



United Nations  
Educational, Scientific and  
Cultural Organization



# The Global Investigative Journalism Casebook

UNESCO Series  
on Journalism Education

Edited by  
**Mark Lee Hunter**

**The Global  
Investigative Journalism  
Casebook**

**UNESCO Series  
on Journalism Education**

Published in 2012 by the United Nations Educational,  
Scientific and Cultural Organization  
7, place de Fontenoy, 75352 Paris 07 SP,  
France

© UNESCO 2012  
All rights reserved

ISBN 978-92-3-001089-8

Cover design by Anne Barcat

The designations employed and the presentation of material throughout this publication do not imply the expression of any opinion whatsoever on the part of UNESCO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The ideas and opinions expressed in this publication are those of the authors; they are not necessarily those of UNESCO and do not commit the Organization.

Typeset and printed by UNESCO

*Printed in France*

# Table of Contents

**Foreword:** Presenting *The Global Investigative Journalism Casebook*  
by Jānis Kārklīņš  
Assistant Director-General for Communication  
and Information, UNESCO / p. 1

**Introduction:** Why this book exists,  
and how to use it  
by Mark Lee Hunter / p. 2  
1. Putting how over why / p. 2  
2. How to use this book / p. 3  
3. The state of the movement / p. 7

## **Chapter One** **Filed but not forgotten / p. 11**

- A. Angry white man:  
the bigoted past of Ron Paul / p. 12
- B. From Bulgaria with love / p. 21

## **Chapter Two** **The ground beneath our feet: investigating social phenomena / p. 27**

- A. The school of hard knocks / p. 28
- B. Divorced women in Jordan suffer from lengthy  
legal procedures: children face the tough dilemma  
of choosing between their parents / p. 41
- C. Europe by desert:  
tears of African migrants / p. 50

## **Chapter Three** **Can this planet be saved? Investigating the environment / p. 67**

- A. Streams of filth / p. 69
- B. Conning the climate: inside the  
carbon-trading shell game / p. 79

## **Chapter Four** **Who's in charge here? Investigating the crisis of governance / p. 93**

- A. Stealing health in the Philippines / p. 94  
Part One. Up to 70% of local healthcare  
funds lost to corruption / p. 95  
Part Two. Health politics demoralize doctors / p. 99
- B. The stage-managed famine / p. 106

## **Chapter Five** **The local face of globalisation / p. 119**

- A. Casualisation undermining workers / p. 120
- B. A question of ethics:  
The letter from Lundbeck / p. 125
- C. Exporting an epidemic / p. 136

## **Chapter Six** **Following the money: frauds and offshore funds / p. 149**

- A. State aided suspect in huge swindle / p. 150
- B. Offshore crime, inc. / p. 159  
Part One. Crime goes offshore / p. 161  
Part Two. Laszlo kiss, the offshore master / p. 165  
Part Three. A reporter forms an offshore / p. 168

## **Chapter Seven** **Traffickers and tyrants / p. 171**

- A. Latvian brides / 172  
Part One. Ireland's sham marriage scam / p. 173  
Part Two. Ireland must take  
action to stop sham marriages / p. 178
- B. Fields of terror: the new slave  
trade in the heart of Europe / p. 183
- C. A Taliban of our very own / p. 192

## **Chapter Eight** **When the game is fixed: investigating sport / p. 201**

- A. Killing soccer in Africa 202
- B. How to fix a soccer match / p. 212
- C. Jack Warner still won't pay soca  
warriors their 2006 World Cup money / p. 219

## **Chapter Nine** **The war on terror / p. 229**

- A. The intelligence factory: how America  
makes its enemies disappear / p. 230
- B. Hearts, minds and the same old warlords / p. 246

# Foreword: Presenting *The Global Investigative Journalism Casebook*

By Jānis Kārklīņš  
Assistant Director-General for Communication and Information, UNESCO

---

---

**T**he role that media can play as a watchdog is indispensable for democracy and it is for this reason that UNESCO fully supports initiatives to strengthen investigative journalism throughout the world. Investigative journalism signifies the unveiling of matters that are concealed either deliberately, by someone in a position of power, or accidentally, behind a mass of facts and circumstances, and the analysis and exposure of all relevant facts to the public. In this way, investigative journalism crucially contributes to freedom of expression and freedom of information, which lie at the heart of UNESCO's mandate.

Following the successful launch of *Story-Based Inquiry: A Manual for Investigative Journalists* (UNESCO 2009), which has been adopted by many journalism programmes in the Arab States, Asia, the United States of America and the Russian Federation, we are pleased to present *The Global Investigative Journalism Casebook*.

Designed with users in mind, the Casebook serves as a complementary material for training purposes. It will also enable and enhance the exchange of good practices and networking in investigative journalism throughout the world. The Casebook contains more than 20 recent investigative stories from nearly every region of the world, covering a wide variety of topical subjects and of special interest to UNESCO such as freedom of information, good governance, social and legal issues, the environment, health and gender to name but a few, each followed by an explanation of how the authors conducted their research and the writing of the piece. Many of the authors belong to the Global Investigative Journalism Network, and their stories exemplify the cutting-edge techniques and high standards developed within this network.

I would like to take this opportunity to thank Mr Mark Lee Hunter and all those who contributed to the Casebook. We believe this knowledge resource serves as an ideal complement to the training manual, providing a valuable learning opportunity for journalists and media professionals, as well as for journalism trainers and educators. It will also be used by UNESCO field offices to conduct journalism training on investigative reporting.

At a time of a widening communications ecosystem, journalism today needs to clearly show its key value-add to the public interest. In this light, credible investigative stories, like the kind promoted in this book, are increasingly pivotal to public confirmation of the continuing importance of professional journalistic work in the coming years.



# Introduction: Why this book exists, and how to use it

By Mark Lee Hunter

---

---

## 1. Putting how over why

When I brought investigators to my journalism class at the Institut français de Presse, masters students often turned into children. They would marvel at these strange heroes who uncovered secrets and dared to make enemies. They would ask things like, “Were you scared?” Finally I told them, *Stop admiring these people so much. It’s a way of telling yourself that you can’t be like them. Stop asking why they do the job, and start asking how, so you can do it too.*

This was unfair of me, in one specific way: The why of investigative reporting can’t be taken for granted. I tell people that we do the job to change the world (and ourselves). But the world doesn’t always do what we prove it should do. It just goes on being what it was. That leaves only one reason we can count on for motivation: We try to leave a true record of what we were, what we did, how we lived or died. In the process, we say to the people who lived the stories we tell, Yes it happened, and no, it wasn’t just or fair. I said that to a man I was writing about once in so many words, and I also said: My story will prove you were right, but it won’t fix your life. He said: “So?” He had lost hope, but he was glad to have company. To our mutual amazement, when the story was published he got his career back. But that was the part I couldn’t promise, and neither can you. The only promise you can surely keep is to tell the story.

Is that enough? Perhaps not. But if you don’t believe that telling the true story matters, whether or not you get a material result, you should do something else with your life. Either you think telling that is a meaningful thing to do, or you don’t. If you don’t, nothing anyone might say will convince you. That’s fine, because nothing you might say can convince me otherwise, either. This book exists to help you tell such stories.



## 2. How to use this book

The idea for this collection began during a seminar for investigative reporters in Dakar, Senegal, where I was teaching from *Story-Based Inquiry: A Manual for Investigative Journalists*, my previous (2009) collaboration with UNESCO. Participants observed that they might have a better idea of how to investigate if they had a common understanding of what a good investigative story looks like. Of course I had brought some samples with me, and of course (because that is the way trainers and intellectual property rights tend to function) most of those stories were by me or my masters students, whose work at a French public university was public property. But they wanted something else and something more; specifically, they wanted to know what journalists around the world were doing. Were they facing the same problems of access to information, and if so, how were they solving them? Were they dealing with publics who paid attention to their work, or did they have to fight for attention? How did they organise themselves, and how did they turn their information into stories?

This book tries to answer those questions, and to satisfy the desire that underlies them – the desire for reporters everywhere to feel that they too can contribute to the renaissance of investigative journalism. This is a movement, and anyone who practices investigative journalism can join. (Not everyone does; there are still practitioners who prefer to follow their own paths, and that's fine.) Its members are the great majority of contributors to this book. I'll say more about the movement later.

My first objective was to gather a broad range of material, from within and outside the Global Investigative Journalism Network (GIJN) – I'm proud to be a founding member – that embodies best practice in terms of information gathering and storytelling. A second objective was to persuade our contributors to share their methods of conception, research, organisation and composition – the foundation blocks of investigative work. If you don't know what you're looking for, you're not likely to find it (as Edwy Plenel of France said so beautifully). If you don't know where and how to look, you won't find much even if you have the right idea. If you can't organise the material, you'll make slow and meagre use of it. And if you can't tell a good story, who cares about the rest? We decided to start with the print medium, because it is the most accessible – you only need a notebook and a pencil – and because writing skills transpose into different media very well. In other words, if you can write a good story, your chances of writing well for video or radio go up.

When I sent out a call for material through the GIJN and other journalistic organisations, *Story-based Inquiry* was the main international manual that integrates conception, research and writing. I was relieved and glad to see that some contributors said that they are, in fact, using *story-based inquiry* methods. But more important, this anthology confirmed that there are similar methods which don't yet have a name. Every contributor to this book has been forced to confront the issues described in the preceding paragraph, and to find solutions. A professional investigative reporter in the 21st century uses a method. That may sound self-evident, but I can assure you that it was not always the dominant practice in the decades following Watergate. This is a step change, because it means that unlike previous generations of investigators, this generation can transmit its knowledge to its successors in a clear, codified way.



The afterwords to every article in the casebook set that knowledge out. (I may be wrong, but I can't think of any other collection of investigative work that contains so much current tradecraft. I've known some of the contributors for years, but I didn't know how they were doing this stuff.) I sought this material by sending our contributors a questionnaire that asked them to make explicit, in detail, certain aspects of their working methods. I gladly admit that I adapted the questionnaire, in part, from the annual awards application form of the US-based organisation, Investigative Reporters and Editors (IRE), which I've had occasion to fill out myself. But I also asked contributors for information that IRE doesn't ask for – in particular, how they organise their findings, and how they write.

I've taught thousands of journalists by now, and I never met one who could not make a discovery on his or her own. But I've seen plenty who were incapable of keeping track of their data and turning it into a great story. Beginners think this job is all about finding secrets, and the rest takes care of itself. (Sick laugh.) Pros, like the ones in this collection, know that it's about managing the logistics and finishing the job. The contributors here will tell you how they did that.

Each article in this anthology is also preceded by a brief introduction that evokes what for me are its key elements – the reasons that I wanted to use it here.

In general, I wanted stories that would exemplify different approaches in terms of research and writing, as well as different genres of investigation. In the process of collecting stories, on a couple of occasions I found stories that attacked the same subject – for example, the traffic in human beings – from the perspective of a project team, or an individual effort, and focused on different aspects of the subject. Or, I found stories that used similar techniques, such as archival research, to strikingly different ends. The final selection tries to make use of those coincidences, because to me they show that there are various ways of doing any subject, and one of them will correspond to the passions and resources at your disposal.

In some of these stories I did minor copy editing to correct grammar. English may be a global language, but that does not mean it is uniform in usage. There are numerous idioms, and I altered them when I could not immediately grasp them. I made one other editorial decision: At certain points I removed the names of individuals or companies named by authors. In general, I did so when the name involved has no residence outside the country of original publication, or could not be independently verified, or involved acts that happened more than a few years ago. I do not think that individuals should pay for their mistakes – at least, not for mistakes that they've tried to fix – over and over again. I personally removed the name of a former activist of the French Extreme Right from my website, at his request, after he contacted me to tell me how his life had changed. So I made the decision to extend the same courtesy to certain individuals or institutions named in this anthology. I also eliminated details such as phone numbers, because they can change, too, and the wrong person might end up with a criminal's number.

There is a long debate in both practitioner and scholarly circles about whether investigative journalism should make use of artistic techniques, or whether these same techniques cheapen the work, make it into mere entertainment. I decided a long time ago that the artistic side of storytelling is simply too powerful for serious journalists to ignore; instead they have to perfect it. So in my call for contributions I said that our standard for writing





would be Tom Wolfe's *The New Journalism*, probably the best-written anthology in the history of reporting.

I had other reasons for using Wolfe as a benchmark. I've always wondered why so little has been said about the fact that the two most innovative writing genres of the 1960s and 1970s were the New Journalism and investigative reporting, which was reinvented in the Watergate years. They were fraternal twins, but I haven't seen references to the family resemblance. At the very least they were not divided by a Chinese Wall; they were also ferocious competitors, and like most smart competitors, they borrowed freely from each other. It is very clear, for example, that the New Journalism had a powerful impact on investigative reporters, including Carl Bernstein of Watergate fame, who greatly admired the way that Jessica Mitford showed herself during interview scenes. (He did the same thing in *All the President's Men*.) It is also clear that investigative reporters drove feature writers to deeper research on their subjects. It has been largely forgotten that by the 1970s, most successful feature writers in the US were working in both genres. That was partly because there was a market for both, and partly because reputations were built by doing both. The effect of this trend was lasting. Three decades later, the influence of the New Journalism persists in the work of investigators like Declan Hill, Stephen Grey and Petra Bartosiewicz, all represented in this anthology.

But if I had limited this anthology to such work, I would have ended up excluding other work that was written in a daily news format. (The least powerful piece in Wolfe's anthology was written in just that way.) I might also have left aside, say, Andrew Jennings, whose work on sports is so idiosyncratic that it amounts to a genre of its own. Jennings is ferocious, and ferociously funny. But he disdains the elegance that one associates with glossy magazines; in his world elegance is a mask pasted over corruption.

These exceptions point to a specificity of investigative journalism, something that sets it apart from feature writing in general and the New Journalism in particular. The main differences have to do not with esthetics, but with reportorial methods and objectives. The core of the New Journalism is close observation. The reporter gets far enough inside his or her subject's world, and spends enough time there, for something revealing to happen. That was a radical method in feature writing in the 1960s, though not quite as radical as Wolfe let on. But it was coupled with a second, truly startling innovation – namely, using the reporter's interpretation of, or reaction to, the subject as source material. You can see this very clearly in Hunter S. Thompson's work: Instead of trying to get someone else to say something interesting, as reporters used to do, he would say it himself, then quote it. In that way even the weirdest fantasies become citations – artefacts that may be used as valid source material even by objective reporting standards.

The danger is that the writer's sensibility becomes more important than the subject. This happens more often than you'd think. Sometimes it's from ego, and sometimes it's because the writer is so overwhelmed by the story and the pain it contains that he or she starts shouting, drowning out the weeping in the rear of the frame. Whatever the reason, it absolutely kills an investigative story. Most investigations are about someone else's suffering, and putting your own sensibility between the viewer and the sufferer is one way of saying that his or her pain doesn't matter... or that it matters only as an opportunity for the writer to look clever or sensitive. In investigation, the writer matters less than the subject, and serves the subject, or the subject is not worth doing.

Moreover, the core method of investigation is not observation. It is more like invasion. The investigator assumes that the subject will not reveal itself, no matter how patiently and intently one observes it. It must be revealed simultaneously from the outside, by occupying its territory and effectively plundering it of facts and insights, and from the inside, by sampling its artefacts and analysing them. The bloodstream of most organisations is a paper trail, and investigators seek to take possession of it.

Maybe the subject has left tracks as it blundered through the world, and the tracks lead you to where it lives. Maybe someone connected to the subject has grown sick of watching its behaviour, and is waiting for a good listener to show up and hear the story and look at some papers. (This is the key scene in the film *Erin Brockovich*, and it rings absolutely true. Every experienced investigator has had such an encounter. There is nothing lucky about them. They happen because you are looking for the source as much as the source is looking for you.) Maybe the subject is so arrogant, so dangerous to anyone who looks at it, that it leaves vital evidence lying in plain view. There are infinite variations, but they all depend on one principle: Most secrets are called such only because no one is looking for them very hard, or because no one really wants to hear them.

The key danger Wolfe saw for New Journalists was that they would become friends of their subjects. That is not much of a danger for investigators. Looking for a way inside the business, the environment and the mind of a target are not friendly acts. Investigators are much more likely to become afraid of their subjects, or to make their subjects afraid. Both sides may be riven by different expressions of that fear, from pity and remorse (true signs of amateurism for a reporter) to outright hostility. It may be flattering and amusing to have someone as brilliant as Tom Wolfe pay attention to you, and to ask you, “What’s happening?” It is not at all amusing to have someone walk up to you, show you something that you thought no one but yourself knew about, and then say, “This is what’s happening, right?” That is what investigators do to people.

The difference in objectives can be simply stated. Wolfe and his colleagues wanted above all to see the world in a new way; investigators want to push the world to act in a new way.

The unknown element in both the New Journalism and investigative reporting is talent. You may have more or less of it. You won’t know how much, or more important, what kind you have, until you put it to work. In twelve years of masters-level courses at the Institut français de Presse, I noticed that every year, one student was simply and beautifully gifted, and among the rest, one out of five were very talented, another three out of five could do the work adequately if they tried, and one out of five just did not get it. Sometimes that was my fault, but sometimes it was not. Sometimes the student did not want, need, or possess the talent to be an investigator.

However much talent you have, you won’t be good at this work unless, at some level, you love it. If not, there are other ways to be a good journalist, and other things you can do. And even if you do love investigation, please notice that every contributor to this volume has staked out a territory where he or she feels particularly confident and competent. This means, for example, that if you find poring over documents dreadfully boring, as opposed to merely fastidious, you will very likely never master archival research. So find someone who will, and partner with them while you do what you’re best at.



### 3. The state of the movement

Most of my career has been spent outside organisations, but I was still surprised, in putting together this anthology, that so much good work is still being done by independent reporters. (I prefer the term “independent” to “freelance”, because the latter refers to mercenary medieval soldiers, and the investigators I know will not work for someone only because the client can pay.) It has become increasingly more difficult for reporters to survive as independent practitioners while their ultimate client, the news industry, spins ever further down. Yet the contributors here managed to do so. They – and a number of outlets such as *Harper’s* and *Le Monde Diplomatique* – simply never gave up. Generally, these reporters take a portfolio approach to revenue, supporting their investigative work, the stuff that’s most thrilling and satisfying to do, through other activities, like teaching or regular news assignments that pay some bills. Few of them do only investigative work. So? Doing investigations some of the time is a lot better than never doing an investigation (which, by the way, is the condition of many salaried news industry employees).

I also discovered that with some exceptions (such as the *Miami Herald*), large news organisations have become very difficult to work with, at least for public service projects such as this one. There are several reasons for this, but I think the most important is that these organisations have not yet resolved the conflict between exclusivity, which until recently determined the value of a given piece of news, and ubiquity, which is what creates value in a networked world. In other words, they want to hold on to their material long after its market value has gone close to zero, rather than redistribute it through channels they do not control. That’s not exactly a contemporary growth-creating business model.

Another model has been taking shape since 2001, when the first meeting of what later became the Global Investigative Journalism Network took place in Copenhagen. I could not have done the anthology without the Network. That it lasted till now, let alone grew along the way, is simply amazing.

The moment it began was hardly propitious for investigative reporters. The first indications of a massive wave of disinvestment in journalism – firings of reporters, sharp cuts in newsgathering budgets – were appearing in the news industries of most of the OECD countries. Concentration of ownership of news media was more and more overtly reflected in editorial decisions (specifically, decisions to kill news that might impact an owner’s wide financial or political interests). The public had noticed: Fewer people were buying or watching the news industry’s product, and those who did told pollsters that the news media were not telling them the truth. Not least, in the wake of 9/11 immense pressure was put on reporters working in the U.S. or its allies to lead the cheers for the war on terror, instead of asking whether it was the right war, being fought for the right reasons and in the right way. By 2005, when the GIJN held its third congress in Amsterdam, the depression among investigative reporters was palpable.

And then, at first slowly, depression became confidence across the network. Some of that was certainly due to the startling energy, courage and professionalism of young journalists in Eastern Europe, like Stefan Candéa and Paul Christian Radu of the Romanian Centre for Investigative Journalism, or Alexenia Dimitrova of Bulgaria. Some of it came from the work being done in data-driven journalism by Nils Mulvad and his associates in



Denmark, by Henk Van Ess and others in Holland, and by the young team that was built by Gavin McFadyen at the newly-founded Centre for Investigative Journalism in London. Funders who believed in the value of investigative reporting appeared, like the Knight Foundation and the Open Society Institute. Everywhere one looked, new organisations were being created – Arab Reporters for Investigative Journalism, founded in Amman, and the Organised Crime and Corruption Reporting Project, based in the Balkans, are two of the most significant. Simultaneously, institutions like Scoop in Denmark and the Center for Public Integrity and the Center for Investigative Reporting, both in the US, were re-examining their missions and strategies, trying to renew their objectives and their publics.

The GIJN catalysed other changes, too. Its members helped to develop and diffuse new uses of information technologies for storytelling, research and collaboration. Transnational investigations of corruption were among the breakthroughs enabled by this work. GIJN members were also among the first audiences and supporters of Wikileaks, leading to its brief but powerful partnership with mainstream media.

Equally important in the long run, the bases of alliances between investigative journalists and other social forces, such as NGOs, began to take shape in the past few years. The landmark here was the Trafigura affair, in which the activities of an oil industry player were tracked and exposed by a coalition of journalists in Holland, Norway and the UK with Greenpeace. (That story, in its different forms and ramifications, is worth a textbook or a doctoral thesis on its own; I considered it for this one, but decided it required more space than we could provide without cutting too much other material.) The best theoretical work ever written about investigative journalism, *The Journalism of Outrage* (Protest et al. 1991), made a crucial point very clearly indeed: An isolated reporter cannot prevail in the absence either of general public anger or a supporting coalition. Those coalitions are now being constructed before they are needed by investigators or their allies – an innovation that is long overdue.

The news industry is still caught in its biggest crisis since the Second World War, but it can also be said that investigative reporting has not been more enterprising since the Watergate era. Part of that drive lies in its growing reach, in both territory and technique. I hope we caught those elements in this text.

This book also reveals some further foundation work that needs to be done. The most important is translation, and I seriously under-estimated how urgent it is. (I am not alone. References to this issue are beginning to appear regularly, including in our contributors' afterwords.) There was work I could not access because I lack knowledge of numerous languages, and I could not afford to translate it. On a couple of occasions, working with English-language "translations", I was obliged to do serious rewriting. Resolving such issues would require a much larger organisation than I could assemble on this occasion. *Scoop*, the Danish investigative journalism support foundation, is one of the few organisations that have directly addressed this issue, producing first-rate English translations of their network's best work. It would be smart to incorporate the insights of such organisations into any future business models for investigative reporting, because they will enable global audiences for specific stories and media.



Looking at this material, I realised that investigative journalism can have a much, much bigger audience than is currently the case. The fact that the news industry, to a large extent, does not know how to profit from this material does not mean that it is inherently unprofitable or uninteresting. Great stories can indeed be profitable, precisely because they are interesting, once people know where and how to find them. The challenge for investigative journalism is no longer to come back from nowhere. Instead, we have to learn how to build new publics with the resources we created during the crisis of news. (One of those publics will surely come through NGOs. I solicited material from some NGOs, but it was not written in a way I could use here. Journalists should be writing more of those reports.)

I want to thank some people who have helped me not only with this project, but in some cases with a great deal more. John Flint read and copy-edited a couple of stories at a moment when I badly needed his help. John used to be my editor at the *Reader's Digest*, where he taught me two vital things: You can figure out a story before you know all the facts, and you can tell it in about half the words you think you need. Anton Harber told me where to find some great African reporting. Luuk Sengers picked out Emmanuel Mayah's "Tears of African Migrants" for this anthology, and continued our ongoing research on investigative methods while I was busy with it. Cécile Fléchon, one of my former students at the Institut français de Presse, may have saved the project by helping me organise, and by bringing her astonishing IT skills to the anthology. Mark Schapiro at the Center for investigative Reporting, Henrik Kaufholz at Scoop, Rana Sabbagh of ARIJ, Brigitte Alfter of the European Fund for Investigative Journalism, David Kaplan (then at the International Consortium of Investigative Journalists), Gavin McFadyen, and Paul Radu and Drew Sullivan worked hard to bring great stories to my attention and facilitate contacts with authors. Sophie Julien, who has accompanied me in circles bright and dark since before the GIJN existed, put up with me during the project. My colleagues at the INSEAD Social Innovation Centre, first among them Luk N. Van Wassenhove, made it plain to me that they considered building capacity for investigative journalism a good thing to do; Luk has been a crucial partner in thinking out how media are changing, as well as in designing processes for investigative reporting that can make it a more viable business. On behalf of myself and UNESCO, we all thank Anne Barcat for authorising us to use elements of the graphic language she developed for *Story-Based Inquiry*, which we believe greatly contributed to its success, in this volume as well. Most of all, it can fairly be said that the project would not have existed without Xianhong Hu of the Division for Freedom of Expression and Media Development within the Communication and Information Sector at UNESCO, and also an honest scholar of media. I hope the result will serve the ambitions of her and her colleagues for a more transparent, truthful world. I hope it helps you live from what you love, and helps you change someone's life for the better.

**Mark Lee Hunter**  
**July 2012**





**Filed**

---

**1**

---

## **Chapter One**

# **Filed but not forgotten**

Using archives to make scoops:  
The art of investigating in, with and through libraries

---



**A.**

## **Angry white man: the bigoted past of Ron Paul**

By James Kirchick

---

---

### **Introduction**

*Many reporters assume that because something is in a library, it must be old news. Wrong. James Kirchick's account of US Congressman Ron Paul's newsletters procures a sensation somewhat like turning over a polished piece of marble in a garden, and discovering the swarming life underneath it. That mess of crawlies is already a scoop his competitors missed. Mapping the allies of one's target, as Kirchick does, can be misused to suggest guilt by association. In this case, however, it's justified, because those associates are indeed part of a common movement. In terms of style, Kirchick's long paragraphs reproduce the sensation of reading extremist literature, which resembles drowning in an unstoppable flood. Every writer who studies extremists can benefit from archival research, before, during and after encounters with the folks who create this strange and frightening literature.*

*From The New Republic (US)  
January 8, 2008*

If you are a critic of the Bush administration, chances are that, at some point over the past six months, Ron Paul has said something that appealed to you. Paul describes himself as a libertarian, but, since his presidential campaign took off earlier this year, the Republican congressman has attracted donations and plaudits from across the ideological spectrum. Antiwar conservatives, disaffected centrists, even young liberal activists have all flocked to Paul, hailing him as a throwback to an earlier age, when politicians were less mealy-mouthed and American government was more modest in its ambitions, both at home and abroad. In *The New York Times Magazine*, conservative writer Christopher Caldwell gushed that Paul is a “formidable stander on constitutional principle,” while *The Nation* wrote of “his full-throated rejection of the imperial project in Iraq.” Former *TNR* editor Andrew Sullivan endorsed Paul for the GOP nomination, and ABC's Jake Tapper described the candidate as “the one true straight-talker in this race.” Even *The Wall Street Journal*, the newspaper of the elite bankers whom Paul detests, recently advised other Republican presidential contenders not to “dismiss the passion he's tapped.”



Most voters had never heard of Paul before he launched his quixotic bid for the Republican nomination. But the Texan has been active in politics for decades. And, long before he was the darling of antiwar activists on the left and right, Paul was in the newsletter business.

In the age before blogs, newsletters occupied a prominent place in right-wing political discourse. With the pages of mainstream political magazines typically off-limits to their views[,] hardline conservatives resorted to putting out their own, less glossy publications. These were often paranoid and rambling, dominated by talk of international banking conspiracies, the Trilateral Commission's plans for world government, and warnings about coming Armageddon. But some of them had wide and devoted audiences. And a few of the most prominent bore the name of Ron Paul.

Paul's newsletters have carried different titles over the years – Ron Paul's Freedom Report, Ron Paul Political Report, The Ron Paul Survival Report – but they generally seem to have been published on a monthly basis since at least 1978. (Paul, an OB-GYN and former U.S. Air Force surgeon, was first elected to Congress in 1976.) During some periods, the newsletters were published by the Foundation for Rational Economics and Education, a nonprofit that Paul created in 1976; at other times, they were published by Ron Paul & Associates, a now-defunct entity in which Paul owned a minority stake, according to his campaign spokesman. The Freedom Report claimed to have over 100,000 readers in 1984. At one point, Ron Paul & Associates also put out a monthly publication called The Ron Paul Investment Letter.

The Freedom Report's online archives only go back to 1999, but I was curious to see older editions of Paul's newsletters, in

part because of a controversy dating to 1996. Charles "Lefty" Morris, a Democrat running against Paul for a House seat, released excerpts stating that "opinion polls consistently show only about 5% of blacks have sensible political opinions," that "if you have ever been robbed by a black teen-aged male, you know how unbelievably fleet-footed they can be," and that black representative Barbara Jordan is "the archetypical half-educated victimologist" whose "race and sex protect her from criticism." At the time, Paul's campaign said that Morris had quoted the newsletter out of context. Later, in 2001, Paul would claim that someone else had written the controversial passages. (Few of the newsletters contain actual bylines.) Caldwell, writing in the Times Magazine last year, said he found Paul's explanation believable, "since the style diverges widely from his own."

Finding the pre-1999 newsletters was no easy task, but I was able to track many of them down at the libraries of the University of Kansas and the Wisconsin Historical Society. Of course, with few bylines, it is difficult to know whether any particular article was written by Paul himself. Some of the earlier newsletters are signed by him, though the vast majority of the editions I saw contain no bylines at all. Complicating matters, many of the unbylined newsletters were written in the first person, implying that Paul was the author.

But whoever wrote them, the newsletters I saw all had one thing in common: They were published under a banner containing Paul's name, and the articles (except for one special edition of a newsletter that contained the byline of another writer) seem designed to create the impression that they were written by him and reflected his views.

What they reveal are decades' worth of obsession with conspiracies, sympathy





for the right-wing militia movement, and deeply held bigotry against blacks, Jews, and gays. In short, they suggest that Ron Paul is not the plain-speaking antiwar activist his supporters believe they are backing, but rather a member in good standing of some of the oldest and ugliest traditions in American politics. To understand Paul's philosophy, the best place to start is probably the Ludwig von Mises Institute, a libertarian think tank based in Auburn, Alabama. The institute is named for a libertarian Austrian economist, but it was founded by a man named Lew Rockwell, who also served as Paul's congressional chief of staff from 1978 to 1982. Paul has had a long and prominent association with the institute, teaching at its seminars and serving as a "distinguished counselor." The institute has also published his books.

The politics of the organization are complicated. Its philosophy derives largely from the work of the late Murray Rothbard, a Bronx-born son of Jewish immigrants from Poland and a self-described "anarcho-capitalist" who viewed the state as nothing more than "a criminal gang". But one aspect of the institute's worldview stands out as particularly disturbing: its attachment to the Confederacy [the losing, pro-slavery side in the American Civil War].

Thomas E. Woods Jr., a member of the institute's senior faculty, is a founder of the League of the South, a secessionist group, and the author of *The Politically Incorrect Guide to American History*, a pro-Confederate, revisionist tract published in 2004. Paul enthusiastically blurbed Woods's book, saying that it "heroically rescues real history from the politically correct memory hole." Thomas DiLorenzo, another senior faculty member and author of *The Real Lincoln: A New Look at Abraham Lincoln, His Agenda, and an Unnecessary War*, refers to the Civil War as the "War for Southern Independence" and attacks

"Lincoln cultists"; Paul endorsed the book on MSNBC last month in a debate over whether the Civil War was necessary (Paul thinks it was not). In April 1995, the institute hosted a conference on secession at which Paul spoke; previewing the event, Rockwell wrote to supporters, "We'll explore what causes [secession] and how to promote it."

Paul's newsletters have themselves repeatedly expressed sympathy for the general concept of secession. In 1992, for instance, the *Survival Report* argued that "the right of secession should be ingrained in a free society" and that "there is nothing wrong with loosely banding together small units of government. With the disintegration of the Soviet Union, we too should consider it."

The people surrounding the von Mises Institute, including Paul, may describe themselves as libertarians, [but] they represent a strain of right-wing libertarianism that views the Civil War as a catastrophic turning point in American history, the moment when a tyrannical federal government established its supremacy over the states. As one prominent Washington libertarian told me, "There are too many libertarians in this country ... who, because they are attracted to the great books of Mises, ... find their way to the Mises Institute and then are told that a defense of the Confederacy is part of libertarian thought."

Paul's alliance with neo-Confederates helps explain the views his newsletters have long espoused on race. Take a special issue of the *Ron Paul Political Report*, published in June 1992, dedicated to explaining the Los Angeles riots of that year. "Order was only restored in L.A. when it came time for the blacks to pick up their welfare checks three days after rioting began," read one typical passage. According to the newsletter, the looting was a natural byproduct of govern-



ment indulging the black community with “civil rights,” quotas, mandated hiring preferences, set-asides for government contracts, gerrymandered voting districts, black bureaucracies, black mayors, black curricula in schools, black tv shows, black tv anchors, hate crime laws, and public humiliation for anyone who dares question the black agenda.” It also denounced “the media” for believing that “America’s number one need is an unlimited white checking account for underclass blacks.”

To be fair, the newsletter did praise Asian merchants in Los Angeles, but only because they had the gumption to resist political correctness and fight back. Koreans were “the only people to act like real Americans,” it explained, “mainly because they have not yet been assimilated into our rotten liberal culture, which admonishes whites faced by raging blacks to lie back and think of England.”<sup>1</sup>

This “Special Issue on Racial Terrorism” was hardly the first time one of Paul’s publications raised these topics. As early as December 1989, a section of his Investment Letter, titled “What To Expect for the 1990s,” predicted that “Racial Violence Will Fill Our Cities” because “mostly black welfare recipients will feel justified in stealing from mostly white ‘haves.’” Two months later, a newsletter warned of “The Coming Race War,” and, in November 1990, an item advised readers, “If you live in a major city, and can leave, do so. If not, but you can have a rural retreat, for investment and refuge, buy it.” In June 1991, an entry on racial disturbances in Washington, DC’s Adams Morgan neighborhood was titled, “Animals Take Over the D.C. Zoo.” “This is only the first skirmish in the race war of the 1990s,” the newsletter predicted. In an October 1992 item about urban crime, the newsletter’s author, presumably Paul, wrote: “I’ve urged everyone in my family to know how to use a gun in self defense. For the animals are coming.” That same year,

a newsletter described the aftermath of a basketball game in which “blacks poured into the streets of Chicago in celebration. How to celebrate? How else? They broke the windows of stores to loot.” The newsletter inveighed against liberals who “want to keep white America from taking action against black crime and welfare,” adding, “Jury verdicts, basketball games, and even music are enough to set off black rage, it seems.”

Such views on race also inflected the newsletters’ commentary on foreign affairs. South Africa’s transition to multiracial democracy was portrayed as a “destruction of civilization” that was “the most tragic [to] ever occur on that continent, at least below the Sahara”; and, in March 1994, a month before Nelson Mandela was elected president, one item warned of an impending “South African Holocaust.”<sup>1</sup>

Martin Luther King Jr. earned special ire from Paul’s newsletters, which attacked the civil rights leader frequently, often to justify opposition to the Federal holiday named after him. (“What an infamy Ronald Reagan approved it!” one newsletter complained in 1990. “We can thank him for our annual Hate Whitey Day.”) In the early 1990s, newsletters attacked the “X-Rated Martin Luther King” as a “world-class philanderer who beat up his paramours,” “seduced underage girls and boys,” and “made a pass at” fellow civil rights leader Ralph Abernathy. One newsletter ridiculed black activists who wanted to rename New York City after King, suggesting that “Welfaria,” “Zooville,” “Rapetown,” “Dirtburg,” and “Lazyopolis” were better alternatives. The same year, King was described as “a comsymp<sup>2</sup>, if not an actual party member, and the man who replaced the evil of forced segregation with the evil of forced integration.”

While bashing King, the newsletters had kind words for the former Imperial Wizard



of the Ku Klux Klan, David Duke. In a passage titled “The Duke’s Victory,” a newsletter celebrated Duke’s 44 percent showing in the 1990 Louisiana Senate primary. “Duke lost the election,” it said, “but he scared the blazes out of the Establishment.” In 1991, a newsletter asked, “Is David Duke’s new prominence, despite his losing the gubernatorial election, good for anti-big government forces?” The conclusion was that “our priority should be to take the anti-government, anti-tax, anti-crime, anti-welfare loafers, anti-race privilege, anti-foreign meddling message of Duke, and enclose it in a more consistent package of freedom.” Duke is now returning the favor, telling me that, while he will not formally endorse any candidate, he has made information about Ron Paul available on his website.

Like blacks, gays earn plenty of animus in Paul’s newsletters. The newsletters frequently quoted Paul’s “old colleague,” Representative William Dannemeyer -- who advocated quarantining people with AIDS -- praising him for “speak[ing] out fearlessly despite the organized power of the gay lobby.” In 1990, one newsletter mentioned a reporter from a gay magazine “who certainly had an axe to grind, and that’s not easy with a limp wrist.” In an item titled, “The Pink House?” the author of a newsletter -- again, presumably Paul -- complained about President George H.W. Bush’s decision to sign a hate crimes bill and invite “the heads of homosexual lobbying groups to the White House for the ceremony,” adding, “I miss the closet.” “Homosexuals,” it said, “not to speak of the rest of society, were far better off when social pressure forced them to hide their activities.” When Marvin Liebman, a founder of the conservative Young Americans for Freedom and a long-time political activist, announced that he was gay in the pages of *National Review*, a Paul newsletter implored, “Bring Back the Closet!”

Surprisingly, one item expressed ambivalence about the contentious issue of gays in the military, but ultimately concluded, “Homosexuals, if admitted, should be put in a special category and not allowed in close physical contact with heterosexuals.”

The newsletters were particularly obsessed with AIDS, “a politically protected disease thanks to payola and the influence of the homosexual lobby,” and used it as a rhetorical club to beat gay people in general. In 1990, one newsletter approvingly quoted “a well-known Libertarian editor” as saying, “The ACT-UP slogan, on stickers plastered all over Manhattan, is ‘Silence = Death.’ But shouldn’t it be ‘Sodomy = Death?’” Readers were warned to avoid blood transfusions because gays were trying to “poison the blood supply.” “Am I the only one sick of hearing about the ‘rights’ of AIDS carriers?” a newsletter asked in 1990. That same year, citing a Christian-right fringe publication, an item suggested that “the AIDS patient” should not be allowed to eat in restaurants and that “AIDS can be transmitted by saliva,” which is false. Paul’s newsletters advertised a book, *Surviving the AIDS Plague* -- also based upon the false casual-transmission thesis -- and defended “parents who worry about sending their healthy kids to school with AIDS victims.” Commenting on a rise in AIDS infections, one newsletter said that “gays in San Francisco do not obey the dictates of good sense,” adding: “[T]hese men don’t really see a reason to live past their fifties. They are not married, they have no children, and their lives are centered on new sexual partners.” Also, “they enjoy the attention and pity that comes with being sick.”

The rhetoric when it came to Jews was little better. The newsletters display an obsession with Israel; No other country is mentioned more often in the editions I saw, or with more vitriol. A 1987 issue of Paul’s *Investment Letter* called Israel “an



aggressive, national socialist state,” and a 1990 newsletter discussed the “tens of thousands of well-placed friends of Israel in all countries who are willing to wok [sic] for the Mossad in their area of expertise.” Of the 1993 World Trade Center bombing, a newsletter said, “Whether it was a setup by the Israeli Mossad, as a Jewish friend of mine suspects, or was truly a retaliation by the Islamic fundamentalists, matters little.”

Paul’s newsletters didn’t just contain bigotry. They also contained paranoia – specifically, the brand of anti-government paranoia that festered among right-wing militia groups during the 1980s and ’90s. Indeed, the newsletters seemed to hint that armed revolution against the Federal government would be justified.

In January 1995, three months before right-wing militants bombed the Murrah Federal Building in Oklahoma City, a newsletter listed “Ten Militia Commandments,” describing “the 1,500 local militias now training to defend liberty” as “one of the most encouraging developments in America.” It warned militia members that they were “possibly under BATF [Bureau of Alcohol, Tobacco and Firearms] or other totalitarian federal surveillance”. It printed bits of advice from the Sons of Liberty, an anti-government militia based in Alabama --among them, “You can’t kill a Hydra by cutting off its head,” “Keep the group size down,” “Keep quiet and you’re harder to find,” “Leave no clues,” “Avoid the phone as much as possible,” and “Don’t fire unless fired upon, but if they mean to have a war, let it begin here.”

The newsletters are chock-full of shopworn conspiracies, reflecting Paul’s obsession with the “industrial-banking-political elite” and promoting his distrust of a Federally regulated monetary system utilizing paper bills. They contain frequent and bristling references to the Bilderberg

Group, the Trilateral Commission, and the Council on Foreign Relations -- organizations that conspiracy theorists have long accused of seeking world domination. In 1978, a newsletter blamed David Rockefeller, the Trilateral Commission, and “fascist-oriented, international banking and business interests” for the Panama Canal Treaty, which it called “one of the saddest events in the history of the United States.” A 1988 newsletter cited a doctor who believed that AIDS was created in a World Health Organization laboratory in Fort Detrick, Maryland. In addition, Ron Paul & Associates sold a video about Waco produced by a “patriotic Indiana lawyer ” who maintained that Waco was a conspiracy to kill ATF agents who had previously worked for President Clinton as bodyguards. As with many of the more outlandish theories the newsletters cited over the years, the video received a qualified endorsement: “I can’t vouch for every single judgment by the narrator, but the film does show the depths of government perfidy, and the national police’s tricks and crimes,” the newsletter said, adding, “Send your check for \$24.95 to our Houston office, or charge the tape to your credit card at 1-800-RON-PAUL.”

When I asked Jesse Benton, Paul’s presidential campaign spokesman, about the newsletters, he said that, over the years, Paul had granted “various levels of approval” to what appeared in his publications -- ranging from “no approval” to instances where he “actually wrote it himself.” After I read Benton some of the more offensive passages, he said, “A lot of [the newsletters] he did not see. Most of the incendiary stuff, no.” He added that he was surprised to hear about the insults hurled at Martin Luther King, because “Ron thinks Martin Luther King is a hero.”

In other words, Paul’s campaign wants to depict its candidate as a naïve, absentee overseer, with minimal knowledge of what



his underlings were doing on his behalf. This portrayal might be more believable if extremist views had cropped up in the newsletters only sporadically, or if the newsletters had just been published for a short time. But it is difficult to imagine how Paul could allow material consistently saturated in racism, homophobia, anti-Semitism, and conspiracy-mongering to be printed under his name for so long if he did not share these views. In that respect, whether or not Paul personally wrote the most offensive passages is almost beside the point. If he disagreed with what was being written under his name, you would think that at some point -- over the course of decades -- he would have done something about it.

What's more, Paul's connections to extremism go beyond the newsletters. He has given extensive interviews to the magazine of the John Birch Society, and has frequently been a guest of Alex Jones, a radio host and perhaps the most famous conspiracy theorist in America. Jones -- whose recent documentary, *Endgame: Blueprint for Global Enslavement*, details the alleged plans of George Pataki, David Rockefeller, and Queen Beatrix of the Netherlands, among others, to exterminate most of humanity and develop themselves into "superhuman" computer hybrids able to "travel throughout the cosmos" -- estimates that Paul has appeared on his radio program about 40 times over the past twelve years.

Then there is Gary North, who has worked on Paul's congressional staff. North is a central figure in Christian Reconstructionism, which advocates the implementation of Biblical law in modern society. Christian Reconstructionists share common ground with libertarians, since both groups dislike the central government. North has advocated the execution of women who have abortions and

people who curse their parents. In a 1986 book, North argued for stoning as a form of capital punishment, because "the implements of execution are available to everyone at virtually no cost." North is perhaps best known for Gary North's *Remnant Review*, a "Christian and pro free-market" newsletter. In a 1983 letter Paul wrote on behalf of an organization called the Committee to Stop the Bail-Out of Multinational Banks (known by the acronym CSBOMB), he bragged, "Perhaps you already read in Gary North's *Remnant Review* about my exposes of government abuse."

Ron Paul is not going to be president. But, as his campaign has gathered steam, he has found himself increasingly permitted inside the boundaries of respectable debate. He sat for an extensive interview with Tim Russert recently. He has raised almost \$20 million in just three months, much of it online. And he received nearly three times as many votes as erstwhile front-runner Rudy Giuliani in last week's Iowa caucus. All the while he has generally been portrayed by the media as principled and serious, while garnering praise for being a "straight-talker."

From his newsletters, however, a different picture of Paul emerges--that of someone who is either himself deeply embittered or, for a long time, allowed others to write bitterly on his behalf. His adversaries are often described in harsh terms: Barbara Jordan is called "Barbara Morondon," Eleanor Holmes Norton is a "black pinko," Donna Shalala is a "short lesbian," Ron Brown is a "racial victimologist," and Roberta Achtenberg, the first openly gay public official confirmed by the United States Senate, is a "far-left, normal-hating lesbian activist." Maybe such outbursts mean Ron Paul really is a straight-talker. Or maybe they just mean he is a man filled with hate.



## Afterword

by James Kirchik

---

*I had long been suspicious of Ron Paul. I have a personal interest in cults and the American political fringe, and I noticed many subtle similarities in Paul's rhetoric and writings and those of the extreme right. I knew that he had some associations with genuine extremists, but writing an article about them could easily be characterised as guilt-by-association.*

*I knew that he had published a newsletter for some time. But only one or two issues had ever been written about, so I figured that getting my hands on others would make a good story. I called people who follow the extreme right, and Chip Berlet of the Cambridge, Massachusetts-based Political Research Associates suggested that I check the libraries at the University of Kansas and the Wisconsin Historical Society. Both have extensive collections of American extreme right literature. Using WorldCat, an online global database of research libraries, I confirmed that the newsletters -- which had eluded many other reporters -- were in those two libraries.*

*I had to choose which library to visit on a limited budget. I called both librarians -- never hang up the phone, there are always people who know something and are willing to talk -- and spoke to them extensively about the collections. They were not able to give me anything more than basic details. Kansas had earlier editions, Wisconsin had later editions. I figured that the earlier editions would have juicier material, so I went to Kansas. What I found was pretty offensive. I was very lucky, however, that the Wisconsin Historical Society, apparently spurred on*

*by my request (which must have been the first they had ever received about these newsletters), decided several weeks later to convert their collection to microfiche. I asked them to mail the cartridges to me. Dated 1988-1996, they were the real jackpot. Without them, the most damning material would not have made it into my article.*

*I organised the documents by theme (anti-Semitism, racism, homophobia, pro-militia, etc.). That was time-consuming, but once I had this organised, the piece itself was not so difficult to write.*

*The editor was not particularly adamant that I have the piece by a certain time, but I'm someone who works better if I have a deadline. As the New Hampshire Republican primary approached in early January 2008, we figured that it would be a good idea -- from a news-making perspective -- to publish the story on our website the day of the primary. Paul was expected to do well there. I was lucky to have a very competent editor who could cut the article (which was originally something like 12,000 words) down to a far more manageable 3,000. I emailed the story to all of my contacts, especially those working in media outlets. I was also helped by my colleagues at The New Republic, who pushed the story in their own work.*

*The initial response was very positive. The piece was mentioned on most cable news outlets, and Paul had to respond to the charges in an interview with Wolf Blitzer later that day on CNN. He*



came in fifth in the primary, not third as some expected. Neither Paul nor his staff challenged the factual basis of the article. Reason magazine did an important follow-up piece, obtaining the tax files which showed how much money Paul and his family had personally made from the newsletters. On the other hand, I received many hundreds of hateful emails from Paul supporters, some threatening death. I'm used to hate mail, being a political journalist, but the violent tone of these messages was something new. And given what I knew about Paul and his supporters, I

think I had serious reason to fear for my safety.

I have also been somewhat disappointed in the media's subsequent coverage of Paul. He recently announced the formation of a 2012 presidential exploratory committee, and very little of the media coverage mentions the newsletters. A profile of Paul in Esquire did not mention the newsletters at all. I wish that the piece had done more, long-term, to affect Paul's reputation; it saddens me that the mainstream media continue to grant him credence that I don't believe he deserves.



