off 25 luxury cars it had seized from Teodorin as part of a settlement to a corruption investigation. He previously illegally removed his yacht 'Ice' before Swiss authorities were able to seize it, and his yacht 'Ebony Shine' was returned to him, as part of the settlement. Under the terms of the agreement, Switzerland must repatriate the US\$24 million in proceeds from the sale of the cars to be used in Equatorial Guinea by an international entity. It is unclear which international entity/entities will be involved or how the Swiss government will return, disburse, and monitor the return of these assets.



Photo of the cars seized from Teodorin Nguema Obiang in Switzerland (Reuters).

Brazil

US\$16.5 million

In September 2018, Brazilian police seized US\$16.5 million in cash and luxury watches from a delegation accompanying Teodorin. The police acknowledged the existence of a larger investigation that may include additional seized assets, including the purchase of a luxury duplex apartment in an upscale neighborhood in Sao Paulo.

Brazilian law enforcement and judicial authorities have not released any further information about their plans to repatriate the funds.

France

US\$160 million

In October 2017, a French court convicted Teodorin in absentia of money laundering in connection with embezzlement of public funds and corruption, and seized assets in France valued at approximately €150 million. Teodorin's appeal was rejected by the highest court in France, in July 2021.

Equatorial Guinea filed a separate lawsuit in the International Court of Justice alleging that the most valuable asset, a mansion on Avenue Foch in Paris, belongs to the State. It lost that case in November 2020. Then, the State of Equatorial Guinea attempted to reopen the case, filing as a third party for restitution of the Paris mansion, which was also rejected in June 2022.



Teodorin's mansion in Paris valued at approximately €150 million, which was seized by French authorities in 2012 (Photo by Transparency International France).

Guidelines for Responsible Asset Repatriation



School children in Equatorial Guinea, which ranks 145/189 countries on the UN human development index (Photo by Dr. Angela Stuesse).

International standards provide that governments should repatriate the proceeds of corruption in responsible, transparent, and accountable manner to redress the harm caused to the victims of corruption. Civil society engagement is fundamental to this process.

Why is responsible asset repatriation important?

Responsible repatriation of stolen assets is key to maintaining the credibility of efforts to combat corruption. Equatorial Guinea has accused foreign governments of seizing stolen assets to undermine its sovereignty and steal its riches. Returning the assets to the people harmed by the corruption undermines this claim. Transforming illicit wealth into effective social programs, which empower victims as key players in

the anti-corruption fight, sends a powerful reminder of the potential squandered by corruption. Instituting a transparent and accountable repatriation mechanism would also provide a valuable model for good governance and participatory democracy.

Responsible asset repatriation is critical in Equatorial Guinea where entrenched corruption creates a high risk that the funds will be re-stolen. Corruption in Equatorial Guinea is endemic and decades of brutal repression has resulted in very few genuinely independent civil society organisations operating in the country. Those that do exist face constant harassment and have limited capacity.

The four countries should avoid disbursing the funds to any entity controlled or managed by the government of Equatorial Guinea, its officials, or affiliates. They should be guided by independent organisations with in-country

knowledge to disburse the funds and monitor and report on how the assets are used. This will ensure that the rights and interests of victims are protected and prioritised, and will reduce the risk of the funds returning to the corrupt systems from which they were initially recovered.

International law and practice

The Civil Society Principles for Accountable Asset Return (**Civil Society Principles**) were developed

through a consultative, 18-month process involving civil society organisations from across the globe. They reflect international standards and emphasise the importance of:

1. Transparency and participation
2. Integrity
3. Accountability
4. Victim restitution

Civil Society Principles for Accountable Asset Return

Principle 3

Independent civil society organisations, including victims' groups/representatives, should be able and enabled to participate in the asset recovery process. This includes:

- identifying the mechanisms and processes that allowed for initial harm to occur;
- identifying how the harm can be remedied including providing information on how the harm was committed, as well as proposals to prevent recurrence and a timeline for achieving this;
- contributing to decisions on the return and disposition of assets including social programs dedicated to victims of corruption and identifying needs;
- fostering transparency, accountability, and due diligence in the transfer, administration, disposition, monitoring, and reporting of recovered assets; and,
- as far as permitted by confidentiality rules, fostering transparency and accountability in the investigation.

In the 2030 Agenda for Sustainable Development, Member States also committed to significantly reduce illicit financial flows and to strengthen the recovery and return of stolen assets by 2030 (target 16.4 of the Sustainable Development Goals). The 2017 Global Forum on Asset Recovery, hosted by the US and UK, developed Principles for Disposition and Transfer of Confiscated Stolen Assets in Corruption Cases (**GFAR Principles**) which require transparency and accountability. They state that the assets should be used to benefit the people harmed by the underlying conduct, that all steps should

be taken to ensure that the disposition of confiscated proceeds of crime do not benefit persons involved in the commission of the offence, and consideration should be given to combatting corruption, repairing the damage done by corruption, and achieving development goals.

