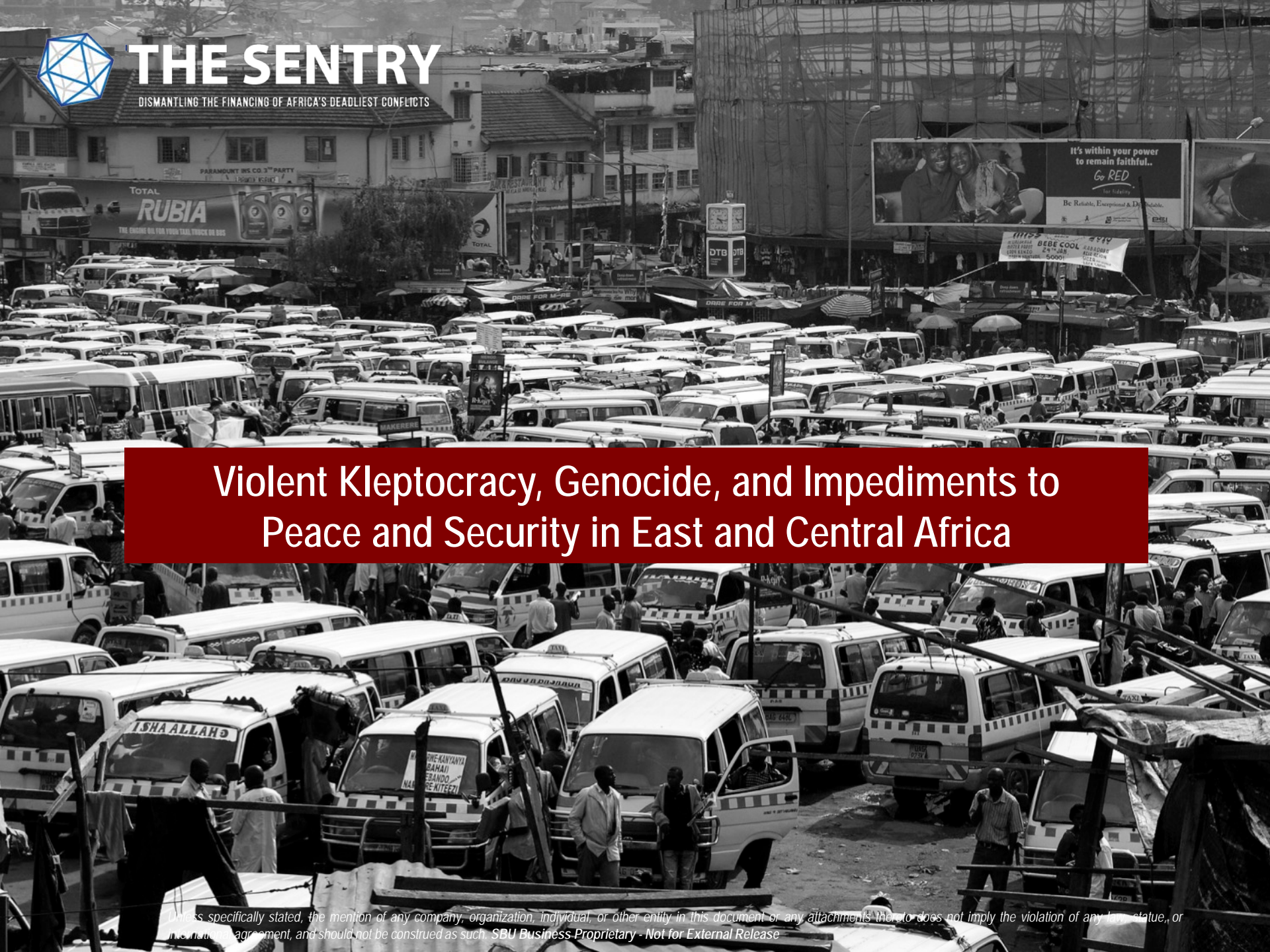




THE SENTRY

DISMANTLING THE FINANCING OF AFRICA'S DEADLIEST CONFLICTS



Violent Kleptocracy, Genocide, and Impediments to Peace and Security in East and Central Africa

WHO WE ARE

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- The Sentry is an investigative initiative to map, expose, and disrupt conflict financing networks and systems in Africa; Led by Enough Project and Not on Our Watch with investigative support from C4ADS
- Key countries and interests: South Sudan, Sudan, Democratic Republic of Congo, Central African Republic, and Somalia

WHAT WE ARE FINDING

- Even in the remotest regions of the continent, conflict does not exist in a vacuum, nor is blame limited to the direct **perpetrators**, or those pulling the trigger
- Direct perpetrators are relatively isolated from the effects of asset freezes and seizures, visa bans, arrest warrants, and other tools of coercion, but the **facilitators** on whom they rely are necessarily integrated into global systems of finance and commerce, and therefore much more exposed
- Perpetrators and facilitators secure their operations by exploiting the pervasive and systemic kleptocracy **enablers** by corrupt government officials and their cronies
- **Governments and the private sector have so far largely targeted the direct perpetrators of violence in these countries, but existing sanctions and legal authorities could be interpreted to cover both facilitators and enablers, with sufficient political will, policy understanding, and evidence. The Sentry exists to bridge these gaps.**



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Violent Kleptocracy: Definition