**B.****From Bulgaria  
with love****If you think that  
SMERSH was Ian  
Fleming’s fiction,  
think twice**

By Alexenia Dimitrova

---

**Introduction**

*The author of this piece has gained an international reputation by labouring in a very dark mine – the archives of the Bulgarian secret services during the Cold War. Her methods are old-fashioned, because no other methods will work here. Notice, in her afterword, how she has honed her sensitivity to the source material, to its codes and culture. Her introduction touches on a fundamental attraction of investigative work: The job leads to discoveries that surpass fiction. The successive shocks in the story come not only from the details of shadow work, but from the insight she provides into the minds of these operatives. Most important, perhaps, Alexenia never forgets the victims, and the effect on their lives of being a target. The closing line of this story, a deceptively simple statement, sends us back into the darkness of things that can never be known.*

*From 24 Hours Daily (Bulgaria)  
12 July 2010*

**D**o you remember Ian Fleming’s James Bond novel, *From Russia with Love*? It introduced SMERSH, a Soviet counterintelligence agency whose acronym was composed from two Russian words: smyert shpionam, meaning “death to spies”. Fleming’s version of SMERSH was modeled after a real Soviet organization, which sent its operatives abroad to work against the West with the additional goal of killing Western agents.

Previously unknown documents and other irrefutable evidence now prove that such a super-secret unit existed in Bulgaria, too. Nearly 5,000 pages of the newly-disclosed secret files of the Communist-era Bulgarian intelligence organization reveal that this special bureau was responsible for kidnapping, assassination or discrediting of Bulgarian emigrants and “enemies of the Bulgarian state” around the world.

This SMERSH-style clandestine structure was called “Service 7”. It began operations in 1963, and by 1972 was engaged in 10 operations against Bulgarians who had escaped to nine countries: Britain, Denmark, Ethiopia, Italy, Sweden, Switzerland, Turkey, France, and West





Germany. The targets of these operations were given code names: “Betrayed”, “Blind man”, “The Black”, “Hamlet”, “Lackey”, “Ox” “Traitor”, “Widower “, and “X”.

Rumours that such a unit existed during the Cold War circulated in Bulgaria for years, and for more than two decades, starting immediately after the fall of the Communist regime, I tried to verify them by digging into the Bulgarian secret archives. It was only three years ago, thanks to a new law permitting limited access to the documents of the former State Security Department, that journalists finally had a chance to read some of the Bulgarian Intelligence files from the Cold War period.

Most of these files are still not open to the public. Even those now disclosed were generally thought to be unlikely to contain startling revelations, because it was well known that many documents from that time had been destroyed. But obviously those in charge of deciding what to destroy had thought only about the recent past, and not about earlier years – so some crucial documents survived.

Poring over the inventories, I noticed words like *ostri meropriatia* (which in Bulgarian means “sharp measures”), “special actions” and “active measures”. When I opened those files, marked “Top Secret,” I found for the first time real proof of the existence and the activities of a special unit responsible for what its officers called “sharp measures” – kidnapping, poisoning, discrediting, neutralizing and liquidating Bulgarian émigrés.

In recent years State Security officers have strenuously denied that the department was ever involved with murders, let alone that it had created a special unit to plan and conduct such activities. In an interview in 1999, General Vlado Todorov, ex-director of the Bulgarian National Intelligence

before 1989, declared that “liquidation was not a part of our work.”

The files show otherwise. Speaking about a Bulgarian emigrant on July 1, 1970, then Interior Minister Angel Solakov had said, “We need to execute the death sentence. At first glance it seems that it is a black and dirty job, but for us it is noble.”

He had added: “I do not know whether we will not be asked to liquidate, for instance, Papandreou. Now we get smaller tasks, but we should gain some experience.” (It is unclear whether the minister was referring to Andreas Papandreou, the father of the current Greek prime minister, who was living in Paris at that time, or to his father).

The documents show that the work of the secret unit was guided by rules written on March 10, 1964, and approved by then-Interior Minister Gen. Diko Diko. The victims of the unit were to be intoxicated and poisoned, or “put to sleep”. According to a document from 1967, the targets of these actions were “traitors to the motherland, who caused major damage... and engaged in active enemy activity.”

At the time of its creation, Service 7 had only four officers. In a report dated October 7, 1964, its chief, Col. Petko Kovachev, called it “our little subdivision”. In the same document he requested more resources because there were “many cases to work on.”

His dream came true. By 1967 the unit had grown to 39 agents. In a memorandum to the Chief of the State Security Department dated September 30, 1967, Kovachev called for the work of Service 7 to be discussed at the highest level, and asked to have its weak points strengthened with the help of “Soviet comrades”.

One of the things Service 7 wanted from its Soviet counterparts was to obtain a slow-

acting, tasteless, colourless and odourless poison. Similar queries about modern weapons and poisons were sent to “fraternal special services” in East Germany and Czechoslovakia. In addition, top Bulgarian research institutions, including the Interior Ministry’s special hospital, a top drug manufacturer, the university’s pharmaceutical faculty and the State Committee for Science and Technical Progress were involved in developing such special substances.

Service 7 recruited its members from among people loyal to the Communist political and party line. After joining the unit, they were subject to particular training, classes and instructions. One of the files describing these agents refers to an individual who is code-named “Piccadilly”; this is probably the murderer of the Bulgarian writer George Markov, who was assassinated in London in 1978. The weapon was a poisoned umbrella tip. The full files of the notorious “Bulgarian umbrella” operation have probably been destroyed.

The Piccadilly file mentions that he was also involved in an operation in Italy against another Bulgarian émigré. The first operation prepared by Service 7 was against the Bulgarian émigré Blago Slavenov, who had escaped to Italy in the late 1940’s. He became a target because he was a leading member of a prominent Bulgarian anti-communist émigré organization, the Bulgarian National Committee, and head of its Italian branch.

According to the files, the operation, code-named Libretto, was prepared with the help of the Interior Ministry’s hospital in Sofia. Slavenov was to be kidnapped and returned to Bulgaria from a ship docked in Trieste. The team for this operation included two officers and three other members of the Bulgarian intelligence agency.

Slavenov’s daughter, Elza, later told me how her father had escaped this plot. An Italian friend had asked him to be a translator in order to help the crew of a Bulgarian ship docked in Trieste fix a mechanical problem with the vessel. Slavenov, always cautious, rightly suspected that this story was a trap, and refused to board the ship.

Although the operation failed, the following year the officers described it in a report as a first and very useful experience. They continued working on Libretto for the next few years. Their ideas included using a female intelligence agent to lure Slavenov to Vienna, where he would be kidnapped. That attempt also failed.

Slavenov died in 1996. Elza, who still lives in Italy, confirmed that her father knew about the plots against him. To avoid the agents who followed him, he constantly varied his routes and the times he left from and returned home. He also frequently changed the locks on his doors.

Another target of Service 7 was Trayco Belopopsky, a former Bulgarian intelligence officer who was sent to Britain in the late 1950’s under the cover identity of an Oxford student. Several years later he decided not to return. He was sentenced to death in absentia by Bulgaria in 1964. At the time, the ex-director of the Bulgarian intelligence agency, Gen. Vlado Todorov, mentioned in an interview that Belopopsky was one of three known traitors among the Communist intelligence officers.

Belopopsky could be found alive in New York in 2006, long before the discoveries that he had been a target of Service 7. He still refused to talk publicly, explaining that he feared for the safety of his children around the world. But in our private correspondence he mentioned that a SMERSH-like unit had existed in Bulgarian intelligence and that he was one

of its targets. As an example, he recalled that in the first years after his defection, his father had visited him in London and brought him a piece of Bulgarian salami called lukanka. Knowing the methods of Bulgarian intelligence, Belopopsky was suspicious. He tossed the salami to a street dog, and the animal died in agony minutes later.

When asked about the case, a former high-ranking officer of Bulgarian intelligence and Belopopsky's ex-boss in London, Col. Dimo Stankov, denied that the agency had planned a "sharp measure" against Belopopsky. He even denied knowing that the defector had been sentenced to death. "We wanted and tried to get him back, sending his father to persuade him to return, but when that failed, we gave up," he said.

The newly-opened files of the secret unit fully refute these claims. They confirm that Belopopsky was one of the planned victims of Service 7, under two different code names: "The Black" and "Mavrov". He was able to survive by moving from Britain to the United States, where he remarried. His first wife and daughter, who were left in Bulgaria after his emigration, never saw him again. Belopopsky did not live to see the documents that supported his suspicions that he had been one of the targets of a secret unit. He died in early 2008, two years before I found evidence of the existence of Service 7.

The files contain eight more cases of émigrés who became targets of Service 7 between 1963 and 1974, but there are

no documents showing what happened to Service 7 after that. Many people presume that it continued operating, but those documents were probably destroyed, along with some 3,000 pages recording its activities and targets up to 1974.

However, the disclosed files constitute irrefutable proof that Bulgarian intelligence had such a special unit. They also corroborate some American documents about Bulgaria during the Cold War that I obtained through the US Freedom of Information Act.

These documents state that four Bulgarians were members of a "Soviet-sponsored kidnapping ring". They were listed among a total of 698 Bulgarians and their relatives who were living in Austria, and who were suspected of involvement with either Russian or Bulgarian secret services or front organizations.

Number 586 on the list was described as a "Bulgarian intelligence service agent, responsible for disappearance of several Bulgarians believed to have been kidnapped." Number 645, a Bulgarian working at the Commercial Council in Austria, was accused of "the kidnapping of several Bulgarians in Vienna in April 1949.". Number 676 was the director of Bulgarian counterintelligence in the Austrian capital. There were allegations that he was "responsible for the kidnapping of numerous Bulgarians in Vienna".

The American files contained no further information on the kidnapping ring.



## Afterword

### How I wrote “The Murder Bureau”

by Alexenia Dimitrova

---

*“The Murder Bureau” is archival investigation – arguably a less popular, but important branch of investigative journalism. Like my book of the same name, published in July 2010, it is based on nearly 5000 pages of previously unknown State Security documents. They were declassified at my request under a Bulgarian law passed in December 2006, which allows access to papers of the former State security agency dated before July 1991.*

*For many years a rumour had circulated in Bulgaria that a special secret unit, responsible for the poisoning, kidnapping, eradication, discrediting, or demoralisation of Bulgarians abroad, existed long before the notorious assassination of writer Georgi Markov at London in 1978. I heard them for the first time in 1993. After 1998 I repeatedly tried to determine whether such a unit existed and to obtain documents related to its work from the Bulgarian Ministry of the Interior and the National Intelligence Service. But the answer was always negative.*

*The 2006 law gave researchers their first real chance to read some of the inventories of these secret archives. When the initial, tiny portion of inventories became available I started digging into them.*

*Reading inventories is a boring thing, but after many days I came across words that attracted my attention : ostri meropriatia (which in Bulgarian mean acute actions or*

*sharp measures), “special actions”, “active actions” and “disinformation actions”.*

*I then requested about 40 files containing more than 5000 pages. When I got them I was shocked to find unmistakable proofs of the existence and the activities of a special unit responsible for those “sharp measures”.*

*I absorbed them in the reading room of the Secret Files Commission in Sofia, and made detailed notes. I kept different files on different subjects in my computer – one about the organisation of the secret unit, one about the preparation of the operations and the victims, one about the weapons, one about KGB assistance, one for documents that have been destroyed, and about 10 separate files for each of the 10 Bulgarians targeted by the Secret unit at that time. Thus I organised the 5000 pages.*

*I then ordered copies of the most important pages. I needed them for 2 reasons: first, to illustrate my articles, and then, in case someone decided to deny the facts. In that event I would need proof. In fact the published facsimiles of the secret documents became one of my strongest weapons.*

*I also continued making detailed notes, in case someone “forgot” to give some of the copies to me, and because sometimes there were substantial delays before I got*



them. While I waited for the copies I used my notes to write my articles and my book.

Some files were never given to me. When I insisted, I was told that they were destroyed. Then I demanded proof of their destruction, in the form of protocols or inventories. Later these protocols became an interesting chapter in my book.

I have always tried to enrich my archival investigations with human sources. They may verify or reject some of the documents. Their comments also give good additional details and ideas for future documentary investigations. In general, human sources make archival journalistic investigation entirely different from academic work, which typically is based only on documents.

If I was to advise someone about fundamental research techniques for archival investigation, they would be: 1. Read inventories yourself (do not count on other researchers); 2. Read all files that seem close to your subject, even if some of them do not appear to have a direct relation; 3. Always try to identify human sources whom you will approach; 4. Never set limits to what you will do with the documents. My initial intention was to write a series of newspaper articles, but it changed to also writing a documentary book.

The writing process for such a “documentary investigation” is a bit specific. You must extract the essential from hundreds and thousands of pages and “translate” their boring language into something understandable and interesting. Short sentences are your best weapon. However, you must present the most important pieces as quotations, to underline their authenticity.

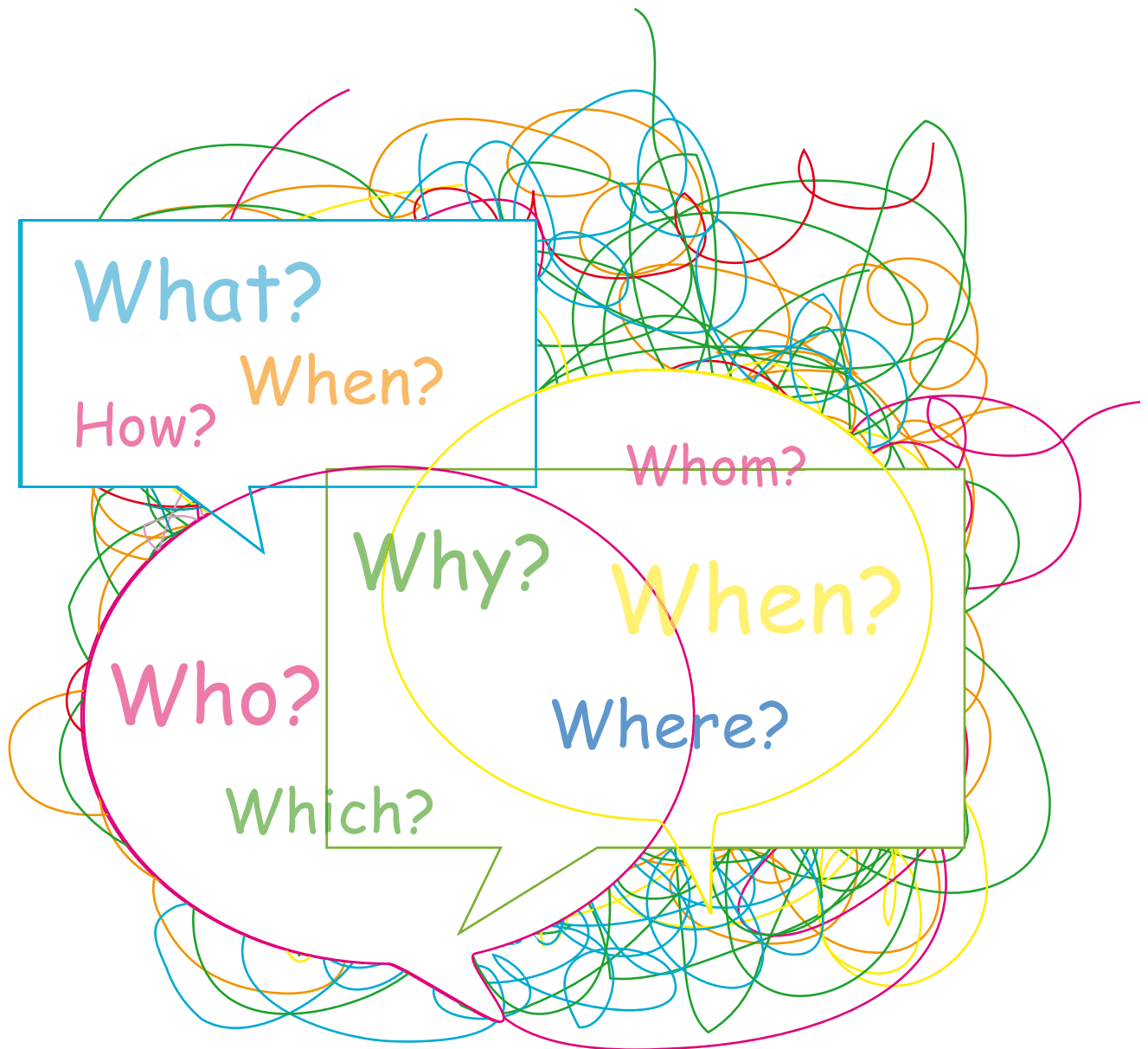
The hardest thing I had to deal with for the newspaper story and the book was to

maintain the exclusivity of my material. The archives I investigated are public, and at any moment anybody could come across them. If this had happened I had to speed up my work, which eventually could damage its quality – that is, double checking the most important facts and searching for human sources.

Practically speaking, I competed with the clock. I worked on other projects too, because I am a full time reporter at a daily newspaper. So I worked on the book mostly evenings and weekends. I had the full support of my Editor and Deputy Editor in chief – in fact, the newspaper became my book publisher, and excerpted chapters of the book on the eve of its publication. That provoked many radios and TVs to invite me for interviews. Because the operations of the secret unit were carried out in 9 countries, I also attracted the attention of some foreign media, and a half dozen articles by their correspondents or me were published in English. I travelled intensively in Bulgaria to present my book.

“The Murder Bureau” provoked huge interest in Bulgaria. For the first time the rumours were substantiated with facts. I got one threatening, anonymous phone call from a person who sounded like a former intelligence officer. No one challenged the accuracy of my work, because I published more than 100 facsimiles of documents to prove my story.

The audience often asked me when my next, fifth documentary book will be published. My answer is that a journalist dealing with archival investigations can never forecast future plans, because she never knows what she will find in the archives. That was (and is) the worst thing about this job. The best thing is that after 17 years, I was able to turn dreadful rumours into verified, public facts.



## Chapter Two

# The ground beneath our feet: investigating social phenomena

---

---



**A.**

## **The school of hard knocks**

**Record numbers of women are enrolling in for-profit career colleges, hoping for better lives and high-paying jobs. Instead, too many are ending up with useless diplomas and staggering debt.**

by Barry Yeoman

---

### **Introduction**

*As I was preparing this anthology I was traveling, and everywhere I went I saw large numbers of new private schools. There were schools for language (usually English), schools for tech jobs (usually computers), schools for teachers and businesspeople and journalists (only one-third of whose graduates find a job in the industry at this writing), and so on and on. We wondered: Are any of these schools selling a mere imitation of knowledge to their students, effectively handicapping their dreams of a better life? Barry Yeoman answers that question in heartbreaking detail. His working method for this piece used a stunning array of information technology, but in the end, the technology served mainly to help him find people who had experienced perso-*

*nal tragedies. He still had to persuade them that he was worth talking to. One of those people furnished the lead of his story, a powerful example of how to put a face on a wider social phenomenon. The body of the story maps the industry, the regulators, and the markets – all elements that will pop up in different forms in other locales. Note how Yeoman gives everyone in the story a chance to tell their side of it, before concluding that something has gone very wrong. A story like this can change lives, and it can also be done everywhere in the world, regardless of the technology at hand. (In fact, I wanted to include a similar story from Nigeria, but got no replies to my emails.) Not incidentally, Yeoman's detailed Afterword is practically a manual of best practice in itself.*

*Originally published in Good Housekeeping (US) June 2010*



**A**fter her divorce five years ago, Yasmine Issa realized she could no longer afford to be a stay-at-home mom. She'd taken two years of college classes before getting married, but had never trained for a professional job. "I wanted to do something promising for myself," says the 28-year-old from Yonkers, N.Y. Hoping to become an ultrasound technician, she found the Web site for Sanford-Brown Institute, a chain of for-profit career colleges specializing in the health professions. "If you're looking for an exciting and rewarding career in today's expanding fields," the Web site said, "we can help you get there."

At Sanford-Brown's White Plains, N.Y., campus, in a renovated brick office complex, she met with a recruiter for the school, owned by the Career Education Corp. The company earns \$1.7 billion a year from some 90 career colleges nationwide. The recruiter told Issa that an accelerated program would help her earn an ultrasound certificate in just 18 months, and promised that Sanford-Brown's placement service would steer her toward work that paid well. "We won't stop until you find a job," she recalls him saying. He also told her that the school was accredited by the government-approved Accrediting Council for Independent Colleges and Schools; that was reassuring, she says. But she felt a bit uncomfortable about the way the recruiter pressured her. She'd better hurry, he warned; the registration deadline was just days away. "I did, of course, feel rushed," she says. "And I signed up for it." The course cost \$27,000. Issa took out \$15,000 in federal student loans and paid another \$12,000 from her twin daughters' child support.

She appreciated the hands-on training Sanford-Brown gave her, Issa says, although she questioned the value of some of the classroom instruction. "We only memorized for the exams," she says.

"We didn't really absorb the information." Still, she took her education seriously, envisioning a time when she could comfortably support her girls, now 7. In June 2008, after a year and a half of study, she received her certificate in Diagnostic Medical Ultrasound.

Then came the shocker: When Issa tried to get her professional credentials, the American Registry for Diagnostic Medical Sonography, a nonprofit certifying body, informed her that she was ineligible to take its registration exam. Issa was astonished to learn that although Sanford-Brown was accredited, its ultrasound curriculum was not – a detail she says the recruiter neglected to mention. (The school says the information was in a written disclosure given to Issa during registration.) Graduates of unaccredited programs can't take the exam without 12 months of work experience – but no employer would hire Issa unless she'd taken the exam.

Issa applied for about 200 jobs, visiting hospitals and doctors' offices throughout New York, New Jersey, and Connecticut, and was turned away every time. The school's placement service was no help. "The lady just said, 'Oh, I sent your résumé out. There aren't many jobs around. I'll keep you posted,'" Issa recalls. "She never did."

Now unemployed – she keeps looking for ultrasound jobs because that's the only skill on her résumé – and watching the interest mount on her unpaid student loans, Issa feels stuck. She'd like to study nursing at a traditional college, but her coursework from Sanford-Brown won't transfer (see "How to Protect Yourself," below). And because she's living on child support, she can't afford to take on additional debt. "It's so stressful to know that I have a family to take care of, rent and car bills to pay, and this huge loan," she says. "I wish I could go back to school and



do something else. But I don't have the money."

**HIT HARD BY A TROUBLED ECONOMY,** more and more Americans are turning to for-profit career colleges specializing in fields like medical assisting, computer graphics, and criminal justice. They dream of getting a better job and a better life. But what too many of them are getting instead is a useless diploma and shattered dreams.

Government investigations and whistleblower lawsuits have cited myriad problems with for-profit schools, including unqualified teachers, externships that don't materialize, false promises that credits will transfer to traditional colleges, and overblown job-placement figures. Perhaps worst of all, say critics – including the plaintiffs in various lawsuits – graduates often find themselves not only woefully unequipped for new careers, but saddled with staggering debt.

Nearly three million Americans – 64 percent of them women – attended accredited private for-profit career colleges in 2007-2008, according to the Washington, D.C.-based Career College Association. You've probably seen the television commercials and subway and bus ads promising new skills and jobs that pay well. Designed to appeal to busy adults, the colleges (also called proprietary schools) emphasize their flexible schedules, online classes, and faculty with real-world experience. They grant professional certificates along with associate's, bachelor's, and even graduate degrees. Tuition tends to be expensive at these schools, many of which are owned by large corporations. But students are encouraged to borrow the money through government and (to a lesser degree) private loan programs.

Fueled by \$17.5 billion annually in federal student loans and grants – some schools

get almost 90 percent of their revenues from government programs – the for-profit career-college industry has averaged more than 10 percent annual growth since 1976. The recent economic downturn has pushed that growth rate closer to 25 percent, says Harris Miller, president and CEO of the Career College Association. "When the recession started, our business went into hyperdrive," he notes. Miller thinks that for-profit schools fill a gap in the marketplace – particularly during these hard times, as the freshly unemployed try to improve their job prospects by acquiring new skills. Traditional universities, he says, are geared toward what he calls the "socially elite," while community colleges are suffering from budget cuts. "Career colleges aren't for everybody – we're not going to supplant Harvard or Stanford – but we are absolutely critical," Miller says. "We focus on students who weren't listening to Mozart in utero and preparing for their SATs in third grade."

The schools offer up success stories – graduates like Diana Rivera, a 29-year-old former retail manager who parlayed a criminal-justice degree from Westwood College's downtown Chicago campus into a \$37,000-a-year job supervising outreach workers at a violence-prevention program. Rivera, a single mother, earned her bachelor's degree in three years, using private loans and federal loans and grants to pay most of her \$60,800 tuition. "Now when I stay late or work overtime," she says, "I'm helping a person or a family. It's more meaningful knowing that you've saved someone's life."

But in April 2009, Alta Colleges, the owner of the national Westwood College chain, paid the government \$7 million to resolve a whistle-blower lawsuit filed by nine former employees of Westwood's Texas campuses. The suit charged in part that the schools told students the job-placement rate was 97 to 99 percent, when the overall rate was



actually less than 55 percent. Westwood admitted no wrongdoing.

In 2005, John P. Higgins Jr., Inspector General of the U.S. Department of Education, told Congress that 74 percent of his office's institutional-fraud cases over the previous six years involved for-profit schools. And the education department (ED) reports low graduation rates for proprietary-school bachelor's programs – 32.6 percent completion within six years, compared to 54.8 percent for public schools, and 64.5 percent for private nonprofit schools.

“While there are, in fact, some quality proprietary institutions, the sector is overwhelmingly biased in the direction of the quick buck,” says Barmak Nassirian, associate executive director of the nonprofit American Association of Collegiate Registrars and Admissions Officers, which includes for-profit schools among its members. Students trying to improve their lives end up worse off than when they started, he says. “They get packaged with enormous amounts of crushing debt. They receive, frankly, worthless credentials. And they're basically on a smooth glide path to defaulting on their loans, which they do in disproportionate numbers.”

According to preliminary data released last December by the ED, nearly a quarter of all career colleges that participate in the federal student-loan program have three-year default rates of 30 percent or higher – a rate virtually unheard-of among traditional schools. Of the 316 colleges (both nonprofit and for-profit) with that exorbitant rate, 78 percent come from the for-profit sector, and 22 of them belong to the Everest College chain, which offers programs like medical assisting, pharmacy technicianship, and massage therapy. Everest's \$1.3-billion-a-year parent company, Corinthian Colleges, attributes the large number of defaults to its “econo-

mically disadvantaged” student body and says it is working to lower the rate.

Defaulters can have their wages garnished by the ED, their income tax refunds seized by the Department of the Treasury, and their credit scores harmed. The government can sue for the money or refer the loan to a private collection agency. “They can come after you forever,” says Deanne Loonin, an attorney with the National Consumer Law Center in Boston. “For a lot of students, the way to get out of this trap would be to go back to school, get a legitimate education, and get a better-paying job. But this debt is preventing them from doing that.” Moreover, when students default on federal loans, taxpayers pick up the tab because the loans are guaranteed by (and in some cases originate from) the government.

Publicly traded career-college companies are obligated to maximize profit for their owners and shareholders, but industry officials insist that's not a problem. “Let's assume we are a bunch of money-grubbing SOBs,” says Miller of the Career College Association. “One of the secrets of business is to have happy customers. If you were constantly offering a poor-quality education, you might make some very nice short-term profits, but your long-term financial outlook is lousy.” Some critics, including former employees, suggest other reasons for the phenomenal growth – the companies' ubiquitous commercials on daytime television, which get prospective students in the door, and high-pressure sales operations that target vulnerable people who probably don't have experience shopping for higher education.

Clarence Harmon served as president of Sanford-Brown College's Hazelwood, Mo., campus for nine months in 2004-2005. Before that, he was the mayor and police chief of St. Louis, Mo. “Our programs were very expensive, and they were taught a



lot of times by unqualified people who didn't possess the academic or experiential background," he says. Yet students kept enrolling, he says – lured by daytime television ads promising a quick path to a lucrative livelihood. Harmon attended several meetings of parent company Career Education Corp. "I don't remember a single discussion about the academic side," he says. "It was all about money. Trying to make some reform was like marching up a snowy, steep hill in a crosswind."

Career Education Corp., which also owns the Sanford-Brown Institute campus where Yasmine Issa studied sonography, has been fighting to salvage its reputation after a series of public-relations blows. The company has faced numerous lawsuits accusing it of misleading students about job placement, starting salaries, the quality of its teaching staff and training equipment, and the transferability of its credits. It's also been the target of investigations by the ED, and by the Securities and Exchange Commission and Department of Justice, neither of which took action, as well as exposés by CBS's 60 Minutes and the Chronicle of Higher Education, a weekly newspaper covering academia. In 2005, the ED temporarily barred the company from opening new campuses, citing "a history of noncompliance" with government financial standards and misrepresentations about the employability of its graduates. One of its chains, American InterContinental University, was placed on probation for its admissions and marketing practices from December 2005 to December 2007 by the Southern Association of Colleges and Schools, which was its accrediting agency at the time.

Jeff Leshay, a senior vice president at Career Education Corp., insists that students at its approximately 90 campuses are getting high-quality training. "We wouldn't be growing the way we are if students and employers didn't see the value of the

education we're offering," he says, adding that "hundreds and hundreds" of Sanford-Brown graduates have found ultrasound jobs. And he dismisses Clarence Harmon as "a disgruntled former employee." Leshay says his company has always scrutinized the quality of its schools. "Our focus has shifted more and more heavily toward student success," he says. The editor of Higher Ed Watch, a public-policy blog published by the New America Foundation, a nonpartisan think tank, says the reality is more complex. "The corporation's new management has taken some positive steps," says Stephen Burd, "particularly closing down some of the most troubled schools. But there remain serious concerns about the educational quality of the programs it offers."

### **SHODDY CAREER COLLEGES ARE NOTHING NEW.**

Twenty years or so ago, the typical offenders were small storefront operations designed primarily to squeeze student-loan money from the federal government – "truck-driving schools that would take your money and then not have a truck," says David W. Breneman, Ph.D., a professor of economics in education at the University of Virginia. A congressional crackdown in 1992 meant that many of these mom-and-pop schools lost their accreditation, along with their federal funding.

It didn't solve the problem, though. Some of those hard-hitting federal rules have been relaxed since then, and state oversight remains an uneven patchwork. Says Representative Maxine Waters (D-CA), Congress's most outspoken reform advocate, "The abuses are the same: false advertising, questionable recruiting tactics, offering phony classes that don't lead to jobs, and saddling these young people with loans they'll never be able to pay off."

Recent shady operators have included some mom-and-pops. At Caliber Training



Institute – a 550-student school in New York City that promised to train medical assistants, insurance billers, and travel agents – undercover investigators found unqualified teachers, overcrowded classrooms, and classes that were not taught as approved. “It was more of a party atmosphere,” says Carole Yates, director of New York State’s Bureau of Proprietary School Supervision, which conducted the three-year investigation. “Students would get an A if they brought a dish to share.” At the Institute for Vocational Training and Development (IVTD) in Bronx, N.Y., an instructor with phony nursing credentials taught the health care classes, Yates says. New York State’s education department ordered both schools closed, IVTD in 2007 and Caliber in 2008.

The new breed of corporate-owned career colleges doesn’t perpetuate outright scams like the trucking schools without trucks. “But they’re still money machines,” says Breneman. “They get under pressure because Wall Street views them as growth companies. That’s when they break the rules.”

This pressure to grow often leads career colleges to spend lavishly on marketing: According to the Chronicle of Higher Education, the schools spend more than \$1 billion a year in advertising alone. Unfortunately, not every school is as generous when it comes to hiring top-notch teachers and buying equipment.

That’s what Wendy Wolcott discovered. Wolcott, 33, first visited the Merrillville, IN, campus of Brown Mackie College in 2007, hoping to leave her dead-end job as a middle school “lunch lady” and become a medical assistant. The recruiters promised her small classes, an accelerated schedule, and an externship working with patients near her home. They encouraged her to enroll immediately, she says, because classes had started the day before.

“Without really thinking about it, I said, ‘Sure, I’ll jump in,’ “ says the mother of two. “It was time to find something better for myself and for my family.”

It didn’t take long, Wolcott says, for her to realize the reality didn’t match the promises. Key classes were overcrowded. Some instructors “taught” by reading out of textbooks. “A lot of the equipment was outdated, broken, or we didn’t have enough of a supply,” Wolcott says. Students had to share electroencephalogram sensor pads, which were designed for individual use. “The medical-mannequin arms had been injected so many times that you really couldn’t find the veins,” she says. “And when we practiced injections on one another, we were told to do no more than two shots because we didn’t have enough of the saline to go around.”

Wolcott had a few teachers she considered excellent. They, too, felt frustrated. “In my own lab, I had a broken autoclave [a device for sterilizing instruments] that they refused to get fixed,” says David Scholl, who chaired the allied-health department from 2008 to 2009. “Yet the students were supposed to be certified on how to use it.” One of the two blood centrifuges was broken. “There was the potential for someone to get seriously injured. Half the supplies were expired. Every time I brought it up,” Scholl says, “I was told either, ‘You don’t need it’ or ‘It’s too expensive.’ “

Part of Scholl’s job was to line up externships at medical offices. But when he contacted prospective sites, he says, “a lot of them wouldn’t accept Brown Mackie students because they said they were poorly trained or not trained at all.” Education Management Corp., Brown Mackie’s \$2-billion-a-year parent company, declined to be interviewed for this article, but four students and another former instructor told similar stories.

Wolcott said she had to fight for an externship near her home in Crete, Ill. She was finally assigned to a day-care center for disabled adults, where she had little contact with clients and spent most of the day behind a computer. Now, awaiting graduation, she can't find a job. "I wish someone would have taken me under their wing and said, 'Watch it,' " she says.

**FOR PROFIT-SCHOOLS GENERALLY SPEND MUCH MORE** on recruitment than do traditional colleges and universities. And they often reward those recruiters (or "enrollment counselors") who sign up the most students. It's illegal for schools to compensate employees based exclusively on the number of students they enroll. But they can circumvent that rule by adding other factors (like communications skills and working relationships), no matter how minor or subjective, to their pay formulas.

The trouble with this system is that recruiters are only human. If more enrollments lead to higher pay, some salespeople will be tempted to boast that graduates routinely land high- five-figure jobs or that the school's credits will transfer to traditional universities when they don't and won't. They'll inflate the completion and job-placement rates, or encourage gullible students to sign up without reading the fine print.

Some of the country's largest career-college chains have been accused of deceptive recruiting tactics. In 2003, the ED investigated University of Phoenix, which has more than 200 locations in the U.S. and Canada. A stinging report described a brutal environment in which recruiters were rewarded or punished based solely on how many students they enrolled. "Seventy-two percent of the recruiters interviewed stated that it was always about the numbers.'butts in seats' or 'asses in classes,'" the report said. Top sellers won hefty raises along with ski tickets and spa

packages, while less successful recruiters were threatened with firing.

University of Phoenix's management encouraged these hard-sell tactics, according to former employees and company documents. "One of the trainers would tell us, 'Find the student's pain, rip the scab off, stick your finger in the wound, and keep pushing until the student cries,' " says Rebecca Mackover, 38, who worked at the San Jose, Calif., campus from 2003 to 2005. "Does that person feel like she'll be a bad mother if she's not a good role model for her child? Then that's what you would use against her if she tried to back out." Though she's no longer a recruiter, Mackover still attends classes at University of Phoenix, and she says the quality of instruction is comparable with that of state schools.

Last December, University of Phoenix's \$4-billion-a-year corporate parent, Apollo Group, agreed to pay \$67.5 million to the federal government, plus \$11 million in attorney fees, to settle a whistleblower lawsuit alleging an illegal scheme to compensate recruiters based on the number of students they enrolled. Company officials denied wrongdoing and said they settled to avoid a protracted legal battle. Spokeswoman Sara Jones says recruiters are compensated based partly on enrollment figures, but even more on such things as customer service, communication skills, judgment, and student retention. She adds that recruiters undergo compliance training so that they know how best to advise and support students. "University of Phoenix is in the middle of a turnaround to ensure everything we do is designed to enable student success," Jones says.

Other firms have faced similar complaints. The lawsuit that Alta settled last year also charged that the company encouraged recruiters at its Westwood Colleges to



help unqualified students cheat on certain entrance exams, and steered students into an interior design program that would not qualify them to take the state licensing test. “We believe that we’ve always acted lawfully and ethically,” says Westwood spokesperson Kristina Yarrington, who says the company settled the case to avoid lengthy and costly litigation. She says recruiters are expected to be “transparent” with prospective students and admit only those who stand a good chance of succeeding. “The job of our admissions representatives is to enroll graduates,” she says.

That comes as a surprise to Zahra Crowley, who recruited for many of Westwood’s campuses in 2007. (She now works at the public University of Colorado.) Crowley remembers being instructed to push prospective customers to enroll quickly – even when Westwood’s offerings didn’t match their career goals. “If someone wants to be a doctor, tell them to sign up for the medical-assisting program,” she recalls her director saying, though Westwood’s credits rarely transfer to traditional schools. “If a student says, ‘I want to think about it,’ that’s when you’re supposed to say, ‘What’s there to think about? Do you want to amount to nothing? You said you didn’t want to work at McDonald’s.’ “

**SOME PUBLIC OFFICIALS HAVE BEEN WORKING** to make career colleges more responsible. In 2007, California Attorney General Jerry Brown announced a \$6.5 million settlement with Corinthian Colleges, which operated 14 campuses across the state. Brown accused the company of inflating the percentage of alumni who found work in their fields, along with graduates’ starting salaries. He also alleged that Corinthian falsified graduation and employment data it gave the government. Corinthian provided \$5.8 million in refunds and debt cancellation for former students and paid the state a \$700,000 civil penalty – amounts, some

critics say, that were too low to have a deterrent effect. Three weeks later, the company settled a similar matter with Florida’s attorney general. Corinthian denied wrongdoing in both states.

The Obama Administration intends to tighten the ban on compensating recruiters based on how many students they enroll. The ED has floated proposed rules eliminating 12 Bush-era loopholes currently in the federal regulations – including one allowing schools to raise and lower recruiter salaries twice a year as long as admissions numbers are not the sole factor. It has also suggested tougher rules against deceptive marketing.

Many students haven’t waited for the government to take action; they’ve consulted attorneys. After four former Westwood College students filed an arbitration case last year – accusing the school of misrepresenting graduates’ job prospects and whether credits would transfer, and of charging illegally high interest on the school’s private student loans – hundreds of additional students and alumni shared similar stories with the plaintiffs’ Tampa law firm. “Students have told us that instead of getting job offers, they’re getting laughed at,” says lead attorney Jillian Estes. “When they present themselves with a degree from Westwood, employers say, ‘Nice try, but why don’t you go to college and then give me a call?’” Westwood’s Yarrington accuses Estes of “online ambulance chasing,” and points out that between July 2008 and June 2009, 76 percent of graduates found work in their fields, according to the school’s accrediting agency.

Some former students are speaking out to lawmakers. Michelle Freeman, 32, left an unsatisfying production job in the television industry to study interior design at American InterContinental University, owned by Career Education Corp., in Los Angeles. She hoped the two-year program



would help her land more creative work designing studio sets for TV programs.

She first visited the campus in 2003. “I was told how everyone gets jobs in the upper-five-figure, lower-six-figure range,” she says. “They told me, ‘You need an internship? We’ve got lists of places. You need a job? We’ve got alumni who will be more than happy to hire you. Because this is such a prestigious school, you’re going to be turning down jobs because everyone’s going to want you.’”

But the promised internship never materialized, Freeman says. Then the school said it couldn’t help her find work after she graduated. During regular trips to the placement office, she recalls, campus employees said, “I’m sorry. We don’t have anything available right now.” After those visits, Freeman often felt sick to her stomach – and defeated. Four years later, her unemployment benefits have run out, and she owes more than \$63,000 for her education. Career Education Corp. is in the process of shutting down the school, not

Leshay says because of “quality issues,” but because of “market needs.”

“On a weekly basis I look around my apartment, saying, ‘What can I sell?’” Freeman says. “I see homeless people on street corners holding up signs: ‘Please help.’ And I keep wondering: How much longer until that’s me?” But Freeman has taken action. In 2007 she appeared before a California legislative committee, asking its members to toughen the state’s oversight of proprietary schools. “We were all under the impression that we would graduate with businesses fighting for us to work for them,” she testified. “Now we are terrified, jobless, and in a scary amount of debt.” She and a fellow former student are starting an interior design firm.

Freeman says she spoke up because “somebody needed to be a voice – for the people who are too afraid to stand up for themselves, and for the people who don’t know how. Thousands of people are being taken advantage of. And it needs to stop.”



## Afterword

by Barry Yeoman

---

*I had written about career colleges twice in the 1990s: once for Southern Exposure – as part of a package about industries designed to exploit the poor – and again for Good Housekeeping. More than a decade later, editors at Good Housekeeping approached me again, wondering if career colleges still presented a problem. They also wondered whether the Internet era had created new forms of exploitation. My reporting showed that the problem persisted, but with a modern twist: Whereas the schools in the 1990s were largely mom-and-pop operations, the current players were owned by multi-billion-dollar corporations. Some of the most outrageous abuses were gone, but the problem was magnified by the scale of the new companies.*

*Generally, when I start on a project, I begin with a broad document sweep. In this case, the first documents included news articles from the Lexis-Nexis database, which provided names of potential sources and potential cases. I also searched Lexis-Nexis and the web for articles in the specialized press (for example, the Chronicle for Higher Education) and one well-respected, professionally written blog (New America Foundation’s Higher Ed Watch). In addition, I did an extensive web search for relevant studies (for example, reports by the National Consumer Law Center) and government investigations.*

*I used the Securities and Exchange Commission web site ([www.sec.gov](http://www.sec.gov)) to obtain annual and quarterly reports from the for-profit education companies. Those companies that are traded publicly are*

*required to file detailed reports that chronicle regulatory actions and lawsuits. Under “Filings and Forms,” I clicked on “Search for Company Filings.”*

*I downloaded preliminary student-loan default rate data, in Excel format, from the Department of Education web site. (I found the link at Higher Ed Watch). The numbers had been crunched once by Higher Ed Watch, but I re-crunched them myself.*

*I obtained lawsuits in four ways:*

- 1. In some cases, plaintiff’s attorneys sent me all relevant documents filed by both sides.*
- 2. Some pleadings were posted online.*
- 3. The U.S. Attorney’s office sent me the pleadings from a federal criminal case.*
- 4. In several cases – including a large whistleblower lawsuit against the University of Phoenix – I used a government electronic service called PACER, or Public Access to Court Electronic Records ([www.pacer.gov](http://www.pacer.gov)). There was a nominal per-page fee for downloading documents in PDF format.*

*For state investigations of certain schools, I wrote to the relevant state agencies for additional information. I wrote to the Florida Attorney General’s office to request electronic records about Florida Metropolitan University. I wrote to the New York State Education Department to request paper records about Caliber*





Training Institute and The Institute for Vocational Training and Development. In both states, I first initiated a phone call or email exchange with a public information officer, who helped me phrase my request.

There is a Freedom of Information Act in the United States, but I did not have to use it. I did have to file a request under the New York State Freedom of Information Law (FOIL) to get documents from the state Education Department's investigations of the Caliber Training Institute and The Institute for Vocational Training and Development. I eventually received all of the documents, redacted per state law. The state agency did invoke its prerogative to extend its own deadline, so it took about one month longer than expected. I also had to narrow my request – which initially included student complaints as well as documents from the state investigation – because the complaints were so voluminous that they would have delayed the entire document delivery well beyond my deadline.

As I read these documents, I kept a running list of all sources in a single Microsoft Word document. They were listed by category: first a “General” listing, then listings by individual school chains.

My list of sources starts, but doesn't end, with the people I find in the documents. They include:

1. authors of reports;
2. plaintiff's attorneys, students, ex-employees, experts, and school officials named in news clippings and other articles;
3. former employees and students named in legal pleadings;
4. former students named in state investigations;
5. former employees and students who posted to complaint web sites like [ripoffreport.com](http://ripoffreport.com) (see below); and
6. former students, former employees, and industry experts introduced to me by other sources.

I organize religiously and continually. I have an electronic file structure that exactly mirrors my paper file structure. All documents are kept in both electronic and paper format unless no electronic format is available. There were topical folders (“Accreditation,” “Federal Aid,” “State Regulation – California,” “State Regulation – New York,” etc.) and case folders (“Cases – Caliber Training Institute,” “Cases – University of Phoenix,” “Cases – University of Phoenix – Hendow lawsuit,” etc.)

It's wise to identify broad experts who can tell you all the federal and state regulatory agencies that govern your subject. Then, once you have a list of specific companies that you plan to investigate, approach each of those agencies and learn what type of documents they have available. I might have otherwise overlooked the Securities and Exchange Commission, which was a gold mine of data.

I spent significant time reading consumer complaint sites, which typically allow anonymous postings. One of them, [ripoffreport.com](http://ripoffreport.com), allows registered members to contact one another (anonymously at first).

Perusing these sites was slow going. Some complaints were vague or unconvincing; others sounded on-target, but the poster didn't write me back. A few people did respond to my queries. Two of them were Yasmine Issa and David Scholl.

Yasmine Issa was both compelling and extremely credible. I interviewed her multiple times, and her story remained consistent. When she told me that



employers require certification – and Sanford Brown Institute’s parent company denied this – I did an extensive search of help-wanted ads for sonographers and found that Issa was absolutely correct. A staff member at the American Registry for Diagnostic Medical Sonography confirmed Issa’s assessment of the job market.

David Scholl told me his story of teaching at Brown Mackie College and provided documents to bolster his claims. He introduced me to a former colleague, who verified his story and in turn introduced me to five current and former students (including Wendy Wolcott), who also had consistent stories. Wolcott introduced me to two more students. In many ways, these two human sources, along with the people I met through Scholl, provided the emotional heart of the reporting.

I also had to deal with industry representatives who either made emotional appeals or acted slightly intimidating. For example, when I interviewed an official of the Career College Association, he seemed to be trying to put me on the defensive. Ten seconds into the interview, he asked, “I have a question: Do you have a cousin or a brother with the same name who wrote a hatchet job about our sector 13 years ago?” As an experienced journalist, I am accustomed to rhetoric like this, so it did not present a great obstacle.

When I write, I allow myself plenty of time – about 500 words a day, plus several days at the end for fine-tuning. This generally means allowing two weeks for a feature-length magazine article. I outline my story in advance, dividing it into 500-word sections. I look for the anecdotal lead, look for several more anecdotes that will advance the story in the middle and end, and group the substantive material into blocks that can be introduced in between the anecdotes.

In this case, I chose Yasmine Issa because she had a clean and verifiable story about a school whose corporate parent has faced myriad lawsuits and investigations. She was eloquent and sympathetic, and her narrative contained many of the elements that I would discuss later. Then I outlined it as such:

- 1.** *Lead: Yasmine Issa and Sanford Brown Institute.*
- 2.** *Nut section: Lay out the issue in detail, with short examples.*
- 3a** *Background section: Pull the camera-lens back and give the reader historical context. Here I used Caliber Training Institute as an example of an old-line mom-and-pop school perpetuating a more historic abuse.*
- 3b** *Contrast modern abuses to historic abuses with the anecdote of Wendy Wolcott and David Scholl at Brown Mackie College.*
- 4.** *Go deeper and explain the root of the problem: aggressive marketing that takes advantage of a Bush-era legal loophole. Use the anecdote of the University of Phoenix.*
- 5.** *Complete the narrative with an empowering but realistic ending about students fighting back. Use the anecdote of Michelle Freeman and American InterContinental University.*

I had the full backing of my editors at Good Housekeeping. In addition, an in-house fact-checker double-checked every fact in the story and talked with me about both fact and nuance.