Participation of civil society organizations is increasingly recognized as a key pillar of asset restitution proceedings, just like transparency and accountability. The Human Rights Council adopted a resolution to that effect in 2019 (Resolution 40/4, para 16). The Office of the High

Global Forum on Asset Recovery Principles for Disposition and Transfer of Confiscated Stolen Assets in Corruption Cases

Principle 10

"[...] civil society, non-governmental organizations and community-based organizations, should be encouraged to participate in the asset return process, including by helping to identify how harm can be remedied, contributing to decisions on return and disposition, and fostering transparency and accountability in the transfer, disposition and administration of recovered assets."

Commissioner for Human Rights recently published a series of principles on human rights and asset recovery according to which *"receiving States should allocate returned assets in an accountable, transparent and*

participatory manner". Where returning the assets directly to the central bank of the State of origin is not advisable, the funds may be dedicated to an NGO working on behalf of victims.

Proposals for Repatriating the Funds

Fostering an enabling environment for civil society organizations to proliferate and flourish, and strengthening independent voices in Equatorial Guinea, will empower them to hold the institutions to account and promote change. In this way, the funding could be used to close the gaps that have allowed corruption to spread. The repatriation of the confiscated assets must be distinguished from international aid programs or development assistance funds. The confiscated assets were stolen from the people of Equatorial Guinea, and should be returned to the people in a way that empowers them and their communities.

Below we set out four ways the funds could be repurposed by an independent body administering the funds.

Our expertise

EG Justice works with advocates and activists in Equatorial Guinea to develop their capacity. The organization has spurred and supported various civil society initiatives and coalitions, including the Equatoguinean Commission of Jurists, the *GE Tambien es Nuestra* civic platform, and youth civic networks within the country and abroad, to promote human rights, civic engagement, and transparency. It has fostered initiatives such as APROFORT, creating a legal clinic to support activists and human rights defenders, with support from the European Union. The initiative also includes subgrants for local organisations that support young pregnant women, women with disabilities, and human rights promotion through the arts and LGBTQI+ groups. The organization has also led investigations and legal action for financial crimes committed by the Equatoguinean ruling elite.

From its inception, EG Justice cultivated and maintained direct and constant contact with civil society organizations, lawyers, and activists in Equatorial Guinea and in the diaspora, which has allowed the organization to have access to primary research and first-hand accounts of abuses occurring in the country. EG Justice is established as an authoritative voice on human rights, governance and rule of law issues affecting the country. EG Justice is supported by the Center for Civil and Political Rights, the Civil Forum for Asset Recovery, Human Rights Watch, REDRESS, and Transparency International France.

The **Civil Forum for Asset Recovery (CiFAR)** works across the globe for transparency and accountability in the investigation, confiscation and return of public money stolen through corruption. CiFAR works across a range of areas to support more citizen and civil society involvement in, and more public debate on, illicit financial flows and asset recovery. This has included running projects to support early-career journalists to investigate cross-border corruption, providing trainings to civil society and young people on asset recovery, developing high-quality research, engaging with governments to discuss ongoing cases, presenting the work of civil society at international forums and supporting collaboration between civil society across borders.

REDRESS is an NGO which seeks justice and reparation for survivors of torture. Under our Asset Recovery Project we are taking action to seize the assets of corrupt actors and human rights abusers and have them repurposed as reparations for the benefit of victims.

Human Rights Watch is a nonprofit, nongovernmental human rights organization that has closely monitored human rights conditions in Equatorial Guinea for many

years, particularly focusing on how systemic corruption harms economic rights. In 2017, Human Rights Watch published an 85-page report, *“‘Manna From Heaven’?: How Health and Education Pay the Price for Self-Dealing in Equatorial Guinea,”* which documented how Equatorial Guinea’s mismanagement of oil wealth contributed to chronic underfunding of its public health and education systems in violation of its human rights obligations.

For the past 15 years, **Transparency International France** has been dealing with several large-scale corruption cases targeting several ruling foreign leaders, their close associates and relatives suspected of having amassed millions of euros worth of ill-gotten gains over the French territory. From filing criminal complaints in 2007 that led to the historic conviction of Teodorin Nguema Obiang to advocating with success for a responsible asset repatriation reform in 2021, the French chapter is one of the leading ones chapters within the Transparency International global anti-corruption movement working in the asset recovery area.

1. Scholarship fund

Educational institutions in Equatorial Guinea do not adequately prepare students for future careers. The World Bank has deemed the quality of schooling to be poor as a result of low teacher qualifications, lack of learning materials and poor physical conditions, underscored by insufficient financing.