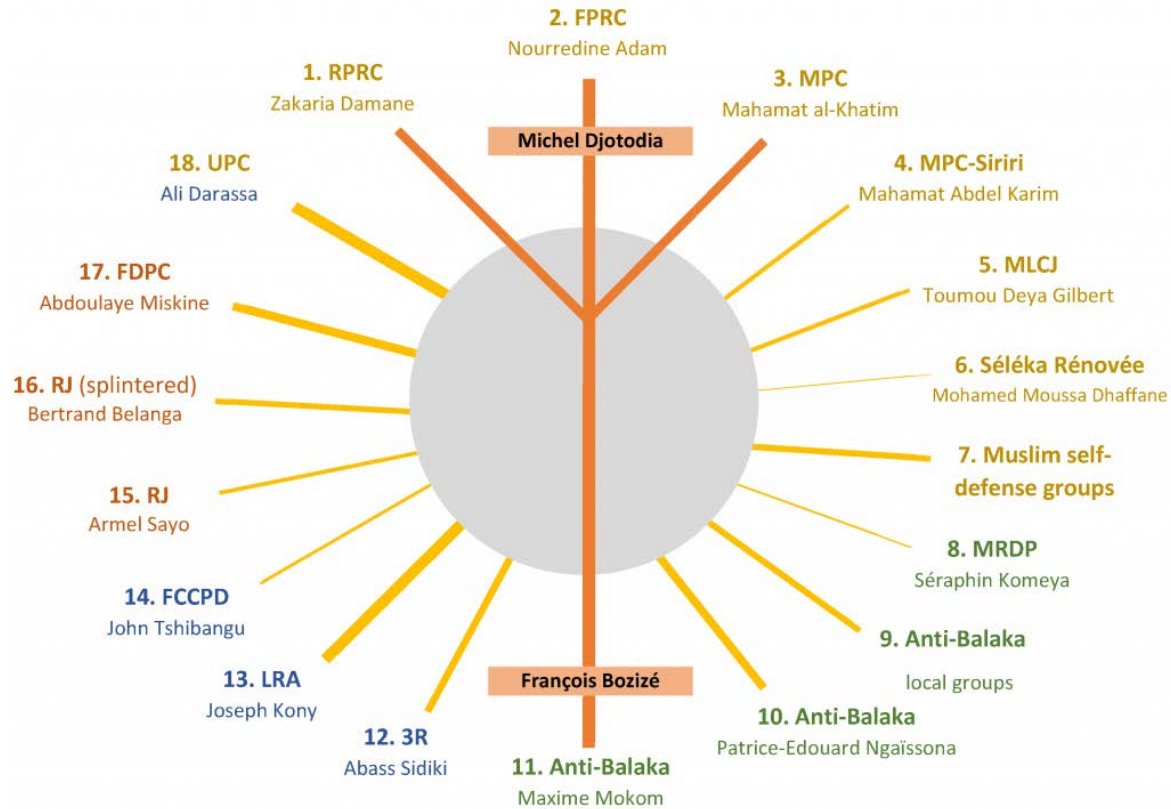
- We define the problem as “violent kleptocracy” -- A system of state capture in which ruling networks and commercial partners hijack governing institutions for the purpose of resource extraction and for the security of the regime. Ruling networks utilize varying levels of violence to maintain power and repress dissenting voices. Terrorist organizations, militias, and rebel groups can also control territory in a similar manner.
- Enough/Sentry focus on: South Sudan, Sudan (including but not limited to conflict in Darfur), D.R. Congo, Central African Republic, and Somalia
- Each is a VK, though the system differs in each country, and sometimes in multiple forms within the same country, leading to destabilized/ungoverned regions, humanitarian crises, etc.
- VK is an issue in other countries where the results have included genocide/atrocities connected to U.S. national security threats: Angola, Sierra Leone, Liberia, Burundi, Zimbabwe.



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Example: CAR and Conflict



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Violent Kleptocracy: Time to Use the Tools

- Focus on the leverage that can stop VK through these tools to drive policy change
 - not just sanctions for the sake of sanctions
- Policy tools have been developed to deal with CT and other similar threats – time to bring them to bear where VKs can threaten national security:
 - AML tools (314(a), Advisories, 311, direct investigations and action by banks)
 - Advocate for development of 311-type tools in Europe and beyond, rather than exclusive reliance on FATF
 - Sanctions (sectoral, secondary, anti-corruption, visa bans)
 - Global Magnitsky – sanctions for acts of significant public corruption; targeting of human rights defenders
 - Focus on networks and enhanced enforcement
 - Canadian action on GloMag; UK Criminal Proceeds law
 - Prosecutions and legal actions (FCPA, ML, civil forfeiture/asset recovery)
 - Due diligence, good governance and transparency measures (Burma Reporting model, OECD NCP Processes, UN GPs, French anti-corruption measure)



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Conclusion

- Financial and other pressures can and should be used to advance efforts to stop violent kleptocracies
- Financial incentives remain strong to maintain status quo of conflicts that lead to atrocities and increasing national security threats
- Sanctions can be effective if imposed on targets with financial resources/incentives and implemented to show impact, as this can change calculations toward peace and security – individual country programs or via Global Magnitsky
- FIU actions, prosecutions, etc. The tools are beginning to be used, e.g., South Sudan actions on September 6 – time to do so at a more consistent and active level
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