After the article appeared, I received a phone call from the staff of U.S. Senator Tom Harkin (D-Iowa), chairman of the Senate Health, Education, Labor and

*Pensions Committee. Senator Harkin was about to schedule a series of hearings about for-profit career colleges. As a result of those phone conversations, one of Harkin's star witnesses was Yasmine Issa, my lead character. Issa detailed her experience at Sanford Brown Institute; you can watch her testimony from the Senate Hearing at <http://is.gd/k6eVa>. (Issa starts at 89:00; Harkin cites the article right before she testifies and also at 32:35.) After Issa testified, one of the other panelists paid off Issa's entire student loan debt; see <http://chronicle.com/article/Investor-Who-Criticizes/66083/>.*

*Industry observers say "School of Hard Knocks" played a critical role during the hearings. Certainly the article came at a critical time. Since its release, the Obama Administration's Department of Education has enacted a number of key reforms, including the closing of Bush-era loopholes that for-profit career colleges*

*used to recruit students in ways critics call unethical. And the U.S. Government Accountability Office released a special audit showing that for-profit career colleges routinely give misleading information to prospective students and sometimes encourage them to commit outright fraud.*

*I received many thanks, as well as several new leads for future stories. I also received a commission to write an article on the same topic for *Academe* magazine. No one has challenged the accuracy of the reporting, and there has been no legal action. The Career College Association, an industry trade group (now called the Association of Private Sector Colleges and Universities), published a caustic blog post about the story, as it does about every critical story. It has since deleted the post. In 2011, the American Society of Journalists and Authors awarded the story its annual Arlene Eisenberg Award for Writing that Makes a Difference.*



**B.****Divorced women in Jordan suffer from lengthy legal procedures: children face the tough dilemma of choosing between their parents**

by Majdoleen Allan

**Introduction**

*The first investigation a reporter undertakes can be critical for his or her future in the job; what matters is not whether the reporter ends a corrupt President's career, but whether or not the reporter succeeds in finding and telling a story that matters to someone. This was Majdoleen Allan's first investigation, and it plunges us into a deep river of sorrow – the fate of thousands of women and children whose husbands walk away from support obligations after their divorce. The most astonishing thing about this project is the author's sheer refusal to give up; it's as though her inexperience protects her from realising what an impossible job she's taken on. There*

*aren't official statistics on the experiences of divorced women? Fine – she surveys 130 of them using her own questionnaire. There is no proof that court officials take bribes? She surveys half the officers in the capital's religious courts and asks, among other things, if they take bribes, and half of the people she asks, admit it. At every step she invents a way forward, asking for information as if she has a perfect right to it. And in the end, the impossible job gets done, and something changes. This report was supported by Arab Reporters for Investigative Journalism (ARIJ), both financially and through coaching by Saad Hattar.*

*Originally published in Algahad (Jordan)  
9 August 2008*

After more than two years of fighting in the religious courts, Umm Samira, 33, gave up. More exactly, in June 2009 the Amman woman gave up the custody of her four children and agreed to marry the first man who proposed. Thus ended her judicial struggle to obtain a measly support payment of JD 205 (about \$US 310) per month from her ex-husband.

Shadia Mohammad, 28, recounts a similar ordeal. At the beginning of 2009, a committee of experts assigned to her case by the presiding magistrate of the religious court of the Middle Amman zone decided that she is to receive JD 27 as monthly child support for each of her three children, and JD 15 as maternal custody compensation. The sum is paltry, but the family only receives it intermittently. In fact, Shadia, who divorced a year ago, says that she was forced to have her ex-husband served notice six times in six months for non-payment. He was apprehended only once, and forced to pay a single time, before being set free again and reverting to his previous habit of non-payment.

According to Jordan's 1976 Personal Status and Family Law, women, whether married or divorced, may complain to the religious judiciary if a man refuses to support his family financially. There are two stages for processing a successful complaint: First, a ruling is issued that requires the husband to pay support. The second stage is the enforcement of the ruling, through serving the defendant with notice via the religious court's notification department.

But women face many obstacles and delays in the second phase, due to deficiencies in the mechanisms involved in collecting support payments. The difficulties and suffering endured by Um Samira, Shadia and their children are similar to those endured by thousands of women and children, living after divorce on the periphery of Jordanian society. According to

statistics report released by the Kingdom's Supreme Judge Department, there were 4,024 child support cases brought before the Jordanian religious courts in 2007, as well as 4957 cases involving women whose husbands refused to support their families financially.

These procedures are only one wave in a tide of cases. According to the best available records from the department of the Supreme Judge, the religious courts processed 50,000 cases in the year 2007, despite employing only 62 judges. That year a report from the National Centre for Human Rights (NCHR) found that every judge in the religious courts may see 40 cases every day while having only one court clerk at his disposal. Former judge and Sharia lawyer Rateb Al-Dhaher stresses that a magistrate is unable to effectively hear more than 15 cases a day, to ensure that he is able to render a just and equitable judgment. Any increase in that load may lead to accidental errors in judgment. At the top of the system, Supreme Judge Dr. Helayel admits that there is a discrepancy between the number of available judges and their case loads, but says that there are plans to inject the judicial system with all necessary resources and staff.

The physical state of the courts reflects this disarray. Buthaina Freihat, the lawyer in charge of divorce and child support and custody cases at the NCHR, indicates that "most religious courts lack basic facilities despite the fact that most of their visitors tend to be women, children and the elderly". We saw for ourselves that the religious court of East Amman zone lacks toilet facilities. The toilets in both Sahab suburb and the Middle zone in Amman were filthy, and neither court has waiting rooms. Our visits to ten religious courts (out of the thirteen in Amman) found that eight of those courts have neither separate waiting rooms nor elevators. Only three out of the ten



court buildings are smoke-free, despite a smoking ban in all public buildings.

Such facilities add to the ordeal of plaintiffs. Umm Fadel, 57, has great difficulty in climbing the stairs of Middle Amman Zone Religious Court, when she goes to collect her monthly JD40 support amount. She suffers from chronic arthritis, and is at a loss as to where to rest during the several hours she waits in front of the accounting counter. She is forced to sit on the bare floors.

The high number of cases has long since overwhelmed the system, according to a 2006 report by the National Centre for Human Rights, which denounces “slow procedures... as well as the low performance levels in the courts”, especially in the capital. The NCHR evokes the common use of the expression “graveyard for cases” among lawyers to describe the enforcement of court rulings. Meanwhile, a divorced woman who demands support for her family is forced to “pay additional amounts for bringing a fresh case to the courts every time the ex-husband escapes his commitments,” notes Asma Khodr, the Secretary-General of the Jordanian National Commission for Women’s Affairs.

Divorced men are well aware of the situation. One of them, aged 30, told us he is urging his lawyer to “use any legal loophole to minimize or avoid the payable child support amount.” Despite being well-off financially, he said he is betting on his lawyer’s skill “and on the possibility of misleading the courts by any means, whether legal or illegal.”

The resultant pain is shared by women and children, and more than money is involved. Samira, 13 years old at the time, lost consciousness in April 2009 during a hearing at Amman’s Al-Abdali Shari’ah Court. After she had refused to reject her mother’s custody and join her father

instead, to punish her, he refused to pay child support and filed a lawsuit against her. The girl “suffered intensely” from her father’s behaviour, according to her mother: “Samira’s performance in school has dropped significantly, and she has become introverted and insular.”

### **Support payments do not cover living expenses**

Umm Ahmad, a mother of four, brought a case against her ex-husband at Amman Religious Court in 2007, and won a ruling giving her a monthly support payment of JD 200. Of that sum, JD110 pays the rent, and JD40 is spent on utilities. The remaining JD50 are supposed to cover all other living expenses for her and her four sons, including food, education, medical services, clothing and a daily allowance. Umm Ahmad bitterly evokes the purchase of a brand new car by her ex-husband, one week before her support payment hearing. She says that his comfortable financial situation allowed him to marry another woman and to spend a honeymoon in Egypt.

Rasha Adel, the mother of a first grader, receives JD50 as monthly child support, although the father of the child receives a salary of JD1000, in addition to the extra income he earns from his own business.

According to the Personal Status and Family Law, support payments are set according to the financial ability of the ex-husband, and may be increased or decreased depending on his financial status. In any case, the support amount is not supposed to go below the minimum amount required to provide a basic standard of living for the ex-wife and the children.

But it does. Our field study of 180 women in support cases found that 93% of

them feel that the amounts they receive are insufficient. The Department of the Supreme Judge reported in 2007 that the average support payment is between JD40 and JD50 for the ex-wife, and JD30 –35 for each child. These figures are indeed “below the minimum living standard”, according to economic analyst Husni Ayesh: “The beneficiaries of these support payment amounts would be below the poverty line if they had no other sources of income.”

### **The spectre of corruption and abuse**

An advocate for women’s and children’s rights (who asked not to be identified) tells us how court clerks, faced with a woman seeking to follow up on a ruling in her favour, often force her to wait for several hours to receive her support payment. Sometimes the payment is made in cash through the court. But sometimes it is in the form of an endorsed cheque, which she is unable to cash, because she has no account of her own. In other words, court officers decide when, if and how a woman will receive her payments.

The court officers are very few, considering the thousands of cases they deal with annually: 33 of them cover 13 religious courts in the capital Amman. Without their intervention, the system they serve does not deliver a result. Moreover, many of the women who turn to the courts cannot understand their procedures.

The situation is ripe with corruption and the abuse of power. Among 180 women we interviewed who had turned to the religious courts for help, no less than 18% confirmed that they had been “exploited by administrative employees in the legal enforcement departments, because of their financial need and lack of knowledge regarding legal issues” The NCHR pointed

to the widespread occurrence of bribery among court officers.

Full one half of the women we interviewed also confirmed that a court officer had demanded money in return for delivering notices (such as judgments) to the defendant. This reporter also interviewed 20 court officers in Amman. Five of them admitted that they “ask for money” from the plaintiffs in a case in order to serve notice on the defendant. Conversely, six admitted that they “may respond to inducements offered by the defendant in a case, such as gifts or services, in order not to serve notice on the defendant.”

Asking for money from a claimant is “evil and a sin”, according to the Mufti of the Kingdom, Dr. Noah Al-Kudat. He considers that the loss of claimants’ rights is due to deviations from the Islamic Shari’ah law.

We also asked the department of the Supreme Judge about its stance regarding “the spread of bribery” among court officers. The department replied that it would “not hesitate to take the harshest measures against any employee who does not fulfill his duties correctly or who abuses his official position.”

One of the women we interviewed, Mrs. Ruba Hasan, said she had to pay “a minimum” of JD 5 every time she needed to have notice served on her ex-husband to force him to pay the required child support. She also said that some staff acted toward her with “immoral intentions”: She was often asked for “her personal phone number”, in an attempt to take advantage of her situation by exploiting her need to complete the necessary paperwork. In turn, court officers are often harassed or regarded with suspicion when serving papers.



## **Court officers: “Bribes pay for our transport”**

A court officer who we will call A.K. admitted that “corruption” is wide-spread among his colleagues, but he justified it by saying: “Clerks have no means of transportation at their disposal to enable them to perform their jobs well.” An enforcement officer and other court officers in Al Balqa Governorate court (their names are withheld to protect their job security) agreed that the performance of enforcement agents in particular suffers from “difficulties in transportation.” Their transportation allowance is JD 20 a month, which is insufficient to cover even one work week, during which the agent serves an average of 8 notices per day, according to enforcement agents. Transportation allowances are increased annually by only one JD. Unprecedented increases in transportation costs, reaching 20-30% according to official statistics, have only served to deepen the problem.

A.K. said that he had asked the department of the Supreme Judge to register a scooter, which he would buy with his own private funds, in the department’s name. The scooter, he explained, would enable him to perform his duties in a timely fashion. His request was denied.

He and his colleagues all said that the lack of vehicles specifically assigned for the purpose of serving notices is a major hindrance in their jobs. Our survey of 20 officers found eight who, when assigned to serving notices, “sometimes” forego delivering notices from a combination of factors that includes having to use their own cars or public transportation.

In one such case, Samia Al Harasees notified the enforcement officer of Amman Religious Court to send a court officer to serve notice on her ex-husband to pay her support. The court enforcement officer

replied that she should deliver the notice herself, which is illegal.

Mohammad Nai’m, a Sharia lawyer who specialises in divorce and child support and custody cases, agrees that court officers may not serve notice due to “low transportation allowances relative to the volume of notices to be delivered.” He compares the condition of Jordanian court officers to their Gulf counterparts, who are provided with official vehicles to perform their duties. (Nor do the Jordanians have uniforms, or even an ID card indicating that they represent an official organization.) Nai’m suggested that the department of the Supreme Judge could use a “private postal company” to serve notices, against a fixed fee, as does the Ministry of Justice.

In a written reply, the Supreme Judge, Dr. Ahmad Helayel, said that the “delay in processing, if it in fact exists, is due mainly to the incomplete paperwork necessary for the successful completion of the application, or to causes outside the court’s power. For example, the delay in serving the notice is often due to the defendant providing the wrong address.” He stressed that the religious courts take all necessary measures to ensure “accuracy and order” in their work, and in particular that court officers undergo regular training sessions.” However, an enforcement officer at one of the religious courts denies that either he or any of his colleagues have ever attended any training courses or workshops during his entire 15 year career.

## **The law discriminates against girls**

Nisreen, a teenage girl of 15 years, hides underneath the seat in her mother’s car whenever she spots her father in a nearby car. In the court, her father had requested the discontinuance of her child support





payments in revenge for the fact that she preferred to stay with her mother.

What Nisreen's father did was neither crooked nor illegal, because article No. 165 of the Family Law states that: "If a female child who is required to follow her legal guardian, rebels and refuses to join the said guardian without justification, she forfeits her right to financial support by the said guardian." The father is the legal guardian of female children.

That is why Umm Samira was forced to give up custody of her children and return them all to their father, after her daughter refused to leave her mother. When the mother's support payment of JD200 was thereupon reduced to JD160, she could no longer afford to keep her children. This reporter attempted to speak with the daughter after the court hearing, but she only repeated: "Why did my father do this? Am I not his daughter?"

Thus the law "punishes the female child in the case where she chooses the mother's custody over the father's," said the Secretary-General of the National Council for Family Affairs, Dr. Haifa Abu Ghazallah. He argues that the law contradicts article 27 of the United Nations Convention on the Rights of the Child (UNCRC), which Jordan ratified in 1990. Signatories recognise "the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development," and that parents "have the primary responsibility to secure..., within their abilities and financial capacities, the conditions of living necessary for the child's development."

Sa'adi Ushta, a Shari'ah lawyer, believes that the legislators did not adhere to fairness in making this law. The Supreme Judge, Dr. Ahmad Helayel, does not agree. He considers the law "a means of safe-

guarding both the girl's and the father's rights at the same time", because the father "has the right to the custody of his daughter who has reached puberty." If the girl refuses to respect that right "without legal cause, it becomes necessary to take legal action against such refusal in order that legal decisions are protected from disorder".

However, he believes that the term "rebellion," which in the law characterises refusal to join an ex-husband by his girl child, is "undesirable" and should be changed.

### **A stalled solution**

A divorced woman named Khawla Al Ali asked a pertinent question, without realizing that human rights organizations and lawyers have been asking it and proposing a solution for years: "Why don't they set up a special banking institution, where we are able to receive our support payments without having to go back to the courts, thus saving us much time and effort?"

The Jordanian National Commission for Women has indeed drawn up a draft law for a Support Payments Loan Fund. It would enable women to take out a loan in cases where there is difficulty in carrying out a support judgment, due to the disappearance of the ex-husband, or the difficulty of locating his exact address, or his lack of funds, or simply his avoidance of payment.

The financial resources for such a fund would be made available from the government's budget. They would be considered as "fiscal funds", meaning that the government would be responsible for collecting the requisite support amounts from the defendants (ex-husbands). They will be considered as owing the government directly.

However, the issue of allocating funds from the State's budget resulted in the project being set aside. The draft law underwent endless discussions for several years, and remains in limbo. Dr. Helayel, the Supreme

Judge, believes that there is a plan for the establishment of the fund in cooperation with official parties. But he did not indicate a time frame, nor did he discuss any concrete steps being taken to make this fund a reality.



## Afterword

by Majdoleen Allan

---

*The idea for this investigation came up more than 10 years before I joined the world of journalism. I was a student in media studies, and my divorced sister told me about the unfair conditions and treatment for women at the Sharia courts, which oversee marriage cases in Jordan. I thought then of investigating the matter, but I had no means to undertake it. Then I met Rana Sabbagh of Arab Reporters for Investigative Journalism and obtained their support. The outcomes of the investigation were beyond my expectations, as the suffering of the victims was deep and painful.*

*This report was my first investigative story. Therefore, I had no actual method to organise my work. I tried, however, to organise myself as follows:*

*I built a primary database to determine the problem, by interviewing different sources including women and children who are victims, as well as experts and legal activists.*

*After determining the core of the problem, I started searching for past documents tackling the same issue. I found the NCHR reports for the years 2006 and 2007, which mentioned loopholes in the application of the law.*

*After that I had to determine who was responsible for the problem.*

*I depended on the personal status law and reports of the Amman-based, semi-governmental National Centre for Human Rights (NCHR), which has openly criti-*

*cised the channels by which the financial support is obtained from ex-husbands at Sharia courts. All of these are open sources. I also consulted reports at the department that is in charge of Sharia courts in Jordan to get information and statistics, and the average of support payments for women and children.*

*But there were no statistics on women who face difficulties obtaining their allocations. That prompted me to formulate a questionnaire and distribute it to 130 divorced women who have cases before the Sharia courts.*

*Jordan is the only Arab country to have enacted a freedom of information (FOI) law, along with other legislation that grants journalists access to information, such as the Press and Publications Law. Despite the fact that both laws are normally ineffective, I managed to use the FOI law to ask the chief Islamic judge some questions, and the judge replied.*

*The hardest thing was to prove that court employees actually received bribes. I managed to document one case where the employee asked for money from a divorced woman. I also distributed a questionnaire to 20 key court officers, 10 of whom admitted having received bribes.*

*When writing, I like to tell the story either in a chronological way or by linking the events to places where they happened. I try to tell the facts with as few words as possible. For me, it is important to link each idea with the preceding one, to come up with a coherent text that flows*



*well, which makes it easier for readers to understand the huge amount of information.*

*I had fears of possible prosecution as the report criticizes the working mechanisms of a judicial system, and in Jordan, we have a law that allows authorities to sue any journalist who criticizes the judiciary. The legal screening offered by ARIJ got me out of this difficulty.*

*We discussed the investigation in different media outlets, in addition to a seminar at the Jordanian Social Forum, where the issue was tackled in detail. That discussion was aired on a local web TV. Winning the first prize at the ARIJ investigative journalism conference in Amman in 2009 has also led to positive reactions towards the issue.*

*There were no direct, public official reactions on the story. However, two days*

*after it was published, the department of the chief judge contacted me, asking that I unveil my sources and tell them which employees admitted receiving bribes. I refused, according to the law that allows journalists to protect their sources. Eight days after it was published, the chief judge visited one of the largest Sharia courts in Jordan, met with all the employees there and discussed the problems unveiled by the investigation. A new Sharia personal status law was passed, including amendments to points tackled by the investigation. The new law also proposed the establishment of a special fund to ensure that divorced women and their children receive their allocations without having to go through long administrative court measures, a solution that was proposed in the investigation.*

*But I am not totally satisfied. The problem is not yet solved.*

## C.

### **Europe by desert: tears of African migrants**

**For 37 days, investigative reporter Emmanuel Mayah travelled a total of 4,318 kilometres across seven countries and the Sahara desert in the company of illegal African migrants on their way to Europe. From Nigeria to Benin Republic, Togo, Burkina Faso, Mali, Niger and finally Libya, he survived to tell the story of human traffickers, sex slavery in transit camps, starvation, desert bandits, arduous toil in a salt mine, cruel thirst and deaths in the hot desert.**

by Emmanuel Mayah

---

---

### **Introduction**

*In prewar Europe, this kind of work would have been called “grand reportage”, a journey into places that few go, and fewer return from. The style flowered in the 1920s, and was a precursor of the New Journalism, a fusion of literature and reportage. It has lost popularity in recent years, mainly because viewers and readers now go to exotic (and even dangerous) places on their own, and also because few of its contemporary practitioners – with exceptions like Jon Krakauer, whose reconstructions of how outdoors recreation turns to disaster effectively*

*created a new genre in the 1990s – are more interested in the facts than in their own reactions to the facts. In other words, they get in the way of the victims of the story. Mayah’s story is the first we know of that captures an archetypal contemporary experience – the odyssey of the illegal migrant – from start to finish, and from the viewpoint of the migrants. A warning to students: The biggest problem posed by such a story, as Emmanuel Mayah is going to show you, is not how to get to such places, it is how one will get back.*

*Originally published in The Sun (Nigeria)  
December 2009*



It is a long-distance suicide, yet most travellers realize it only when it is too late. Just as they say in eastern Nigeria, the road to hell is hardly narrow. It was difficult to say how many times a day this proverb rang in the head of the old woman as she emerged with uncertain steps out of her house. For a minute she hesitated; not just to measure the visitor but squint at the midday sun as though imploring it not to be too harsh on her.

Looking grief-stricken, though with a gait that betrayed genteel elegance, she muttered a few apologies to no one in particular and said something about malaria. But everyone knew the problem was much more. Indeed, life had never been the same since news reached Madam Emeagwu that her daughter was on death row in Libya.

Since July 2009, Nigerians were still reeling from the aftershock of the news that twenty Nigerians, including one Juliet Okoro, were awaiting the hangman in Libyan prisons. Three women, including Glory Paul-Amanze and Juliet Okoro were among the twenty Nigerians sentenced to death in the North Africa country for offences ranging from murder, drug, armed robbery and immigration violations. Every year, thousands of sub-Saharan migrants, mostly Nigerians, set out on an often perilous journey across the desert to Libya from where they hope to slip into Europe for greener pasture.

But if Nigerians were not unfamiliar with reports of migrants drowning in makeshift boats in the Mediterranean or of ugly footages of human cargoes deposited at airports in yet another mass deportation, tales of execution in transit countries were a totally new dimension to the horrifying migrant story. Juliet Okoro was reported to have been convicted of murder.

“Tell me, who did my daughter kill? What is the name of the man?” Madam Emeagwu

asked, again to no one in particular. She took a seat under a guava tree outside her house. Someone had gone in to announce the presence of the visitor. At first the woman had relayed her disposition not to see any guest. Told that the visitor had come all the way from Lagos to the village, Isieke in Anambra State, she had no doubt what had brought him. Almost immediately, she wanted to know if the visitor was a government official and if there was anything he could do to help her daughter.

It was heartbreaking having no words to comfort her. For years she had believed her daughter was in Europe, possibly in America. She had never heard of a country called Libya. Her teenage nephew, who by now had abandoned the cassava chips he was preparing for lunch, had explained she had been in bed sick ever since the family received the bad news. The last time anyone heard from Juliet was in 2000.

Choosing his words carefully, this reporter announced that he was a journalist travelling to the country where Juliet was being held in prison. The journalist also told Madam Emeagwu that the Libyan government had suspended the executions of more Nigerians on death row pending the final determination of a case against Libya by a Non-Governmental Organisation, Social Economic Rights and Accountability Project (SERAP), before the African Commission on Human and People’s Rights in Banjul, The Gambia.

The woman appeared to digest this piece of information. Her eyes blurred, yet tears failed her. “They said there was no murder...” Her voice trailed off. The encounter was coming to an emotional end, unexpectedly infecting the reporter’s companion and interpreter. By this time, two other women had joined the gathering. They come almost every evening to join Madam Emeagwu in prayers. A Nigerian deportee from Libya, Angus Emenike, who



spent eleven months in Jawazat detention centre in Tripoli in 2007, had told this reporter about Juliet Okoro and where he could find her family. Finally pulling herself together, the old woman pleaded to write a letter to a daughter she had not seen in ten years and whose Ibo name was Obianuju. The interpreter did the writing, a family photograph was attached and the envelope handed over to the reporter.

## Computer fraud academy

On November 16, about 10.30 A.M, an Opel salon car eased out of the Mile-2 Motorpark on its way to the Seme border. From this dusty motor park infested with touts and money doublers, thousands of Nigerians had commenced their long and uncertain journey to Europe with a lucky few returning home to show off their success. Among the passengers were this reporter and two other male travellers on the first stretch of their journey to Libya. Ugoh I had already met; the other I would find out was 24-year-old Irabor Monday.

Five months ago, Ugoh and I had been introduced to each other at a meeting with a human trafficker who paraded himself as a travel agent. For some reasons everyone called him Rajah [full name withheld]. The first meeting between reporter and trafficker was inside the Mr. Biggs fast-food outlet on Ago Palace Way, in Okota, Lagos. Subsequent meetings were at Matenby Hotel close to Akpata Memorial Secondary School; however the session with Ugoh was held inside the premises of St. Mary's Catholic Church, in Isolo, Lagos. Inside the fast food, Rajah had assured this prospective migrant that he could procure a visa to any part of Europe, America, Asia, Canada and South Africa. Wasting little time in marketing the reputation of his amorphous agency, the man in his early forties insisted that as a rule he would not accept any money until every travel papers

had been delivered. He would provide the running cost.

For the client to assure him of prompt and full payment, he said the way out was to open a joint account, using the agreed visa fee at a bank of the reporter's choice, with the two parties as signatories. Once the embassy had issued the visa, the transaction is ended in the banking hall with the two signatories pulling the money out of the account. Should the procurement suffer a hitch, the transaction would still end in the banking hall with the client going home with his money. Most often however, such transactions were known to have ended in hide and seek. It was either a wrong and cheap visa was procured to such places as Ukraine and Syria or that the money disappeared with the second consenting signature forged. For further effect, Rajah threw in that for difficult visas, to the US and UK, he could equip a determined traveller with Botswana passport or resort to what is known in the industry parlance as transplant.

The reporter pleaded unemployment and inability to pay N450,000 visa fee, to say nothing yet of air ticket. It met with a frown. For the next ten minutes or so, Rajah poked here and there, but having finally exhausted all hopes of getting a fat fee out of this reporter, he had proceeded to sell another travel package. It was the cheapest his agency could contrive; it was called the desert option. Not for once did he mention the risk factor.

Having settled on this plan, the trafficker subjected the reporter to what was a routine interrogation: "Have you ever travelled out of the country? Were you ever deported? Do you have any brother in Europe? Any friends? Can you use your hands? What work can you do? Can you work as a barber? Electrician? Do you know anything about welding? Carpentry? But you need such skills to survive and



make it fast in Libya so you can quickly cross into Europe. What is your level of education?”

For the second time, the reporter declared he was an unemployed graduate. The trafficker paused a few seconds, and then spoke in utter reproach. “With your education, I expect your level of thinking to be high. How do you hope to make it big in Europe when you are not a woman? Brother, you have to use your brains...”

The trafficker revealed with pride that some of the migrants he had helped in the past were now “big boys” in Spain, Germany, Holland and other places. Then he revealed something else: he runs a class where registered prospective migrants are coached on credit card fraud, internet fraud, ATM fraud, Red Mercury Scam, Identity Theft, Share Certificate fraud and the notorious Advance Fee Fraud, better known as 419.

At first it appeared like a petty crook struggling to make an impression but after this reporter had met in Rajah’s hotel room, a Germany returnee who had successfully switched from stealing and exporting exotic cars to Nigeria to stealing and exporting generators, it did not take further goading to sign up for the computer class, paying N70,000 for three months. The training was mostly at night, at an innocuous-looking cybercafé inside an uncompleted three-storey building directly opposite the Isolo Public Library along Holy Saviour College Road. The first two floors are coated in green while the top remains unpainted and without windows. Ugoh was also a student of the computer fraud academy. Looking at him in faded jean trouser and a cotton shirt, it was difficult to imagine Europe was his destination.

We arrived at the Seme border. Border formalities were expectedly easy and lasted

as long as it took a commercial motorbike to meander through one of the illegal bush paths between Nigeria and Benin Republic. Any truncheon-wielding Immigration official encountered along the way received N100 for the trouble. That was for non-passport-carrying travellers going into Benin to buy anything from tomato puree to second-hand textiles, frozen chicken to fairly-used automobiles. Because our passports needed to be stamped, there was no escaping one of the most brazen display of red tape along the West Coast. On the Nigerian side, officials at the first Immigration desk demanded and received N1000 for Yellow Fever Immunization certificate.

At the next desk, another N1000 was demanded because the reporter was carrying a “virgin” passport. Travellers who had crossed that border at least once were surprisingly asked to pay half of the illegal fee. At the third and final desk, N500 was paid to squint at the stamped page. The story was more or less the same on the Benin side; just that instead of three desks, there were two.

I, Ugoh and Monday converged at Krake, the Benin side of the border. Here we changed our Naira to CFA, haggling for a good rate with the predominantly women black market dealers.

We boarded a Peugeot Station Wagon from an adjacent motor park and in a little less than an hour we were in Cotonou, precisely at the Dan Tokpa market. Ugoh put a call through and after about twenty-five minutes Rajah met us under a pedestrian bridge near the market. I had not seen him since three weeks ago when he handed me my passport. Because my original passport showed that I was a journalist and had travelled to Italy, France, South Africa and a few other overseas countries, it had become necessary to procure another passport not to blow my cover.



We were taken to a building in the Jonquet area of Cotonou. Seven of us, including four young women that had arrived before us, were kept in a back room, adjacent to another crammed with empty crates of alcoholic beverages. Rajah left and returned hours later with three more travellers, all females. Two more young women, oddly chaperoned by a scrawny-looking male character, were ushered in at dusk, swelling the ranks to thirteen.

About 7.20 p.m, a large woman waddled in; behind her Rajah. Some of the travellers appeared to have met her. She called them by names, greeted everyone warmly and requested to know what we would like for dinner. Her eyes swept the room as she conducted possibly a mental headcount. Rajah said he was still expecting one more person. In the interest of all newcomers, the large woman proceeded to give a pep talk. She reminded everyone they were in a foreign land where the people spoke no English and warned that the Beninese gendarmes were unpredictable.

She emphasized that if she were any of us, she would rather not wander around. Any request should be channelled to her or Rajah or indeed the scrawny character whose name was given as Esan. From conversations among the girls and from noises, particularly loudspeakers blaring ragga music, it finally registered we were in some back rooms in a red light neighbourhood. The little building itself was without a number but this reporter noted it was the fourth house from Hotel Gold & Base, located at C|115-116 Jonquet. Some hundred metres opposite this building was a Sonacop Filling Station and in-between them was a mini motor park with an open-air sleeping floor.

That last person Rajah had been expecting did not arrive until much after midday the following day. By this time there was already a problem in the house. One of the

first four girls we had met in the room had been sobbing. No one seemed to understand what the problem was or rather everyone was too careful to be inquisitive. But if the reporter was puzzled by the tears of the young woman whose age was about 17, he would be completely bewildered when it was revealed that the guest who had just arrived was a spiritualist imported from Edo State in Nigeria. His identity did not just tumble out. The large woman, with a suspicious identity herself, though addressed as Auntie Queen, had introduced the guest as a prophet. True, the man perfectly played the role of a prophet, leading us in marathon prayer sessions, designed to commit the travellers and the long journey ahead into the hands of the Almighty. However, the rituals that followed afterwards were nothing else but voodoo.

One after the other, save for the weeping girl, all the travellers were taken inside the crate-stacked room for a fetish oath. When this reporter was called in, the spiritualist, under the watchful eyes of Rajah and Auntie Queen explained, almost apologetic, that the exercise was a spiritual help to forestall possible arrest and repatriation from Europe and to administer an oath of secrecy and loyalty.

For a moment, the spectacle was disarming. On the floor was a magical circle outlined with native chalk. Inside it were patches of animal skin, a small three-pronged spear, a gourd and other fetish articles. The spiritualist had shed his well-embroidered white Kaftan. Over his trouser brocade and across his waist, he had tied a red-coloured skirt with a set of beads stitched to it in the shape of the human eye. Basically, the witchdoctor recited some incantations in Bini language, and then requested the traveller to repeat some lines after him. Next, the traveller was made to pick a gourd, hit it three times on his forehead and another three times on



his chest saying that he is a beneficiary of the traffickers' kindness and that with his own mouth and soul he hereby invites the deity Osunene to visit him with its most potent venom, sickness, misfortune and death should he under any circumstances divulge secret information or snitch on the traffickers before the police, Immigration or some other authorities.

Also, that the traveller invites Osunene to visit him with its wrath should he fails to remit to the last dollar, the amount specified in the contract paper as soon as he begins to earn money along the way and or at the final destination. Before Rajah, this reporter had been introduced to another trafficker by [name withheld] fondly called ThankGod. At the first and only meeting in Lagos this handsome, light-complexioned man wasted no time in saying he only took women to Libya and Europe. No amount of money offered by this reporter to take him along made any sense to ThankGod. He pointed out that before he took them along, each of his girls were made to take an oath in agreement to pay him \$25,000 for taking them to a land of opportunities before they can be free to start working for themselves. He emphasized that no man would be able to pay him such an amount whatever the ambition of doing two or three jobs. This trafficker's international telephone number was obtained by this reporter.

Something happened that the reporter never bargained for. Picking a razor blade, the spiritualist ordered the reporter to stretch out his hands. The reporter retreated, clinging on the excuse that a used blade cannot be permitted on account of HIV/AIDS. From some junks in a corner, Rajah produced a new blade. The witchdoctor proceeded to make three incisions on each of the reporter's knuckles. He wiped the blood with his own fingers and dipped same into the gourd with a liquid content. With the same blade, he

scrapped some strands off the nape of the reporter's neck, throwing the hairs into the gourd. He shook the content and ordered the reporter to drink from it. The nature of the ritual concoction was hard to say; however, encouraged by the unmistakable whiff of local gin, this reporter did as he was told.

For the rest of the evening everyone was moody; the 17-year-old was hysterical. She was the only one that refused to take the oath. From snatches of conversations, it was gathered that the girls had been subjected to more abusive rituals. In addition to the incisions, the witchdoctor had, at Auntie Queen's insistence, collected cuttings of their fingernails, pubic hairs and panties; the very ones worn to the ritual.

Beginning to get paranoid, one of the girls complained she couldn't stop feeling a part of her soul had left her. An older girl, Uhreva, dismissed the feeling with a laugh. About 24-years-old, Uhreva said it was her second blood oath. With the assistance of a human trafficker, known in the business as sponsor, she had made it to Italy in 2005 only to be deported 18 months later. Ever since, she had felt like a fish out of water. Insisting that she left Torino without a pin, Uhreva catalogued some of the possessions and nice male friends she left behind. For her, it made sense to find a way back even though her first trip had been by air and far more dignifying. With her stay in Torino not long enough to pay off her sponsor, she still had some debt hanging over her head. Yet, she was optimistic she could use the second chance she was getting to pay off both her first and second Madame and still have enough to build a house in her village, own cars, a fat bank account, a boutique or beauty salon.

Like cows, we were herded by scrawny Esan to a nearby canteen where we could eat Nigerian foods. The 17-year-old Omosan

refused to go anywhere. It was not clear if she had eaten anything all day. By the time we all returned, Auntie Queen had exploded, pouring expletives on Omosan: “I’ve had enough of your rubbish. I treat you like my own daughter but you want to use your “ogbanje” to mess with my business. Your parents begged me to take you along. There were other girls to pick from. All the girls you came here with have since moved on and you are here acting like a child.”

Rajah barged in. He too was spitting fire. He held out a cell phone towards Omosan: “Your father wants to speak with you. Take the phone...”

Omosan was not crying, but she was not saying anything either. Rajah barked again and pulled out a designer belt from his jean trouser. He stepped forward, threatening to hit Omosan with it. “Take the phone. I say take it, because your father has said we should make you do what every other girl is doing...”

## **Herded to Togo**

Like a full moon that started out a crescent, Rajah’s lawless mind was getting more robust by the day. Like cows again, we were herded to a park to begin our journey to Togo. Eight new girls had appeared from nowhere with their bags in the morning. There was no prize for guessing where they had come from after eight girls in the room were moved out to start a new life in Jonquet brothels. These traffickers, besides freighting human cargoes to Libya and Europe, also feed the trans-Saharan sex market, guaranteeing a steady supply of fresh young women to brothels.

Uhreva was left to stay in our group. Omosan told Uhreva that she would love to go to Europe but added that she would die first before submitting to a blood oath.

She gave no indication that she understood the nature of the jobs lined up for girls in Europe. Reports had it that in Europe, some of the trafficked women are subjected by male clients to sexual abuses, forced into pornography and perversions like sleeping with dogs.

Rajah was yet to decide what to do with Omosan when Auntie Queen herded 13 of us, nine girls and four men, to Togo. Disguised as a devout Muslim, she was dressed in an orange boubou, her head and shoulders covered with a flowing headscarf. We journey through Quidah, Dohi, Agatogbo, Gadome, Come, Grand Popo and finally Lome.

At the Benin-Togo border popularly called Hilla Condji was a replay of what was witnessed at Seme. Again, the extortion by border officials was a mockery of the spirit and letters of the ECOWAS (Economic Community of West African States) Protocol which proclaims free movement of people and goods across member states. At this border, this reporter encountered a Beninoise by name Dossou Gilles-Carlos Yaovi. Son of a UN diplomat whose father is currently serving in Haiti, he was on his way to Ghana. Dossou, whose father once worked in Immigration, said that most of the officials he knew had built big houses just a few years serving at Hilla Condji.

At Lome, we were quartered in a compound of two small houses and a courtyard in a dusty street off an even more dusty Boulevard du Haho. This compound was clearly a family home occupied by poor and courteous Togolese whose young children happily dedicated themselves to the service of Auntie Queen – a trafficker who it turned out could speak fluent English, French, Bini, Yoruba and a smattering of Arabic.

The children, three girls and a boy of about nine, ran errands fetching water and going

to the stores throughout the three days their parents hosted the visitors. It was difficult to say how Queen had made the acquaintance of this poor family in the first place. Most of the houses in this poor neighbourhood were without numbers; however some of the unforgettable landmarks included the Africa Bar and the Englise Neo-Apostolique church.

The following morning Queen took the eight girls away and returned late afternoon with another set of girls. Everyone was to depart Togo the next day but that plan was thwarted after Queen bitterly discovered there would be no transport to our next stop, Burkina Faso until two days later. Out of boredom or perhaps genuinely seeking the face of God, Queen suggested we attend a church service. Not one person saw it as a bad idea. We all walked to a pentecostal church headed by a Nigerian pastor. Written on the wall were “House of Excellence Church” and the same name in French: Eglise Maison D’Excellence. This church, with service conducted in English, is one of about a dozen that cater to the spiritual needs of Nigerians living in Lome. Halfway through the service, thinking for the umpteenth time about Omosan and what may have happened to her, this reporter left the church, found a telephone service and put a call to Godefroy Nacaire Chabi, a Beninoise journalist based in Cotonou.

Transport to Burkina Faso from Lome was pretty irregular and depended largely on traders from landlocked Burkina returning home from Lome markets. We journeyed from Lome to Sogode to Kara to the Togolese border town Bitou and on to Burkina’s frontier town Sekanze to Koupella to Ougadougou and to Bobo-Dioulasso. Against all expectations, the journey took three days. Several times the bus broke down on the way, travelling day and night; and at one point in the middle of nowhere, hungry passengers resorted to

buying fruits, boiled potatoes and sundry farm produce off a long line of peasants trekking to a distant market. At a town called Koupella, the bus completely broke down. We camped outside a tea seller till the following morning. This reporter was directed to a facility within a mosque complex where for CFA100, he brushed his teeth, had a bath and washed his shirt, all inside a cubicle housing a pit latrine.

By the time we arrived Ouagadougou, Rajah was waiting. Queen got out with the girls. The men were told to continue to Bobo-Dioulasso. On arrival, without any arrangements for a sleeping place, everyone loitered at the motor park and waited. There were an appreciable number of migrants in Burkina Faso; some having arrived from Ghana, Nigeria and Cote d’Ivoire and all waiting to connect to Niger Republic, specifically Niamey. Here, this reporter met a Nigerian by name Kenneth Akwekwe. He said he was on his way to Bangkok but he must first get to Senegal where his travel documents awaited him. We slept at the motor park, smudged with red earth. Almost all night, a loudspeaker blared the music of Alpha Blondie, Jerusalem.

When Queen turned up the following day, she had eleven girls behind her. It was gathered that most of the émigrés in Burkina Faso were Nigerians, predominantly of the Yoruba and Ibo tribes. A Burkina youth, trying to sell satchet water to this reporter insisted that the English word for water was nmiri. From Urheva, it was gathered that the new girls had been fetched from a part of the capital called Ouaga Due Mil, better known as Ouaga 2000. This place is said to be one of the transit camps for female victims of human trafficking. Ouaga is said to be the Jonquet of Cotonou with its fair share of brothels. It is estimated that about 250 young women, mostly Nigerians and Ghanaians, are involved in Ouaga’s sex industry.

Condemned to the same transport company, Fasowcar, we departed for Mali. Something happened that almost blew this reporter's cover. It happened at the Burkina-Mali border. The reporter's passport had been stamped and CFA3000 demanded when one of the officials spotted a camera in the inner pocket of the reporter's jacket. A search of his bag revealed the reporter's notebook. Questions after questions about identity, destination and mission. The reporter was dragged before one Urbain Gnomou, a Police Nationale who had a pistol in his waist and a portrait of President Blaise Campore glowering over his desk. In a mixture of English and French, this reporter explained he was a schoolteacher on his way to Mali to visit a sick Nigerian. Gnomou said that any journalist visiting or passing through his country must have first obtained a written permission stating his mission. The reporter tried his best to stick to his story which nobody seemed to be buying. Finally, Gnomou decided to transfer the puzzle to officials at the Malian side of the border. Fortunately, at Hedamakonu, the Malians did not even bat an eyelid. From Hedamakonu, we journeyed to Sikazou, Boogoni and finally Bamako.

### **Dreams die first**

We arrived Bamako about 4A.M. The spectacle at Sediankoro motorpark spoke volumes of the fate of African migrants along that route. There were over forty homeless young men sleeping in awkward positions inside the park. It was gathered that every one of them was a migrant that has come to a dead end in Mali. Again, the majority was Nigerians. Out of cash and unable to move on, they had resorted to touting, while waiting for new arrivals to fleece. Later, this reporter found more of them at Gekoroni, Zebenikoro and Dabanani Merche. Meanwhile, their female counterparts could be found as

sex workers at Yamakoro, Hotel Kokoti, Amadina, Domino, Kaye and Mani Bar; all with a high concentration of young Nigerian girls. It is estimated that about 1400 Nigerian girls live in Mali. Everyone of them had left home with Europe as dream destination. A Guinean with Rastafarian hairstyle took this reporter around town.

It was gathered that it is often in Mali that the scale begins to fall off the eyes of many migrants. A 27-year old Nigerian, Azeez Abiola, told this reporter that when he left home in 2007, the human trafficker had told him they would board a plane to Spain once they arrive Bamako. He had paid N600,000 for the journey only for the trafficker to do a disappearing act as soon as they had arrived Mali, abandoning him and four others to their fate. Azeez said most of the girls found in Mali were fed the same story before they set out. A furniture maker by profession, Azeez regretted throwing away a stable life in Ifo, Ogun State, only to come to Bamako to live as a motorpark tout. His daily bread depended on the number of passengers he was able to attract to a transport company.

Like Azeez, this reporter appeared abandoned. He spent three days at the motor park together with Ugoh and Irabor Monday. Aunty Queen was again gone with the girls. After the incident with the Burkina border police she had become wary. Not once did she ask any questions. Since Ouagadougou, no one had seen Rajah to whom this reporter had paid N200,000 to cover expenses.

Each new day brought new arrivals to Sediankoro. One of them was Diawara Boh from Guinea who was once captured and conscripted by rebels to fight in the Liberian war, In the past ten years, this 29-year-old had sojourned all over West Africa in search of a better life. He had been to Cote d'Ivoire, Ghana and Sierra Leone. In Nigeria he worked as a



truck driver, hauling giant generators for a Lebanese company called Mikano. Hard as he worked, he could barely feed himself on a monthly salary of N22,000 after spending half of the money on transportation.

Narrating his life experience, Diawara told this reporter: “I have been going up and down and have not seen my parents in 10 years. I worked as a slave for the Lebanese. If you cough you get a surcharge; if you are sick and cannot work, they will not pay you and if you sustain any injury the hospital bill is from your salary. Life in Nigeria was bad, but not as bad as Liberia where they gave me a gun. The rebel captured me. When they saw I could speak their language, they said come and join us. I am from Gegedou in Guinea and we share border with Liberia and Sierre Leone. I carried gun for two months but one day I escaped, following a river that leads to Guinea.”

Among the hordes of young Africans this reporter met on the way were the duo of Petros Massageloi and Sesay Koni. Both were Sierre Leoneans, refugees trying to pick up the pieces of their life after so many years at the Oru Camp in Nigeria.

During the war, [one of them] had witnessed the killing of women and the amputating of children. He would never forget how ropes were put round the necks of Nigerians only for the other end to be tied to a moving car; yet he risked his own life to save a Nigerian married to his sister. After some rebels launched a Rocket Propelled Grenade at his aunt, he escaped to Nigeria where he was able to finish school. But the certificate has not been of much use to him. Unable to get a job he had resorted to selling dye. The last straw was when the much-awaited UNHCR resettlement package came and officials in Lagos handed refugees N70,000 to start a new life instead of the anticipated N350,000.

Our next destination was Agadez in northern Niger. When Queen finally showed up, she announced we would depart the following day. Then she added the group would split in two for easier coordination. Sticking to the ritual of going to a church before going on the road, we followed her to the Chapelle des Vainqueurs International even without taking our bath. On our last night at the motor park, this reporter found out about the activities of a document syndicate who for a fee provide forged travel papers to migrants. Patterned after the infamous Oluwole in Lagos, the forgery networks provide services to migrants and human traffickers alike, selling anything from fake passport to fake immunisation certificate.

There was no way of knowing how many new girls Queen picked up in Bamako. They were travelling on a different bus. Esan made our travel arrangements for four men and two girls. This reporter paid CFA80,000 as fare to Agadez. We were to go first to Gao from where we would be transferred onto another vehicle. It sounded simple enough, besides someone would be waiting in Gao to facilitate the transfer. His name was on the back of the ticket. Just as well, the agent in Bamako called him to speak with us. About 10 a.m we were conveyed on motorbikes from the park to the bus terminal of Sonef Transport Voyageurs. The agent had paid for the Sonef ticket which turned out to be only CFA15,000 to Gao. However, the agent whose name was Aoaily encouraged the traveller to pay additional CFA10,000 to the Sonef bus conductor to smoothen passages at checkpoints. We journeyed from Bamako to Fana to Segou to Bla to Mopti to Sevare to Douanza to Gossi and finally Gao. It took two days and by the time we arrived, every passenger was covered in dust.

The man on the telephone had been waiting for the bus to arrive. His men and motor-

bikes were also waiting to convey us; six Nigerians, a Guinean and a Sierra Leonean; to their park to board the vehicle to Agadez. Excited at the reality of stepping foot on Gao, the historic city of Askia The Great, this reporter was unwary as the motorbike snaked through the ancient city. By the time he realized it; it was too late. There was no motor park, instead a hideout in a sandy neighbourhood with mud brick houses, all looking identical. He was surrounded by rogue elements headed by an Algerian who gave his name as Mohammed. Without any prompting, the reporter went on his knees. The Algerian took one look and said: "You Nigerian? You Ibo?"

He announced regrettably that the reporter had fallen into wrong hands but added that he would help because he made his fortunes transporting Nigerians across the desert and that many Ibos were his friends. After about ten minutes of deliberations with his men, he advised the reporter to pay off his captors. His men would not accept CFA40,000; not even CFA70,000. The man from the motor park gave the reporter a slap; then punched him on the face and stomach. He wanted dollars and Euros as well. An argument ensued between Mohammed and the man who had ensnared the reporter from the Sonof Park. Fearing more violence, the reporter surrendered all the CFAs and dollars on him. The only thing left was the Nigerian Naira from which they selected about nine N1000 notes perhaps to keep as mementos. As the argument continued, Mohammed moved the reporter to an inner room where two nubile young women were lying on a blanket spread on the floor. There was little point trying to make sense of anything anymore. The women appeared unaware of the commotion going on outside or perhaps they were used to it. Meanwhile, there was no sign of the reporter's travelling companions who apparently had been separated and taken to some other buildings. About

half an hour later, Mohammed emerged. A different motorbike was waiting outside. He hurried the reporter onto it and simply said: "Follow this man." The reporter was taken to a Customs post outskirts of Gao. The bike man had a message for an officer there. The name on his uniform was Moulaye Ould. It was easy to memorize, as it reminded the reporter of actress Patti Boulaye. This Arab-looking officer would put the reporter on a mini bus out of town.