Moreover, authorities closely monitor the country’s only university to silence dissent.

Scholarships for Equatorial Guinean students, particularly women and first-generation students from low-income families, would provide an opportunity to attend university in another African country or overseas where students can gain the education and skills they need and bring them back to Equatorial Guinea.



Training with local and diaspora-based civil society activists in Madrid (Photo by EG Justice).



School on Bioko Island, Equatorial Guinea (Photo by Will Sands).

Proposed structure:

- **Selection:** Participants would be selected through a transparent and accountable process by independent Equatorial Guinean organizations with external assistance (such as from an independent international NGO) to ensure that scholarships are not given directly to the political elite, as is the government's practice, and that there is equity of opportunity for all across Equatorial Guinea.
- **Payment:** Funds would be paid directly to host universities by an entity outside of Equatorial Guinea to ensure that the funds are spent transparently. Student stipends would be wired directly to student accounts in the host university country.
- **Scholarship Conditions:** Scholarship recipients will be required to remain in good standing, meet minimum academic requirements, and to commit to returning to Equatorial Guinea following their studies for a set period of time.



University students protesting the lack of scholarships in Equatorial Guinea (Photo by Diario Rombe).

2. Community-based activities: culture and the arts

Independent organisations and activists in Equatorial Guinea are working to foster a culture of free expression and improve the lives of citizens through cultural activities and the arts. A list of such organisations, which currently operate with minimal government interference, is available and can be provided.

Proposed structure:

- **Disbursement:** The funds could be disbursed through an international organisation which could provide small grants and technical assistance to eligible organisations.
- **Monitoring:** Projects could be monitored by the international organisation through visits to the country.



Photos showing civil society trainings in Equatorial Guinea (Photos by LPC).

3. Journalist training program

A free and independent press is essential to exposing corruption and promoting good and accountable government. Journalists in Equatorial Guinea can only operate as mouthpieces for the government, or underground, in a highly monitored environment without safe information-sharing channels. The media sector would benefit from open journalism training conducted by international media experts and coordinated by an entity outside of Equatorial Guinea. This could be coupled with the opening of an independent media

We at Bocamandja continue to be convinced by the power of art to shape, educate, inform, strengthen and empower. We believe that the magic of art can construct a better world.

- Bocamandja Theatre Company in Equatorial Guinea

outlet, such as an independent satellite radio station that could broadcast into Equatorial Guinea from another country.

Silence Does Not Mean Consent: The Dire State of Civil Rights in Equatorial Guinea

"President Obiang and his ruling PDGE party have for decades restricted the freedom of expression and sustained the party's dominance over the state by their stringent control of the media environment. All broadcast media are owned by the state, with the exception of RTV-Asonga, a radio and television network owned by the president's son, Vice President Teodoro Nguema Obiang Mangue."

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Proposed structure:

- **Journalist training:**
 - Journalists would be trained in another country with an established independent media, possibly in Latin America or Spain.
 - Training would include basic reporting skills, journalism ethics, investigative journalism, fact-checking, digital and physical security, and community radio.
 - These journalists would be prepared to provide content directly to their communities as well as through the satellite radio accessed throughout Equatorial Guinea.
- **Independent radio:** An independent satellite radio service, staffed primarily by Equatorial Guineans, would be established with the help of an international media entity or NGO. This satellite radio would broadcast locally relevant and independent news to a significant proportion of the population of Equatorial Guinea.

4. Community-based activities: social justice

Independent organisations and activists are trying to improve the lives of citizens through social justice activities. They have organized themselves into a coalition that focuses on key social justice issues, including transparency, rule of law, gender equality, political participation and education.

Proposed structure:

- **Disbursement:** The funds could be disbursed through an international organisation which could provide small grants and technical assistance to coalition member organisations.
- **Monitoring:** Projects could be monitored by the international organisation through visits to the country.



Equatorial Guinea woman washing clothes (Photo by Will Sands).



Equatorial Guinea victims of a fire in a shantytown (Photo by Will Sands).

Conclusion

Programs like those proposed above have the power to transform proceeds from the sale of luxury assets, purchased with public funds for the indulgence of one man, into education; artistic expression; independent news; and a more vibrant civil society. Responsible asset repatriation can help to combat corruption and empower victims through participation in the disbursement of funds and the restoration of ill-gotten gains to their rightful recipients: the people of Equatorial Guinea.

For further information, contact: Tutu Alicante at EG Justice, tusantu@gmail.com.

Who we are

We are an alliance of international non-governmental organizations working in close collaboration with local Equatorial Guinean organizations, activists and experts who work on combating corruption, including responsible asset recovery and repatriation, and the defence of human rights. Based on our collective expertise and experience, we offer recommendations to ensure responsible and effective asset repatriation.