### **A good Samaritan**

The reporter was relieved to see the end of the ordeal but the bus ride was not much a help. It terminated at a village some 60 kilometers from Gao. Not one of the natives spoke English. The only place the reporter knew was Gao. With a few coins still left in his back pocket, he made up CFA300 for the fare back to the ancient city. For the next two days, there was neither food nor water. There was no money to buy any. Though the reporter still had loads of naira notes, they were of no use to anyone in this part of the world. By the end of the second day, it was stark destitution as the reporter took the bold step to beg for water.

Apparently the good citizens of Mali had grown tired of the pathetic tales and spectacle of migrants on their way to Algeria or Libya. However, when the odd seemed highest, a good Samaritan came along. Aliou Maiga, a 62-year-old Malian said he lived in Nigeria for many years in Lagos, Benin-City and Abuja. He offered water, food and shelter. He exchanged some of the naira notes to CFA. It was like turning water to wine. He arranged and put the reporter on a cargo van to Agadez. Like a lifeline, the reporter clung to Aliou's telephone number. The journey took four days through military checkpoints and desert towns like Kidalli and Kallili.



## Agadez

The reputation of Agadez precedes it any day. Right from Lagos, this reporter was warned that due to the protracted Tuareg rebellion in northern Niger, Agadez is an unpredictable place to travel. The Tuareg people are said to be the original Canaanites from the Bible. Officially, a permit is required for anyone to go to northern Niger but it is rarely granted even to rich tourists. The only way to Agadez is by taking the illegal option of travelling without a permit. Paranoid that a traveller might be providing support to rebels, police have the authority to detain anyone without a cause. It is not uncommon for soldiers to force travellers to disembark from a bus and wait at a checkpoint in the middle of the desert until another bus comes to take him in the opposite direction. However, Agadez is an inevitable transit point for migrants on their way to Europe. It is also a home to drug peddlers and sex workers.

When this reporter arrived on December 2, he found hundreds of migrants from Nigeria, Ghana, Cameroun, Mali, Liberia, Guinea Bissau, Togo and Gabon. While some had been in the city for a few days or weeks, others have been trapped there for several months plotting unsuccessfully to cross the desert. Then there are the categories of migrants who have been in the city for over three years. They are easily identified by their dreadlocks and are said to have been intercepted in the desert by Libyan or Algerian security forces only to be deported 1000 kilometers back to Niger. Though most of the migrants were thoroughly in a bad shape, it took only a few hours of arrival for this reporter to begin to encounter Nigerians suffering from psychological problems.

A 21-year-old Nigerian, Olu (surname withheld) told this reporter that he had been in Agadez for 16 months. An amateur footballer, Olu and fourteen other young men

were lured by a football agent who promised to take them to Europe to play professional soccer. In April 2008 the agent, having collected between N120,000 and N200,000 from each of the players, took them to Katsina, crossed them into Niger and deposited them in Maradi. He had not been seen afterwards. In the spirit of 'forward ever – backward never', Olu, another footballer named Moruf and six others sojourned to Agadez to get closer to their dreams. He said he would die in shame at the prospect of going back home empty handed, after his family and friends had held a lavish party to send him forth to Europe.

For a token, Olu and Moruf provided shelter for the reporter in their rented hut in Agadez. They practically feed from hand to mouth. Job opportunity is a mirage with businesses controlled by Arab, Mauritanian and Hausa merchants. Agriculture, shepherding and gardening are the other economic prospects but those are greatly hampered by the harsh environment of the Agadez region. The few opportunities for migrants are back-breaking labour in construction, prostitution, peddling cocaine and heroin, theft and begging. Migrants do all sorts to pay for the next stage of their journey.

A Ghanaian in the opposite hut, Franklin Onwusu, earns about CFA400 a day working with a bricklayer in Agadez. Franklin told this reporter he almost made it to Libya early this year with 12 other migrants but Libyan security forces caught and returned them to a military post in northern Niger from where Nigerian soldiers picked up the baton and transported them back to Agadez. He had been in a limbo. To move forward he would need CFA150,000 for a direct transport to Libya. To return to Accra, it would cost him CFA80,000. His CFA400-a-day job was not even regular. It was on the fifth day that this reporter found out that Urheva was in Agadez. She disclosed that Rajah was in



the city too. For some reasons that she did not say, Aunty Queen was staying back in Bamako. Everyone had heard what happened in Mali. Esan was with Rajah; Ugoh and Irabor were somewhere in the city preparing to go to Arlit.

Through Urheva, this reporter met another Nigerian lady in the same brothel in Agadez. A graduate of microbiology, Linda (surname withheld) narrated how she had entered into a fake marriage after her National Youths Service Programme (NYSC) in Akwa Ibom State. In her desperation to go to Europe, she had accepted to be one of the wives of a traditional ruler in Ekiti State so she could make the list of his entourage on his visit to London. Marriage certificates were provided and wedding photographs arranged. The Monarch insisted on consummating the fake union but during preparations for his next overseas trip, she was denied visa.

Yet another migrant who had taken to prostitution was a housewife from Nigeria (names withheld) who said she was a victim of a bizarre marital consensus. A woman in her mid thirties, she claimed that after her husband was retired from the Nigeria Ports Authority (NPA), both of them had agreed that she used a part of his gratuity, which she said was nothing to write home about, to finance her trip to Europe. The mother of four said she had not abandoned her marriage, insisting that she had made it a point of duty to regularly speak with her husband and children on phone. However, she was full of regrets that she had been abandoned in Agadez for almost three months. The Madame whom she had paid to take her to Europe had turned her back at her just, as the trafficker never disclosed the life-threatening challenges on the way.

As the days rolled by and the reporter went about town seeking a safe travel plan, Olu warned about the activities of rogue drivers and fake travel agencies who arrange to

have their vehicles impounded and the migrants arrested in the desert. That way they pocket the fares but do not have to make the long and arduous journey to Libya. This reporter found out that there are registered transport companies like [names withheld] that travel under military escort to as far as Arlit, the last town from where migrants can proceed to Tamanrasset in Algeria. Because few migrants can afford to pay as much as CFA150,000, they go for cheaper and more dangerous options. Rebel activities also means that some of the routes are mined. Some months back, a truck carrying illegal migrants was reportedly blown apart by landmine.

One evening, outside a busy drinking parlour called Oasis, this reporter ran into Ugo and Irabor Monday. Both appeared to have aged in so short a time. Their experience in Gao was as bad as the reporter's. With them was another Nigerian called Cosmas. A father of two, Cosmas was known to weep most of the time thinking of his wife and children. He told this reporter that he left Nigeria because he was running away from a debt.

"I convinced my wife that travelling abroad was the only solution but my brother, look at me. I have been here since April. I made it to Algeria in March but one day I was walking when the gendarmes arrested me and brought me back to Arlit. My plan is to make money and return to my family. I have worked in Dukuru digging salt just to survive. There are lots of Nigerians in Dukuru living like animals. The sub-human conditions in Dukuru are such that if you stay there for only four days your mother will not be able to recognize you. I have also worked in Bilma salt mine because that appears to be one of the easiest jobs to find. But how much do I make? I am running away from debt but I have left behind those that I love most. I am here suffering because of them. I'll die for their sake."

As more people gathered at the parlour, voices inevitably rose in a passionate discussion of African politics. In what appeared to be a Parliament, opinions flew like darts in different directions: “It is better to be a prisoner in Europe than be a free citizen in Nigeria; at least I’ll be sure of three square meals a day... Nigeria is the largest importer of rice and toothpick in the whole world, yet we say we are the giant of Africa... [former Nigerian dictator Sani] Abacha’s son was found with 350 million dollars in his Swiss account. What work did he do to get such money...The money is enough to revive the nation’s railway... But what difference does it make recovering any money when the ones recovered before has been stolen by new people. It will still get back to the same Swiss Bank in another secret account...My father once said that life was better under Colonial rule...We need people like Jerry Rawlings and Thomas Sankara to rescue Africans from their leaders...”

## Across the desert

On December 12, this reporter was able to secure a place in an overloaded truck going to Dirkou. The driver was a Mauritanian. Through the help of Uhreva, the remaining Naira had been changed to CFA. The Ghanaian Franklin had strongly suggested we visit a marabout to find out what the future held for us. We did. For CFA800, the marabout said he could see no obstacle in our way. While waiting for departure, news reached the reporter that the trafficker Ikechukwu was in Agadez on his way to Libya with eight girls. This reporter met one of the trafficker’s foot soldiers, a Nigerian named Marcel [surname withheld] who had just arrived from Arlit. Marcel, who had lived in Libya for two years, said that Nigerian human traffickers operate secret brothels popularly called “bunkers”.

“These traffickers have the money; so they are able to rent houses in Libya.They bring

in these girls and keep them there as their wives. Women don’t come out in Libya so the girls remain indoors all the time. It is the man that goes out to get clients; they pay to him and he leads them into his house. The girls are kept there like slaves but the man provides food and everything. After the girls have fully paid back the amount stated in the oath, they are free to work for themselves, but they must also pay the man for using his bunker and for bringing men to them since they cannot step outside.”

It was also gathered that Bini women now take girls through Agadez to Algeria and Morocco. But instead of taking them to Italy like before, they sell off the girls to members of organized crime groups who come from Italy for the illicit trade. They also sell to older Nigerian women, mostly retired sex workers, who collude with criminal gangs to smuggle the girls into Europe.

ThankGod it was learnt operates his sex house in Libya as a joint business with his wife. Desperate to increase the number of his girls to ten, he was said to have given money to Marcel to trick two girls to detour and follow him to Libya instead of following someone else to Morocco, When this reporter, back in Lagos, called him on phone, the trafficker grunted ‘wrong number’ and switched off.

Two years ago, one Chinedu Okoro had died in the desert on his way to Libya after he and eight others had each paid N130,000 to a human trafficker, Rowland Chide Nlewedum. Rowland had buried the deceased in the desert claiming the migrant had died of swollen feet. Unconvinced, the victim’s family had got the trafficker arrested when he turned up in Nigeria to marry a wife.

We were about forty passengers, including seven women, crammed inside a truck. Following travel advice, this reporter was



armed with garri, sugar, bread, small honey and five-litre jerrycan of water. He also was carrying a sheepskin bag of water inside which was hidden his camera. It was a miracle that Mohammed and his men did not notice the camera during the robbery in Gao. We journeyed from Agadez to Bilma where we saw a salt caravan of over 200 camels; to Achegour and Dirkou. The desert has no roads, no trees, no houses, no signpost, no milestone and no friends. We travelled for four days swinging like a pendulum between extremely hot and extremely cold weather as days turned to night.

There was an unbearable stench as adults urinated inside the moving truck. At least once in a day, we came across carcasses of dead animals, human skeletons and personal items like passports and Bible. Migrants are known to have fallen off the moving truck to their death; some are known to have been attacked by desert snakes and other uncanny creatures and many are known to have died of thirst when the truck breaks down or the driver misses his way. Thankfully none of these happened. But something else did and like most tragedies it happened without a warning. It was a little before Dirkou, after Achigour when the truck was intercepted by desert bandits. After everyone had hurried down, passengers began to bring out their money.

This reporter wasted no time in stripping naked after a few men had done so. The bandits separated the men from the women. Because of the influx of travellers, Tuaregs in the Dirkou region blame migrants for the high cost of food which come from Agadez. They also jealously guard their water wells with guns. For what seemed an eternity, they searched every human openings including anus where some migrants had learnt to hide money. There have been reports of migrants disembowelled either because the bandit was impatient or simply did not want to suffer the indignities of digging their fingers into that part of the body.

One Nigerian, who was found carrying pharmaceutical products, which he had calculated would give him a headstart in Libya after he had sold them, was forced by the bandits to swallow two tablets of each of the drugs. The reporter had kept his head bowed and could not say how long the bestiality had been going on. But right before everybody, one of the Tuaregs was raping a Nigerian girl later identified as Rose. She did not cry but lay there in the sand taking it.

We were allowed to continue on our journey but things were no longer the same. Nobody was talking as we continued to Dirkou to Dao Timni to a military post at Madama; across the border into the Libyan town of Tajarhi and finally Al Gatrun. It had taken five more days and the reporter had become very sick. From here, the rest will make their way to Tripoli.

The man who had drunk medicines did not make it to Al Gatrun. He had become so sick he begged to be brought down from the truck at Dao Timni. There was no waiting, no time for words of sympathy or encouragement as any more minute spent in the desert is more water, more food and more risk.

Rose looked broken and distraught. Her ordeal was too much a prize to pay for any paradise. The reporter disembarked and handed Juliet Okoro's letter to Ugoh. He was in Libya and saw little point in hitch-hiking with others to Sebha and to Tripoli or Benghazi. Every step forward was a further risk. Before the trip, the reporter had visited the Libyan Embassy in Abuja in an effort to make legal his entry into the country. But the Libyan Embassy had been shut for months. The Libyan Ministry of Interior and the Departments of Anti-Infiltration and Illegal Immigration operate over 27 detention centres. The reporter waited till the following day to follow the same transport back to Agadez.



## Afterword

by Emmanuel Mayah

---

*The story idea came with the news report in 2009 of secret executions of illegal migrants in Libya and of 20 Nigerians on death row in the North African country. Among them were three women. To a large extent, I ended with the same story that I started with; the only difference was in discovering and investigating as well other criminal groups affiliated to the human trafficking network.*

*From a material perspective, the hardest thing I had to deal with was funding. My editor was not too enthusiastic about the story, especially one that could hardly be accommodated by the average newsroom budget. I had to invest my prize money received from the Forum of African Investigative Reporters (FAIR) for an earlier investigative story on tobacco smuggling.*

*Since the nature of the investigation was participatory, the basic documents I needed to seek were travel papers; fake documents that could mask my identity. However, one critical document that I badly needed to support my story was photographs of at least one of the human traffickers. I felt it would help give credibility to my story. A lot of resourcefulness went into achieving that.*

*The major challenge I had was working with conventional tools. I had no money to procure a spy camera for instance. Looking back now I doubt if having one could have made much difference. Travelling the desert route took 37 days; I don't know of any undercover reporter that remained wired for that length of time.*

*Working with a conventional camera still meant I must take extra care to protect the*

*camera and to preserve images. Almost all the time, I hid the camera inside my underpants. It was the same way I carried cameras in previous undercover assignments. At the planning stage, I had to figure out the right clothing.*

*I also took advantage of the fact that in the desert people wear jackets and covered themselves in layers of rags. This way, it was not too difficult to hide the camera sometimes in the inner pocket of my jacket especially when I must take shots. I would go to a corner pretending to pee, bring the camera out from my underpants and transfer to my pocket. I cover the camera with my rags whenever I'm taking shots.*

*To guard against loss of my data, I took along eight memory cards. Each time we arrived at a new destination I removed the memory card from the camera and inserted a new one. In the event the camera was stolen or discovered by border security, I would have lost only one memory card. After the terrible encounter with the thieves of Gao, the idea of a sheepskin bag for the camera became attractive.*

*My research began and depended largely on human sources, mainly migrants and victims of human trafficking deported en masse from Libya and Europe. Besides sketchy newspaper reports that relayed official comments, there were not much documents on the subject or an insider account of the trafficking network.*

*I organise my materials at periodic intervals. I carried on me a small notebook, jotted names of people and places and events in tiny handwriting in my local*

language. When the border police in Burkina Faso found my notebook, I guess I got off light because the content of the notebook was neither in French nor English nor in a language that anyone could read. As much as possible, I sat apart from members of my group inside the bus so none would see me scribbling, among other travellers. The period I spend in the toilet, whenever I found one, was used jotting down my observations.

From a psychological perspective, the worst moment was giving in to pressure to participate in the fetish oath of secrecy. I sometimes found myself worried sick if there would be some voodoo repercussions. I finally dealt with it, reminding myself that these were criminals who haven't for once kept to their own side of any bargain.

From a political perspective, I was disappointed by the unwillingness of NAPTIP, the anti-human trafficking agency, to collaborate with me. I had gone to the agency before I set out on the journey seeking technical assistance. I had requested they linked me to their counterpart agencies in the various countries along my route; names and telephone numbers of officials I could contact if I ran into trouble. If they had done so, perhaps help could have come for 17-year – old Omosan in Benin Republic.

There was no sufficient demonstration of political will across the affected African countries to suggest sincere commitment to the fight against human trafficking. Extortions at the various border posts clearly showed that a good number of uniformed officials were living off the twin industry of illegal migration and human trafficking.

The best piece of luck for me was getting the assistance of a Good Samaritan two days after the robbery at Gao. Without the kindness of the 62-year-old Malian, I doubt if I would have survived to tell the story.

It is difficult to say what preceded it other than having lived in Nigeria before.

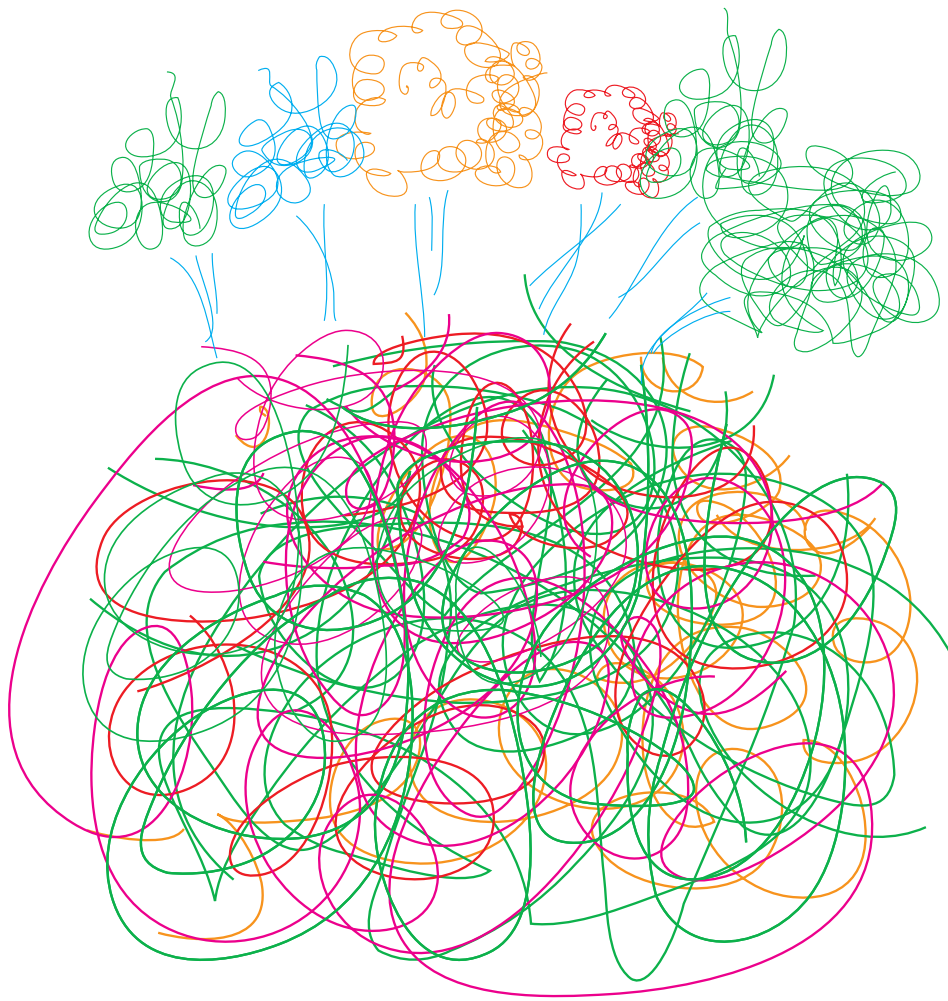
By nature, I am not given to conventions. It just does not work for me. I never write sitting at a desk. That mean, you won't find me working in the newsroom. I write in bed, on the sofa; that kind of places. When my writing starts getting tacky I watch cartoons.

I didn't have to do much really. I simply followed the resonance which encouraged me to enter it for an award. When the story fetched me the CNN African Journalist Award it increased the impact to the point that my Managing Director asked that the story be re-run.

Reactions to the story (first published in The Sun Newspaper and republished in various journals and websites across the world) have come from different quarters. I have received commendations from religious and community leaders in Nigeria, the Nigeria Press Council and from NAPTIP (National Agency for Prohibition in Trafficking in Persons). The fraud academy mentioned in the story has been shut by the police. I have provided additional information not mentioned in the story to NAPTIP to help the agency in its work.

At a ceremony in Nigeria's capital Abuja, attended by officials of the Embassy of The Netherlands, Embassy of Switzerland and representatives of the United Nation Interregional Crime and Justice Research Institute (UNICRI), I was in August 2010 honoured and inducted by NAPTIP as "Anti Human Trafficking Ambassador", "in recognition of your effort towards combating human trafficking in Nigeria".

I was interviewed on national television and was invited to speak to a high school audience in Lagos. I have also given talks on my desert experience in Senegal, South Africa, Cameroun and the Netherlands.



---

---

3

## Chapter Three

# Can this planet be saved? Investigating the environment

---

---



A.

## Streams of filth

**Money is flowing like water into prominent government projects on river conservation, but there is little effect on India's lifelines.**

by Shayamlal Yadav

---

### Introduction

While mainstream print and broadcast media in Europe and the US, with some exceptions, have suffered a triple decline of audience, revenues and human capacity over the past decade, India's media have been on the rise in more ways than one. The world's biggest democracy is presently the scene of a stupefying competition for expanding, newly prosperous media audiences, in print as in broadcast. Simultaneously, the establishment of a strong "Right to Information" law (RTI for short) has given reporters potent new tools, and those tools are being used. In the piece published here, Shayamlal Yadav

delivers a classic investigative theme – a bright promise that became another betrayal in a long list. He does so on the basis of the government's own data. Thus when you finish this story, you cannot argue about whether India's river conservation policies have failed (as you could, say, after reading an editorial on the subject). If you are not a liar, you will only ask what can be done about it. Part of the impact in this story resides in superb, colourful graphics that make complex data immediately clear for the viewer – which is why we reproduce the article in its original published form.

Published in India Today  
December 17 2009



THE CENTRAL POLLUTION CONTROL BOARD'S FINDINGS SAY THAT MOST



# Streams OF FILTH

Money is flowing like water into prominent government projects on river conservation, but there is little effect on the nation's lifelines

By Shyamlal Yadav

In a fantasy India, a cinematic, fictitious one, the River always flows with serene timelessness. Wherever it goes—icy crags, dusty, thirsty plains or through heavy, damp air—the River contains spiritual depth and emotional weight. All this is lovely to dream, and ideal for tourist brochures where India is called incredible. But to believe that the River in India is both holy and pure is to believe that fiction is fact.

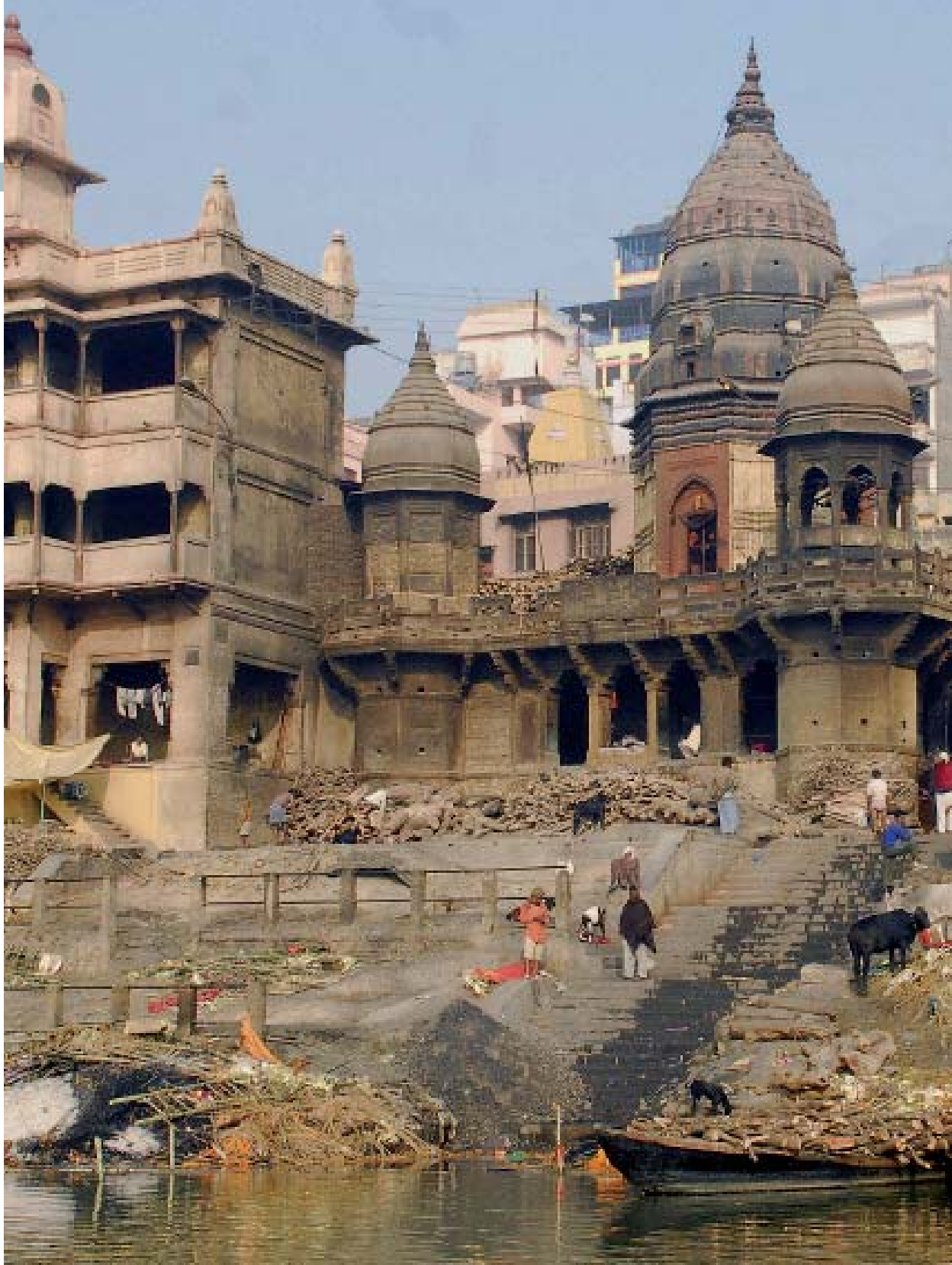
In just over a decade, India's major rivers have been desecrated. Urban filth and industrial pollution are scientific causes, but what drives them is personal greed and administrative indifference. Environmentalists believe that apart from industrial pollution and sewage, the increase in number of slaughterhouse, dhobi ghats, crematoria and slums are the major sources of pollution in these rivers. Every year, religious idols are immersed in rivers which lose a little more of their life as they are choked yet again. Recently the Supreme Court rejected a PIL filed by a Delhi resident Salek Chand Jain seeking a ban on immersion of idols in rivers and said, "The court can't ask so many states to impose a ban. You may approach appropriate authorities to have your grievance redressed." In major towns, as riverbeds run dry with an expanding sheet of silt, the construction business steps in to offer roughly built brick structures that can be ashrams as well as apartment blocks.

Take Delhi for example. As the host for the 2010 Commonwealth Games, an athletes' village was built on the Yamuna riverbed by arm-twisting the law and court rulings. This, when Delhi's sewage mechanism is teetering on the verge of collapse. The total sewage generated is 3,470 million litres per day (MLD) in a city that has a treatment capacity of around 2,325 MLD. What really works in that treatment capacity is only about 1,570 MLD due to the inefficiency of the sewage treatment plants and all 11 common effluent treatment plants in Delhi. The required technology is not available, says Chief

## THE YAMUNA

With increasing sewage and industrial waste, and no flow of required fresh water, the Delhi stretch of the Yamuna is almost dead. Efforts to resuscitate the river have been futile as it turns into one big sewage drain.

OF THE RIVERS IN INDIA ARE NOT JUST POLLUTED BUT SEVERELY TOXIC.



### THE GANGA

After Rs 780 crore, the holy Ganga is still no cleaner. Now, even with the World Bank agreeing to an initial assistance of \$1 billion, it's doubtful if money can bring the river back to its health

OVER THE PAST TWO DECADES, POLLUTION IN THE GANGA RIVER

Minister Sheila Dikshit, "The Yamuna Action Plan I and II have not yielded the desired results despite crores of rupees being spent on them. Though teams were sent to see the Thames and Seine, it would take another seven-eight years for the Yamuna to be like them." The Yamuna's violation continues as it moves eastward. In Mathura, the Yamuna is getting silted as pillars are being constructed by the Mathura-Vrindavan Development Authority in the middle of

the riverbed as part of a road which will be parallel to the 16th-century ghats.

Chennai's four sewage treatment plants take care of 264 MLD of sewage instead of the required 530 MLD. In Jharkhand, the presence of unregulated mining and mineral industries have silted the Subarnarekha. It is not as if these incidents are the fallout of India Shining. The National River Conservation Plan (NRCP) was launched in 1995 to clean up major rivers.

## CHOKED CHANNELS

Biochemical Oxygen Demand (BOD) reading is a parameter to judge the general quality of water

A BOD reading of 2mg/l or less means the water is potable without treatment; 2-3 mg/l means it is drinkable only after treatment; over 3mg/l, it is unusable even for fish and wildlife

RIVER	BOD Ratings*
Ganga	21 at Kanpur, Uttar Pradesh
Godavari	20 at Tapovan
Gomati	14 at Lucknow, Uttar Pradesh
Khan	50 at Indore, Madhya Pradesh
Krishna	17.6 at Mahuli, Maharashtra
Musi	34 at Rangareddy, Andhra Pradesh
Narmada	11.4 at Hoshangabad, MP
Sabarmati	48 at Vautha, Gujarat
Satluj	48 at Ludhiana, Punjab
Tapi	21 at Ajnand, Maharashtra
Wainganga	10.5 at Ashti, Maharashtra
Yamuna	70 at Okhla, Delhi
Subarnarekha	10.5 at Tatisilwai, Jharkhand

*The readings are from the Central Pollution Control Board*

SANJAY SONKAR



**HAS GONE UP THREE-FOLD AND THAT IN THE YAMUNA BY SEVEN TIMES.**

The plan was an expansion of the 1985 Ganga Action Plan, covering 18 grossly polluted river stretches in 10 states at a projected cost of Rs 772 crore. It has now spread to 167 towns in 20 states and includes 38 rivers, including its latest entry, the Panchganga in August 2009.

Today, the NRCB is not a focussed, successful environmental plan but a bureaucratic abacus whose only job is to add up the moving columns. Officers of NRCB have so far spent over Rs 94.97

lakh on foreign trips to the USA, the UK, Israel, the Netherlands, Japan, Austria and Australia to study the pollution control mechanism of these countries. Its programme has cost an enormous Rs 3,892 crore, but the consequences have been a series of failures. Before August 2009, the NRCB had to focus on around 2,500 km of polluted stretches from the 22,127 km of 37 rivers. Even as the expenditure for every kilometre of polluted river has risen over

### THE KHAN

The Indore stretch of this 56-km long river is the most polluted among the rivers of Madhya Pradesh. Since 1995, Rs 39.55 crore have been spent on a clean-up but it still remains filthy

# DOWN THE DRAIN

Even after hundreds of crores spent by the NRCP, almost all our rivers remain terribly polluted



The National River Conservation Plan was launched in 1995 to clean and protect major rivers in India. The total length of the 38 rivers under the plan is 22,208 km and that of polluted stretches totals about 2,500 km. The NRCP was an expansion of the Ganga Action Plan, set up in 1985 with 18 grossly polluted stretches of rivers in 10 states with a projected cost of Rs 772 crore.

MONEY SPENT SO FAR ON BATTLING RIVER POLLUTION: **RS 3,892.32 CRORE\***

Rivers covered **38**

States covered **20**

Towns covered **167**

\*This includes Rs 429 crore that was spent on the Ganga Action Plan before the NRCP. The expenditure figures are till 30th June 2009. The length of the rivers is approximate.

"The required technology is not available. Though teams have gone abroad to see the Thames and Seine, it would take another seven-eight years for the Yamuna to become like any of these rivers."

**SHEILA DIKSHIT, Delhi Chief Minister**

RAJESH BHAMBI



Rs 1.5 crore, only two rivers out of the 37 (the Narmada and Mandovi) are now deemed clean. But the Central Pollution Control Board (CPCB) contradicts itself while making the claim that these two rivers are "not polluted now", as it itself gave the BOD of 11.4mg/litre for the Narmada at Hoshangabad and 4.7mg/litre for Mandovi at Tonca, Goa.

An INDIA TODAY investigation into the NRCP's entire misadventure, for which more than 30 applications were filed under the RTI Act, has revealed its failure as authorities like the CPCB still say our rivers are dirtier than they used to be. Two decades of failure around the Ganga project led Minister of State for Environment and Forests Jairam Ramesh to admit in Parliament that the quality of the Ganga and Yamuna is as bad as it was 20 years ago. The reason, he said, was that the pollution load, "has increased much beyond our expectation. The sewage treatment plants have not been

#### THE CHAMBAL

Rs 3.58 crore has already been spent on it since it came under the NRCP in 1995. Almost 50 km of the 425-km Chambal is polluted; it's the filthiest at Kota, Rajasthan.



PURUSHOTTAM DIWAKAR / www.indiatodayimages.com

#### THE SATLUJ

Rising from beyond Indian borders in Tibet, the Satluj is no more than a drain as it crosses Punjab where it is dirtied by the industrial and urban pollution of 12 major cities

**RS 1.5 CRORE HAS BEEN SPENT TO CLEAN UP EVERY POLLUTED KILOMETRE.**

running at their full capacity due to the inability of the urban local bodies to provide for full operation and maintenance cost”.

The CPCB's findings about the NRCP's rivers state that most of them have BOD (biochemical oxygen demand) readings that are not in the merely polluted range but in that representing severe toxicity (see box). Even though the readings of the CPCB and the CWC are conflicting, experts believe that even in their most poisonous parts, some of India's most famous rivers are merely urban ditches. What makes the matter worse is the construction of dams on various rivers. Noted environmentalist Anupam Mishra says, “We can't stop river pollution until we stop construction of big dams, which was the reason behind the flood in the southern states this year.”

For the rest, time has changed very little, other than the rise in rivers' pollution levels. When the GAP-I was initiated in 1985, the BOD in the Ganga at Kanpur was 6.9mg/litre while the latest sample of CPCB marks it at 21. In 1980, the BOD in the Yamuna at Okhla was 10.6mg/litre, but is now 70. Pollution in the Ganga has gone up three-fold and in the Yamuna by seven

times. The NRCP's files, of course, read perfectly: the programmes include construction of sewage treatment plants, low-cost sanitation works, electric or improved crematoria, river front development and public participation. None of these have been made to work like it should. Every river across India has a sorry story: down south in Chennai, the Cooum and Adayar rivers are famous for industrial pollution. Under the NRCP, Rs 491.52 crore have been sanctioned to clean them while other rivers in the state have been sanctioned Rs 616.17 crore to have particular stretches cleaned. The state's environment council president L. Antonysamy accuses the Chennai endeavour of lack of accountability. “Chennai Metrowater emphasises that only treated sewage is discharged into the water courses. But it is not happening.”

Kerala's Pampa, the lifeline of central Kerala and a water source for 30 lakh people, was included in the first phase of the NRCP in 2003-04 and was slated for cleanup by 2008-09. Today, most of the 11 NRCP projects are under construction and work is yet to begin on the largest one. The state Government moved to set

### THE YAMUNA

In Vrindavan, greed is taking concrete shape as pillars are being constructed in the middle of the riverbed as part of a motorable road which will run parallel to the 16th-century ghats

BANDEEP SINGH / www.indiatodayimages.com



“The scheme of abatement of pollution can't be successful until we stop construction of big dams. Rivers should be allowed to flow naturally to remain unpolluted.”

ANUPAM MISHRA, Environmentalist

## INTERVIEW | JAIRAM RAMESH

# “If we do not change the National River Conservation Plan, the money will continue to get wasted”

Minister of State (independent charge) for Environment and Forests Jairam Ramesh hardly finds time to speak on rivers. Special Correspondent SHYAMLAL YADAV spoke to him at his office about the NRCP's state of affairs. Excerpts:

Q. Has the NRCP failed?

A. I will not say it has failed. The situation would have been even worse had the scheme not been there.

Q. What lessons have been learnt from this?

A. We are now focusing on basins while earlier it was town-specific. There is a National Green Tribunal Bill pending before Parliament.

Q. Does the NRCP need to be replaced/ redrafted?

A. If we will not change it, the money will continue to get wasted.

Q. What other problems you faced while dealing with rivers' pollution?

A. In the case of the Bhagirathi, Alaknanda, Ganga, Tista and many other rivers where big dams are being constructed and hydel projects being installed, the water is going into tunnels. The NGRBA has discussed this. We will bring a policy within next two-three months. On new projects, we will go ahead only after planning it well.

Q. Some less important southern rivers have been included in the NRCP because of coalition politics.

A. I can only say that the politics will not be the basis of selection of rivers for the NRCP anymore. We will take



YASBANT NEGI / www.indiatodayimages.com

decisions only on the basis of need.

Q. Also, the financing formula for the NGRBA has not been finalised yet.

A. We proposed a 70/30 formula: 70 per cent from the Centre and 30 per cent from the state. Two states demanded that it should be wholly financed by the Centre. One state demanded that it should be 90/10. But in my view the 70/30 formula is alright. There must be participation of the states.

Q. Do you have any proposal to fix accountability for the implementing authorities and officials?

A. Yes, we are going to sign tripartite agreements among states, urban local bodies and the Centre in which the responsibilities will be clearly mentioned.

up an authority to monitor the slothful work only as late as in August 2008.

The Chambal in Rajasthan has not only suffered from being dirtied but is also the victim of a Centre-state clash over NRCP funding. In 1995, the state asked for Rs 30.53 crore but received only Rs 13.13 crore. A peeved state Government refused to spend any money on the project. A 2005 request was also turned down, but two years later the state agreed to cough up 30 per cent of a Rs 150-crore project to clean the river. Many project reports have been prepared regularly but there is no certainty when the government will start executing the work. Last week, Punjab Chief Minister Parkash Singh Badal sought immediate release of Rs 302 crore from the Central Government for controlling pollution in the Sutlej and Ghaggar.

Once again, the focus of attention—and the funding—has been the Ganga and our self-ob-

essed capital's much-abused Yamuna. In 2007, Prime Minister Manmohan Singh had set up a high-powered committee for conservation and development of the Yamuna and a National Ganga River Basin Authority (NGRBA) in February 2009, being chairman for the both. The first meeting of the NGRBA recently resolved that the Ganga will be pollution-free by 2020 and will cost around Rs 15,000 crore. The World Bank recently agreed to provide an initial assistance of \$1 billion for NGRBA in the next four-five years.

No matter how well charted those presentations may be and those funds may sound, India's solution to its river pollution does not depend on money. What matters is the integrity of those in the business of implementation and the swiftness and conscientiousness of the NRCP.

*with Ambreesh Mishra, Rohit Parihar, M.G. Radhakrishnan, Arvind Chhabra, Swati Mathur, Amitabh Srivastava, Farzand Ahmed and Adhi Valliappan*

## Afterword

by Shyam Lal Yadav

---

*The idea for this story clicked when my editor-in-chief wrote a letter in one of the special issues of India Today that despite many achievements on many fronts, India has yet to successfully clean its rivers. I framed the story as how much money was spent on tackling pollution in prominent rivers that were covered under the National River Conservation Plan (NRCP) – to expose how the NRCP is a failed effort despite huge expenditure. Before this story other Indian media had pointed to the pollution of rivers, but none covered all the rivers included under NRCP, and none exposed its full impact.*

*This story would have been impossible to do without the Right to Information (RTI) Act, implemented in India in October 2005. The RTI Act is like a weapon for media to dig out exclusive and credible information from the government machinery. But unless you are focused, it's not easy to get and use any such information. "Focused" means that a journalist must have clarity in his mind about what he really wants to know and what he really is going to say in his story. Otherwise his or her story may be full of information, but he or she may not have something to say.*

*The NRCP started in the mid-1980s and rivers were taken into it one after other. First I researched how many authorities are involved in this ambitious scheme. I had to file similar queries to the Central Pollution Control Board (CPCB), a dozen Provincial Pollution Control Boards, the Central Water Commission and the Union Ministry of Environment & Forests. I simply asked for a copy of the report on the first sample of water taken from the each of 38 rivers. Then we sought the report on the latest samples taken from the same locations.*

*All the documents did not come to me in one go. I had to chase the authorities by filing queries one after other. Here in India, to obtain exclusive information is really a challenging job even with the RTI Act. Since the government authorities are trained to hide the information, it took one year to get all the facts I needed. After getting all the information I analysed it with the help of my sources and editors. Then I interviewed the concerned minister and sent photographers to some polluted locations. Then, I enlisted artists to prepare communicative graphics.*

*I typically work on many such projects at one time, and stories are published as they mature. My employers cannot allow me to work on only one story throughout a year. I think that once you have complete information on your theme, and once you are well focused, writing is no problem. Two keys: To be convincing and logical, you have to be chronological; and to make a story like this communicative, you have to use more and more pictures, graphics and bullet boxes.*

*After you get the certified information using RTI Act there is almost no possibility for any litigation and correction. That is the beauty of RTI act for media. Nobody challenged the facts and nobody prosecuted us. Instead I got praise from many quarters and received two international awards in 2010 – the Lorenzo Natali Journalism from the European Commission and the Developing Asia Journalism Award from the Asian Development Bank. The Government has initiated many changes to pollution control mechanisms in these rivers. So I am satisfied with results of the story and the recognition I got from it.*





**B.****Conning the climate:  
inside the carbon-trading  
shell game**

by Mark Schapiro

**Introduction**

*Few journalists have invested so much of their careers in environmental investigations as Mark Schapiro of the Center for Investigative Reporting in Oakland, California. Among other things, he's got a Columbo manner and a gift for finding the drama in complex issues. The piece below defines the difference between explanatory journalism, or "how things work", and investigative reporting, which is usually about how things fall off the tracks. There has been plenty of coverage about carbon trading, a multi-billion dollar scheme through which market forces are allegedly harnessed to save the environment. Schapiro takes apart the system, piece by piece, until he discovers the gaping emptiness at its core. A crucial, but implicit element of this story is that Schapiro respects his own insights as much as he respects those of his sources. A great many reporters see themselves, in essence, as*

*messengers for more important, righteous, wise or knowledgeable people. Most of the time, it's because they doubt their own worth, and became reporters in order to frequent worthier people. Needless to say, they can't do an investigation that involves denouncing the mistakes (which are frequent) or outright crimes (which happen) of those same worthies. Schapiro, in contrast, moves into the circles of his sources as an equal. He speaks to the reader like someone who has the right to give his own opinion, because he has thoroughly earned it. The astonishing ritual of his preparation for encounters with sources, which he describes in his afterword, will tell you a key part of how he achieves this performance. Note as well how he organises the story-line, moving us among successive settings and sets of characters in this strange new industry at the same time he maps it.*

*From Harper's Magazine (US)  
February 2010*

“No, it’s not abstract, up there in the clouds!” exclaimed Talita Beck. “I can see it. I can measure it.” We were talking about carbon, because Beck by trade is a carbon accountant, a profession that did not even exist a decade ago. Several times a month, she heads out from her high-tech office in Sao Paulo, Brazil, to see carbon emissions – or, more precisely, to pay visits to sites that have sworn not to emit. Such promises, whether made by malodorous pig farms, squalid city dumps, or rustic sugar-cane processing mills, can be transformed into millions of dollars by industries thousands of miles away, in Britain or Germany or Japan or in any other country that has ratified the Kyoto Protocols.

Carbon trading is now the fastest-growing commodities market on earth. Since 2005, when major greenhouse gas polluters in the Kyoto countries were issued caps on their emissions and permitted to purchase credits, based on emission reductions elsewhere, to meet those caps, there have been more than \$300 billion worth of carbon transactions. Major financial institutions such as Goldman Sachs, Merrill Lynch, and Citibank now host carbon trading desks in London; traders who once speculated in oil and gas are now speculating on the prospect of making one of the insidious side-effects of our fossil fuel-based economy disappear. Over the next decade, if President Obama and other advocates can institute a cap-and-trade system in the United States, the demand for carbon credits could explode into a \$2-43 trillion market, according to the market analyst firm Point Carbon.

Under the cap-and-trade system, regulated industries – the largest being power generation, chemicals, steel and cement – are given limits on their total emissions, and companies can purchase emission reductions from others in lieu of reducing emissions themselves. Already, European

companies buy and trade their credits frequently under parameters established by the European Union, which assigns a baseline emissions level to major industries as well as future limits they have to meet. The measurement of reductions is relatively straightforward, based on readings from meters installed at regulated power stations and manufacturing facilities.

But measuring the prospect of future emission reductions is another matter. Kyoto also allows companies to purchase “offsets,” credits from emissions-reducing projects in developing countries. Such projects, which currently account for as much as a third of total tradable credits, depending on the country, are overseen not by the EU but by the United Nations. In this way, more than 300 million credits – each representing the equivalent of one metric ton of carbon dioxide – have been generated. (If cap-and-trade were to be implemented in the United States, this number would likely multiply by at least one-hundred percent).

Whole new careers are blossoming: “carbon developers,” many of them employed by large multinational firms, travel the world in search of carbon reduction projects to sell, while carbon accountants, such as Talita Beck, are paid to affirm that those reductions are real.

I met Beck at the Brazilian offices of her employer, the SGS Group. Gas chromatographs and other sensing devices were piled in a closet down the hall. Founded in France more than a century ago to verify the weight of grains traded across Europe, SGS has now moved far beyond assessing the moisture levels in barley. Its core business, broadly construed, is product safety; in the United States, for example, its sensors detect the presence of genetically engineered ingredients in food, and the presence of toxic chemicals in children’s toys. But after Kyoto, the company



expanded into the new field of carbon verification. SGS now employs more than one hundred validators in a dozen offices around the world. One of these is Beck, who obtained an environmental science degree in England before returning to her native Brazil in 2008, with the dream of helping to solve the biggest global challenge of our time. “We’re like environmental police officers,” she told me. “You have the law; that’s the United Nations. And you have the police – that’s us.”

Never before has the United Nations presided over the issuing of securities, and carbon offsets – authorized through the body’s Clean Development Mechanism (CDM) – are unlike any securities ever created. Greenhouse gases are emitted by factories, automobiles, felled trees, animal and agricultural waste, and innumerable other sources from every corner of the earth; the supply of promises to reduce these gases is potentially infinite. And unlike with traditional commodities, which sometimes in the course of their market exchange must be delivered to someone in physical form, the carbon market is based entirely on a lack of delivery of an invisible substance to no one. In an attempt to compensate for this intangibility, the United Nations has certified twenty-six firms worldwide to “validate” the promises of emission reducers and then, often years later, to “verify” that those reductions in fact occurred. In UN lingo, each of the carbon accounting firms are called a Designated Operational Entity, or DOE – designated by the UN to “validate” the promises of emissions reducers being paid through the UN system, and then to “verify,” often years later, that those reductions actually occurred.

SGS is one of two companies that dominate the carbon-validation business. The other is Det Norske Veritas (DNV), a Norwegian firm whose core business is maritime safety. Other major players

include the accounting firm Deloitte Touche Tohmatsu, the transportation safety firm Lloyd’s Register and TÜV SÜD, a German industrial-testing company. Much as large accountancies affirm the balance sheets of corporations, the DOEs are supposed to assess the credibility of emissions reducers by verifying the truth of their statements, in which they are required to predict their own future reductions of emissions.

Not long before Beck and I met, for example, she and two colleagues had visited the site of a prospective composting project in Duque de Caxias, which sits along the western shore of Guanabara Bay just north of Rio de Janeiro. The project planned to collect fruits and vegetable waste from grocery stores and street markets and compost that waste into organic fertilizer, which could then be sold to farms. By using aerobic composting and microorganisms to break down the waste, the project would avoid creating methane, which is twenty times more effective at trapping heat than carbon. The project’s developers – which include Dublin-based EcoSecurities, the world’s largest carbon investor – had brought in SGS as validator. After their visit, Beck and her colleagues affirmed that the project would result in the equivalent of 67,000- tons of carbon dioxide that will not be produced. At the current carbon price of roughly \$22 a ton, this would entitle the project’s developers, upon U.N. approval, to credits worth nearly \$1.5 million.

Multiply that decision by the nearly 2,000 CDM projects worldwide (as of last October), which represent claimed emission reductions in fifty-eight countries – hydropower dams in India, wind farms in Morocco, methane capture projects in Brazil – and the scope of the responsibility placed upon SGS and its competitors becomes clear. Market forces fueled the industrial growth that has led to the rapid



rise of greenhouse gases emitted into the atmosphere, and now those same forces are being channeled into reducing those emissions to slow the rate of climate change. By policing this huge new effort in re-channeling capital, the United Nations has deputized the validators and verifiers to measure carbon and thereby transform it into a novel commodity, one whose value resides entirely in the promise of its absence.

\*\*\*

The approval of carbon credits is a multi-stage process. After investors identify a prospective project, they hire a DOE to assess the reduction of emissions. The DOE then puts together a report that includes estimates of both existing greenhouse-gas release rates and the potential for reduction given different technological approaches. That report is then submitted to the UN Executive Board, which audits it before passing judgment. Once approved, the project is considered “validated” and the prospective credits can be placed on the market as a sort of futures contract: the credits can be bought and sold, but buyers who need credits to meet their caps do not actually receive them yet. Delivery happens months or even years later, after a DOE is brought in again to “verify” that the promised emissions reductions have occurred. At that stage, the credits are called Certified Emission Reductions (CERs) and can be used by purchasers against their caps.

During both validation and verification, the DOE is the only entity apart from the investors to visit the project site and assess it in the real world. Occasionally the verification process will lead to a re-estimation of the credits delivered or even to an outright rejection: in 2007, after a series of projects had their credit levels re-estimated, EcoSecurities was forced to write down its total portfolio by some 40 million

credits, causing the company’s stock to plunge. But overall, just four percent of requests for verification since 2005 have been rejected.

The carbon markets are intended to accomplish two goals. One is to operate successfully as a market, with a steady supply of carbon offsets and varying prices to ensure profits can be made from the spread. The other goal, of course, is the market’s ultimate *raison d’être*: to reduce greenhouse gas emissions by channeling funds into cleaner sources of energy. To achieve both goals, the validations are the crucial step, the threshold at which messy real-world promises are transformed into tradable abstractions. Validations are also, however, the system’s Achilles Heel, a vulnerability stems from the central requirement for offsets: *additionality*, i.e., proof that one’s renewable energy project would not have happened without CDM funds. This is fraught with obstacles of definition, involving as it does a conceptual leap into the future.

How does one prove that a technological shift to reduce emissions would not have happened anyway, without CDM funds? To do so, project developers must demonstrate that a less emission-intensive technology is not common practice in the industry for which it is being considered (if everyone’s doing it, why does one need money sanctioned by the UN?). Moreover, one must show that it is not legally required (why receive funds if you’d have to do it anyway?); that the project would make no economic sense without CDM funds; and that the documentation exists to demonstrate that all these and other factors were considered by the company’s board of directors as key to the company’s decision to pursue CDM financing.

The validators are expected to “validate” that these requirements have been met. “They are expected to determine something



that is counterfactual, not an easy thing to do,” says Clare Breidinich, who worked on greenhouse gas policy both at the U.S. State Department and, later, at the United Nations, where she led the division that monitored emissions by developed countries.

Lambert Schneider, a German environmental engineer who serves on a U.N. Panel assessing carbon offset methodologies, reviewed hundreds of offset projects for the peer-reviewed journal *Climate Policy*. He found that just 60 percent of projects actually provided evidence that the CDM made the difference between them happening or not; and that 40 percent of companies would likely have reduced emissions anyway. “You’re a project developer, and you’re telling a story about how your project is ‘additional,’” he told me. “The DOEs check the story. They are relied on for their judgment, and it’s often a very selective judgment.”

It turns out that overestimating reductions is the trapdoor in the offset system. Study after study has revealed that CDMs have not delivered the full amount of emission reductions promised. In the United Kingdom, Lord Nicholas Stern, widely credited for prompting former British Prime Minister Tony Blair to move aggressively on climate change, estimated last year that 30 percent of emission reduction claims had been exaggerated. Stern created the Carbon Ratings Agency last year in London to begin applying clear standards to the quality of offsets, a pioneering effort to acknowledge the wide variation in guarantees that an emission reduction will actually be delivered.

According to a report by the UN’s Intergovernmental Panel on Climate Change, the margin of error in measuring emissions from the cement and fertilizer industries can be as high as 10 percent. For the oil, gas and coal industries, the

margin of error is 60 percent; and for some agricultural processes the margin of error can actually reach 100 percent. A Berlin think-tank, the *Oko Institut*, conducted a review of the validation process on behalf of the World Wildlife Fund International and concluded that none of the top five validators scored higher than a D in an A-to-F grading schedule based on challenges and questions about their projects.

Axel Michaelowa, who serves on the UN’s CDM Registration and Issuance Team before starting his own carbon policy consulting firm in Geneva, came to a similar conclusion. He told me that 15 to 20 percent of offset credits should never have been issued, because the underlying projects failed to prove additionality. In the U.S., the Government Accountability Office, the investigative arm of Congress, concluded that as a result of such discrepancies, the use of offsets “may not be a cost-effective model for achieving emission reductions.” The GAO issued that critique of cap and trade last May after being asked by several representatives to study its potential application in the United States.

“Validations are an open flame in the system,” Michaelowa said. “The initial idea was that they would be the guarantee of legitimacy for a project. But they began rubber-stamping what developers were putting into the projects. Then once the projects are up and running – well, it’s too late.”

\*\*\*

I witnessed such an “up and running” project firsthand on my trip to Brazil, when I drove north along a two-lane highway through the state of Minas Gerais. To the west, the peaks of the Da Canastra range are scarred from the excavation of iron and gold; along the savannah hugging the highway, cattle graze the pasturelands that were once forests. Passing



me the other direction, heading south, were trucks bearing timber. Minas Gerais means ‘General Mines,’ a testament to how deeply the idea of probing the earth for its treasure is tied to the identity of this Brazilian state.

Turning off the highway down a long dirt road, we passed through a corridor of trees – to the left, remnants of the Atlantic forest, tangled and wild, and to the right, rows and rows of aligned eucalyptus trees, their thin trunks of pale bark growing in symmetrical rows into the distance. Finally, we arrived at a jarring sight: piles of black charcoal heaped in the middle of a broad, dusty plain. On either side the charcoal was flanked by what appeared to be mottled, rust-colored igloos, but were in fact kilns.

“These are our mines!” exclaimed Rodrigo Coelho Ferreira, my traveling companion and guide, gesturing toward the heaps of charcoal. Ferreira is a carbon projects analyst for Plantar, one of Brazil’s biggest forest resource companies. By “mines” he didn’t mean the trees, or what was left of them in the charcoal, but rather the carbon they contained, which the company planned to sell as emission credits. Ferreira explained that Plantar’s kilns used a new technique for controlling the four-hundred degree fire inside, so as to reduce the emission of methane from the burning eucalyptus logs. The hot charcoal from the kilns is then employed in a nearby pig iron factory, a shop of rolling treads about twenty miles away where molten iron is molded into twenty-five pound plugs for use in refrigerators and automobiles.

Each stage of this complicated plan had already been approved by a leading DOE, and each was plausible on its face. The charcoal emits two thirds less greenhouse gas than the coal the company formerly used – that was verified by SGS, according to the company’s Project Development

plan submitted to the UN. DNV verified that the kilns’ new air-flow system reduces methane gas emissions. And TUV Sud, had been called in to confirm that the eucalyptus trees soak up carbon through photosynthesis at a more substantial rate than the denuded pastureland that was there previously. From its 23,000 hectares of eucalyptus, its eighty kilns, and its charcoal-fired pig iron facility, Plantar expected to earn 12.5 million tons of carbon credits over the next twenty-eight years, the scheduled life of the project. It had already sold 1.5 million tons of credits to the World Bank in return for initial financing of the project. So the company would have 11 million tons of carbon credits to sell.

But the fundamental uncertainties of the CDM system were already in evidence by the time I visited. At the time the three DOE’s inspected each of the elements of Plantar’s scheme, the company was fully engaged in the production process. Trees were being burned, and the charcoal being produced was fueling the pig-iron factory. By last May, however, the entire enterprise lay dormant. Stacks of eucalyptus logs ten feet high lay alongside rows of still-standing trees; the charcoal was piled alongside kilns that had not been fired up; and the pig-iron factory’s rolling machinery had been frozen in place for at least a month. The global financial crisis, Ferreira explained, had dried up the market for automobile and refrigerator doors, at least those utilizing Plantar’s pig iron. While the entire process was dormant, awaiting an economic upturn, some of the future credits were already for sale.

“Our strategy is to sell these credits to industries who need them,” Fabio Marques, the director of carbon projects, told me back at company headquarters in the state capitol of Belo Horizonte. The company, he said, was in “active negotiations with European industries and banks” interested in buying them; he wouldn’t provide their



names. Plantar's take could amount to over \$100 million.

\*\*\*

In this highly specialized new industry, perhaps a thousand people really understand how onsite measurement of CDM projects work, and there is a serious potential for conflicts of interest. It is not uncommon for validators to cross-over to the far more lucrative business of developing carbon projects – and then request audits from their former colleagues. Schneider points out that young university graduates entering the field commonly spend several years learning the ropes with a validator, and then “go to work for a carbon project developer where they make three times the salary doing more interesting work.”

These developers – which partner with local businesses and governments to set up offset projects – are by and large funded or owned outright by multinational firms, particularly financial houses such as JP Morgan Chase, which owns the biggest developer in the world, EcoSecurities; Goldman Sachs, which has a significant interest in the largest U.S.-based developer, Blue Source; and Cantor Fitzgerald, which owns CantorCO2e, another major player. Other large investors in the field are the agricultural-commodities firm Cargill, which is now one of the top developers of carbon projects, as well as BHP Billiton, the world's largest mining firm. Sometimes, as is the case with Goldman Sachs and JP Morgan, developers' owners also speculate in the secondary markets for credits through dedicated carbon-trading desks in London. Far from being independent third-party auditors, the DOE's get paid by these very developers and have to compete vigorously for their business. Fabio Marques of Plantar told me the company routinely takes “various bids” of differing price from validators.

In recent years, the U.N. Executive Board has attempted to increase its oversight of the system, enlarging the CDM support staff from just twenty people in 2005 to nearly a hundred today, two thirds of them dedicated to technical reviews and assessments. They now read the DOE proposals with more scrutiny: today, more than 65 percent are sent back for more supporting documentation, compared with about 10 percent of such “requests for review” in 2005. The U.N. also has been trying to tighten the reins on validators: in the span of just nine months in 2008 and 2009, it issued temporary suspensions of both DNV and SGS, due to irregularities found in their project assessments.

At the time of DNV's suspension, in December 2008, it was the dominant carbon accounting firm, having validated 48 percent of all offsets – almost a thousand projects, representing more than four hundred million tons of emission-reduction credits. It was one of the first two firms to be accredited under the Kyoto Protocol, and had helped establish the methodologies for measuring emissions and for predicting future emission reductions that lay at the heart of the market's rapid expansion. The investigation began after the Executive Board rejected several of DNV's projects. The Board then initiated a “spot-check” at DNV's offices in Oslo, where a CDM team found five “non-conformities,” including a flawed review process within the company's auditing staff, inadequate preparation and training of field auditors, and an overall failure to assign assessors with the proper technical skills. After revising its procedures to U.N. specifications, DNV was reinstated as a Designated Operational Entity in February 2009.

The suspension of SGS was handed down last September, four months after I met Talita Beck in Sao Paulo. By this point, SGS had become the dominant

validator, responsible for more than a third of all Certified Emission Reductions being utilized and traded. In its case, the Executive Board compared several of the company's verification reports for a single project and found inconsistencies among them; the Board then subjected SGS to a spot check. During the investigation, the company was unable to satisfy the Board's assessment team's concerns and the qualifications of its staff. SGS was cited for six non-conformities with DOE standards. After revising its own auditing procedures, the company was reinstated by the U.N. last December.

Together, SGS and DNV have been responsible for nearly two thirds of the emissions reductions now being utilized by industries in the developed world. Although the two firms' temporary suspensions were a strong gesture of oversight on the part of the United Nations, they also illustrate the limits of the U.N.'s capacity to monitor those firms it has deputized. The only mechanism the U.N. has for evaluating its DOE's is the evidence they themselves create and present: the validation reports they write and the data they gather onsite. When the U.N. does spot checks, as it did with DNV and SGS, it performs them in the offices of the validators, not in the field. The increasingly complex and far-flung projects, with developers dredging up thousands of claimed reductions in remote areas all around the world, already far outstrip the U.N.'s ability to police them.

\*\*\*

An even larger quandary posed by the suspensions is the lack of retroactive removal – an issue that does to the heart of cap-and-trade, which relies on a direct correlation between dollars spent and emissions reductions obtained. Every ton of offsets verified by a DOE can thereafter be used to compensate for excessive

emissions by companies in Europe, Japan, Australia and New Zealand. The Executive Board has no power to order the removal of credits from the market, even in the event of misconduct by a validator or verifier.

More than a decade ago, negotiators of the Kyoto treaty foresaw the potential problems with tainted credits. According to Clare Breidenich, the former State Department official who participated in the negotiations, the subject was hotly debated as early as 1997, before Kyoto was signed and long before the launch of the global carbon markets. The questions then were the same as those today: Who would be liable if credits were found to be spurious? Could emissions credits based on faulty assumptions or inadequate review be revoked? The debate highlighted the challenges of turning carbon into a commodity, with the undertaking's simultaneous goals of imposing financial penalties on polluters, luring more investors into the market, and channeling money toward renewable energy technologies that would reduce emissions.

"If credits were revocable," Breidenich explained, recalling the dispute, "then industries operating under caps would suddenly discover that they did not have the credits they thought they had. And they were afraid that if that were the case, there would be no market."

The debate was resolved with a decision not to decide. The U.N. would not be given the power to revoke credits. Holding companies accountable to the degrees of uncertainty in the market – roughly comparable to the levels of risk that publicly traded companies are obligated to report to potential investors – was dropped in the interest of luring capital into the market more quickly. The inability of the UN to retroactively remove flawed credits highlights the trouble with a commodity intended to act as both a tool of invest-





ment and a tool for environmental re-engineering. “It’s like counterfeit money,” comments Michael Wara, a law professor who has been analyzing the offset system for Stanford University’s Program on Energy and Sustainable Development. “Once those counterfeits are introduced into the system, they’re out there being used.”

Eva Halvorsen, manager of corporate communications at DNV’s Oslo office, reassured me that if there were problems with the company’s validations, they would be identified during the verification process, which on large projects is conducted by a different company. But still, even in the uncommon case where CER’s are never issued, the validated credits derived from those projects are already being traded on the market.

“We’re conning the climate,” says Sanjeev Kumar, director of climate policy for the WWF’s European office in Brussels. “If you’re a power company using questionable credits to meet emission targets, that’s a problem. They’re good for seven years. Then they can be renewed for another seven years. And renewed again, and suddenly you’ve got twenty-one years when nothing in effect is being done to reduce emissions – either in the developed countries or in the developing countries.”

\*\*\*

If anyone is most responsible for the UN’s more aggressive stance toward the verifiers, it is Jose Miguez, who represents Brazil on the Executive Board and as a top official in the country’s Ministry of Science and Technology is one of the country’s key climate policy negotiators. In cooperation with the United States during the Kyoto negotiations, he helped create the CDM system that, in climate circles, is still known as the Brazil Proposal. Miguez is fervently committed to the offset system,

he told me one afternoon in Rio de Janeiro, because it has led to a historic transfer of technology and know-how from industrialized countries to industrializing ones, channeling money to parts of the world which otherwise would have remained too unknown to have even been forgotten by major global industries now hunting for emission credits.

But Miguez also has an abiding interest in maintaining the credibility of the system. When he took over as President of the Executive Board (a rotating position among members of the board) in 2006 he ordered the spot checks of DNV that later led to the company’s suspension. Until then, he said, the validators assumed that their findings would slip right by the UN – and, with few staff to review the validation reports, they usually did. Miguez was instrumental in increasing that staff, which now scrutinizes proposals far more carefully. He recognizes that the central black hole in the system is its reliance on private companies to validate emission reductions. “The problem,” he says, “is that the auditors are hired by the project developers.” He suggested parallels to the financial world. “Think of the people who audit Microsoft’s balance sheet. You have shareholders who will complain if the audit is bad. But with the CDM, there is no figure like the shareholder to complain if the audit is bad. There is no outside, independent force to moderate them and hold them accountable.”

Miguez said there have been proposals circulating inside and around the UN to reform that system – notably by granting the Executive Board the authority and the funds to enable the UN itself to hire the verifiers. Project developers would pay a fee to the UN, which would assign validators to a project according to a random selection process – providing some level of protection from evident conflicts of interest. The proposals, though, have been



rebuffed repeatedly by his colleagues on the Executive Board, which requires a three-quarters majority of eight votes to implement new rules. Just three votes can block any new major initiative. The main opposition, he said, has come from the validators themselves, who have strenuously lobbied members of the board to oppose any changes: “They want to be able to negotiate fees with the project developers. With a flat rate established by the UN they would not be able to do that.”

But this reform, while eliminating the conflicts of interest, would do little to address the larger pitfalls of the validation system. To maintain even the current level of monitoring would represent an undertaking of enormous scope, necessitating the coordination and management of hundreds (if not thousands) of field personnel, stationed in remote offices literally everywhere in the world. Moreover, the number of offset projects continues to climb and will skyrocket if the United States institutes cap-and-trade. Offsets criteria proposed in congressional legislation thus far would be far broader – and more complex – than those now traded in Europe: reductions in greenhouse-gas-intensive farming practices, for example, and the preservation of living forests, and other new classes of counterfactual carbon promises, each of them with a particular set of measurement and accountability challenges.

In fact, the problems with turning carbon into a commodity begin at the very moment of conception. A one-ton carbon credit is not precisely reproducible like an ounce of gold or twenty tons of pork bellies; each credit emerges from entirely different conditions and components, whether the planting of eucalyptus trees, the capture of methane from pigs, the substitution of wind power for coal. Each represents a promise of potentially varying longevity and effectiveness, and uncertain trust-

worthiness. Each involves rewarding a promise that may not be kept and whose keeping may not be reliably measured. On paper, cap-and-trade is seductively elegant; but in practice, making good on its promises would require an enforcement structure that is hardly less onerous than the alternative is was designed to replace – a carbon tax.

\*\*\*

I ran into Jose Miguez again in December, on a Friday evening in Copenhagen, as I wandered a hallway inside the vast, climate-controlled complex of low-slung metal hangars where the climate-change negotiations were taking place. It was the end of the summit’s first week, and the faces I passed all had a weary aspect to them. Everything, it seemed, was in play: emissions limits, the offset structure, the roles of the United States and of the developing world in a potential post-Kyoto regime. The previous week, the Executive Board had lifted SGS’s suspension and had also – according to observers present at the proceedings – encountered resistance from the company and from other DOEs to measures that would tighten the standards governing auditors’ qualifications. The board also declared, in a move that once again sent ripples through the market, that the credits of ten windmill projects in China, despite already having been validated, would be suspended due to questions about additionality.

Roadblocks aside, the offset system was charging forward into new terrain. The Executive Board was considering a proposal – pushed by the Gulf states, Norway and Russia – to qualify carbon capture-and-sequestration technology, which involves diverting atmospheric carbon-dioxide emissions from the air deep into the earth or under the sea, as an offset available for polluting industries. Long advocated by coal and oil interests, the



move was opposed by the Brazilians; the millions of new cheap credits generated by allowing the carbon-capture projects would “destroy the market,” Miguez told me in Rio. (Of course, these credits would also undermine the value of Brazil’s offset projects. The battle over offsets is as much about where you come from as it is about what actually reduces emissions). I asked him about the proposal again in Copenhagen. “Everyone has their interests,” he diplomatically replied, as he hustled off to another meeting.

That Sunday, the negotiators took the day off, and I made my way downtown to a “green business” exhibition, in order to see what a post-carbon economy might look like. There were wind producers, electric-car makers, and ethanol – based plastics manufacturers; even the U.S. Department of Commerce had a booth to promote an array of green American industries. In a booth sponsored by the government of Abu Dhabi – promoting what it claimed was the world’s first “carbon-neutral city,” which the emirate was building in the remote desert and for which it hoped to obtain CDM funds – I met Mark Trexler, the director of Climate Strategies and Markets for DNV. Trexler has been in the climate-change business in the United States for some twenty years, most recently as an executive with EcoSecurities.

We sat down over coffee, and I raised by concerns about the validation system. Trexler claimed that any problem was not with the validators – “We only enforce the rules of the U.N.,” he averred – but instead with the “interests” that devised the priorities of the system and prized volume over accuracy. He offered home-pregnancy tests as an analogy. Such tests deliver news that can be good or bad, but there will always be a percentage of false

readings in either direction. If one tries to design the test to reduce false positives, he said, “you will increase the number of false negatives, and the reverse.” A similar equation held, he believed, for measuring offsets. “If the United Nations only permits projects with airtight additionality, you’ll have a huge increase in the pool of false negatives. Some legitimate projects will be kept out.” But, he went on, the reality is that everyone – emitting businesses, carbon-project developers, entrepreneurs in the developing world, and governments – has a vested interest in validating as many projects as possible. “Striking the balance between the number of false negatives and false positives is a political decision, not a technical decision,” Trexler said.

Indeed, carbon exists as a commodity only through the decisions of politicians and bureaucrats, who determine both the demand, by setting emission limits, and the supply, by establishing criteria for offsets. It was the United States that sculpted the cap-and-trade system during the Kyoto negotiations, before pulling out of the accord and leaving the rest of the world to implement the scheme. Since then, most of the world’s major political, financial, and environmental interests have aligned themselves with the idea, because of its potential to generate profits out of adversity and to detour many of the difficult economic decisions posed by climate change. Now the Obama Administration and the Democratic Congress – along with many American companies, which see cap-and-trade as the friendliest regulation they could hope for – want to rejoin the world and multiply the market. That market is, in essence, an elaborate shell game, a disappearing act that nicely serves the immediate interests of the world’s governments but fails to meet the challenges of our looming environmental crisis.

## Afterword

by Mark Schapiro

---

*I'd been reading about the world's effort to deal with climate change through an international carbon market. Various reports suggested it was a \$150 billion market. At first I thought this was a typo – Was that a 'b'? I thought it must be an 'm', for million, but it was indeed billion. An enormous market had been created as the primary tool to combat climate change, and few people, certainly not me, understood what that market was or how it operates. That's a rich area for investigation.*

*I started with this story – like others – with reading as much as I could about this new world of carbon trading. A key step is getting familiar with the language and concepts that are commonly used in the arena you're investigating. I read trade journals, scholarly journals, newspaper articles (mostly in European papers), etc. in order to more fully understand the dynamics of the market. I began to see the outlines of the key question starting to shape: If this entire market is based on a commodity that does not exist, then who does the measuring? I realized that no one was asking what seemed to me like a significant question.*

*It was the attempt to answer that question – and all the associated questions of the veracity of those measurements – which led me to the small group of auditors, the validators, whose measurements are critical to the creation of the carbon commodity that ends up being bought and sold on international markets. And this, ultimately, was a way of investigating whether the emission reductions being paid for are actually being delivered.*

*I used many dozens of documents – from UN assessments to scholarly journals and reports by the EU, the World Bank and by the British, German, and French governments, and by NGOs, -- in order to reconstruct the process of turning a carbon project into an offset for sale. The USA has a freedom of information law but it was of no use in a project in which the US government is not a participant.*

*The United Nations, though, does have some levels of transparency: For example, you can obtain copies of carbon offset project proposals and a record of approvals/rejections from the UNEP site: <http://uneprisoe.org>. The challenge is in understanding the highly technical language used in those documents, which required multiple interviews and substantial reading. The NGO "CDM Watch" can be very helpful in navigating some of those complexities: [www.cdm-watch.org](http://www.cdm-watch.org). The EU's freedom of information laws can be quite helpful if you know what you're looking for. A great source for getting acquainted with the documents one may obtain from the EU, or from individual governments, is [www.wobbing.eu](http://www.wobbing.eu).*

*While reading, you start laying a plan for interviewing. I highlight key people who are either authors or quoted in stories who indicate some level of familiarity with the topic, and write down a list with their names and apparent areas of expertise.*

*The hardest thing with a story like this is finding a narrative that holds it together. My aim was to take this highly abstract world of carbon investments and offsets*



and bring it to life, to convey the numerous and often hidden interests at stake in a system that most people see as too complicated to comprehend. The challenge is to find characters and settings, in a story where what is being investigated is a system.

My initial idea was to unpack one of the carbon offsets being bought and sold on the carbon trading desks in London back to its sources in developing countries. But I was not able to unravel the trail behind a precise offset bundle. I had to switch tactics in my story-telling strategy, working from interviews with validators and government officials in Brazil to a more generalised portrait of how a project travels into the carbon market.

I was lucky to be pursuing this story at a time when few journalists were even aware of the potential problems. To some extent, people were willing to talk and explain the fundamentals of the system – and identify potential trap-doors – because few journalists had ever before approached them. This is the advantage of being ahead of the curve. It also creates extra challenges, as you have to explain basic principles – like “what’s an offset?” – that are not yet in the public lexicon.

I obtained press accreditation to attend trade-fairs of carbon project developers in which people engaged directly in the market gather with their peers – where I could speak with key players in a less-formal and threatening fashion. These settings can be invaluable in having off and on the record conversations to deepen your understanding, and setting relationships into motion that can later lead to ‘lucky’ revelations.

An interview subject need not know the full dimensions of your story. Later, with a complex story like this one, you assemble the various pieces together – each inter-

view, each document, a piece of the overall puzzle which (hopefully) conveys your revelations and keeps your story moving.

I always try to find someone who might understand my own reporting quest, and who I might be able to go back to periodically to check in with to see if I’m understanding correctly what I’ve discovered. This can be a helpful way of checking yourself as you plunge deeper and deeper into a story. I like to think of these people as ‘navigators’ – helping you navigate what can sometimes be very complicated terrain, where interpretation of technical information is critical. Periodically it’s important to test your own hypothesis and see if it’s still standing up in the face of additional material you may have discovered, and this person can be helpful in clarifying your approach. What’s critical is that you trust them and they seem to have a knowledge not colored by personal interest that might skew their perceptions.

**In summary, these are my basic techniques:**

**Read** – immerse yourself in the material to understand the language and assumptions that are common knowledge among those who are active in the area you’re reporting. Figure out who’s important to talk to, and about what.

**Interview** – Try to be as educated as possible about someone’s involvement with the issue, cite their own writings or past statements to them, which can help signal your seriousness in pursuing the subject.

**Think** – Develop a thesis question of what you’re trying to investigate, and try to be as concise as you can. See if you can turn your investigative hunch into a single question, and then set about answering that question. Also consider the broader implications of what you’re

*investigating: Is your story line likely to reveal them?*

**Develop** a trusted ‘navigator’, someone who is knowledgeable and you can trust, to check in with periodically to help affirm, or not, that you’re headed in the right direction.

*Organizationally speaking, I try to lay out the key themes I want to explore and reveal in the story and then create separate files for each, which might include key documents, reports, clips and interviews or portions of interviews. Then when you’re writing, the material is there to refer to.*

*Once you’ve done your reporting, then writing becomes as much about pacing, tone, rhythm as it is about getting all the facts out. It can be very effective to develop a rhythm in which the reader knows that after some perhaps very complex or unnerving information they can pause with a space-break or shift in tone – hopefully on some conclusion or cliffhanger – and resume with another idea or image or component of the story-line. It also can be helpful, depending on the length and breadth of the story, to pull away from the narrative periodically to give the reader a big picture viewpoint to remind them of the significance of what they’re reading, then resume your narrative. If you can figure out where the tension points and conflicts are, that will start sending you on a more clear narrative trail.*

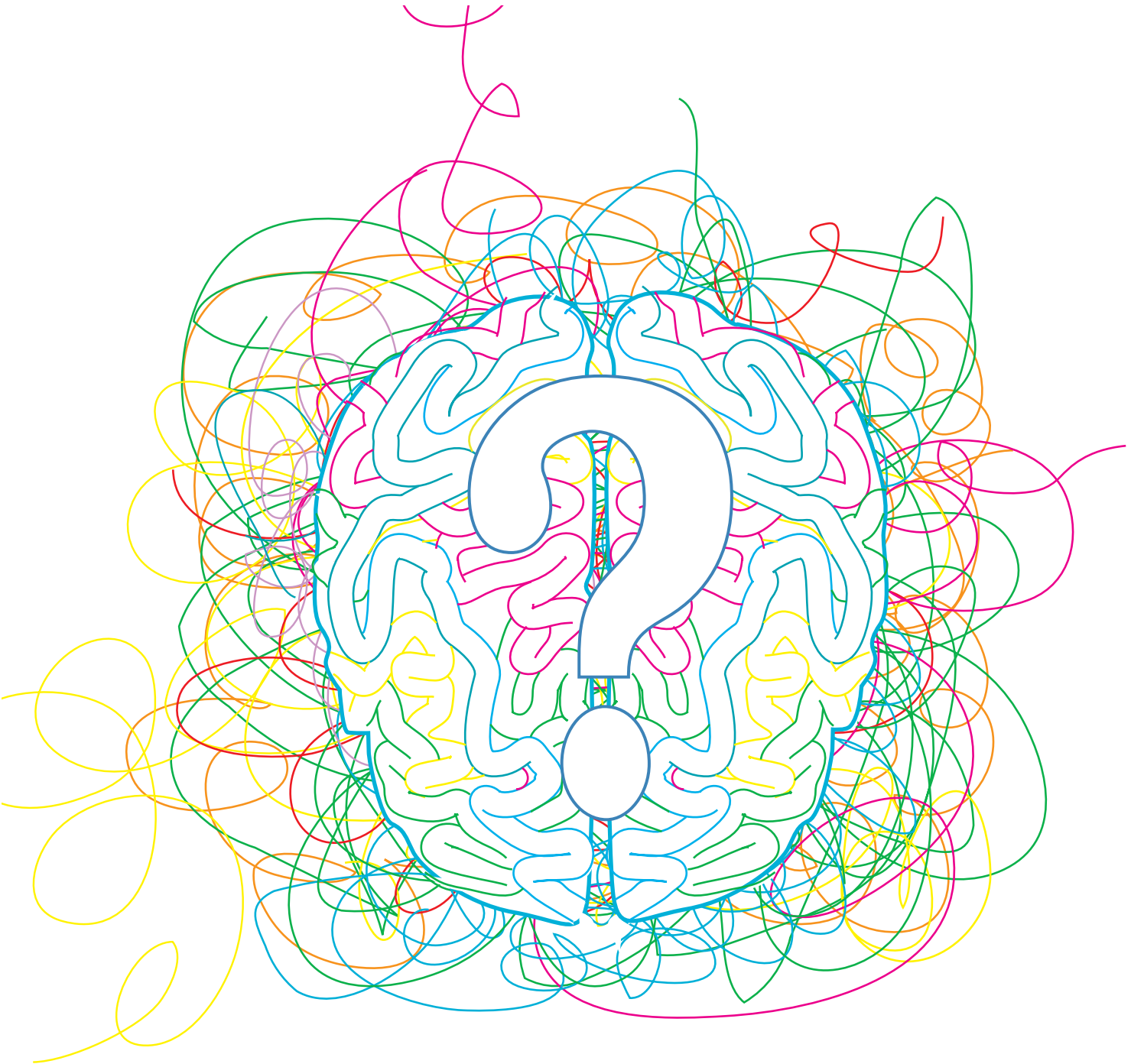
*And, of course, in the opening of a piece it can be important to evoke an immediate sense of place or engagement with the material that signals to the reader that they are in the hands of an authority – you – as they follow your journey into the story.*

*In writing a long piece, I’ve also noticed that leaving a section unfinished at the end of the night can be much more productive than completing it – because you’ll wake up ready to take another round at completing the previous night’s thoughts rather than getting warmed up with a whole new section in the morning.*

*Harper’s Magazine did aggressive publicity, as did we at the Center for Investigative Reporting – that included web press releases, contact with other news media, etc. This led to numerous radio interviews and citations in other publications. It was widely distributed in the US Congress, which was debating a U.S. cap and trade system at the time. Some of this distribution I appreciated, as it was cited by staff people who were serious about implementing an effective emission control regime in the US as a reason to implement tighter rules, to avoid the abuses that I revealed in the international system. But I was deeply irritated by efforts from climate sceptics to manipulate my findings to undermine any effort to deal with climate change. In one instance, a conservative talk show host suggested to me live, on the air, that climate change was an “invention of Goldman Sachs”. I disagreed in detail, also live.*

*The story was also widely disseminated throughout the internet, has been used as part of the syllabus in numerous university courses, and led to many speaking invitations and invitations to write a book. I heard from many people active in the carbon markets that it raised important questions which had long been known or suspected in the small universe of people now at the centre of cap and trade approaches to climate change.*





---

---

4

**Chapter Four**

**Who's in charge here?  
Investigating the crisis of governance**

---

---



# A.

## Stealing health in the Philippines

by Avigail M. Olarte  
and Yvonne T. Chua

---

### Introduction

*As pressure grew on central governments around the world to cut costs and slim down in recent years, a great many functions that were previously handled at the State's level were localised. One of the consequences has been to make oversight of many public services far more difficult, because essential data and witnesses are scattered over wide areas. In this series from the Philippine Center for Investigative Journalism ([www.pcij.org](http://www.pcij.org)), which has become famous for its exposés of domestic institutions, we are told how corruption works in detail that is at once fascinating, sordid and ludicrously petty. One of the striking features of the following two stories, selected from a longer series, resides in the great variety of witnesses*

*that Avigail Olarte and Yvonne Chua found and persuaded to talk, often at the risk of their livelihoods or lives. This achievement reminds us that investigators rely, first and most, on the refusal of citizens to accept what they know is wrong. But translating that refusal into actionable information is another matter, and one of the keys here is backing up charges using both public and private documents. Of course, it's much easier to find such papers when you know what you're looking for. One way to do that is benchmarking – finding how things are supposed to work normally, and then measuring the way things really work against that standard – and Olivarte and Chua are very good at it.*

*First published by The Philippine Center for Investigative Journalism and various daily newspapers, May 2-4 2005*





## Part One

### Up to 70% of local healthcare funds lost to corruption

by Avigail M. Olarte

**T**he young mother was frantic. A seven-month-old baby was burning with fever in her arms, barely able to breathe. The doctor at the rural health unit quickly attended to the child, who was suffering from serious respiratory tract infection. But she had no medicine to give the baby: her supply of Ventolin or salbutamol, which would have given the infant instant relief, had run out.

The doctor, who ministers to the needs of residents of a poor municipality in Bulacan, could only wring her hands. It took two weeks before the poor mother could scrape together P (Philippine peso) 50 to buy the drug. Fortunately, the baby survived, although it had to suffer the fever and cough longer than it should have.

The doctor sees 90 to 100 patients a week and the medicines the local government buys for her clinic always run out. Worse, she says, the drugs she is supplied with are overpriced by sometimes over 100 percent, with the difference lining the pockets of local officials.

Since the Local Government Code devolved public health centers and other health programs and facilities from the Department of Health (DOH) to local government units in 1993, local officials have had more discretion on how health budgets should be spent. While there are some bright spots, evidence suggests that a culture of waste, corruption and patronage pervades health care in many local governments.

Doctors, suppliers and local officials and employees interviewed for this report estimate that kickbacks from the purchase of drugs – also known as standard operating procedures (SOPs), rebates, internal arrangements and “love gifts” – given to mayors, governors and other local officials range from 10 to 70 percent of the contract price.

The result: a system that can barely answer the needs of the poorest one-third of the population that relies on local-government-funded health care centers.

“Before the devolution, all the corruption was happening in Manila,” says Juan A. Perez III, who was a DOH official when Juan Flavio Sison was still secretary. Transferring resources to local governments should have directly helped communities, he says, but in far too many instances, corruption has thrived instead. Devolution, says Perez, seems to have resulted only in “democratizing corruption.”

“Increases in discretion enjoyed by local governments lead to increase in local-level corruption,” says a 2000 study on decentralization in the Philippines by the U.S.-based Center for Institutional Reform and the Informal Sector (IRIS). “When officials enjoy more discretion, they have greater opportunities to demand bribes.”

Decentralization was expected to reduce corruption, especially in drug procurement. Yet for the most part, such practices as overpricing, rigged biddings, short and ghost deliveries, and the purchase of substandard drugs remain pervasive.

These problems are demoralizing the ranks of doctors assigned to the more than 1,600 rural health units (RHUs) and urban health centers. Too often, these doctors find themselves battling with local officials who divert precious resources to corruption and patronage. “The doctors are leaving,” says a municipal health officer from the Calabarzon region.

Problems have dogged the devolution of health services from the start. Unprepared local governments had trouble paying for the salaries and benefits of about 70,000 health workers and to run local health centers and hospitals now under their jurisdiction. The problem persists, but the national government and international agencies have come to their aid.

All these factors imperil the delivery of front-line health services, especially for the poor. The 2003 National Demographic and Health Survey found more Filipino households visiting public health facilities than private clinics and hospitals. Barangay (village) health stations, which are supervised by the RHUs and urban health centers, had the most clients, followed by the RHUs and urban health centers themselves. A survey done by the Social Weather Stations for the World Bank in 2001 also shows the country’s poorest 30 percent seeking help mostly from the local health units for their aches and pains. These health centers are the poor’s primary source of medicines as well.

Yet many local officials see health as another source of illicit income and demand hefty shares from suppliers of drugs and hospital equipment. Of the nearly P1 billion allotted in 2003 for the maintenance and other expenses of all rural health units, a minimum of P100 million and a maximum of P700 million was lost to graft, given that drug suppliers estimate kickbacks at between 10 and 70 percent of procurement costs. By way of comparison, that money

could have been used to purchase at least 100 million pieces of 500-mg. tablets of paracetamol, which is prescribed for simple fevers and aches. That amounts to more than 62,000 tablets per local health unit.

The table below shows the purchase price paid by the Quezon City Government, compared to the national Commission on Audit’s benchmark prices. In the far right column, “disallowance” refers to the sums spent that are not allowable under legal purchase guidelines. In every case, a clear majority of the costs were nominally “disallowed.”

Today most RHUs and urban health centers have little or no medicine for their patients. Too often, the deliveries – if they were made at all – fall short of what had been promised by drug suppliers, in both quality and quantity. Often, the expected products have been seized by officials en route. Sometimes drugs are delivered in smaller quantities than contracted for, or made from substandard ingredients, to adjust costs to the kickbacks subtracted from the purchase price. Sometimes, no deliveries are made at all.

Thus a municipal health officer in Laguna recalls an instance when she issued a prescription, only to be told by her staff that their RHU had run out of the needed medicine. Yet the doctor knew that two weeks before, there had been a delivery of supplies. “I went to the supply closet, and there was indeed no medicine,” she says. “So I went to the police (and told them), ‘Papuntahin mo ‘yung ahente dito at ihatid ang gamot ko kung ayaw niyang maghalo ang balat sa tinalupan (Get that agent to deliver my medicine if he doesn’t want the sh\_\_ to hit the fan)!”

Another RHU physician recalls that in the past, she would order 10 boxes of assorted medicines every two months. But there came a time when only four boxes arrived

at her office. When the confused doctor was asked to sign the payment voucher, she noticed that the prices had been “adjusted.” She had copied onto the requisition voucher the prices of the medicines based on the handwritten list given by the medical representative. Later, she saw a typewritten copy of that list with figures twice the actual price. This served as the basis of the payment voucher. Since then, the doctor has been leaving the price column blank, reasoning that “they’ll just change it anyway.”

Heidi Mendoza, auditor at the Commission on Audit (COA), says overpricing of supplies is the most common form of fraud. “One city mayor told an auditor casually that when the price difference falls within the range of 50 percent to 100 percent, that is not overpricing,” Mendoza says. Drugs can be overpriced by as much as 700 percent, COA records show.

A drug distributor admits having sold to a local government in northern Luzon the antibiotic amoxicillin for three times more than its actual price of P280 per box of 100 tablets. “Does it affect the health system?” she asks. “Yes, because I can sell it for P380 per box. I’m already okay with that P100 markup. Even P50 per box is fine. So that (should have been) 300 boxes instead of (just) 100.”

In the chart below, the last column on the right shows the percentage by which the city of Cainta overpaid for medicines, compared to the Regional Health Office (RHO, column 5). The overspend for the same products was up to 769 percent.

According to the supplier, 30 percent of the contract went to bribes, or P256 per box. But she says the share of the contract price going to “love gifts” now starts from 50 percent up. Other suppliers and health officers, meanwhile, say that 30 percent of the contract amount goes to the mayor

while 15 percent goes to accountants, budget officers, and to whoever else has to sign or approve the contract. Five percent, meanwhile, sometimes goes to the doctor at the health center.

Under Republic Act 9184 or the Government Procurement Reform Act, all government purchases must go through competitive bidding to ensure the best quality at the least cost. The Local Government Code, meanwhile, says that each town or city is supposed to have a Committee on Awards composed of the mayor, treasurer, accountant, budget officer, general services officer, and the department head, which in cases involving medical supplies is the RHU or urban health center doctor.

But Mendoza says the procuring official and the bidder always find “creative” ways to avoid public bidding. There are also instances where a winning contract is practically decided even before the conduct of actual bidding.

Suppliers say members of the awards committee are the key people in “bagging” a contract. The amoxicillin supplier says the contract is practically guaranteed as a done deal once one has settled the “sharing” of the spoils. According to the supplier, the doctors are the starting point: “If you can make them your friends, then you can have the contract.”

“When a doctor doesn’t cooperate, there will be no medicines,” another supplier explains. “The budget will be realigned. Bubuwisitina yung doctor (they will pester the doctor).”

The next people to talk to would be the mayors, treasurers or general services officers to negotiate the contract and settle the “love gifts.”

Delivery of 20 to 50 percent of the negotiated amount is done early on as a down

payment. The rest of the money comes after the collection of the payment to the supplier, to guarantee the processing of the papers. The amoxicillin supplier says mayors prefer cash, since checks leave a trail.

To make it appear as if a bidding had taken place, the amoxicillin supplier says she borrows her friends' company names and registration papers, promising them a five-percent share later on, and adds two other fictitious competitors for good measure.

The supplier says she sometimes has to "adjust" some more to meet the demands of increasingly greedy local officials while ensuring she still gets a profit. Such "adjustments" could mean substandard drugs, confesses the supplier. Sometimes, wracked with guilt, she tells officials that a higher kickback would mean medicine of lesser quality.

One doctor says she took one of the medicines available at her health center when she was having stomach trouble. The drug didn't work, she says, making her worry about her patients. She laments, "What can I do? That's the kind of drugs they deliver."

This doesn't happen only in the provinces. In 2000, the Quezon City government bought some P8 million worth of medicines in three batches. Of these, medicines totaling P1.8 million – including 6,028 bottles of multi-vitamins with lysine syrup and 740 boxes of amoxicillin capsules – failed Bureau of Food and Drugs (BFAD) tests conducted as part of a special audit. Despite the BFAD finding, the local government still paid the contractor, La Croesus Pharma Inc., in full. The supplier did pull out questionable medicines, but the replacements it delivered again failed BFAD tests.

When COA verified the prices of the medicines that passed the tests, it also found these to have been overpriced by P4.3 million. City officials, however, maintai-

ned that La Croesus Pharma's bid was the lowest competitive bid. COA argued that the city should not have limited its evaluation to the submitted bids, but could have compared them with prevailing market prices. Three hospitals in Quezon City, in fact, were able to purchase similar medicines at lower prices during the same year.

Some provinces have also shown that a systematic pooled procurement can drastically bring down costs. In Pangasinan, which is one of the pioneer provinces that have enforced the Health Sector Reform Agenda (HSRA) of the health department, bidded prices went down by 52 percent through bulk procurement.

State auditors say the absence of a procurement plan is a red flag. Take the case of Cainta, Rizal, which COA says circumvented rules six years ago because it had no annual procurement program for medicines. The Local Government Code, which then governed the system of procurement, requires that projects be in line with the procurement program of an office before any purchase is made, except in cases of emergency.

According to COA, Cainta avoided public bidding for medicines from January 1999 to October 2000 by purchasing in separate and smaller batches, each below P60,000. At one point, Cainta's local health office made up to 11 purchases in just a month's time.

Cainta's then municipal health officer said they did this because the local government didn't have funds to conduct public biddings. But COA noted that the frequency of the purchases indicated that Cainta did not suffer from any financial lack. The absence of specifics on the purchased medicines made the transactions even more questionable.

As a rule, before any procurement takes place, the doctor prepares a requisition

voucher on which he or she lists the medicines, specifying the quantity and cost for each drug. In Cainta’s case, the municipal health officer provided no such thing although she was obviously privy to the purchase.

In some instances, however, the health-center doctor could be clueless about the local government’s procurement of medical supplies. A doctor in the Visayas says some local governments there just make the heads of health units sign the payment vouchers. Many of the doctors sign just so their RHUs can have supplies.

But there are those who refuse – and later face the wrath of local officials. One young doctor left his post at an RHU in Mindanao after the fuming mayor jabbed a finger at

him at the town hall and berated him as the entire municipal workforce looked on. The doctor – the town’s first in more than a decade – was almost reduced to tears, and all because he had refused to sign the delivery receipt of medicines bought by the mayor’s office. The doctor said the medicines had been overpriced by more than 100 percent. He knew the real price because he had met the supplier just weeks before.

After his public humiliation, the doctor, then just 26, packed his bags and left the town. Corruption, he says, has mired that fifth-class municipality – the second-poorest of the six classes of Philippine municipalities – in poverty. The doctor has sworn never to be a community physician again.

## Part Two

### Health politics demoralize doctors

by Yvonne T. Chua

**W**hen barrio doctor Richard Lariosa arrived in [a town of the Samar region, name withheld] in 2002, he was surprised to learn that medicines for the town were being kept at the mayor’s office. “When you gave a prescription to a patient not of the same political color as the mayor, he’d be told by the people at the mayor’s office there was no medicine even when there was still a lot,” the doctor says. “Color coding.”

The mayor was later persuaded to turn over all the stocks to the rural health unit, after being assured the people would know the medicines came from him. But months before the May 2004 elections,

newly delivered medicines again wound up with the mayor. He agreed to let go of half the medicines only after Lariosa paid him a visit.

The young doctor’s relationship with the mayor, however, was already quite strained. At one point, Lariosa had objected to the removal of trained health workers and their replacement by untrained supporters of the mayor and the barangay captains. The mayor was in turn displeased when Lariosa changed caterers for a health-training course because the food served by the first caterer caused the trainees to have diarrhea. Apparently, the former caterer was the mayor’s ally.

Last December, Lariosa was pulled out of [the town] after the Doctors to the Barrio-Leaders for Health program, which had sent him there, concluded that the mayor was not very concerned about health. Now assigned to Uyugan, Batanes, Lariosa hopes local politics will not again become a hindrance to his work.

Corruption and official neglect are not the only problems plaguing the health system in local government units. Traditional politics is also compromising the delivery of health services to the people who need it most, and discouraging health workers who would otherwise not even mind the low pay and long hours their jobs entail.

“Confidently, we can say that partisan politics is the number one problem at the RHU,” says Maritona Labajo, assistant director for field operations of the Leaders for Health program, which allows barrio doctors to earn a master’s degree in community health management. She also concedes, “Politicians....are really difficult to work with. The program can be sabotaged by the mere fact that the mayor does not cooperate.”

This has led to disillusionment even among the most idealistic of doctors, some of whom had volunteered for the much-vaunted Doctors to the Barrio program begun more than a decade ago by then health secretary Juan Flavier. The program has already sent more than 400 physicians to about 300 doctorless fifth- and sixth-class towns, but medical practitioners are still badly needed in the countryside, even by wealthy towns.

While some of the volunteer doctors eventually stay as municipal health officers in the towns they are assigned to, several wind up swearing off working for local governments ever again. One barrio doctor assigned to a remote town in Mindanao can hardly wait until her four-year contract is up. “I can’t stand the politics,” she says.

Like Richard Lariosa, many doctors interviewed for this story recounted story after story about clashing with local officials, usually the mayor, over such seemingly trivial things as the hiring of barangay health workers and the safekeeping and distribution of medicines. These issues, however, have serious implications, and affect the continuity of services and effectiveness of treatment.

In most of the cases, patronage politics was involved, with the officials using employment and medical supplies as a means of garnering support for themselves and clinching votes for the next election.

A frustrated doctor in western Mindanao also recounts that when she was the municipal health officer of a poor town in the southern part of the region, she displeased the mayor when she dispensed medicine to every patient needing treatment instead of just the mayor’s followers. She didn’t win points with the mayor, either, when she refused to sign procurement forms that she deemed questionable. When she resigned sometime last year, the mayor replaced her with a favoured midwife, instead of the nurse, the RHU’s second in command.

Now the doctor is in yet another impoverished town, this time under the Doctors to the Barrio program. But she says it feels like she hasn’t moved at all. The first-term mayor in her new locale has taken to appointing unqualified people as barangay health workers. Moreover, says the doctor, patients must have their RHU-issued prescriptions signed by the mayor’s office before the medicines are released.

There are other variants on on what is called “a common practice in many local government units, where RHU patients get their drugs from the municipal hall rather than from the RHU,” notes a study by the Department of Health (DOH) and the



Management Sciences for Health (MSH), a nonprofit international organization working in public health areas.

The study describes one such practice in a town in northern Luzon: The RHU doctor prescribes the drugs, the patient goes to the social welfare office to get an approval of indigency, and then proceeds to the office of the *sangguniang bayan* (town council) chair on health committee where the drugs are dispensed. To assure safety and regulate the validity of drug dispensing, the patient is asked to go back to the RHU for further instructions on the intake of medicine.

The risks involved in the practice, the study says, are “when the patient does not go back to the RHU for final... approval and when the wrong, inappropriate drug is given to the patient.” RHU doctors themselves say that those who happen to support the opposition also do not bother to go to the town hall for their medicine, knowing the chances of being given some are small anyway.

Many doctors also complain that a change in local administration means hiring new health workers. Unfortunately, the newcomers are often unqualified for the job that had taken their predecessors years to learn.

A doctor in Eastern Visayas says *barangay* (village) captains removed *barangay* health workers who didn’t belong to the same party and replaced them with untrained ones. When the doctor offered to train the new workers, he was spurned and even accused of meddling. “I was building a good referral system, so there should be no breaks. *Barangay* health workers are important,” he explains. “The mayor also hired midwives as casuals.”

Labajo of the Leaders for Health Program observes that a lot of *barangay* health

workers are “nonfunctional”: They do things other than deliver health services.

Months before the 2004 elections, for instance, the mayor and political candidates of the Eastern Visayas town fielded the *barangay* health workers, midwives and casual employees to conduct “data gathering.” They went around the island to survey who the residents were voting for. “It’s strategic intelligence,” a local doctor says. “Politicians paid P500 per voter, and more for those who may not vote for them.”

Labajo says that even governors have recognized that *barangay* health workers are a political force in elections, and offer to pay half their salaries or make them casuals or contractuels of the provincial government. “As casuals, they get P2,500 to P3,000 a month. That’s a lot of money in a poor town,” agrees the doctor from Eastern Visayas.

In many places, *barangay* health workers don’t even report for duty but still draw their pay. They have a name, says the Mindanao doctor: “*Mga ‘15-30’ sila*,” employees who don’t work but show up at the town hall or capitol every 15th and 30th of the month to claim their paycheck.

Labajo says a town with 24 *barangays* could have as many 184 *barangay* health workers. But she notes, “The number of *barangay* health workers doesn’t necessarily mean that you have a good ratio of *barangay* health workers to the population or that the *barangays* are being serviced.”

Some mayors do not stop at hiring and firing *barangay* health workers at a whim. In some towns, mayors have demoted doctors who disagreed with them or somehow displeased them, and appointed nurses and midwives in their stead as officers in charge of municipal health offices.



Doctors whose relationships with their mayors become strained but continue to stay in their posts often lose effectiveness in carrying out health programs. For instance, the RHU in a northern Mindanao town had hardly any local health programs to speak of because the mayor and the RHU's staff were not on speaking terms.

Community doctors who butt heads with local officials find to their disappointment that other government agencies can hardly come to their aid. In many towns, the local health board rarely or never meets, or is under the mayor's control, says one doctor assigned in Mindanao. The board consists of the mayor, president of the barangay health workers, the rural health physician, and one representative each from the DOH and the sangguniang bayan (town council members).

Likewise, much as he had wanted to engage the mayor and sanggunian officials to push [his town]'s health program, Richard Lariosa realized there was little he could do. The mayor was in town just once a month, staying for about a week; most of the time he was in Calbayog, where he also kept a house, supposedly following up with other government agencies.

Lariosa couldn't turn to the sanggunian for support either, since it hardly ever convened sessions. "The resolutions are passed around the barangay where they happen to be for their signature," he says.

But things came to a head when the mayor's nephew sought treatment at the RHU and found it empty. The doctor and his staff were out implementing a DOH campaign and the staff assigned to man the health center had failed to report to work. The angry mayor nailed the RHU shut. Recounts Lariosa: "The following morning I told the mayor what he did was unfair. Hindi kami naglalakwatsa (We

weren't out having fun)." The RHU reopened, but the town became doctor-less after Lariosa left.

It may take some time before the DOH sends another barrio doctor there. The town would first have to convince the national government that its local officials and community leaders are cooperative enough to deserve another barrio doctor.

Lariosa was actually the second barrio doctor to become a casualty of these local politics. Danilo Reynes, the town's first physician after a doctorless decade, belonged to the Doctors to the Barrio program's first batch. He stayed there for four years, but left because incumbent officials perceived him to be allied with their political opponents.

Nor is Lariosa the only barrio doctor to be withdrawn from their places of assignment. Two doctors from Western Samar towns [names withheld] were pulled out for the same reason: The mayors refused to abide by the agreement that full support for health be given within their very limited resources.

A few years ago, two of seven barrio doctors assigned to a northern Mindanao province cut short their stint, saying they could not stand the treatment they were getting from their mayors. Says one of the doctors: "I left feeling really bad. I didn't even want to be reassigned. My idealism had been shattered, I had been disillusioned. If I went to another local government unit, and there would be yet another mayor who would be controlling my life."

Doctors who have lodged complaints against their mayors to their governors, the DOH, the Department of Interior and Local Governments and the Department of Budget and Management say that many remain unresolved.





Still, when the local government puts importance on health, success stories are possible. Pascualito Concepcion, an Ateneo de Zamboanga alumnus assigned by the Doctors to the Barrio program to Talusan, Zamboanga Sibugay in 2002, has shown just how much a community doctor can accomplish when the local government is health-friendly.

With help from the mayor and the town council, Concepcion transformed a dusty warehouse-like building into an air-conditioned health center. He got Philhealth to accredit his rural health unit and enrolled 500 poor families in the program in 2002 alone. His RHU’s pharmacy also sells paracetamol for as low as 50 centavos each; usually the cheapest a tablet of the medicine can get is 90 centavos.

Concepcion convinced local officials to increase the RHU’s share from the development fund (from P200,000 in 2002 to P1.2 million in 2003) and even persuaded them to let it keep the Philhealth payments for the upkeep of the health center and its programs. The local government has since created more positions for the RHU and has been fully implementing the Magna Carta for Public Health Workers. The health center laboratory is comparable to a medical center lab with pap smear, blood sugar and other blood chemical.

Concepcion was given the Grand Distinction Award in the Department of

Health’s annual recognition of outstanding doctors to the barrio.

Robert Briones, who gave up a lucrative private practice to become a barrio doctor in the island town of Loreto in Surigao del Norte, also says he does not regret his decision, even if it has meant being away from his wife and three young children, aged six, four, and two.

“I frequently wonder... what is happening to them,” he says. “But in my journey as a doctor to the barrio, a doctor in a far-flung community...one thing is apparent. This made me affirm that ‘it is not the end of the journey that matters most but the journey itself is what matters in the end.’”

Even Lariosa has not junked the idea of serving communities despite his rather tumultuous experience[.] He admits mulling over the idea of residency training in internal medicine or surgery after finishing his contract as barrio doctor. “But I’m having second thoughts,” he says. “The work of a public health practitioner is challenging.” In a good way, he meant.

Lariosa’s younger sister has just graduated from medical school and plans to go straight to residency training. “But I’ll try to expose her to the Doctors to the Barrio program when she visits me in Batanes in the summer,” says Lariosa. “There are bits of ugliness, but I think my type of work is beautiful.”

## Afterword

by Avigail M. Olarte  
and Yvonne T. Chua

---

*The investigation started during a meeting between a nonprofit group of health professionals and one of us, during which the group mentioned some of the problems that rural doctors have encountered since health services administration moved to the local level. The other writer, meanwhile, had been assigned to do a regular feature on the Doctors to the Barrio program for the Philippine Center for Investigative Journalism's monthly magazine. The doctors likewise opened up to her about their problems with mayors. We teamed up to pursue the story.*

*Our research began with going over background (we call them "secondary") documents. Before any interviews were done, research materials were consolidated and organized. A summary or an outline of the initial findings served as a guide for the entire investigative process. If in the course of the investigation the initial hypothesis could not be supported, the story must take on a different focus and form.*

*Our background research was devoted to gathering of online materials, including news stories about corruption in the local health sector. We accessed laws related to the topic, such as the 1992 Local Government Code and the Government Procurement Reform Act, among others. We also looked into the implementation of the Doctors to the Barrios program by the Department of Health, and other reforms the government has instituted.*

*We did this without benefit of a strong freedom of information act: While freedom*

*of access to information is enshrined in the Constitution, Congress has yet to pass an enabling law. The only existing law that journalists can invoke is Republic Act No. 6713, also called the Code of Conduct and Ethical Standards of Public Officials and Employees. This law has a general rule on accessing information but lists no specific and uniform guidelines for accessing certain documents from government agencies.*

*Our primary research focused on accessing of local budgets, procurement lists, vouchers, drug price lists, and audit reports. This was our most difficult task. Documents such as price lists and vouchers were gathered from doctors who were willing to provide them but requested anonymity.*

*Meanwhile, we were talking to more than a dozen doctors and drug suppliers. Many of the doctors refused to be identified, fearing the possibility of being harassed by the town mayor, or reassigned to another province, or losing their jobs, or even being killed. Some drug suppliers also requested anonymity for fear of losing contracts and bids. Our best piece of luck was finding the doctor who was willing to show all the procurement records made by a certain rural health unit. In parallel, one drug supplier, after some convincing, provided the different prices for the same medicines that he submitted to local governments. Looking for sources like this is difficult but if you find a good source with a good story to tell, you will come up with a good investigative piece.*



*These interviews were corroborated by public records. For example, we did an independent check of drug price lists from manufacturers and distributors and compared them to the prices we found in the procurement lists of rural health doctors.*

*While documents do sometimes lie, documentation is important to any investigative process. One way to verify a document's authenticity is to corroborate it with other documents that will support the pertinent information found. Interviews will also help verify the data gathered from such documents (and vice versa).*

*So far as writing goes, Yvonne Chua, the primary author, swears by an outline. An outline will guide a team of writers and researchers working on the same story.*

*Since the report came out, no one has challenged its accuracy or demanded a correction or clarification. We briefed researchers and those who influence policy makers on our findings. But it is difficult to gauge the impact of our efforts. We can say that the article became one of the inputs into critical discussions of the Doctors to the Barrio program, as well as in policy papers on local governance. It was also cited in *The Role of Public Administration in Building a Harmonious Society* (2006) published by the Asian Development Banks and the Network of Asia-Pacific Schools and Institutes of Public Administration and Governance, and in David Altman's *Connected: 24 Hours in the Global Economy* (2007).*



## B.

### The stage-managed famine

**There is enough  
water in Ethiopia –  
but development workers  
are talking the world  
into believing in a  
catastrophic drought.**

by Lutz Mücke

---

---

#### Introduction

*In the past decade natural disasters seemed more frequent and more severe. Simultaneously, the response to such disasters became more orchestrated, for better and, sometimes, for worse. Greater specialisation and expertise in relief work, from fund raising to logistics, and new forms of partnership between the public and private sectors certainly saved lives. However, as Lutz Mücke shows below, anticipation of crises sometimes also led to unforeseen side effects. Mücke, a pillar of the German investigative reporters' association Netzwerk Recherche, does not question the sincerity of the officials who warn of famine; his last line alludes to the horror hanging over them if they don't. His target is the system in which they are simultaneously drivers and driven, in which*

*good intentions lead to bad outcomes. His story is organised as a methodical quest, a series of encounters with a growing crowd of witnesses, introduced in terse portraits. They all tell of a society that is being crippled by "aid" of the wrong kind, in the wrong place, with the willing help of complacent journalists. Mücke reminds us that a significant investigation can be based on voices instead of documents – but note that if you go this route, it may be even more work than finding documentary proof. Doing a story like this also involved a truly dreadful responsibility for a reporter: If he or she gets it wrong, a great many people may die as a result. So it is no wonder that Mücke keeps seeking for sources, keeps waiting for someone, anyone, who will tell him that he's wrong.*

*From Die Zeit (Germany)  
November 17, 2004*



The three-minute walk from the reception desk on the ground floor to his office on the sixth floor of the UN tower block in the Ethiopian capital, Addis Ababa, gives Wagdi Othman enough time to disclose all the necessary information on the current food situation of the country: the absence of rain will lead to crop failure for the farmers in the highlands, and to heavy cattle losses for the nomads on the plains. Should nothing be done to help, millions of Ethiopians will die of starvation. Othman, 42, is the spokesman of the UN World Food Programme (WFP), the largest and most important food distributor in Ethiopia. And, to make quite sure that the dramatic quality of the situation is really appreciated, he adds: "We are about to suffer an even worse famine than in 1984."

Pictures of Ethiopia were sent round the world at that time, and many people have not forgotten them: children with wide-open eyes in skulls that seemed enormous; apathetic-looking young mothers with thin babies in their arms; rescue camps full of hungry people who had set off from distant villages, following a rumour that promised food elsewhere.

Piled up next to Othman's desk, 64-page glossy brochures are ready to hand. Painting a very black picture, using charts, number columns and tables, they forecast a famine in Ethiopia for 2003 that will outdo all disasters ever experienced, even the famine of 1984. At the time, the WFP reports, a million people died. Presently, almost all regions of the country are suffering gigantic crop losses. In the regions of Amhara, Oromiya and Somali alone, more than nine million people were in acute danger of starvation. With quantities calculated to the last digit, the press material specifies that Ethiopia will need 1.441.142 tons of food and 75.109.559 dollars in emergency aid this year to guarantee the survival of a fifth of its total population.

## **Strong cattle and camels at well-filled water points**

Othman, a former BBC correspondent, is currently receiving visits every day from journalists from all over the world in his air-conditioned office. He hopes that they will inform the world of these alarming figures. Their reports are the only way in which the international aid machinery can be effectively set into motion. The media are one of the main factors that determine how many million dollars will be poured into Ethiopia in the coming months. "The USA, Great Britain and the Netherlands have already promised extensive aid in view of the forecasts", says Othman. Regretfully, Germany is still holding back, he says.

After a two-day long journey over a distance of 600 kilometres, travelling at 25 kph along never-ending roads and tracks, the rugged Ethiopian highlands drop abruptly into the wide plains of the Somali arid zone. The further we drive into the valley, the higher the temperatures rise. We leave the mountains behind us, a monumental silhouette. The rattling bus turns into the bumpy main square of Jigjiga, capital of the Somali part of Ethiopia which, since colonial times, has been called Ogaden in the vernacular.

Jigjiga is a small town: a few pompous administration buildings, a busy market, shabby hotels and bars and a military station – all cemented together by countless mud houses with corrugated-iron roofs. Christians and Moslems have divided the town between them. One group lives to the left of the high street, the other to the right. Military jeeps drive through the streets and squeaking garis, the horse carts typical for the region. At midday, the local temperature can rise to above 40 degrees centigrade. On the outskirts of the town, a few thousand displaced persons, civil war victims from neighbouring Somalia, have found refuge in a tent city in the course of the past ten

years. It is a mere two-hour drive to the border. Smuggling goods to nearby Somalia is a thriving business. The military posts that were set up on the road after the 11th September to control every vehicle moving in the direction of Somalia do nothing to change this. The Ethiopian government, bosom buddy of the USA, has sent tens of thousands of soldiers to Ogaden over the past few months to control the 1.500 kilometre-long border and, under the pretext of counteracting terror, has carried out military operations on the territory of Somalia, the old arch-enemy.

In the WFP paper, the barren, brier-covered Somali region is described as one of the areas worst-stricken by drought. 1.1 million people are alleged to be affected. In the vicinity of Jigjiga alone, 264.000 Somalis are at risk of starvation, and are said to be hoping for aid. There is talk of emaciated cattle and camels. It says that the present water situation is alarming both for man and beast, because the rainy season has not set in for two years in succession.

Over a vast area, however, there is no such evidence of this. In spite of the dry season, thousands of robust cattle, camels, goats and sheep move across the flickering plain of the arid zone. As if part of a biblical setting, hundreds of animals in good condition and with bulging humps gather around the well-filled watering place of Oman. Farmers and nomads within a radius of a two day's march tell of no real need.

Faisal Achmed, 22, wearing a tattered Adidas t-shirt and sandals made from car tires, and his two tall, wiry brothers tell us in the singeing midday heat that all the watering places known to them bear water. None of their family members, widely dispersed over the infertile plain, are suffering presently from hunger. And nothing will happen to change that in the imme-

diately future either, they say, and laugh optimistically. They refer to the stars, from which the oldest members of their clan can forecast the weather. Then they drive their stamping and bleating cattle herd further on down the dusty slope towards the muddy, brown water.

In Jigjiga, the heat of the day has given way to the mild evening air. In the small garden of Hotel Africa, Mohammed Beul is sipping at a bottle of mineral water. Somali music is piping from a crackling loud-speaker box. In Jigjiga, the silent man with the peaked cap pulled down over his face is known by the knick-name of Pilot. Beul does not become talkative until he hears the keyword 'food aid'. Born and raised a nomad in Somalia's arid zone, life formerly washed the man, by now a pensioner, first of all into the Soviet Union, then to the USA, where he was trained as a fighter pilot in the Air Force. He finally ended up in San Diego, but visited his old home country from there time and time again. "You're writing about the present famine? You're in the wrong place." Beul takes a sip of his mineral water. "I've spent the past two months travelling across the Ogaden region. There are problems here and there, but there is no sign of a disaster."

When a big white Toyota Land Cruiser bearing a WFP sticker stops outside in the sallow light illuminating the hotel, Beul says: "You should write about those guys!" Two well-dressed men alight from the Cruiser. "They drive the biggest cars, rake in the fattest salaries, and hardly any of them even have the faintest idea about the life of the nomads." Beul is full of contempt for the development organisations that have been distributing free grain for years in so-called feeding centres to the nomadic Somalis of his clan. By now, this has led to them changing their itinerant routes and moving to wherever free grain is currently being distributed.



Most of it is fed to the animals or gets sold to others. “And what’s more, my people are growing accustomed to grain as a source of nourishment. The stuff is like a drug to them. It’s ruining their diet, because in former times they lived from their animals alone.”

Suddenly, Beul starts to laugh: “Can you hear that? Your famine is just about to be washed away.” Heavy raindrops crack loudly onto the roof of the hotel porch. It rains all through the night, the following morning and for several days. There is not a star left to be seen.

It is raining in Dire Dawa, too. The town, which is half a day’s journey away from Jigjiga, was established in 1902 by order of the Ethiopian Emperor Menelik as a trading post on the railway line between Addis Ababa and Djibouti and is now Ethiopia’s second largest city. Every day, trains rumble at a snails’ pace along the rusty, narrow-gauged railway line in the direction of Djibouti to the Gulf of Aden. The tracks run directly behind Dire Dawa’s dilapidated custom house.

On the opposite side of the road, the ecclesiastical relief organisation, Hararghe Catholic Relief Services, runs its dull-looking centre. Dr. Paulo Pironti, a recognised specialist in nomadic affairs in the Ethiopian development workers’ community, works here. The lean Italian has been living in Ethiopia for the past 18 years. From a small, simple room he uses for work, the agricultural scientist rules, together with the resident bishop, over 80 development workers who work both with the nomads in the lowlands and with the farmers of the highlands. “No-one is going to die of starvation here in the lowlands. Forecasts of that nature are dramatically exaggerated, and may, but just as easily may not prove true.” Pironti shakes his head. “The problem is that many of the so-called experts and politicians in

Addis never leave their air-conditioned offices. They haven’t the faintest idea of the nomadic way of life, and because of that, take every sick camel as proof of an impending disaster.”

### **A renaissance of Islam, financed by Saudi-Arabia**

Pironti’s face discloses the fury surging up within him. He takes a deep breath, lights up a cigarette and then says, “For over twenty years now, grain has not just been brought here to help the needy, but to reduce the production surplus of highly-subsidised farmers in the USA, Canada and Western Europe. Or what other reason is there for not giving us the money in cash? In this part of the world I could buy twice the amount of grain for the money: the prices are lower, and there would also be no need to fund the cost of long-distance transport.” His gesticulations grow wilder. “Why should the West bother so much about Ethiopia? Because the country is a strategic bulwark between the Islam of Sudan and Somalia and located opposite the Arabian Peninsular!”

Ethiopia too, however, would seem to be threatened. Whereas the Christian orthodox contingent of the population is diminishing in this country, Islam is experiencing a renaissance. Money, coming above all from Saudi-Arabia, is funding the building of numerous new mosques, Islamic schools and hospitals in many regions of the country. The development that official statistics have concealed for some time is now becoming evident: approximately half of all Ethiopians are Muslims.

“Reason enough for the USA to pump even more military support and food aid into Ethiopia after 9/11 in order to support the Christian government. No-one bothers very much where these aid supplies go to in the end”, Pironti comes round from



behind his desk and reaches for the next cigarette. “There’s no doubt about it, people are starving here and there is great need. But we must ask ourselves, why that is still the case. If you want your famine story you should drive further on to Mieso. Some of the villages suffered a total loss of crops there last harvest. They are really in a bad way. That’s where the famine pictures come from on television. That’s the region most of the journalists go to. Even the president has already been there for a few hours.”

It’s raining cats and dogs outside, the streets have been swept empty, and people have found shelter in cafés or stand closely packed in the doorways of houses and under porches. There’s a smell of damp earth.

Bend after bend, the serpentine wind their way up the steep hills to a height of 2.500 metres. At a speed of 30, the four-wheel-drive digs its way along the road that has sunk in the rain and mud in the direction of Mieso. The heating is defective, and thick clouds obstruct the view into the deep valleys. It’s cold.

Farmer Aliye Mumed lives at the roadside of the village we have reached named Melkahora. The man leaves his round mud hut and hurries to meet the visitors across his boggy field. He is shivering and, for just a short moment, pushes out a hand to greet us from under the thick, colourful cotton cape. Rain is running down his wrinkled face. We cower beneath an acacia. The 2.5 hectares of land cannot feed him, his wife and the four children. The weather hadn’t played along with them. Was he pleased about the rain now? The 53 year-old takes a deep breath: “The rain is good for our two oxen. We’ll have grass again within a week. But it’s no help to us otherwise.” In the meantime, Mumed’s neighbours have hurried over to join us. One of them says of the aid supplies they receive, “We get 10 kilos of corn per head each month. We’ve

been eating nothing else for months. But the worst part is that you can’t sow this strange foreign corn. It’s sterile!”

Aliye’s neighbours begin to chide: Without any seeds they’d always be dependent on aid deliveries. Aliye Mumed raises hands made strong by work up to the sky, only to drop them again with a helpless gesture: “Just look at my field! It is ploughed, it’s all ready. I could start to sow now! Maybe I’d be lucky this time.” He falls silent, an uneasy look on his face and, when the rain grows heavier, returns to his hut.

For various reasons, the corn delivered as food aid to Ethiopia is barely able to germinate. Some kinds are generally not suited for sowing, others are from such old stock that they have lost their ability to germinate, and others again have previously been thermally treated. Although the Ethiopian government has recognised the problem with the seed stocks, it is making a deal out of it. It has set up an agrarian package programme, in which seeds and manure are sold to the farmers on credit. The package, however, is of little help, particularly to those farmers who are really in need. Not only do they subject themselves to a dangerous degree of dependence because of the repayment rates, but also because of the seeds. For the seeds in question are highly-cultivated hybrid seeds from an American company named Pioneer Hi-Bred International, which guarantees the yield of a rich crop for only one season. It cannot reproduce itself and has to be bought again year after year.

One and a half hours after take-off in Addis Ababa, the small Ethiopian Airlines’ passenger aircraft begins the approach to land at Bahir Dar. The enormous 3.500 square kilometre surface of Lake Tana is glistening in the blazing sunshine. This is the source of the Blue Nile. All of the land surrounding is densely populated. It is easy to see from the air how the farmers put every bit of their towel-sized fields to





use. From the airport of Bahir Dar, a town famous for the orthodox monasteries of the region which are up to a thousand years old, a journey of 100 kilometres still lies ahead to Debre Tabor, a small town in the Amhara province of South-Gondar.

This is where Klaus Feldner works. From the veranda of his house, the agricultural expert, head of the project “Integrated Food Security Programme South-Gondar” for the Gesellschaft für Technische Zusammenarbeit (GTZ), looks down onto his garden which is overflowing with flowers. According to the official version, his region, too, has been badly affected by the drought. The bearded Franconian shakes his head in disbelief after studying the figures and statistics of the disaster that has been forecasted. Once again, a few more districts have been classified as nutritionally instable. “During the seven years I've spent here, I haven't yet experienced a single one of them being removed again from these statistics. Their status simply persists, irrespective of whether or not it has been a good or bad year for crops. In the villages of this region, the occasional single family may need help. But it is never the case that an entire village is affected.” Feldner is absolutely convinced that Ethiopia could not only feed itself, but even export grain. “This country has huge potential.”

After 36 years as a development worker, Feldner is shortly due for retirement. South-Gondar is his last project and his first success, as he says: he has planted a type of grain named Triticale, a stabilised hybrid of wheat and rye. Cultivated at the South African University of Stellenbosch in two varieties suited to the tropics, Triticale was re-introduced to Ethiopia by Feldner, after earlier attempts of the Ethiopian government to grow other breeds of Triticale in the region had failed. In the meantime, the corn with the long beard has spread rapidly in the small fields of the farmers of

Amhara, independent of the GTZ endeavours. For Triticale can more than double its yield and bear its own new seed. Some Ethiopian ministers and ambassadors of EU countries have even set out from the distant city of Addis Ababa for Debre Tabor to examine Feldner's masterpiece.

### **Infuriated by the collar-and-tie development workers**

To achieve this success, however, the sturdy 60 year-old had to employ quite unconventional methods: determined to avoid waiting for months in customs, importation costs and tedious debates with the government over the advantage of Triticale, he simply smuggled the seeds and equipment into Ethiopia. On several occasions, Feldner was also obliged to argue with the Orthodox Church in Ethiopia, as it prevented the highly-religious farmers of the Amhara highlands from working in their fields on countless public holidays. The farmers of the region are only allowed to work on around 120 days of the year.

In his dusty working clothes, Feldner is the living contrast to the men managing the disaster in Addis Ababa, a man who still struggles to improve matters in Wellington boot projects way out in the sticks. He finds it annoying to witness how development work in Ethiopia is becoming an increasingly academic issue. According to him, the number of highly-qualified scientists manning the desks in collar and tie in the capital city is increasing constantly. What is needed, Feldner remarks critically, are people who can still push a plough themselves.

He accuses the World Food Programme of having double moral standards. He considers it to be much too close to the government and also very much in pursuit of its own interests when, at regular intervals that are hardly perceived as such by the



people of the world, it announces famines. “If there were no more famines, the WFP would no longer be able to finance its huge organisation. They get money for each ton of food they distribute. That is why they have such a vested interest in blowing up crises. Ethiopia, South Sudan and Bangladesh were, over the past decades, an ever-flowing source of money for the WFP.”

Without influential friends, however, Feldner would not be able to do a thing to make things move in South-Gondar. One person he knows on his side is the high-ranking government official, Jonas Bekele<sup>3</sup>. Only one phone call from Feldner is required to render Bekele willing to give an interview. Key positions like his are, almost without exception, staffed by members of the all-pervasive governing party, the Ethiopian People’s Revolutionary Democratic Front (EPRDF). They are all bound to follow the official line of thought. Bekele, however, says things which one very seldom hears from a governmental employee, and could cost the little man with the piercing eyes his job. “The weather is not so much to blame for the present food shortage,” Bekele says, “but much more so the issue that, having been given food aid for decades, between five and six million people are now permanently dependent on it. That has encouraged the emergence of a decadent self-service mentality among the farmers. We have become accustomed to aid like we have to the rising sun. The saying ‘We are praying for rain in Canada’ has been doing the rounds amongst the farmers of the region for years!”

### **The government wastes no time with its critics**

His staff members chuckle, but Bekele himself remains serious. “We have to make it possible for our farmers to feed themselves,” the economist continues. “We

cannot allow it to be the duty of the aid organisations just to provide the ordinary people with bread. The development workers should show them how to bake it for themselves. Over the last 20 years, huge amounts of money for development aid have been squandered. We must put an end to that! Many development organisations make the problem they are supposed to actually solve even worse. That’s because the organisation of food aid,” the civil servant proceeds to argue, “provides the functionaries with a basis for their existence.” A grave reproach, shared by 141 members of the association of catholic aid organisations in Ethiopia. It is assumed in these circles that, in the meantime, one third of the 325 aid organisations registered in the country are dealing exclusively with the distribution of food. The objective of helping people to help themselves, a much-lauded concept of sustainable development in Sunday sermons and in draft papers, would seem to have fallen by the wayside.

Bekele tells us of an enormous surplus of grain that is produced in Ethiopia time and time again and in different parts of the country. He reveals that the last record harvest was in 2001. But neither the people in need nor the producing farmers benefit at all from these surplus supplies. On the one hand, this is because a functioning marketing system has not been established, but on the other hand, because food aid is even poured into the country in good years. Experts estimate that between 20 and 40 percent of the 800.000 tons of grain imported on average each year for distribution are eventually sold at a ridiculously low price in the markets of the towns and villages. No farmer can compete with such dumping prices. That is why grain is simply no longer planted in many regions. Instead, bushes of the chewing drug named ‘Khat’, with active ingredients (Katamins) that have a similar effect to those of amphetamines, thrive on enor-



mous expanses of land in East Ethiopia, and transfer people over entire regions of the country on the Horn of Africa into a state of joyous lethargy.

The green leaves of the drug guarantee the farmers fat profits, as well as happy hours beyond all care. For the Khat market is growing, both within Ethiopia and on the Arabian Peninsular, and in Europe and in the USA. In recent years, Khat has advanced, along with coffee, oil, pulses and cattle, to one of the most important agricultural export products of the country.

In public announcements and conferences, government representatives in Addis Ababa affirm time and again that the country should endeavour to manage without food aid. But instead of that, they control the aid industry with growing perfection. To the present governing party, the EPRDF, that governs alone and unopposed and has a widely ramified financial empire at its disposal, food aid is not an emergency solution, but a real blessing. The people in power have benefited from the 14 million tons of grain imported between 1984 and the present day.

Huge trading and transport companies that distribute food supplies within the country and are owned by the governing party earn up to 150 dollars on each ton of food. Depending on the degree of emergency which is proclaimed, this means that sums of money often amounting to three-figured millions are poured year after year into the party's pockets. And in addition, the EPRDF uses food supplies to systematically reward its supporters and by doing so keep them in line.

Around 30 percent of the food supplies are channelled into the State of Tigray, for example, the area where leading members of the EPRDF come from, even though it houses a mere 10 percent of the total

population and the need for help was only estimated there as being average. A survey conducted by the Grain Market Project came to this conclusion in 1998. It also revealed that only 22 percent food supplies reach those in need; most food simply ends up where much of it has gone to all along; that is in places, where the government and development organisations have made long-term investments in staff, contacts, offices and vehicles. The team of American and Ethiopian academics were not able to determine a significant connection between undernourishment and those who were given aid.

As soon as these highly explosive results were published, the Ethiopian government decided to terminate the research project immediately. Shortly beforehand, it had been acclaimed as a shining example of co-operation between Ethiopia, the American development aid authority USAID, and Michigan State University. As Thom S. Jayne, professor of agricultural economics at Michigan State University and in charge of the project at that time, has since revealed, "We were individually put under pressure by very high-ranking Ethiopian politicians to revise the findings of our survey and replace some of the Ethiopian colleagues participating in it with functionaries who were true to party principles. When we did not comply with either of the requests, since we questioned neither our findings nor our colleagues, we were obliged to leave the country."

The American cannot understand to this day why his survey has attracted hardly any international attention. His theory is that Ethiopia's geo-strategic position has always been of such significance to the West, even before 9/11, that political economics have dominated everything. The Ethiopian government is in full control of the development organisations. This is tolerated by Western donors, who



are obviously only concerned that the power should remain in the hands of the Christian elite who are presently governing Ethiopia.

Instead of being concerned with upholding Christian values, however, this elite's only objective seems simply to be the sheer maintenance of power. The Ethiopian government generally wastes no time with its critics. Countless political opponents disappear into prison without trial, government opponents are executed, protesting students are bludgeoned, disagreeable development workers are banned from the country and Ethiopian journalists are locked away.

Economist and citizen's rights leader Berahanu Nega, one of Ethiopia's most prominent members of the opposition, was one of those thrown into prison because of his participation in the student protests of 2001. Nega arrives late for his appointment to give an interview at the Sheraton Hotel Addis Ababa. Here a stay overnight costs one and a half times as much as the average Ethiopian earns in a year (150 dollars). Nega is late, because half a dozen delighted supporters waiting along the 50 meters of the elegant marble lobby and have been giving him a warm welcome. The small, agile man apologises for his late arrival, orders some water and comes quickly to the point: "Do you think a famine must automatically follow a period of drought in this country? Of course not. There are structural reasons that cause such a development. One of them, for example, is that the State still owns every acre of land. Private investments, such as in irrigation systems or in the introduction of new production methods, are therefore simply not made. Our farmers work the land with wooden ploughs, just as they did 3.000 years ago. The average farmer cultivates a mere hectare of land nowadays, and that applies to 85 percent of the 65 million Ethiopians."

Nega gets up for a moment, takes a few steps to contain his emotions, sits down again, then continues: "Our government does not want to change a thing. It neither wishes to privatise land, nor to develop strategies to industrialise the country. Why is this so? Maybe it's because that's the only way it can remain in power. It has long lost its support in the cities. Food aid from abroad," 45 year-old Nega is convinced, "contributes little in the way of solving these problems, and is more likely, on the contrary, to cement them. The donor countries and the development organisations should focus their attention on the democratisation of Ethiopia. A sustainable development can only come from within."

### **All television teams are taking the same famine pictures**

The EU delegation has its headquarters in Addis Ababa between the city centre and the airport, behind the large steel gate of the former embassy of the German Democratic Republic, East-Germany. Although the EU was involved in the compilation of the official forecast of the imminent famine, the people there tend to take a critical stance with regard to the figures, at least as long as no-one is mentioned by name. As one member of staff familiar with the subject matter comments, the figures can only be given limited credibility, since there is no functioning administration at all in many parts of the country, and it is consequently not possible to collect reliable data. The two dozen teams on whose work the figures are based, consisting of members of the Ethiopian government, the UN and development organisations, assessed the situation in November 2002 in a kind of out-of-the-jeep-and-back-into-the-jeep inquiry. Afterwards, the people responsible for it haggled over the details while they drew up a report on the millions of people expected to suffer in the famine.



The report also reflected the dispute over how the food supplies handed out each year should be distributed. For months, a wave of support had been rolling for the starving in southern regions of Africa. To be noticed at all, dramatic figures were required.

The representatives of the Ethiopian government and the World Food Programme even argued that the people of the world should be confronted with an even greater number of famine victims, but the EU staff wanted lower numbers. Somehow, agreement was reached, the staff member continued.

Aid organisations and media have one thing in common: They survive on disasters, as Hans-Josef Dreckmann remarks. Before he returned to Germany in 2001, he worked for 13 years as Africa correspondent to the ARD, Germany's 1st television programme. He knows Ethiopia well. "The emotive name 'Ethiopia' is an effective tool which can be used to exert pressure on wealthy governments, because many people can still remember the devastating catastrophe of 1984/85," says the 64 year-old. "At the time, the Ethiopian government and the international community allowed tens of thousands in the north of the country to die of starvation. That was the first time that this indescribable suffering could be seen so close on television. These pictures shocked the world, and Ethiopia has played this joker time and time again ever since. It is just as easy for the aid organisations, too, to mobilise the public with the symbol of Ethiopia."

Dreckmann had his last drastic experience with famines in Ethiopia in 2000, when shocking pictures of Ethiopia suddenly appeared overnight on the television screens. Once again, the World Food Programme had mobilised publicity and flown in television teams whose pictures were bound to have the right effect. BBC,

Reuters, CNN, and all the big names in the field were reporting. Ethiopia 2000 became a fast-selling item: The editorial staff on the home front wanted reports from their Africa correspondents on what they had already seen on television. The headlines of the yellow press could hardly keep pace with developments. As Dreckmann recalls, however, this was all just happening in the one small township of Gode in Ogaden. But the television pictures concentrated on the issue to such an extent that everyone was bound to get the impression that the whole of Ethiopia was once more stricken by famine. Practically every television crew was shooting the same film of the famine and interviewing the same people. That one isolated situation was applied to the whole country. And figures were circulating which told of more than ten million famine victims.

This exaggeration was even too much for the head of the WFP, Catherine Bertini. But her announcement that this was not a widespread famine fell on deaf ears, the catastrophe reports were being broadcast one after the other, and a differentiated version of the story could no longer penetrate the fiction. When ARD correspondent Dreckmann did not comply with the request of the editorial office at home for him to fly back to Ethiopia to get a story of the catastrophe that would ensure good quotas, they simply sent his colleague, Hans Hübner, in his place.

When he arrived, Hans Hübner, now 63 years old and a former Africa correspondent, too, could only find people suffering from under-nourishment, but no one was starving. He so reported back to the Tagesschau (the most important German news programme) in Hamburg. But his report did not provide material that was sufficiently dramatic to launch a donation appeal. Without regard to the outcome of his research, the Tagesschau launched



the appeal and got donations to pour in, as Hübner recollects. This consequently caused disagreement between himself and the editorial office.

The Ethiopian government and Wagdi Othman in Addis Ababa, spokesman of the World Food Programme, forecast that

this year's famine will reach its peak in the months of April and May. They remind us to hurry. By then, the several millions of dollars and food parcels ought to have arrived in the country.

And no-one will be able to blame them for not reminding us in time.



## Afterword

### My system

by Lutz Mükke

---

**First step:** *I begin searching relevant documents and books. I knew that the Ethiopia story was going to be complex and my studies helped me a lot.*

**Second step:** *After reading a mountain of pages I contacted experts and discussed the matter with them. I called across Europe. Not all sources are mentioned in the story, because there are simply too many, and the story would simply fall apart. The text sticks to the most important sources and the quotations of highest quality. And some sources I just cannot mention because they asked to stay anonymous: diplomats, business people, some Ethiopians who were afraid to get trouble.*

*I organize, read and speak about a subject as much as I can before I travel. In this case it took me three, four weeks. But otherwise I would not feel happy, because only knowledge gives me a free mind, a clear head and open eyes when I leave the desk and breathe “reporter air”. To combine both is the art of our job.*

**Third step:** *I travel. The story was financed by Netzwerk Recherche, an organisation of investigative journalists in Germany, who gave me a grant of 1,500 euros. Without that money the story would not have been written.*

*I speak to those involved and try to understand them. Do not believe anything before you have not seen and felt it. Try to understand the entity behind an appearance. I traveled as a tourist without a journalist visa or working*

*permission. I did some very delicate interviews and recorded them. I had to run away twice. One evening I met an Ethiopian who had studied close to my hometown in Germany and was fluent in German. I was stupid enough to tell him about my work. Big mistake! His face went almost white. He turned out to be a government officer, and he called the police. I had not even ten minutes to burn two tapes at the toilet, to get my backpack, to leave the hotel via a window and to hide in a donkey cart.*

*My visit to the diplomatic mission of the EU in Addis Ababa was a poor reporter's good luck. I went there two days before I had to leave Ethiopia, and after three weeks of research and traveling I was tired. But the EU diplomats gave me some very important and sensitive information and contacts – a final piece in the puzzle. Afterwards I was happy like a five-year-old boy with a big ice cream in midsummer. That wonderful feeling lasted for days.*

**Conclusions:** *Work till your last minute; believe in your luck and search for trustworthy contacts. Start with documents, ask experts, than speak to those involved and try to understand them. Do not believe anything before you have seen and felt it. Try to understand the entity behind an appearance.*

**Fourth step:** *The torture of reduction of the research material.*

**Fifth Step:** *The torture of writing. My plan: I pick the best characters, strong scenes*



and statements and central documents. Then I take my central conclusion and build the story around it. In the Ethiopian case I choose a chronological story, a travel across Ethiopia in the search for truth.

**Sixth step:** The torture of discussing the text with colleagues (my thanks to them!).

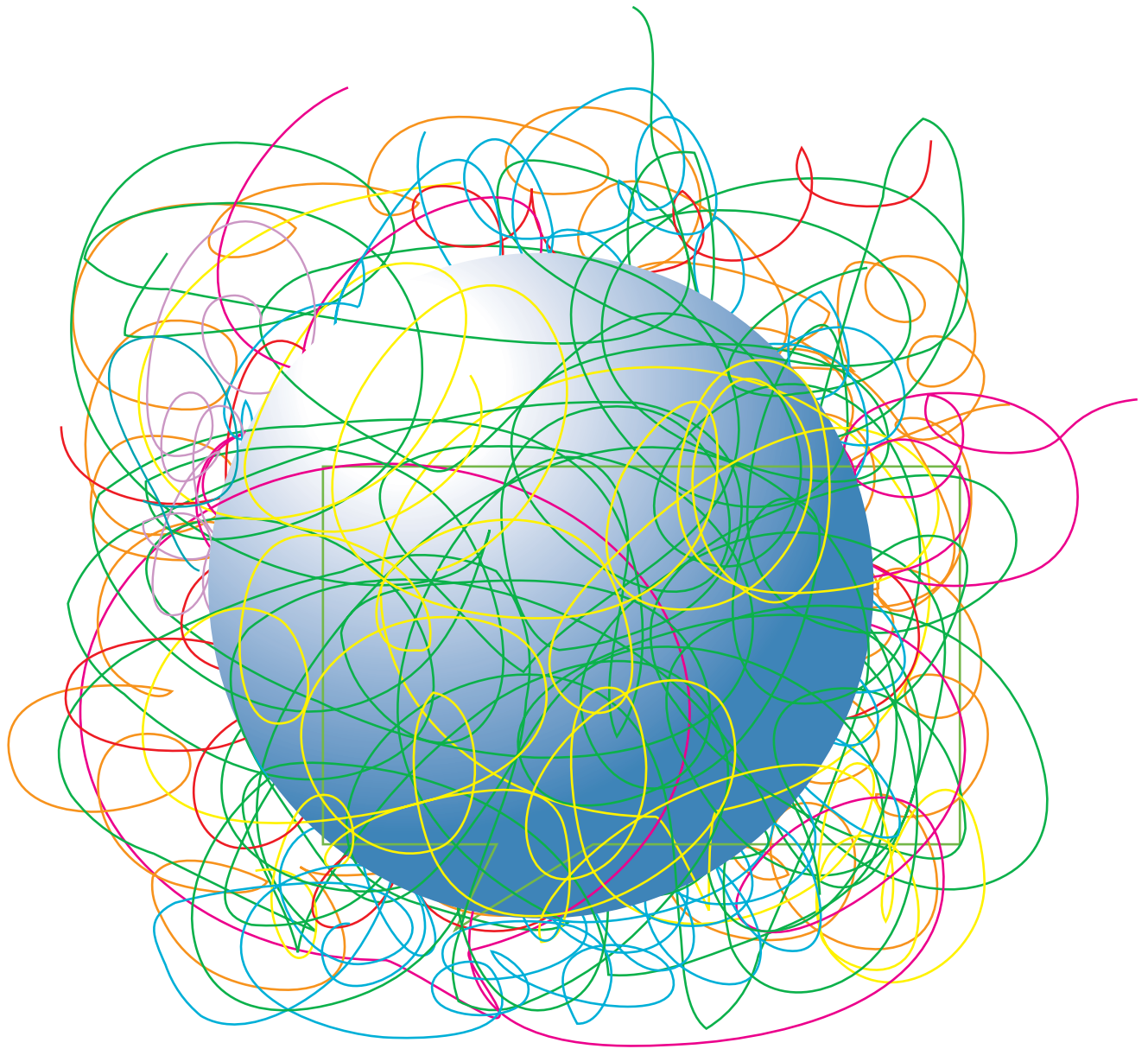
When the story was published, a little storm came over me. On one side some NGOs, the UN/FAO in Rome and the Ethiopian consul to Germany wrote long protest letters to the publishers and the desk in Hamburg. Some readers complained that I relativised the misery

of Ethiopians. On the other side I got standing ovations from readers and Ethiopians. Die Zeit is a very important weekly in Germany, and that may be the real reason that nobody sue me for that story. Germany is one of the biggest donation markets in the world and the aid organizations are not too interested in dangerous public discussions.

I am satisfied with my story. It's a good one, and I got an international prize for it. But the political impact was minor, unfortunately. Things have not changed much. The aid industry does not understand that criticism could help it to reform. On the contrary.







---

---

5

## **Chapter Five**

# **The local face of globalisation**

---

---



**A.**

## **Casualisation undermining workers**

by Alvin Chiinga

---

### **Introduction**

*There is no sacred commandment that a proper investigation can only be a long story. Alvin Chiinga's article on Zambia's copper mines runs less than 1000 words (four double-spaced pages); yet in that tight space he takes apart the mechanism of an emerging, inhuman system. The principle is simple: In a country with admirable labour laws, the laws have become ink that no one reads, let alone enforces. The story maps a pyramid of official indifference and impotence in an implacable, only-the-facts tone. In the same understated tone, Chiinga's afterword tells us just how hard it was to get this story.*

*From the Zambia Daily Mail  
April 20, 2010*

**K**ingsley Kavwili finds himself about 400 feet underground, mining copper everyday, his face dripping with sweat as he works the unbearably hot tunnels. He earns about K150,000 per month, hardly enough for one person to live on. And he has a family to feed.

Under Zambian labour law, the minimum expected wage for a worker is K268,800. In addition, each worker has to be paid a transport allowance of K80,000, a lunch allowance of K70,000 and a housing allowance equivalent to 30 percent of the basic salary. His healthcare also has to be taken care of by his employer.

Kavwili is not getting any of these benefits because he is a “casual” worker, and as such, he cannot engage his employers in any meaningful negotiations for better pay or conditions of service.

Casual workers are not housed by the mines like the regular workers: They live in ramshackles dotted around the vicinity of the mines. Mr Kavwili lives in a shack near a mine in Lua. Casual workers do not use any protective clothing to ward off danger, and have no guaranteed medical attention regardless of the fact that they are exposed to occupational hazards. As they go about their work, casual miners face the risk of suffering from various diseases associated with their work, particularly respiratory infections. The mines are treated with



various strong chemicals which can affect human health.

The conditions of the mines, pollution and exploitation of workers can get so bad that they can drive some people to tears. Former Southern Province minister Alice Simango shed tears before television cameras at the sight of under-fed miners clad in rags, without any protective gear, at a foreign-owned coal mine in Southern Province. Her colleague, Labour and Social Security deputy minister Simon Kachimba, was “shocked”, he said, when he found that workers in a foreign-owned foundry were casting metal in very hot conditions, without any gloves or safety boots.

No one knows exactly how many casual workers are currently toiling in this industry, the largest employer in the country after the government. The only report which attempted to give statistics is a study by the Institute of Security Studies (ISS) dating from 2004. The study reported that by 2004, there were 29, 868 workers in the mining industry. More than a third of these were casual employees.

That percentage is likely to have gone up since then. A report on the social and economic impact of Asian Foreign Direct Investments (FDI) in the extractive industry in Zambia (1997-2007) showed that most of the companies in this category were paying low wages, and hiring casual labour was common, with just a few workers on fixed terms of employment.

The report also said that the quality of employment offered fell short of decent work standards, mainly because of casual labour, poor pay and conditions of work, and hazardous work environments.

The mining industry is the backbone of the Zambian economy. It accounts for

more than 70 per cent of export earnings and more than half of the Gross Domestic Product.

In the early 1990s, mining unions were a force to reckon with on the political front. They wielded immense political clout and could easily influence the course of politics on the Copperbelt and beyond. The second republican President, Dr. Frederick Chiluba, ascended to power largely because of the influence of the trade unions.

A lot, however, has changed in Zambia since the privatisation of mines in 2000. International, mostly Chinese, companies have invested in the mines. Some of those mining companies now virtually rely on casual workers. For example, [one company whose name is withheld by the editor] at Chambishi has 1,800 casual workers and only 71 full-time employees, according to the ISS [an official statistics bureau]. In comparison, Konkola Copper Mines, an older and more traditionally established company, employs only 6,000 casual workers out of a total workforce of 16,000.

While Mr. Kavwili has somewhat adapted to his situation, his colleague, Brian Lundwe, openly blames the authorities for their suffering. “We have no representatives to monitor our working conditions,” he says.

Mr. Lundwe is right that there should be strict monitoring by authorities, because casual workers are protected under Zambian law. The law states that anyone employed for more than three months must be confirmed as a full-time employee.

Lack of monitoring by authorities has been the major contributing factor to an increase in casual labour in Zambia. Senior Labour Officer at the Ministry of Labour and Social Security Chikula Chinyanta agrees that the “monitoring” is weak.



He also admits that while his ministry is aware that companies are breaking laws which regulate the hiring of casual workers, the authorities prefer to “negotiate” with employers rather than prosecuting them. “As of now, we have not prosecuted anyone in the mines who employs workers on a casual basis,” he says. “The ministry is trying to avoid paying legal costs if it loses any court case.”

Mine Workers Union of Zambia (MUZ) President Rayford Mbulu said it is not easy to

monitor the plight of casual workers because “they are not union members”, and “most Chinese mining companies do not recognise the MUZ.” Mbulu said the union had taken the matter of casual workers to court and won, but that nothing had changed.

While Mr. Kavwili, Mr. Lundwe and the other “casuals” toil for meagre wages, their employers take hefty profits home from Zambia. It will take more than the efforts of unions in the country to end exploitation in the mining industry.



## Afterword

by Alvin Chiinga

---

*This story has been going on since the liberalisation of the economy in the year 2000, when foreign investment, especially in the mines, increased in Zambia. That was my personal observation. The idea I started with is what I ended with, though I somewhat underestimated the magnitude of casualisation in Zambian mines.*

*My research strategy started with traveling to the mines or to places near the mines, where I could collect personal experiences of casualisation. I felt I could only understand the subject matter if I was close to the people affected, so I began with human sources. Certainly, you have to map out the sources and the places before you begin.*

*I successfully disguised myself as someone who was looking for employment at a mining firm. This increased my chances of getting inside the mine. Meanwhile I was busy observing and recording how employees were working under unbearable circumstances. What could have amazed some employers is that after several days of pursuing a job at their firm as a casual worker, I did not accept an offer.*

*I got some data concerning casualisation in the Zambian mines from the Internet. Civil society organisations gave me data on foreign direct investments coming into Zambia from Asia. In general it is hard to get documents here, especially if they are critical of the government; people are afraid. There is no freedom of information law in Zambia, but this is certainly coming, as a law is before Parliament.*

*That said, I had problems getting data from places where I expected it would be easier,*

*such as the Ministry of Labour. They said they couldn't provide data because they had limited resources to collect it.*

*From a political perspective, I had problems because most of the mines that practice casualisation are Chinese. The Chinese unfortunately have strong backing from the government, and anything you might say against them is usually not welcomed by the authorities.*

*My personal experience in investigative reporting is that it is better to organise material as you go. For one thing, organising takes a lot of time. And if you do not organise the material as you go you might end up forgetting or misplacing important data by the time you are done.*

*I like the descriptive way of writing, because it clearly shows what a writer is trying to put across from the first paragraph of the story. Putting facts clearly and simply is not only easier to handle as a writer, it also helps the reader grasp what one is trying to communicate. I also believe that sentences should be made shorter, to effectively bring out just one thought.*

*The response to the story was positive, especially from the International Labor Organisation, which vowed to keep an eye on mines that practice casualisation. I can't say that anything changed, but I received a number of thumbs up from readers who wrote to the paper to say that the article was only the tip of the iceberg. Some Chinese mine owners wanted to challenge my figures, but we had data detailing the level of casualisation in Zambian mines, especially those that are owned by Chinese.*

*It's always cardinal to countercheck facts, especially numbers, because you might end up running something that is incorrect.*

*I would have loved to do a follow up, but funding for such stories is not that easy*

*to come by here in Zambia. I work for a government newspaper which doesn't really support such investigations. I hope the ILO did something as well, because they have more muscle than I do when it comes to labour issues.*



**B.****A question of ethics:  
the letter from Lundbeck**

by Anne Lea Landsted

**Introduction**

*No industry is more heavily regulated, wherever you may be in the world, than pharmaceuticals. Yet no industry is more prone to scandal. One of the reasons is regulatory arbitrage, which occurs in many industries. For businesses, it amounts to shopping for congenial legal environments. The issue at hand may be labour laws, or environmental rules, or, in the case below, how drugs are approved and promoted. Here, a firm is trying to sell a drug far from home that is not approved for use in its home market. It is neither the first nor the last time that such a thing has occurred, as Anne Lea Landsted's deliciously ironic last line reminds us. Every reporter will get the chance to do such a story in his or her career, and Landsted (a journalism professor at the University of Southern Denmark, as well as a practitioner) does it well here. In this particular story the drug is certainly not a killer. What counts more is the careful demonstration of how this product, which*

*Sri Lanka's best-qualified people rejected, nonetheless got onto the market. Things changed since the story was published, at least for Lundbeck: The company did the right thing by responding to the reporter's revelations with sincere remedial actions. Note that Landsted does not denounce the product; her target is the process of getting it to market. By implication Landsted is investigating the medical interface between rich countries and poor ones, showing us the gears and wheels of a system. Note how she uses a conversational tone that helps to clarify complex matters like regulatory issues. Style is also information, and part of the information here is that the author is confident of what she's saying so simply. Note also that she takes space to sketch the Sri Lankans she met. These encounters tell you something about how the country works, and they also contain an implicit affront to anyone who imagines that "developing" means "uncivilised."*

*From Sygeplejersken (The Nurse, Denmark), May 21, 2002*

This is about ethics, or perhaps rather the lack of them. A large, established Danish pharmaceutical company refuses to accept that a developing country has twice rejected its application for the approval of a combination product for the treatment of depression and mild psychoses. The product is not registered for sale – meaning that it has been approved for use – in Denmark.

The pharmaceutical company is H. Lundbeck A/S; the product is Deanxit and the country where it was first rejected and later approved is Sri Lanka. The Nurse has examined all the documents in the case and visited all seven of the psychiatrists who, according to Lundbeck, participated in a meeting [where the drug supposedly obtained their unanimous approval] and who are mentioned in a letter to the Sri Lankan authorities asking for their approval for the drug. At least two of the psychiatrists were unable to attend the meeting. None of them had heard that the product had never been registered in Denmark, or that the Sri Lankan authorities had twice refused its approval.

One psychiatrist who was involved in the Sri Lankan authorities' previous rejection of the product, and who was not invited to the meeting with Lundbeck, was incensed when she was presented with the facts of the case. She will now take up the issue with the authorities in Sri Lanka.

“My job makes no sense if the product gets registered regardless of what happens,” said Dr. Hemamali Perera.

### **Confidence in the reference countries**

The story began on 2 March 1997. On that day the Sri Lankan Drug Regulatory Authority (SL DRA) received an application from the Danish pharmaceutical company

Lundbeck for the approval of its drug Deanxit for sale in Sri Lanka. There was nothing particularly extraordinary about this. Lundbeck already had quite a few medicines on the market in Sri Lanka, but this product was different. It is a combination consisting of two ingredients: flupenthixol and melitracen. Flupenthixol is familiar in the treatment of mental disorders. Melitracen is not.

Enclosed with the application were two documents from the Danish drug administration. One of them was an approval of Lundbeck as a producer of pharmaceuticals. The other was what is known as a “free-sale certificate”, which permitted Lundbeck to export Deanxit.

The application file also contained a “to whom it may concern” letter from Lundbeck. Dated 15 February 1993, it said that Deanxit had been registered in 20 countries – Denmark included.

In Sri Lanka the authorities are skeptical of combination products, but since the country is not wealthy and does not have the resources to check whether this new medicine is in order, it chooses to rely on the evaluations of other countries known for their thorough, and at times restrictive, controls of medicines. These “reference” countries are Canada, the USA, Britain, the Netherlands, Scandinavia, Australia and New Zealand. The list has the approval of the World Health Organisation, WHO. If the product has been registered and approved for sale in one of the above countries, there will be no problem getting it approved for sale in Sri Lanka – whether it is a combination product or not.

### **Not sold in Denmark**

But Deanxit had not been approved by any of the reference countries, and on 1 July 1997, Sri Lanka's first refusal was issued.





“We checked to see whether flupenthixol and melitracen were registered in our reference countries. Flupenthixol was registered in several places as a single ingredient, including in Sri Lanka. But melitracen was not to be found, either as an independent tablet or in combination with flupenthixol. So we rejected the product because of the combination of a known and an unknown product, and because it does not appear in any of our reference countries,” said Dr. Kris Weerasuriya, professor of pharmacology and former secretary of the Drug Evaluation Sub-committee (DESC) of the Drug Regulatory Authority. In that capacity he was involved in rejecting Lundbeck’s application.

Immediately following the first refusal, Lundbeck sent a new, updated list to Sri Lanka of 25 countries where Deanxit was registered as of 1997. Denmark was not on the list.

According to Lundbeck’s own documents, Deanxit was registered in Denmark in 1993, but no longer in 1997. How could that be?

“Lundbeck never applied for Deanxit’s approval as a medicine in Denmark, but only had it on the so-called export register,” said Per Helboe, head of the drugs approval section of the Danish Medicines Agency.

So in 1993 Deanxit was not approved for sale in Denmark – only for export. And the requirements are much less stringent for export than if a product is to be approved for sale in Denmark.

“What we evaluate in relation to the export register is whether the product contains what it is supposed to and whether it has been manufactured under satisfactory conditions,” said Per Helboe.

And what demands do you make on products for sale in Denmark?

“If the drug is entirely new, the demands are quite stringent. We demand comprehensive clinical documentation of the efficacy and safety of the product.”

According to Lundbeck’s Danish office, the firm never tried to get Deanxit approved as a medicine in Denmark because Denmark is extremely restrictive as far as combination products are concerned.

In Sri Lanka the authorities do not like combination products either, but that is where the Danish pharmaceutical company decided to continue its efforts to get the drug registered.

In September 1997, Lundbeck called on the Sri Lankan authorities to reconsider its application. Lundbeck enclosed a report on Deanxit. Dated 1 May 1997, it was written by one of Lundbeck’s own staff, Jørgen Nybo Andersen, pharmacist and medical manager. The report included a detailed technical exposition of Deanxit, but no clinical trials or medical evaluations.

The report is nine pages long, including a bibliography with 41 references. Fourteen of them are from the early 1970s, and 24 are from the beginning or the middle of the 1980s. A third of them are in German and French, and one of them is in Danish. Only three of the references are from the mid-1990s. Two of them relate to lectures in the Bulgarian capital, Sofia. The third refers to a poster [an unpublished paper that has not been subjected to peer review] at a scientific conference in Copenhagen.

“Most of the documents had never been published in scientific journals and could therefore not be considered to support the application. In addition to this, a good third of the references were incomprehensible because they were not written in English,” said Professor Weerasuriya, the



Sri Lankan regulator. “Even so, we decided to allow Lundbeck the benefit of the doubt, so we asked a psychiatrist to evaluate the application.”

On 24 September 1998, the second rejection of Deanxit was sent to Lundbeck. The reasons given were:

1. Combination tablets are difficult to test in terms of dose and effect as well as side effects;
2. Melitracen is practically unknown;
3. Sri Lanka already has enough medicines that can manage the same symptoms as Deanxit;
4. There is not adequate substantiation of Deanxit’s claimed effect.

And that is where the story could have ended. But it didn’t.

### **Sri Lanka, January 1999**

Most of the rooms at the five-star Taj Samudra Hotel in Colombo have a view of the Indian Ocean. In the evenings one can witness the most fabulous sunset. A high wall and a wealth of trees screen the hotel from the busy Galle face Road. Every entrance is guarded and the army frequents the building next door.

Because of its location, posh facilities and security, the Taj Samudra is often used for conferences and business meetings. In January 1999, Lundbeck hosted one such meeting at the hotel. Seven of Sri Lanka’s leading psychiatrists were invited.

After the meeting, Lundbeck sent a letter to the chairman of the Sri Lankan Drug Regulatory Authority. The letter was divided into seven points. In point one,

Lundbeck referred to the past two years’ unproductive attempts to get Deanxit approved. Point 3 referred to the meeting at the Taj Samudra:

“Recently, the Medical Manager of Lundbeck, Mr. Jørgen Nybo Andersen, M.Sc. Pharm., was in Sri Lanka ... and during this time he had an open discussion in a forum with the following Consultant Psychiatrists and discussed with them the incidence of the Mixed Anxiety Depression Disorders and the usefulness of Deanxit.” Seven participants are named.

Under point 4, Lundbeck wrote: “The response from the above consultant psychiatrists was very positive and encouraging, and the consultants concerned agreed that a combination such as [Deanxit] would be very useful in the treatment of patients with a mild to moderate mental state.”

Lundbeck attached hand-written declarations of support from four of the psychiatrists. Three of the declarations were secured before the meeting in January. Each said the same thing, as though someone had dictated the contents: “Having gone through the product details of Deanxit there are certainly indications for it to be prescribed by psychiatrists. I therefore suggest that Deanxit may be considered for registration favourably.”

The fourth declaration of support was secured on 12 January 1999, immediately after Jørgen Nybo Andersen’s visit to Sri Lanka. The actual content is slightly different although the message is the same.

Under point five the Danish pharmaceutical company wrote that three of the psychiatrists were willing verbally to back the product if they are asked to do so, and gave their names.



Point 6 outlined a number of reasons why psychiatrists should use Deanxit in the treatment of patients showing symptoms of anxiety and depression. Among other things, it said that the drug's effect is well documented. The letter concluded: "In this light we are confident that you will support the registration of our product." It was signed by [name withheld], Lundbeck's agent in Sri Lanka. It was received and stamped by the Sri Lankan Drug Regulatory Authority on 20 January.

There exist two versions of that letter from Lundbeck. Though their content is completely identical, one of them has no letterhead. The other carries the letterhead of the local agent, and this is the one that was forwarded to the authorities. According to an employee of the local firm, his boss in Sri Lanka wrote the letter. Lundbeck says the letter was a co-operative effort between the office in Denmark and the local agent. Lundbeck's Danish office also said that ten Sri Lankan psychiatrists had been invited to the meeting but that they only mention seven in the letter because only those seven recommended the product.

Five days later, Deanxit was registered and approved for sale in Sri Lanka. This time, the Sri Lankan Drug Regulatory Authority didn't send the application to the Drugs Evaluation Sub-committee, as is normal practice every time the Authority receives an application or re-application.

One day, Dr. Weerasuriya suddenly saw Deanxit on sale in Sri Lanka. "We felt cheated. We had, on a well-founded, scientific basis decided not to recommend Deanxit. Now they had gone behind our backs and achieved registration anyway," he said. He had no doubt that the declarations of the seven psychiatrists had changed the opinion of the Sri Lankan Drug Regulatory Authority.

## Sri Lanka, December 2001

Just outside the centre of Colombo, behind the Borella Cemetery in a peaceful, beautiful setting and surrounded by a golf course, lies Sahanaya, a day care and counseling centre for the mentally ill.

The head of the centre, Dr. Nalaka Mendis, points to the golfers. "They didn't want us here to begin with. They wrote to the President of Sri Lanka and asked him to chuck us out. 'It's up to them whether they leave – I cannot force them out,' was his reply. So here we are, and now they have got used to us. They have discovered that we are perfectly human."

Nalaka Mendis helped set up Sahanaya in 1982 as a free service for people with mental problems brought on by depression and alcohol abuse. Sahanaya is also used as a research and teaching facility for doctors and nurses. It is privately funded. The Lundbeck Foundation has provided support in the form of free medicine and assistance in the production of brochures. All the staff work without pay – including Nalaka Mendis, who teaches psychiatry at Colombo University.

Nalaka Mendis was at the top of Lundbeck's list of doctors who took part in the meeting at the Hotel Taj Samudra in January 1999, and who later appeared in the letter from Lundbeck to the Sri Lankan authorities.

He invited me into his office on the first floor. The windows were open and a ceiling fan helped the air to circulate. Small birds sang, interrupted from time to time by the cawing of crows.

"I don't think I was present at that meeting. Very few people were invited... I know that Lundbeck was very keen to introduce Deanxit, but as far as I know they had a few problems getting it approved. I don't

know the details. I have never prescribed Deanxit,” said Nalaka Mendis.

Why not?

“Because normally I don’t like combination tablets. I don’t know Deanxit – and no one has been able to convince me that it helps.” He said: “If anyone had asked me I would have replied that I did not know the product. It’s as simple as that.”

I read aloud from the Lundbeck letter: “The reaction of the above psychiatrists was extremely positive and encouraging, and they agreed that a combination such as the above (the combination tablet Deanxit, ed.) would be extremely useful in the treatment of patients with mild to moderate mental disorders.” He was listed among the psychiatrists.

He interrupted me: “That is not true. No, no. I would never make such a statement. I don’t know the product. How could I ever recommend something I do not know? It’s not true, simple as that.”

Tea was served and I was shown round the day centre. There was a small kitchen, workshops and a library donated by the Japanese. The smell of food permeated the air, and the chili gradually caused my eyes to smart. A group of women placed flowers in a bowl of water as a special gesture to their visitor. The day patients gathered around the dining tables set up in the shade of big trees.

Nalaka Mendis was clearly shaken by seeing his name used by Lundbeck to get Deanxit registered in Sri Lanka. “When pharmaceutical companies approach me with a view to getting my approval a specific product I ask them to submit an application to the authorities, because it is they who decide whether or not a product should be approved,” he said. “I would never express my opinion about a product I do not know.”

The fourth psychiatrist on Lundbeck’s list was Dr. K. J. M. P. Fernando. She had a small clinic at her home in Negombo, a good 30 kilometres north of Colombo. Her house was called Madonna, and Dr Fernando was known as the “The Lady Doctor.” She was a friendly, smiling elderly lady with long education and experience as a psychiatrist. For many years she had practiced in England, but in the 1980s she returned to Sri Lanka.

“I often get visits from Lundbeck representatives, who want me to prescribe Deanxit. I have prescribed it a few times, but feedback from my patients has been negative. They did not believe they could feel any change in their condition,” she said.

Dr Fernando had first been visited by a Lundbeck representative a few years ago. Since then they had passed by “Madonna” six times. Altogether she had been visited by three different representatives from the Danish pharmaceutical company.

“They wanted me to market Deanxit,” she said. “They tell me that my colleagues in Colombo have good experiences with the tablet. The last time they came by, they asked me to try Deanxit for at least a month before making any pronouncement on its effect, so that is what I’m doing right now. To be quite honest with you I don’t like Deanxit, but I feel that Lundbeck are pressuring me.”

She said, “All the pharmaceutical companies behave like that. They invite you to dinners, lunches, etc. Lundbeck is no exception.”

Dr Fernando took her glasses from her desk drawer and read the letter from Lundbeck, which she had never seen before, either. At the sight of her name among attendees at the meeting, she said: “No, I did not attend that meeting. They invited me but I couldn’t go.” She read on.

“They have included my name, and say that the reaction of the above psychiatrists was extremely positive and encouraging and that they agreed that... but I wasn’t there. That’s not right. That simply isn’t true,” said Dr Fernando. She read on.

“So Lundbeck had its application for Deanxit rejected twice by the Sri Lankan Drug Regulatory Authority. That’s news to me, too,” she said

Dr G. S. Gnanasingham was also on Lundbeck’s list. He received patients at a private hospital Medicare, not far from the central hospital in Colombo. He remembered the meeting: “It was about Deanxit... I have prescribed it a few times and the results were mixed. Some patients benefited from the tablet, others didn’t.”

He said he “didn’t realize” that Deanxit “isn’t available in Denmark.”

He added: “If I am told the product has been tested and is effective, then I don’t object to using it, but the fact that it was previously rejected in Sri Lanka is news to me.”

Dr P. Kulanayagam, another psychiatrist on Lundbeck’s supporter list, sounded very friendly on the phone. Oh yes, he said, he is perfectly familiar with Deanxit and Lundbeck. He used to be one of Colombo’s best-known psychiatrists. He was now retired, although he saw patients once in awhile at the Asha Central Hospital, a private clinic in the respectable, expensive end of Colombo.

We arranged to meet at his office a few days later. He arrived a quarter of an hour late. A nurse made use of the wait to switch on the air conditioning, and find a stethoscope and some instruments, which she laid on the desk. She had mistaken me for a patient.

“And you are from Lundbeck?” the doctor asked amiably after he had arranged himself behind his desk.

I shook my head. I had explained clearly and carefully to him on the phone that I was from The Nurse and that I was writing a story about Deanxit and how it got introduced to the Sri Lankan market. He suddenly changed from very friendly to very angry: “I am not allowed to talk about Deanxit without permission from Lundbeck. They will sue me if I do, so you are wasting my time. I normally take my siesta at this time of day.

“However, since you are here, yes, I remember the meeting with Lundbeck. I have not recommended Deanxit or endorsed it. I did not know that the product had been rejected twice by the Sri Lanka Drug Regulatory Authority. But so long as the product is not dangerous I do not object to using it.”

As I got up to go he asked for my visiting card. The following day I got a call from Lundbeck’s representative in Sri Lanka.

He [name withheld] was studying pharmacology while working for Lundbeck. A good, well-paid job, which is relevant to his studies. On the phone he sounded nervous. “Dr. Kulanayagam gave me your name. Can we meet?” he asked.

He changed the appointment a few times before we met at my hotel. “On neutral ground”, as he put it. The sun was about to dip beneath the horizon, and the small tables on the veranda of the hotel’s bar were pretty packed.

He wanted to know what I was doing. He tried to convince me that there was nothing unusual about Lundbeck’s approach. He explained that the psychiatrists had been specially selected on the basis of their expertise and knowledge of Deanxit. He



also said it would be best that I speak to his superior.

The following day he called me back to explain that his superior was busy with the annual accounts and therefore did not have time to see me.

But he kept in contact. He called me every day to ask where I was, whom I had spoken to, and where I got my information from. Although he got the same answer every day, he never gave up. The last time we spoke was a few hours before I returned to Denmark.

“I know whom you’ve spoken to,” he says triumphantly. “You’ve spoken to all the psychiatrists named in the letter.”

“Except one,” I replied.

“Yes, you have not spoken to Mrs. Fernando,” he said.

In fact, Dr. Wimal De Alwis was the last psychiatrist mentioned in the letter from Lundbeck. When I called him, he hung up on me. If he had attended the Lundbeck meeting, it meant that of the seven psychiatrists later cited as present and enthusiastic, five had been there. If not, the number was four.

### **Persona non grata**

Dr Hemamali Perera, a professor of psychiatry, was also the only psychiatrist attached to the Drug Evaluation Sub-committee of the SL DRA. At her office at the central hospital, a pile of applications for registration of psychopharmacological drugs was waiting to be scrutinized.

“I investigate the price of the product, whether it is safe to use, and whether we need to use it at all,” said Hemamali Perera. It was her evaluation of Deanxit that formed

the basis of the second rejection sent to Lundbeck on 24 September 1998.

“Combination tablets generally have a bad reputation,” she said. “They are difficult to administer and if side-effects arise, they can be due either to one or the other component. I also remember that most of the documentation Lundbeck sent along with its application had never been published, so it was my conclusion that we do not know enough about the product. Apart from that we already had psychopharmacological drugs for the treatment of depression and anxiety.”

Shortly afterwards Dr. Perera went on sabbatical abroad. When she returned she discovered that Deanxit had been registered. “I contacted the authorities to hear how the rejected product could suddenly appear on the market. I was told that Deanxit was on the list of products that have been given temporary approval. In other words they are only registered for one year at a time.”

So far, Deanxit has had its approval extended three times by the Sri Lankan authorities.

I showed her the letter from Lundbeck and told her about the meeting with the seven psychiatrists.

“That is completely unacceptable,” she said, visibly shocked. “They should not behave like that. See, that is precisely what happens in the Third World. The large pharmaceutical companies believe they can take the liberty of doing whatever they like to get their products registered when it comes to poor countries. To them we just don’t count, and that is not right.”

She added, “All psychiatrists here read scientific journals, all are extremely well educated, and none of us would accept a product without further ado simply



because a pharmaceutical company says it is effective. As a Third World country we have access to large databases of knowledge-based medicine, and I am proud that we do so much to investigate medicine before it is registered. Because as soon as a medicine is on the market, pharmaceutical companies will do everything to encourage doctors to prescribe the product.”

She said she would take up the matter with the Sri Lankan Drug Regulatory Authority.

Back in Denmark, in February 2002 I called Jørgen Nybo Anderson of Lundbeck. He was very friendly on the phone and said he would like to meet me to talk about Deanxit and Sri Lanka, but that all press contact must go through the communications department.

I contacted the communications manager. He seemed irritated and asked what I found surprising about Deanxit and Sri Lanka. I explained that it surprised me that Lundbeck could claim that seven psychiatrists participated in its meeting when at least two of them were not present. I said I didn't understand how they could write that Deanxit was registered in Denmark when Lundbeck had never applied here.

A few days later I was contacted by another Lundbeck employee. He wanted an informal meeting at which he would brief me on the

case. After that I would be able to consider whether I still thought I had a story. We met on Friday 15 February at Lundbeck's head office in Valby, Copenhagen. At least one hour had been set aside for our conversation.

The Lundbeck employee explained, among other things, that Deanxit is mostly prescribed by general practitioners. He denied that Lundbeck had attempted to hide anything by not inviting representatives of the Sri Lankan Drug Regulatory Authority and the Drug Evaluation Sub-committee to the meeting with Jørgen Nybo Andersen in January 1999. He also denied that the pharmaceutical company had tried to cover up the fact that Deanxit had twice been rejected by the Sri Lankan authorities and that Deanxit was not registered in Denmark. He did not believe that there was anything extraordinary in a pharmaceutical company continuing its efforts to get a product registered after it has been rejected.

After the briefing, I reiterated my request for an interview with Lundbeck regarding Deanxit and Sri Lanka. He replied that Lundbeck did not trust my facts and did not wish to take part if I maintained my angle on the story. “Is this the story about the pharmaceutical company trying to exploit the Third World you're trying to write?” he asked.

“That's what I'm asking you,” I replied.



## Afterword

by Anne Lea Landsted

---

*The story began with John Le Carré's novel about a pharmaceuticals scandal in Africa, The Constant Gardener. Inspired by the book, I started investigating Danish pharmaceutical companies. A physician from Doctors without Borders recalled that about a year earlier he had received an email from a Sri Lankan professor of pharmacology; since he never deleted his mails he was sure it was still there. It was pure coincidence. The professor was wondering how the Lundbeck drug, Deanxit, that he had rejected twice for sale in Sri Lanka could end up being sold in drugstores there.*

*I searched the Internet for information about Deanxit and Lundbeck – using the “way back machine” (see <http://web.archive.org/>) to find hidden documents. I spoke with the Danish drug authorities, psychiatrists and the Sri Lankan professor of pharmacology, who at this point felt cheated. Lundbeck did not want to be interviewed. We have a freedom of information law in Denmark, but I did not use it this time. Instead I got access to all documents concerning Lundbeck, Deanxit and Sri Lanka through my sources.*

*The main story was in the documents I found through my human sources. A letter from Lundbeck to SL DRA (the Sri Lankan Drug Authority) referred to a meeting between Lundbeck and seven of Sri Lanka's leading psychiatrists. The meeting was held six months after SL DRA had rejected Deanxit for the second time. The letter stated that seven of Sri Lanka's leading psychiatrists recommended that the drug should be registered for sale in Sri Lanka. It wasn't true.*

*Traveling to Sri Lanka allowed me to add a little drama to the story, but such trips are costly. Fortunately I had two editors, one from Sygeplejersken (The Nurse) and one from radio, who believe in investigative journalism and me. The Nurse paid for the trip and shared my salary with the radio, which meant that I did not lose money on this project.*

*Nobody except the professor of pharmacology knew that I was coming to Sri Lanka. I was afraid that Lundbeck would find out and persuade the psychiatrists not to speak with me. I was right. When the local Lundbeck representatives found out about me being in Sri Lanka, they tried to persuade me to drop my story. By then I had already spoken with most of the psychiatrists. It was pure luck that a guy from Lundbeck asked me, in an ironic way, if I was doing a story about the shady misdoings of pharmaceutical companies; that gave me my ending.*

*Along the way I used Excel and a home-made timeline to organize my sources and numerous documents. These plus Google maps are simple, excellent tools for organizing material. I made an outline using my timeline, and that helped me stay focused. I always say that if you have a solid story the writing part is easy.*

*However, this story was a little technical and it was very important for me to get my facts straight. The pharmaceutical companies are very hard to deal with, and they do not hesitate to sue. Therefore I had my story legally screened by three independent lawyers before publication.*





*“The Letter from Lundbeck” was published as an article and broadcast as a radio documentary. I contacted radio and television news and the major newspapers. It worked. The story was widely quoted. In a newspaper interview, Lundbeck’s top manager, Erik Sprunk-Jansen, called the events a scandal, took responsibility and ordered an investigation. A few months later, Lundbeck apolo-*

*gised to the three psychiatrists whose approval the firm had falsely claimed, and offered to withdraw it and other drugs from the Sri Lankan market. Shortly after that, the SL DRA decided to withdraw Lundbeck’s license to sell Deanxit in Sri Lanka. The affair had no consequences for the employees of Lundbeck. It all turned out much better than I had dared hope for.*



## C.

### Exporting an epidemic

#### Human toll reaches millions as asbestos industry expands worldwide

by Jim Morris/  
International Consortium of Investigative Journalists

Ana Avila in Mexico City, Dan Ettinger in Washington, D.C., Carlos Eduardo Huertas in Bogota, Murali Krishnan in New Delhi, Roman Shleynov in Moscow, and Marcelo Soares in Sao Paulo contributed to this report

---

### Introduction

*Few health-related issues have received more coverage than asbestos. A common building material for most of the 20th century, its catastrophic effects on human health were recognised long ago, but were contested, denied or suppressed by a powerful industry and its political and medical allies. When the death tolls began to rise, the story began to come out, driven by associations of victims and their lawyers. Asbestos was eventually banned in most developed countries. Like most people, I thought the story had effectively ended there; I expected only that there would be news breaks from time to time, as groups of victims won their cases. I did not expect to learn, as this story taught me, that asbestos never went away. The industry simply moved to countries where its products had not yet been banned,*

*and sought regulatory approval for certain uses, backed by industry-financed studies. This pattern has been seen before, most recently in the tobacco industry. But if the pattern is known, proving that it has appeared in a given sector is hardly simple. Proving that it is happening in dozens of countries at once is even harder. The International Consortium of Investigative Journalists, which produced this report with its sister organisation, the Center for Public Integrity (US), can fairly be called the pathbreakers and the standard for such investigations on a global scale. We have included only the overview of their investigation, a self-contained article, from a suite of pieces that were published by the CPI at <http://www.publicintegrity.org/investigations/asbestos/>.*



*At least on a short-term basis, such projects are beyond the means of individual reporters; they require recruiting and managing teams of reporters, editors and graphic designers. This one extended into an alliance with the BBC that greatly magnified its reach. But even individuals can learn from the scope of projects like “Dangers in the Dust.” As journalists, we typically work from the trees to the forest. It can be very useful to look at the whole picture first, and to keep it in mind as you catalogue pieces of it. It is also absolutely certain that project teams will be*

*increasingly necessary to expose transnational health and industrial scandals, from both a production and a marketing standpoint. Those teams need not be transnational: A university-level class in reporting (not only “investigative reporting”) can enable a group of students to do serious work on an issue that matters to them. Incidentally, Jim Morris does not mention it in his afterword, but the project won numerous major journalism awards, including the Oakes Award for Environmental Reporting and the Investigative Reporters and Editors Award.*

*First published by the Center for Public Integrity (Washington DC) on July 21, 2010*

**I**n Osasco, Brazil, an industrial city on the western flank of Sao Paulo, the past is buried beneath a Wal-Mart Supercenter and a Sam’s Club at the intersection of Avenida MariaCampos and Avenida dos Autonomistas. Here the Eternit asbestos cement factory was shuttered in 1993 and demolished in 1995 after 54 years of operation. Here three generations of workers – pouring asbestos into giant mixers with cement, cellulose and water, emptying bags, cleaning machinery – were immersed in fiber-rich white dust, setting themselves up for diseases that would debilitate many of them in retirement and kill some of them in excruciating fashion.

Scores have died since the mid-1990s, at least 10 of mesothelioma, a rare malignancy that eats into the chest wall and dispatches its victims swiftly. Aldo Vincentin succumbed at age 66 in July 2008, only three months after his diagnosis. “They knew about the dangers of the materials and they didn’t protect my husband,” his widow, Giselia Gomes

Vincentin, says of Eternit. “I think many people will still die.”

Backed by a global network of trade groups and scientists, the multibillion-dollar asbestos industry has stayed afloat by depicting Osasco and similar tragedies as remnants of a darker time, when dust levels were high, exotic varieties of the fire-resistant mineral were used, and workers had little, if any, protection from the toxic fibers. There is evidence that dangers persist: Perilous conditions have been documented from Mexico City to Ahmedabad, India. And yet, despite waves of asbestos-related disease in North America, Europe, and Australia, bans or restrictions in 52 countries, piles of incriminating studies, and predictions of up to 10 million asbestos-related cancer deaths worldwide by 2030, the asbestos trade remains alive and well.

Asbestos is banned in the European Union. In the United States it is legal but the industry has paid out \$70 billion in damages and litigation costs, and asbestos

use is limited to automobile and aircraft brakes, gaskets and a few other products. The industry has found new markets in the developing world, however, where demand for cheap building materials is brisk. More than two million metric tons of asbestos were mined worldwide in 2009 – led by Russia, China, and Brazil – mostly to be turned into asbestos cement for corrugated roofing and water pipes. More than half that amount was exported to developing countries like India and Mexico.

Health officials warn that widespread asbestos exposures, much as they did in the West, will result in epidemics of mesothelioma, lung cancer, and asbestosis in the developing world. The World Health Organization (WHO) says that 125 million people encounter asbestos in the workplace, and the International Labor Organization (ILO) estimates that 100,000 workers die each year from asbestos-related diseases. Thousands more perish from environmental exposures. Dr. James Leigh, retired director of the Centre for Occupational and Environmental Health at the Sydney School of Public Health in Australia, has forecast a total of 5 million to 10 million deaths from asbestos-related cancers by 2030. The estimate is “conservative,” Leigh says. “If exposures in developing countries lead to epidemics extending further in time, the numbers would be greater.” Leigh’s calculation does not include deaths from asbestosis, a non-cancerous, chronic lung disease. Another study, by two researchers in New Delhi, suggests that by 2020, deaths from asbestos-related cancers could exceed 1 million in developing nations.

Behind the industry’s growth is a marketing campaign involving a diverse set of companies, organized under a dozen trade associations and institutes. Backing them are interests ranging from mining companies like Brazil’s SAMA to manufacturers of asbestos cement sheets like

India’s Visaka Industries. The largely uncharted industry campaign is coordinated, in part, by a government-backed institute in Montreal and reaches from New Delhi to Mexico City to the aptly named city of Asbest in Russia’s Ural Mountains.

An analysis by the International Consortium of Investigative Journalists has tracked nearly \$100 million in public and private money spent by these groups since the mid-1980s in three countries alone – Canada, India and Brazil – to keep asbestos in commerce. Their strategy, critics say, is one borrowed from the tobacco industry: create doubt, contest litigation, and delay regulation. “It’s totally unethical,” says Jukka Takala, director of the European Agency for Safety and Health at Work and a former ILO official. “It’s almost criminal. Asbestos cannot be used safely. It is clearly a carcinogen. It kills people.”

Industry-funded researchers have mounted a prolific response, placing into the scientific literature hundreds of articles claiming that asbestos can be used safely. Their argument is that chrysotile, or white, asbestos – the only kind sold today – is orders of magnitude less hazardous than brown or blue asbestos, which the industry stopped mining in the 1990s. “It’s an extremely valuable material,” argues Dr. J. Corbett McDonald, an emeritus professor of epidemiology at McGill University in Montreal who began studying chrysotile-exposed workers in the mid-1960s with the support of the Quebec Asbestos Mining Association. “It’s very cheap. If they try to rebuild Haiti and use no asbestos it will cost them much more. Any health effects [from chrysotile] will be trivial, if any.”

Health and labor officials recoil at such statements. “No exposure to asbestos is without risk,” the Collegium Ramazzini, an



international society of scholars on occupational and environmental health, said in a recent paper. “Asbestos cancer victims die painful, lingering deaths. These deaths are almost entirely preventable.”

Last fall, the American Public Health Association joined the Collegium, the World Federation of Public Health Organizations, the International Commission on Occupational Health, and the International Trade Union Confederation in calling for a global asbestos ban. In 2009, a panel of 27 experts convened by the WHO’s International Agency for Research on Cancer reported, “Epidemiological evidence has increasingly shown an association of all forms of asbestos ... with an increased risk of lung cancer and mesothelioma.” The panel also found there was new evidence that asbestos causes cancer of the larynx and the ovary.

But the asbestos industry has signaled that it will not go away quietly. Promotion of pro-industry studies is joined by campaigns of political lobbying and ad buying to ensure that asbestos is freely marketed in fast-growing countries. Consider some of the events just this year: In a March 16 letter, the head of the Asociación Colombiana de Fibras, a chrysotile trade group in Bogotá, Colombia, asked World Bank president Robert Zoellick to “soften your position” on the compound, arguing that projections of 100,000 asbestos-related deaths a year were based on “old data.” (The bank announced last year that it expects borrowers to use asbestos alternatives whenever feasible.) In documents obtained in Colombia by ICIJ, the association boasts of creating a spinoff in Ecuador to try to shape government regulations and decries the emergence of the “international prohibitionist movement” against asbestos. “We have to start a wide campaign among all the chrysotile associations in the world to counteract [the movement], sending communications to the directors

of the World Health Organization and International Labor Organization,” state the minutes of a 2008 board meeting.

In a Jan. 7 letter, a lawyer for India’s Asbestos Cement Products Manufacturers Association scolded Dr. T.K. Joshi, an occupational medicine specialist in New Delhi, for making “baseless” allegations against chrysotile and frightening workers. The lawyer demanded that Joshi retract his “yellow reporting” or, he implied, face legal action. A few weeks earlier, the association had placed an ad in *The Times of India*, that nation’s leading English daily, headlined, “Blast Those Myths About Asbestos Cement.” The ad claimed, among other things, that the cancer scourge in the West had come during a “period of ignorance,” when careless handling of asbestos insulation resulted in excessive exposures. Such exposures are long gone, the ad said, noting that asbestos cement products are “strong, durable, economical, energy efficient and eco-friendly.”

## A troubled history

Fire- and heat-resistant, strong and inexpensive, asbestos – a naturally occurring, fibrous mineral – was once seen as a construction material with near-magical properties. For decades, industrialized countries from the United States to Australia relied on it for countless products, including pipe and ceiling insulation, ship-building materials, brake shoes and pads, bricks, roofing, and flooring.

Hundreds of former mechanics exposed to chrysotile, or white, asbestos dust from brake linings have sued auto and parts manufacturers, alleging the toxic fibers gave them mesothelioma, a virulent form of cancer. (Credit: Flickr user Asbestorama)

Ominous reports about the health effects of asbestos began appearing in Europe in

the late 19th century. By 1918, American and Canadian insurance companies were refusing to cover asbestos workers because of rampant lung disease. In 1930, the ILO issued a warning: “All [asbestos] processes from extraction onwards unquestionably involve a considerable hazard.” In 1960, a South African pathologist confirmed a direct link between asbestos exposure and mesothelioma. And yet, uncontrolled use of asbestos only grew, peaking in the United States in 1973. By one estimate, 100 million Americans were occupationally exposed to asbestos during the 20th century.

The first asbestos lawsuit against an asbestos insulation manufacturer in the United States was filed in 1966. Internal documents showing corporate knowledge of the mineral’s lung-ravaging properties began to surface, and by 1981 more than 200 companies and insurers had been sued. The following year, the nation’s biggest maker of asbestos products – Johns Manville Corp. – and two other defendants filed for bankruptcy protection in an effort to hold off the tide of litigation. From the 1960s through 2002, more than 730,000 people filed asbestos claims, resulting in damage payments and litigation costs of \$70 billion, according to a 2005 study by the RAND Corp. Of this, \$30 billion actually went to claimants.

As the evidence against asbestos accumulated in the 1980s, the Scandinavian countries began to impose bans. But the biggest blow for chrysotile came in 1999, when the European Commission decreed that products made of white asbestos would be outlawed as of Jan. 1, 2005. The EU’s decision to ban was replicated by Chile, Australia, Japan, and Egypt, among other countries. Most flatly forbid use of asbestos, though a few still allow it in brakes and gaskets. Fifty-two countries eventually slapped restrictions on its use, including most of the developed world. Less

hazardous but generally more expensive substitutes such as polypropylene fiber cement, aluminum roof tiles, and steel-reinforced concrete pipe have gained favor.

Yet chrysotile continues to be mined and used heavily in some parts of the world; in 2008, raw fiber exports worldwide were valued by the United Nations at nearly \$400 million. Russia is the world’s biggest producer, China the biggest consumer. But Canada – which uses almost no asbestos within its borders but still ships it abroad – is the primary booster, a role it assumed in the 1960s when the country’s mining industry in Quebec was threatened by studies tying the mineral to cancer. The federal and provincial governments together have given C\$35 million over the past quarter-century to the Montreal-based Chrysotile Institute, a nonprofit group that promotes the “controlled” use of asbestos in construction and manufacturing.

Controlled use is elusive in developing nations. ICIJ inquiries in a half-dozen countries, including on-site visits and interviews with local health officials and worker advocates, found spotty protection measures and widespread exposure to asbestos dust. This will likely produce outbreaks of occupational disease for years to come in places like India, China, and Mexico, experts say. “Anybody who talks about controlled asbestos use is either a liar or a fool,” says Barry Castleman, an environmental consultant based near Washington, D.C., who advises the WHO on asbestos matters. “If they can’t have controlled use in Sweden, they can’t have controlled use in Swaziland.”

### **The chrysotile institutes**

At the center of the debate is the Canadian government-backed Chrysotile Institute. The institute’s president, Clement Godbout, insists that his organization’s message has



been misinterpreted. “We never said that chrysotile was not dangerous,” he says. “We said that chrysotile is a product with potential risk and it has to be controlled. It’s not something that you put in your coffee every morning.”

The institute is a purveyor of information, Godbout emphasizes, not an international police agency. “We don’t have the power to interfere in any countries that have their own powers, their own sovereignty,” he says. “We don’t have the resources to travel the world every day.” Godbout says he is convinced that large asbestos cement factories in Indian cities have good dust controls and medical surveillance, though he acknowledges that there might be smaller operations “where the rules are not really followed. But it’s not an accurate picture of the industry. If you have someone on a highway in the U.S. driving at 200 miles per hour, it doesn’t mean everybody’s doing it.”

The Chrysotile Institute has received \$1 million from the asbestos industry over the past five years, according to Godbout, who says he doesn’t know how much was contributed in the previous 20, before he became chairman. Documents obtained under Canada’s Access to Information Act by Ottawa researcher Ken Rubin indicate that the industry gave more than \$18 million to the institute from 1984 through 2001, meaning its total contribution to Godbout’s group is probably around \$20 million.

The institute offers what it describes as “technical and financial aid” to a dozen sister organizations around the world. These organizations, in turn, seek to influence science and policy in their own countries and regions. Consider the situation in Mexico, which in 2007 used 10 times as much asbestos as its neighbor, the United States. Promoting chrysotile use is Luis Cejudo Alva, who has

overseen the Instituto Mexicano de Fibro Industrias (IMFI) for 40 years. Cejudo says he is in regular contact with the Chrysotile Institute and related groups in Russia and Brazil, and gives presentations inside and outside of Mexico on the prudent handling of chrysotile. “If I knew that our industry kills people, that our products affect the population, I wouldn’t be here talking to you,” Cejudo says. “I am here because I have realized that many asbestos detractors exist, especially in Europe.” In the 1990s, he notes, IMFI members, along with their Canadian and American counterparts, agreed to stop selling asbestos to factories without adequate safety measures; this led to some plant closures. “We work hard with the government Health and Labor ministry representatives to create the regulations and to make constant visits to prove that the factories are following these regulations,” Cejudo says.

A more skeptical perspective comes from Dr. Guadalupe Aguilar Madrid, a physician and researcher at the Mexican Social Security Institute, which oversees public health under the federal Secretariat of Health. Aguilar maintains that the IMFI exists not to promote safety but to preserve the chrysotile market in Mexico. It has insinuated itself into both the Labor and Health secretariats, she said, and has had a “very big” influence over workplace and environmental rules. “When asbestos was banned in industrialized countries and [producers] started to lose money, they came to the developing countries to recover their investments,” Aguilar says. “After some South American countries banned asbestos, they focused on Mexico as their main manufacturer.”

Children gather at a food cart across the street from the American Roll asbestos brake factory (right). Residents of the Mexico City suburb of Iztapalapa have complained repeatedly about emissions

from the plant but say they've gotten little help from regulators. (Credit: Jose Corea)

Mexico ramped up imports of Canadian chrysotile in the 1970s, and its weak worker-protection laws have allowed dangerous conditions to proliferate, Aguilar says. About 70 factories in and around Mexico City manufacture asbestos cement, and an indeterminate number make asbestos brakes, boilers, and other products, according to Aguilar. All told, she estimates that 10,000 Mexicans work with asbestos at any one time, many without proper protection. As a result, Mexico can expect an epidemic of mesothelioma in coming years, Aguilar says. Her research shows that the number of deaths is rising steadily, as would be expected given the 30- to 40-year latency period commonly associated with the disease. Including mesothelioma and lung cancer, "we could be talking about 3,000 to 5,000 deaths from diseases related to asbestos every year," the doctor says. She calls Canada's chrysotile exports "deplorable."

Another sister organization is the Brazilian Chrysotile Institute, based in the state of Goiás, site of the country's only asbestos mine. A prosecutor in the state is seeking dissolution of the institute, a self-described public interest group with tax-exempt status. The prosecutor charges in a court pleading that the institute is a poorly disguised shell for the Brazilian asbestos industry, which provides virtually all its budget. Among other things, the group helped the Brazilian government fund studies rigged to benefit the industry, the prosecutor alleges. Having inflicted "social damage stemming from [its] illegal practices," the institute should pay one million reais (about \$550,000) in damages and a fine of 5,000 reais (\$2,800) for every day it remains open, the pleading says. In a statement to ICIJ, a spokesman for the institute denied the allegations, saying the group "ensures the health and security

of workers and users, protection of the environment and [provides] information to society." Public records show that the institute has taken in more than \$8 million from asbestos companies since 2006.

That a Brazilian prosecutor is even attempting to shut down the institute is unusual. Most if not all of the pro-chrysotile groups have friendly relationships with their host governments and appear to easily overpower public health advocates. In Russia, which produced one million metric tons of chrysotile in 2008, more than any country by far, Prime Minister Vladimir Putin pledged to assist the industry after a plea for help from a trade union chief. Putin "promised to support Russian producers of chrysotile, especially in situations where we find ourselves under political pressure at the international level," Andrei Kholzakov, chairman of the union that represents workers at one of the country's largest asbestos companies, Uralasbest, said in an April 2009 press release.

Perhaps nowhere is the industry as strong as in India, the world's second-largest consumer of asbestos, after China. There are more than 400 asbestos cement factories in the Indian state of Gujarat alone, concentrated in the city of Ahmedabad, and the national market is growing at the rate of 30 percent a year, due mainly to construction in poor, rural areas, where asbestos sheet is standard cover for homes. The Asbestos Cement Products Manufacturers Association enjoys a "tight relationship" with federal and state politicians, says activist Madhumita Dutta. The state in which she lives, Tamil Nadu, owns an asbestos roofing materials plant, Dutta says, and there are similar arrangements in other states. "Things are a bit bleak," she wrote in an e-mail to ICIJ. "The industry has grown and is expanding, their political clout getting stronger, their direct interventions in the government decision-making more apparent (through funding





government studies), their propaganda more aggressive.” Government sources told ICIJ that the manufacturers’ association has received about \$50 million from the industry since 1985, with annual allotments rising as anti-asbestos sentiment escalated. One of the group’s specialties is “advertorials” – faux news articles that extol the safety and value of asbestos products. The association’s annual budget now ranges from \$8 million to \$13 million, according to one member.

The ACPMA says on its website that the use of chrysotile in manufacturing “is safe for the workers, environment and the general public.” Earlier this year, however, authorities brought four criminal cases against owners of a 48-year-old asbestos cement factory in Ahmedabad, Gujarat Composite Ltd., alleging egregious health violations. At least 75 employees of the company have developed lung cancer over the past decade.

Though there are many uncertainties, researchers say that China appears poised for an explosion of asbestos-related illness in the not-too-distant future. Based on a formula developed by Antti Tossavainen with the Finnish Institute of Occupational Health – that one mesothelioma case occurs for every 170 tons of asbestos produced and consumed – at least 3,700 cases of the disease can be expected each year, not to mention thousands of cases of lung cancer, asbestosis, and stomach cancer. China has yet to see the level of disease experienced in Europe, the U.S. and other industrialized parts of the world, experts say, because per capita consumption of asbestos remained low into the 1970s. That’s no longer true, as China is now the world’s biggest user of the mineral. Takala, director of the European Agency for Safety and Health at Work, estimates that 10,000 to 15,000 Chinese will die of asbestos-related ailments each year by 2035. The

country has about 1,000 asbestos mines and production facilities, one million asbestos workers, and annual consumption of more than 600,000 metric tons of chrysotile.

An Indian worker with a bag of asbestos at a milling unit in Udaipur, Rajasthan. Health officials say many such workers are poorly protected from the lung-ravaging fibers. (Credit: Sonumadhavan)

### Canada’s controversial role

No country has defended chrysotile as vigorously, and for as long, as Canada. When the U.S. Environmental Protection Agency issued a rule banning asbestos in 1989, the government of Canada participated in an industry lawsuit that overturned the rule. When France banned asbestos a decade later, Canada teamed up with Brazil in an unsuccessful World Trade Organization challenge. And when a United Nations chemical review committee recommended in 2008 that chrysotile be listed under Annex III of the Rotterdam Convention – a treaty that requires exporters of hazardous substances to use clear labeling and warn importers of any restrictions or bans – Canada, India, and a few other nations kept the recommendation from winning the unanimous support it needed to pass.

It was the fourth time since 2004 that chrysotile had come up for consideration and the fourth time it had failed to make Annex III. It probably won’t come up again until 2011 at the earliest. “We knew it was not going to go through smoothly and unopposed,” says Sheila Logan with the United Nations Environment Programme, who was in the thick of negotiations on chrysotile in 2006. Annex III, Logan explains, is a “semi-blacklist, though there are many substances on



there that many countries will continue to import. The fear [among exporters and users] is that countries will just take a blanket approach and say, ‘No, I’m not importing anything that’s included in the convention.’” Logan says she believes that chrysotile should be listed, even if – as some scientists claim – it is less carcinogenic than blue or brown asbestos, both of which belong to a family known as amphiboles. She draws an analogy: “An X-ray may be less dangerous than a gamma-ray burst, but I’m not going to stand in front of either of them. That’s my personal choice.”

Canada today is the world’s fifth largest producer of asbestos and its fourth largest exporter, shipping \$97 million of raw fiber overseas in 2008. All this comes from just two mines, both located in Quebec. The Chrysotile Institute says the industry accounts for about 700 direct and 2,000 indirect jobs – hardly an economic juggernaut. But it survives despite mounting criticism: Both the federal and provincial governments have been besieged by letters from prominent academics, physicians, and others protesting Canada’s export of chrysotile. In a statement to ICIJ, the Quebec Ministry of Natural Resources made its case: “There are no valid reasons to halt chrysotile export since it can be used safely. [D]eveloping countries are in great need of this kind of material (as we were some years ago) to build good infrastructures. Furthermore, substitutes to chrysotile have not yet been proven to be safer.”

In addition to funding the Chrysotile Institute, the ministry has given C\$748,000 since 2004 to the Société Nationale de l’Amiante, an asbestos research group. No longer active, the group relocated its office to the ministry, which is in the process of settling its “past commitments and responsibilities,” a government spokesman said.

Christian Paradis, natural resources minister in Canada’s conservative government, is similarly supportive of the industry. Anative of the town of Thetford Mines, Quebec, Paradis once served as president of the Asbestos Chamber of Commerce and Industry. “Since 1979, the Government of Canada has promoted the safe and controlled use of chrysotile, [and] our position remains the same,” Paradis said in a statement to ICIJ. “Banning chrysotile is neither necessary nor appropriate. ... All recent scientific studies show that chrysotile fibers, the only asbestos fiber that is produced and exported from Canada, can be used safely under controlled conditions.”

Fine for export, perhaps, but not for domestic use. In 2009, Canada sent nearly 153,000 metric tons of chrysotile abroad. More than half went to India; the rest went to Indonesia, Thailand, Mexico, Sri Lanka, Pakistan, and the United Arab Emirates. At home it was a different story: Canada used only 6,000 tons domestically in 2006, the last year for which data are available. Canadian officials seem determined to boost production: The Quebec Ministry of Economic Development, Innovation and Export Trade is considering a C\$58 million loan guarantee to save the floundering Jeffrey Mine. The mine’s owner has announced plans to ship 200,000 tons of chrysotile per year to Asia if the money comes through.

Amir Attaran, an associate professor of law and medicine at the University of Ottawa, says he is ashamed of the nation’s stance. “It’s absolutely clear that [Prime Minister] Stephen Harper and his government have accepted the reality that the present course of action kills people, and they find that tolerable,” Attaran says. “Canada’s certainly aware that countries which purchase chrysotile do so in the absence of correct regulation.”



## The scientists

On March 10, David Bernstein stepped up to the podium at the Society of Toxicology's annual meeting in Salt Lake City, Utah, and announced the results of his latest study. An American-born toxicologist based in Geneva, Bernstein began researching chrysotile in the late 1990s at the behest of a mine operator in Brazil. He was now reporting that rats exposed to chrysotile asbestos for five days, six hours a day, had shown no ill effects whatsoever. Rats exposed to brown amosite, a type of amphibole, hadn't fared so well. The chrysotile fibers were cleared quickly from the animals' lungs and caused "no pathological response at any point," even though the exposure level was 50 percent higher than that for amosite, Bernstein said. The fibers have very different appearances under magnification. Chrysotile fibers look like ultrathin, rolled sheets; amosite and other amphiboles look like solid rods.

The sponsor of the as-yet unpublished study was Georgia-Pacific Corp. of Atlanta, which once made a ready-mix joint compound – a gooey white substance used to seal joints between sheets of drywall – that contained 5 percent chrysotile. Georgia-Pacific has been sued in the United States by a number of mesothelioma victims who claim they were exposed to asbestos while sanding the dried compound. Bernstein's latest study, done in conjunction with Georgia-Pacific's chief toxicologist, Stewart Holm, could be good news for the company.

Bernstein is the most active of a dozen or so industry-backed scientists who have helped fuel the asbestos trade by producing papers, lecturing, and testifying on the relative safety of chrysotile. The industry has spent tens of millions of dollars funding their studies, which have been cited some 5,000 times in the medical literature as well as by lobby groups

from India to Canada. Bernstein's work alone has been cited 460 times. He has been quoted or mentioned in Zimbabwe's Financial Gazette, Hong Kong's South China Morning Post and other publications around the world. His curriculum vitae suggests that he's been a one-man road show for chrysotile, giving talks in 19 countries since 1999. Among his stops: Brazil, China, Colombia, India, Indonesia, Korea, Mexico, Russia, South Africa, Thailand, and Vietnam. The industry paid for all of his travel, Bernstein told ICIJ in an interview.

Indeed, all of Bernstein's work on asbestos has been underwritten by the industry, and he has become its principal defender at scientific meetings and in other venues. Bernstein says he has no idea how much all his studies have cost and emphasizes that, in any case, most of the money goes to the laboratory in Basel, Switzerland, where the animal experiments are performed. Court documents show that one sponsor, Union Carbide, paid \$400,623 for work by Bernstein in 2003 and 2005.

In an interview in his hotel lobby the day before his presentation in Salt Lake City, Bernstein said that Georgia-Pacific in no way influenced his chrysotile research, nor have any of his other corporate sponsors. "I would work for any group," Bernstein explained. "I have no limitations. Unfortunately, the groups that don't like this work don't ask me." He decried the hyperbole surrounding chrysotile – "It's a hysterical thing; it doesn't come from science" – and said he doesn't believe the fragile white fibers cause mesothelioma. They could cause lung cancer, he said, if exposures were extremely high.

The relevance of Bernstein's rat experiments to humans is contested by fellow researchers. For example, an expert

panel assembled by the U.S. Agency for Toxic Substances and Disease Registry concluded that rodents clear short asbestos fibers from their lungs about 10 times faster than do people. Bernstein's animals, moreover, were exposed over a relatively brief period of time. Many workers inhale asbestos over months or years, not days. "Not everyone exposed, even heavily, will necessarily develop disease, but data in the scientific literature show that as little as one day of exposure in man and animals can lead to mesothelioma, and a month or less of exposure in man doubles the risk of lung cancer," says Dr. Arthur Frank, a physician and professor at the Drexel University School of Public Health in Philadelphia.

If Bernstein is chrysotile's scientific ambassador, then 92-year-old J. Corbett McDonald is its longest-tenured champion. He is the author of three dozen scientific papers on chrysotile, and his work has been cited in the medical literature nearly 1,500 times. In a telephone interview, McDonald said he was approached by the Canadian government in 1964 to study asbestos miners and millers in Quebec; he, in turn, appealed to the Quebec Asbestos Mining Association for funding, which it agreed to provide. The impetus for the research, McDonald said, was a paper by Dr. Irving Selikoff of New York's Mount Sinai School of Medicine reporting that insulation workers with relatively light exposures to asbestos were dying of mesothelioma and other cancers at strikingly high rates.

### **A lesson from tobacco?**

Minutes of the mining association's November 1965 meeting, obtained by lawyers for asbestos victims, suggest that the group saw the tobacco industry as a paradigm: "The consensus of opinion seemed to point out that the QAMA should

take into its hands the ways and means to conduct the necessary research instead of doing it through universities or letting it fall in the hands of the Government. As an example, it was recalled that the tobacco industry launched its own program and it now knows where it stands. Industry is always well advised to look after its own problems."

Forty-five years later, McDonald remains resolute in his defense of asbestos. He says there is "very strong evidence" that contaminants in chrysotile, and not the chrysotile itself, caused excesses of mesothelioma among the Quebec workers. The toxic agent, he suspects, was tremolite, a type of amphibole. McDonald insists that his work was never influenced by the asbestos industry. Indeed, he wasn't sure how much its leaders even cared about his work. "It used to worry us a bit that they took so little interest in the results," he says.

McDonald's tremolite theory – rebutted by studies of textile workers exposed to almost pure chrysotile, and just this year, a study of workers at a brake-lining factory – follows a pattern that Dr. David Egilman, a physician and clinical associate professor at Brown University in Providence, Rhode Island, calls ABC: anything but chrysotile. In fact, some researchers and defense lawyers have argued that mesothelioma could be triggered by a polio vaccine contaminated with a monkey virus. "Like the tobacco industry, they've been successful at manipulating scientific theories to confuse the public about the real risks of using asbestos," says Egilman, who, like Frank and Castleman, testifies on behalf of plaintiffs in asbestos lawsuits.

Bernstein's and McDonald's studies have proved helpful to an industry under growing pressure to disband. Amphiboles such as the virulent blue crocidolite, which killed miners in South Africa for nearly two



centuries before the nation imposed a ban in 2008, are virtually never encountered today. There are obvious economic incentives, skeptics say, to blame most of the asbestos disease in the past 50 years on obscure types of the mineral and imply that chrysotile, which accounts for 95 percent of all the asbestos ever used, is relatively benign.

“Is there a legitimate scientific question as to whether white asbestos is less dangerous [than blue or brown]? Yes,” Frank says. “But is it safe? No.”

Several key criticisms have been leveled at the researchers who defend chrysotile. They tend, for example, to focus on mesothelioma – the disease that comes up most often in litigation because it is considered a marker of asbestos exposure – and ignore lung cancer, which occurs more frequently. “Chrysotile is just as potent [as amphiboles] in terms of lung cancer, and it might even be more potent,” says Peter Infante, former director of the Office of Standards Review at the U.S. Occupational Safety and Health Administration. They fixate on the amount of time chrysotile fibers spend in the lungs, failing to acknowledge that the fibers can do a figurative hit-and-run on cells, damaging DNA and precipitating cancer. And they buy into what WHO consultant Castleman calls the fallacy of controlled use – the idea that employers in the developing world are serious about dust suppression and ventilation.

Castleman has been researching asbestos cement substitutes – roofing and pipes

made with cellulose fibers, ductile iron and fiberglass, for example – for the WHO and has determined that, at most, they cost 10 to 15 percent more to produce. By his reckoning, asbestos is not much of a bargain. “Obviously, the cost of death and disease and the eventual cost of even halfway properly managing asbestos cement structures wipes out any short-term savings of 10 to 15 percent,” Castleman says. As for another industry claim – that substitute products may be more dangerous than chrysotile – he notes, “They do not release carcinogenic dust whenever they are sawed, drilled, and demolished.”

Despite the reassuring studies and the million-dollar marketing efforts, the asbestos industry faces stiffening headwinds. The number of countries imposing bans or restrictions continues to climb, and groups of health and labor activists have sprung up in China, Brazil, India, and other high-use countries. The government of Canada, long considered a leader on environmental and health matters, has come under withering attack for pushing exports.

For his part, scientist Bernstein contends that his conclusion is the correct one: White asbestos can be used safely around the world. That the WHO, the European Union, and dozens of national governments disagree doesn’t bother him. “It’s not in my interest whether it’s the minority view or not,” Bernstein says. “I’ve always felt that science will prevail at the end.”



## Afterword

by Jim Morris

---

*The project that became “Dangers in the Dust” originated with a tip from two long-time sources of mine in the public health arena. I had asked, “What’s the biggest story no one knows about?” Both told me I should look into the marketing of asbestos – killer of countless people in North America and Europe in recent decades – in developing nations such as India and China.*

*I began with human sources – conducting face-to-face and telephone interviews – and then acquired documents. I have no specific system of organizing my materials. I began my field work by traveling to Brazil to follow a federal labor inspector who had been fighting the asbestos industry in that country for a quarter-century.*

*The U.S. has a Freedom of Information Act but it was of limited use in this project, which focused on the marketing of asbestos in other nations. We made large use of litigation documents – depositions, interrogatories, etc. – to supplement the “official” record on complex, controversial issues.*

*We sought and obtained lobbying records in countries such as Canada, Brazil, Colombia and India. Some of these records were incomplete, however, and there were no records available in countries such as Mexico and China. Therefore, our estimate of the amount of money the asbestos industry had spent worldwide to promote its products -- \$100 million since the mid-1980s – almost certainly was low.*

*I can’t think of a single “lucky break.” The project merely reflects nine months of hard work by the team.*

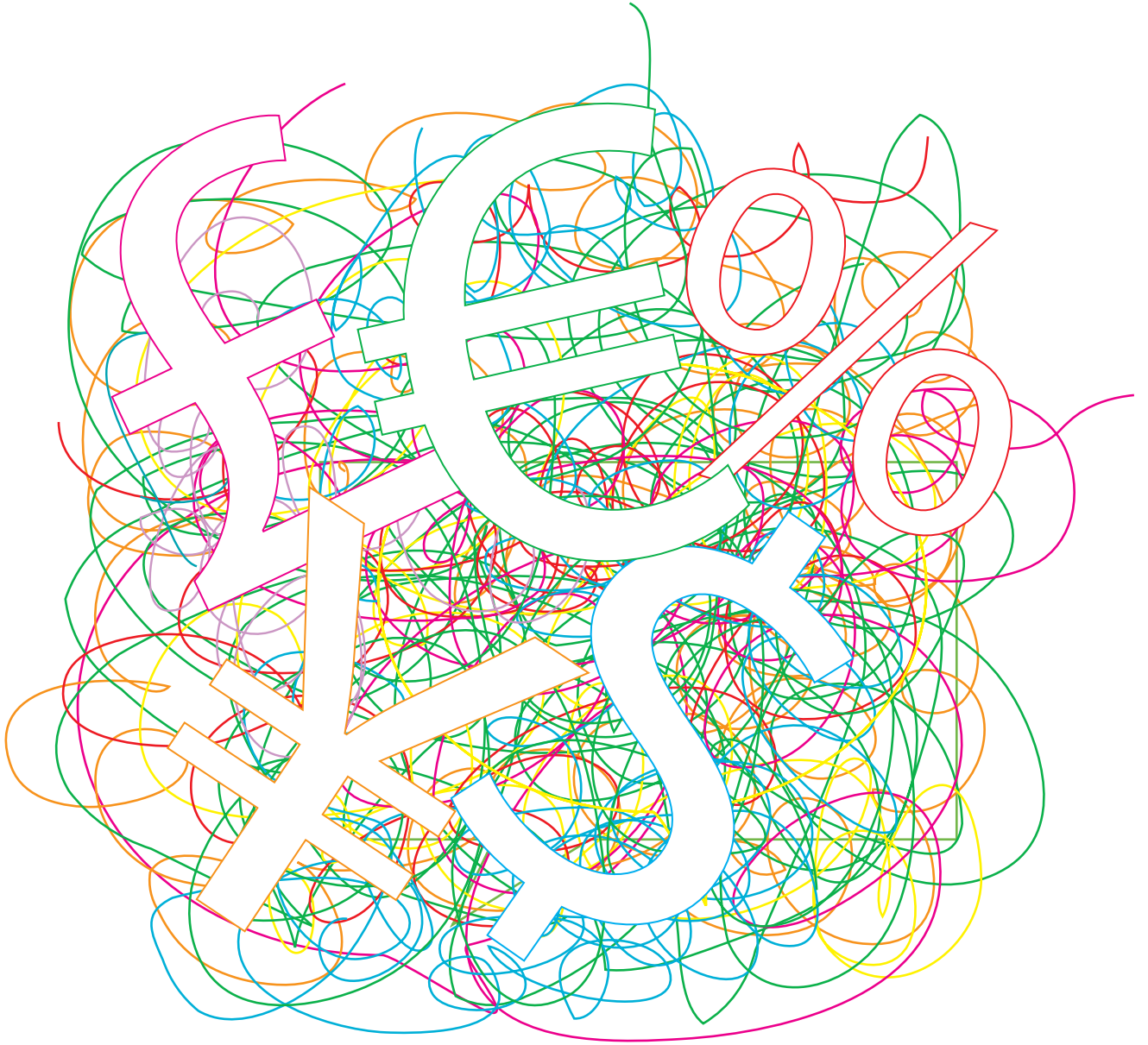
*I can’t adequately describe my method of writing. The most challenging aspect of the*

*project was coordinating its many pieces – writing my own stories while editing the stories of contributors for whom English is not their native language, etc.*

*The project expanded significantly after the BBC decided to partner with us. Our joint, multimedia series in July 2010 included a BBC World TV documentary, a dozen radio stories on BBC World Service, a seven-part online series by the International Consortium of Investigative Journalists and stories in major news outlets in Brazil, Mexico, India, China and the United States. The project reached tens of millions of people in more than 150 countries, receiving coverage by some 400 news outlets, blogs and websites in at least 20 languages. In short, the participation of the BBC greatly enhanced the reach of the project.*

*The response to it exceeded my expectations. Public health activists used the project’s key findings on the multinational asbestos lobby to argue for asbestos bans in countries such as Brazil, India, and Mexico. The project has had particular impact in top producer Canada, which exports the fiber to India, where worker and public protections are weak. In response to the series, Canada’s opposition leader, Liberal Party MP Michael Ignatieff, called for an end to his country’s exports, and an Internet campaign resulted in more than 7,000 letters being sent to Canadian officials, calling for an export ban. The Canadian Press wire service referred to the project as a “public-relations tsunami” for the asbestos industry. Canadians also used the series to pressure the government of Quebec not to provide a loan guarantee to reopen the province’s only remaining asbestos mine. At this writing a decision on the guarantee is expected soon.*





## Chapter Six

# Following the money: frauds and offshore funds

---



# A.

## State aided suspect in huge swindle

**Florida regulators – over objections by the state’s top banking lawyer – gave sweeping powers to banker Allen Stanford, accused of swindling investors of \$7 billion.**

by Lucy Komisar, Michael Sallah and Rob Barry

---

---

### Introduction

*Everyone has heard of Bernie Madoff, and how he got away with ruining thousands of people, and stealing billions of dollars, while the American authorities looked the other way. The story below is in some ways even more shocking, because it describes a multi-billion dollar international fraud that state authorities in the US effectively aided and abetted. The originating author, Lucy Komisar, is one of a very few reporters who understand offshore banking and follow it regularly. The main reason that more reporters don’t work in this field, as a Wall Street Journal editor once said to me, is this: “Business writing is not rocket science. Money laundering is rocket science.” Komisar brought a first draft to the Miami Herald, her discoveries were then fleshed out with local colour and sources by reporters from the newspaper. Note how they succeeded in*

*making the piece awfully human, piling in emotional and physical detail that helps you feel the story. On another level, the line by line style of news writing sets out a complicated scheme step by step. Every one of those steps delivers a surprise, or more exactly, something you would not have thought possible. The authors are not immune to that sensation; try reading the first part of the story aloud and you will hear their astonishment. A broad cast of characters drives the story forward, delivering their testimony in quotes that are sometimes unintentionally hilarious (as in: “Upon reflection, would I have liked to have done it differently? Would I have liked to stop them from doing what they currently did? Yes, of course.”). If you ever doubted that a regulatory void had something to do with the financial crisis, this story will cure you.*

*From The Miami Herald  
July 5, 2009*





**Y**ears before his banking empire was shut down in a massive fraud case, Allen Stanford swept into Florida with a bold plan: entice Latin Americans to pour millions into his ventures – in secrecy.

From a bayfront office in Miami in 1998, he planned to sell investments to customers and send their money to Antigua.

But to pull it off, he needed unprecedented help from an unlikely ally: The state of Florida would have to grant him the right to move vast amounts of money offshore – without reporting a penny to regulators.

He got it.

Over objections by the state’s chief banking lawyer – including concerns that Stanford was laundering money – regulators granted sweeping powers never given to a private company.

The new company was also allowed to sell hundreds of millions in bank notes without allowing regulators to check for fraud.

Over the next decade, the Miami office was among Stanford’s busiest in the sale of controversial investments now at the heart of the federal government’s sweeping fraud case against Stanford and his lieutenants.

“There was no lawful way that office should have been opened,” said Richard Donelan, the state’s chief banking counsel who opposed the deal.

Donelan said he argued that the Stanford plan violated state law, and that there were concerns about money laundering in the Caribbean and “whether Stanford’s bank was in conformance with the law.”

## Taking advantage

Represented by a powerful Florida law firm, Stanford got approval to create the first company of its kind: a foreign trust office that could bypass regulators, according to records obtained by The Miami Herald.

The Florida banking director who signed the agreement, Art Simon, now admits he made a mistake.

“Upon reflection, would I have liked to have done it differently? Would I have liked to stop them from doing what they currently did? Yes, of course.”

The state’s decision allowed Stanford to expand his banking network by offering his prize investments – certificates of deposit – without reporting the purchases, according to state and court records.

In the first six years, the office – known as Stanford Fiduciary Investor Services – took in \$600 million from customers, state records show.

Now, with Stanford indicted on sweeping fraud charges last month, the Miami office poses serious challenges for federal agents trying to find assets from the demise of his vast banking fortune, legal experts say.

In all, prosecutors say Stanford diverted nearly \$7 billion from customers who purchased his CDs, long touted for their high returns.

Some of the millions went to support Stanford’s lavish lifestyle, including private jets, expensive cars and mansions, including a \$10.5 million home in Gables Estates that he has since torn down, records show.

Investors who flocked to the luxury offices on the 21st floor of the Miami Center to



buy the CDs are clamoring for their money, saying they were fleeced of millions.

"It's not fair that so much money has gone down the drain," said Margie Morinaga, whose 84-year-old father lost \$400,000.

Former customers are sending letters to the court receiver, pleading for help; others are angrily organizing to press for the recovery of their money.

At least 2,100 customer accounts were set up at the Miami office in the first six years, state records show.

Unlike other Stanford companies around the country, the Miami office was exempt from reporting the amounts of money sent overseas – bypassing anti-laundering laws.

In fact, employees shredded records of the trust agreements and CD purchases once the original documents were sent to Antigua, state records show.

## Few protections

For years, the high-rise offices – adorned with marble floors, Oriental rugs and expensive artwork – provided privacy for investors, but few protections.

Because trust officers weren't required to keep records, investigators will have to rely on investors and the Antiguan bank to trace the money that moved through the office, say lawyers for customers.

Florida Office of Financial Regulation Officials for the Florida Office of Financial Regulation are now reviewing the decision made a decade ago, but they refuse to comment.

"All I can tell you is that there was no one that specifically regulated the office,"

said Linda Charity, director of the state's Division of Financial Institutions.

Simon, the Florida banking director who approved the agreement, says he should have banned the office from handling money.

"It raised serious questions in my mind after the fact as to whether we should have had tighter provisions," said Simon, a former state representative who helped draft much of Florida's modern banking legislation.

The office was only supposed to provide information for people interested in the offshore trust's services – not offer CDs and accept money, he said.

But in clear language, the agreement reached between Stanford and state regulators allows money to flow to and from the center.

Simon, 63, now retired from state government, said he didn't recall the language until he was e-mailed a copy by The Miami Herald.

But several lawyers who reviewed the documents for The Herald said much of the responsibility rests with Simon. "In this case, he was responsible for having an effective system of enforcement," said Jeffrey Sonn, a Fort Lauderdale securities attorney. "The state didn't do the kind of reviews it needed to do."

Miami banking lawyer Jose Sirven said the state may have been able to approve the office, but questioned the state's decision to let employees transfer money.

Donelan, the state's chief banking counsel, said he did not believe Stanford had the right to open the satellite office in the first place.

“It was not an American financial institution. I had expressed that opinion. There was no regulation. It was as if they had an office that could be selling shoes or ice cream.”

## Concerns raised

Now an attorney with Florida’s Department of Financial Services, Donelan, 58, said he had other worries. “There were regulatory issues about the role that Mr. Stanford was playing as far as the circulation of money in the Caribbean.”

Seven years earlier, Stanford had run into problems while owning a bank on the Island of Montserrat, voluntarily giving up his license during a British money laundering investigation.

But during negotiations with the state, lawyers for Stanford argued there was nothing in Florida law that banned the kind of company Stanford wanted to create.

They also said the new company would abide by an agreement with the state, including the right to transfer money for clients, but not operate as a bank.

The agreement also barred employees from giving financial advice to customers.

Carlos Loumiet, a former GreenbergTraurig lawyer who helped draft the deal, declined to comment, citing ethical concerns.

In the end, the Miami company was allowed to open under a unique category: a foreign trust representative office – the only one in Florida.

While the state allows out-of-state trust companies to set up satellite offices in Florida – catering to snow birds loyal to their hometown banks – there are no

provisions in Florida law for similar foreign offices.

Stanford’s negotiation with the state wasn’t the first time the flamboyant tycoon tried to open a local office to serve his offshore venture.

Earlier, he went to Miami attorney Bowman Brown, who said he declined to represent Stanford. A longtime banking lawyer, Brown said there were several elements that didn’t seem right about Stanford’s plan.

“He wanted to set up an office in Miami to serve a business operation in the Caribbean,” said Brown. “The idea was to attract a Latin American clientele as a platform to sell securities.”

But Brown said Stanford “was not interested in undergoing any substantive banking regulations or submitting to government examiners.”

At the time, the Caribbean basin had a “bad reputation as a pirate banking jurisdiction, and I just wasn’t interested in taking part in this,” Brown said.

## The business grows

By the time the state approved the trust office in December 1998, Stanford was already hawking his top product: certificates of deposit.

One of the attractions of the CDs were the competitively higher yields than other banks – often by two points.

The Miami office was a big draw for foreigners jetting to Miami, said Charles Hazlett, a stockbroker who worked for another Stanford firm – a brokerage – on the same floor.



"The trust office was one of the busiest in the Stanford operation," said Hazlett. "Compared to us, they were a big office, 30 to 40 people, everyone selling CDs."

Hazlett said the Stanford stockbrokers were also pushed to sell the company's signature product.

Rosa Mejia says word of the Miami office spread throughout the hemisphere. She recalls escorting her father to the Miami office four years ago.

Saraminto Perez business card  
Their trust representative, Saraminta Perez, offered a five-year, \$300,000 CD at higher returns than most banks, said Mejia.

Her father, 69, a retired banker from the Dominican Republic, signed a trust agreement and a check. The money was to go to Stanford's bank in Antigua, which issued the CDs.

"We thought the money would be safe," Mejia said.

Perez referred questions to her lawyer, saying her career was cut short by Stanford's collapse.

Miami attorney Jeffrey Tew said trust officers didn't know money for the CDs was allegedly being stolen by Stanford and others. "There were people [in the Miami trust office] managing \$100-million-dollar portfolios," he said. "They thought they were helping their clients."

However, Hazlett says he raised concerns in 2002 about the legitimacy of the CDs with the Miami office's executive director, Nelson Ramirez.

"I remember very clearly saying the math didn't add up, that I needed more information on the background of these CDs," said Hazlett, who pressed the issue with

Stanford supervisors during a compensation suit in 2004.

Ramirez, who left Stanford three years later, did not return phone messages.

Ultimately, Hazlett said he was given information about the Antiguan bank's investments – the foundation of the CDs – but the data was so minimal "it made me even more suspicious," he said.

Federal agents now say the bank's investments were vastly overvalued and, in many cases, fabricated.

After the Miami trust office was created, Stanford lawyers approached Texas to open a similar office there. In 2001, the state agreed, but with a key difference: The Texas office wasn't permitted to handle money.

"Basically, all they could do was market," said Deborah Loomis, assistant general counsel for the Texas Department of Banking.

But the Miami office was busy taking in money from customers – and growing, from 18 employees in 2001 to 46 by 2005.

### **"Huge red flags"**

While the state agreement barred the office from giving financial advice to clients, several experts said the state should have been monitoring the sale of Stanford's CDs.

"I can tell you that CDs are securities and are supposed to be regulated," said Sonn, a securities attorney. Sonn also cautioned the high yields offered by Stanford's CDs were "huge red flags" that should have prompted state investigators to challenge claims the products were rooted in legitimate investments.



Andrew Stoltmann, an adjunct professor of securities at Northwestern University, said the state failed by not performing routine examinations.

“You have to put yourself in a position to at least try to catch people committing fraud,” said Stoltmann, who practices securities law in Chicago.

Records show that state examiners visited the office three times over the past 10 years, but only to ensure that the 1998 agreement was kept.

During one of those visits in 2001, state agents noted that office employees routinely would send purchase records to Antigua and then destroy the local documents.

It wasn't until February that the office was finally shut down – along with Stanford's bank network – when the U.S. Securities and Exchange Commission filed fraud charges against Stanford and his top officers.

The office furnishings, including cherry-wood desks and company credenza, are now for sale.

Rosa Mejia, whose father lost \$400,000 in worthless CDs from the Miami office, said investors were impressed by the staff and offices on the 21st floor. “Everything was first class,” she said. “We thought our money was safe.”



## Afterwords

---

---

*Lucy Komisar, independent journalist: The story began with a tip from a source I'd worked with before on issues relating to offshore banks and corporate secrecy. He said he'd heard there was a document indicating that Allen Stanford had an agreement with the Florida Banking Department allowing him to set up an office to move money offshore.*

*That's how it worked this time, but every story is different. Sometimes people provide me with documents, sometimes documents lead me to people. My first luck was getting the tip. The second luck was when one of the people who had worked at the Banking Department told me that the Department's lawyer had opposed the deal. But I got to that second "tipster" only by tracking down and calling everyone I could find that had anything to do with the Banking Department more than ten years earlier.*

*Using the Freedom of Information Act, I asked the Florida Banking Department to send me any documents that discussed Allen Stanford's attempt to get an office in Florida to move money offshore. Florida has a good FOIA law and I got documents within days of my emailed requests. Eventually, I obtained:*

*1. the Banking Department memo of understanding with Stanford; 2. an internal memo discussing the issue and relating the opposition of the Banking Department lawyer, who said the proposed agreement was illegal; and 3. a memorandum filed by Stanford's lawyers with the Banking Department arguing the legality of his setting up the office.*

*I usually list the people I need to talk to, keeping all names on a "contacts" list and using a "to do" list for the people I still need to reach. It's a good idea to keep a data base of contacts and sources. I use Cardscan, which costs about \$100 and connects to a computer. You feed in business cards and it transfers the data into contact pages which can be marked by category (i.e., lawyer, human rights activist, finance, oil & gas, etc.). You can also type in names and drag them from web articles. One could also use Excel or other database programs.*

*After the story begins to take shape, I write a running chronology of the events, which is changed as I get new information. If my computer folder on the subject is loaded with too many documents, I make a separate folder for documents that back up points in the story so that they are easy to find and send to editors or fact-checkers.*

*In interviews, I try to get as much as I can on email or voice recorder – in other words, to have a verbatim, physical record. With a speaker phone, you can run a voice recorder as you type or write notes. (Do be sure to check the legality of running a phone recorder in your country.)*

*I use the running chronology of events, quotes, and explanations, or a running draft divided into subject sections, as the basis of the final story, even though the material may end up in a different order. That way I don't forget key elements I may have learned earlier. And the chronology prompts me to get confirmations or follow leads based on what people have told me.*



*I had no financial support while doing the story and had to continue with other projects at the same time. Nobody tried to prevent me from doing the story. Many media places (mainstream and alternative) did not want to publish the story. Most never even responded to queries or to the finished article. I think that was due to editors' poor judgment rather than to political or other pressure. The Miami Herald was disposed to run it because the Stanford office was in Miami, and because the paper has a good history of doing investigative reporting.*

*Michael Sallah, The Miami Herald: Lucy had already gathered key documents showing the agreement reached between the state and Stanford's lawyers in 1998 – a decade before his entire banking empire was shut down by the U.S. federal government in a massive fraud case. In addition, Lucy had reached the lone person in Florida state government who had opposed the deal, saying it was downright illegal. She also reached the state's former director of banking who signed the agreement -- making it all possible for Stanford to set up the unregistered bank/securities office in downtown Miami. In short, Lucy laid out the guts of the story.*

*But in order to publish such a piece on the front page of The Miami Herald, it had to be fleshed out with our own reporting to show the consequences and sweeping impact of the state's decision. We also had to call the same people to confirm her tip. How did this unregistered office in downtown Miami really work? How much money did the office actually send to Stanford's operations in the Caribbean? Who were the real victims? We also needed to show how this office fit into the entire \$7 billion Ponzi scheme – its real significance.*

*At first, the state tried to say that any additional documents were exempt from*

*disclosure because the case was now under investigation (in light of the ongoing federal probe.) We told the state that any records that were generated separate and apart from an investigation cannot be concealed under Florida public records law. The state eventually turned over the reports, which turned out to be a damning indictment of its complicity in the fraud case.*

*The next challenge was reaching the people who purchased the bogus securities in the Miami office. We went onto some of the Stanford investor websites and blogs and managed to reach several angry people who bought the bogus CDs, and who shared their experiences with us. They said they thought the Miami office was legal and that they were buying legal securities. They even faxed us the sales documents to prove their purchases.*

*Don't be afraid of seeking out experts who can help you explain what's contained in documents, especially if they are financial or medical records. In addition to records, take the time to track down real live people who can substantiate what's in the documents. We tracked down a Miami banking lawyer who was first hired by Stanford to arrange the deal with the state, but who backed out because he grew suspicious that Stanford was trying to do something illegal. We managed to convince a janitor in the waterfront office tower to let us get a peek at the centre, which featured ornate artwork, cherry-wood furnishings, leather couches – all the trappings of a legitimate, upscale brokerage.*

*We set out to tell a crime story, not a business story. We wanted to complete all of the reporting and research before we sat down to write. This was a very complex story. One of the best ways to explain a piece like this to everyday readers is to master the material, which means creating a detailed outline before writing. We*



*knew the elements of the narrative. The real challenge was breaking down complex concepts like banking and securities regulations, to get readers to really understand what took place and the outrage of the state's poor decisions.*

*Lucy Komisar: I didn't act to increase the impact. The Herald ran an editorial and some follow-up stories. That got the attention of the state legislature. However, the story was never reported by major American media, including the NY Times, Washington Post and Wall Street Journal, which apparently believe that a story doesn't happen unless they expose it themselves. There were no lawsuits against the story, and no corrections were required. A single local Florida blogger ran*

*repeated attacks on the story, but nobody paid attention.*

*In 2010 the story won several prizes: The Gerald Loeb award for business and financial journalism by medium & small newspapers; the National Press Club award for Newspaper Consumer Journalism; a Sigma Delta Chi award for Non-Deadline Reporting; a National Headliner Award, and a Sunshine State Award.*

*Michael Sallah: As a direct result of our work, Florida lawmakers passed legislation in 2009 that banned any such arrangements from ever taking place again. From now on, all financial centers in Florida have to be open for inspection and regulation.*





**B.****Offshore crime, inc.**

by the Organised Crime and  
Corruption Reporting Project

REPORTERS: Mihai Munteanu  
(Romania), Beth Kampschror (United  
States), Stanimir Vaglenov (Bulgaria),  
Vlad Lavrov (Ukraine), Tamas Bodoky  
(Hungary), Stevan Dojcinovic (Serbia)  
and Caitlin Ginley (United States –  
International Consortium  
of Investigative Journalists)

EDITORS: Drew Sullivan,  
Rosemary Armao  
Coordinator: Paul Cristian Radu

---

**Introduction**

*A reporter who covers criminal activity learns to spot patterns – the modus operandi that lawbreakers rely on, and which are tailored to specific forms of crime. But journalistic investigations into entire criminal systems are rare. For one thing, they involve physical danger and the threat of libel prosecution for reporters. For another, they require deep resources, especially time. A landmark in the field was Jonathan Kwitny's *Vicious Circles: The Mafia in the Marketplace* (1979), which focused on the business activities of a mafia financier and a policeman who tried to oppose him, and exposed a slew of strategies ranging from using unions for extortion to cheating suppliers of ephemeral industrial operations. In the era of globalisation, heroic feats like Kwitny's are evolving into team efforts. These teams*

*share several characteristics: They are transnational, their physical locations are distributed and connected by information technology, and their sources of funding are independent of any national media market. The OCCRP is a model of such teams, with strong talent in its editing, research and development, and writing functions. Editing is always a key function in publishing, and there are fewer good investigative editors than investigative reporters; but the function is even more vital when working with reporters of different nationalities, professional standards (because standards are also rooted in cultures), languages and skill levels. Not enough has been done, to date, to codify and transmit this skill set, which only a handful of organisations in the world fully possess.*



*The OCCRP's series on offshore companies, a centrepiece of what they call the "criminal services" industry, relies on both undercover work and conventional reporting methods. In general, I am against undercover reporting, even though many viewers and readers love it. It can be an invitation to laziness; the reporter gets bogged down in hiding the new identity, and has little energy or opportunity for the hard work of finding proof. It's also a bad trade-off, most of the time. The only class of people who are generally granted the right to ask any question of anyone, any time, is reporters. They may not get an answer, but most people recognise their right to ask. In general, asking for information gets you more of it than eavesdropping while pretending to look the other way, just as searching a library for documents gets you more than sneaking into a file cabinet for a few minutes. Moreover, if a reporter is caught playing a role, the consequences can be absolutely hideous (a Brazilian journalist working undercover was recently shot through the feet to prevent him running away, then tortured and killed.) A reporter who declares his or her true identity may be told to leave, but that is the worst that usually happens.*

*That said, the OCCRP's work exemplifies three conditions that justify undercover reporting: they do it to complete their stories, and not to have a story in the first place (to put it another way, the story is not about the role-playing); if they had not taken the risk, they could not have uncovered information of vital (and in some cases mortal) importance to the public; and if they had not gone undercover, their physical safety might be in even greater danger as they pursued the story.*

*Such projects often go beyond what law enforcement agencies have achieved, not least because reporters can cooperate across borders more easily and swiftly than police. The key threat to these projects lies in libel tourism. At this writing, the facility and frequency with which libel tourism is practiced in the UK, at a moment when law-abiding taxpayers bear a crushing burden that offshore companies help criminals to avoid, can only be called appalling. The full OCCRP series of a dozen stories plus supporting documents is available at <http://www.reportingproject.net/offshore/>.*



## Part One

### Crime goes offshore

by the OCCRP team

East European criminals and corrupt politicians have found in offshore havens a tool so perfect that it has permanently changed how business is done in the region. By using offshore laws that stress secrecy over everything else including crime prevention, they have been able to set up networks of offshore companies where they can hide their assets from police, launder their money and evade taxes all at the same time.

They have learned the arcane business art of forming offshore companies – firms registered in another county by a non-resident – then hiding behind proxies and complicated nested business structures that stretch across continents.

Criminals in the Balkans have used offshore companies as fronts for drug trafficking, money laundering, weapon smuggling, monopolizing industries, privatization fraud and corrupting politicians and government officials. Worldwide, they are used by Mexican drug lords to launder money, terrorism groups to wage war, Iran and North Korea to evade sanctions and run guns and a host of other criminal acts yet undiscovered.

According to the Tax Justice Network, more than \$250 billion is lost each year in tax revenues from wealthy individuals and criminals who hide their money in offshore accounts. That is money that by rights should be going toward better education, health care and infrastructure. On top of that, around \$1 trillion – often money that corrupt leaders have stolen – flows out of developing countries into offshore accounts and wealthy banking centers.

“Whether it was logging, or diamonds, or oil, we realized it was a missing link – in every single dirty deal we ever looked at, there was a bank and a front company in a secrecy jurisdiction, or more than one,” said Anthea Lawson, head of the Kleptocracy Team at the London-based NGO, Global Witness.

Law enforcement does not do well in catching and charging those who use offshore havens to commit crime. Their hands, they say, are tied by business-friendly laws in offshore havens that guarantee secrecy and are seemingly designed to evade taxes.

### The criminal services industry

“I don’t know a single big business in Ukraine, which is owned transparently, without using non-resident companies,” said Yaroslav Lomakin, who started Honest & Bright, a Moscow consulting firm. Lomakin himself has been in the business of registering offshore companies.

According to the Ukraine’s State Tax Administration, trade with offshore locations grew 54 percent to \$1.6 billion in the first half of 2010. Three quarters of that trade was with the British Virgin Islands, which accounted for almost 5 percent of all Ukraine’s exports.

Ukraine is typical of countries in Eastern Europe and the Balkans, where a team of six reporters from the Organized Crime and Corruption Project (OCCRP) found hundreds of large companies registered in offshore locations. Each country has a robust industry that sells offshore services



to businesses and individuals. It is a mundane industry filled with accountants, company formation agents and lawyers who spend their time devising complex schemes for hiding the real ownership of companies or assets.

The real product of this industry is a sinister secrecy. The workers of this offshore registry business arrange for the proxies or the bearer shares used to hide the real owners. They care little who they are working for, and are careful not to ask.

### **Law enforcement experts call it the criminal services industry**

“A company is basically an alternative identity. If you form a company for one or two thousand dollars... it can't be linked back to anything or anyone,” said Professor Jason Sharman, an expert on offshore havens for the Center for Governance and Public Policy at Griffith University in Australia. “It's very handy to launder money, evade tax, take a big bribe, or even finance a terrorist organization.”

Industry insiders defend what they do, saying there are legitimate business reasons for the services they provide, and that just a few bad apples among the many honest people they serve have tainted their reputation.

That is not what OCCRP found during a six-month investigation of offshore registries in Eastern Europe. Posing undercover as businessmen, the reporters received, through repeated consultations, sales meetings and online applications, detailed advice about how to cheat on taxes and not get caught. One reporter was even asked for a cut of his probably illegal profits.

Laszlo Kiss, the agent who asked for a cut, operates one of the region's largest

offshore registry agents called Lamark Tax Planning Consult SRL in Bucharest. Kiss was arrested by Romanian police weeks after he met with an OCCRP reporter working undercover, on charges related to his offshore business, including tax evasion and money laundering.

OCCRP found not a few bad apples, but an entire industry willing to help organized crime launder illegal earnings, avoid taxes and hide from law enforcement. That regional industry is part of a network of off-shore agents who, working worldwide, provide services to people engaged in transnational crimes, up to and including weapons smuggling between North Korea and Iran.

### **The business model**

Offshore registry firms are one-stop shops that, for a fee, will do everything from filing tax and annual reports to acting as the director of a client's company. They often work with a registration firm in the offshore country, with connections to local government officials. They may provide proxies to serve as directors. They will help a client issue shares and can find proxy shareholders. They might set up bank accounts. If law enforcement or journalists come sniffing around, the trail often ends with them.

They will also help set up companies in other countries, that will own, be owned by or work with the client's company. In this way they set up a network of companies that are seemingly independent – but owned by the same person. This confusing arrangement more thoroughly hides ownership and thwarts accountability. They usually do this over the Internet, within a matter of hours or days and without a question. If they ask for identification, they will almost never verify the information they are given.

## Offshore or next door

While tax dodges are probably as old as taxes themselves, modern offshore tax havens date from the 1920s and 30s when Bermuda and Liechtenstein passed laws for offshore companies and trusts. After World War 1, many European countries raised taxes to rebuild their shattered countries and money soon flowed into low-tax countries like Switzerland which had suffered no war damage. Many countries eventually discovered the advantages of low taxes in attracting money or businesses to their banks.

Secrecy laws also helped, especially in small countries which found that the fees for such services could prop up their economies.

Today, England, the US and some European countries are replacing the more exotic Caribbean or Indian Ocean Islands as the tax havens of choice. On the Tax Secrecy index, the US state of Delaware is listed as the Number One offender by the Tax Justice Network. Delaware earns \$700 million per year in company registration fees, a significant part of its budget.

“The situation (in the US) isn’t as awful as it was three years ago, but it’s still pretty bad – even worse than the places you see in thriller movies like the Cayman Islands or the Bahamas. The US has been pretty robust in making sure that other countries live up to these standards, but they have been lax about applying the same degree of rigor to themselves,” said Professor Sharman.

Nobody knows how many offshore companies there are worldwide, and more than a third of countries worldwide have been used for offshore purposes. The Internet gives any mom and pop store anywhere in the world the capability to set up offshore banking and holding companies.

## Law enforcement troubles

Criminals simply do not fear a legal crackdown. Hampered by offshore secrecy, law enforcement, especially in Eastern Europe, has no talent working across international boundaries figuring out the real owners of companies cloaked in proxies.

Governments scrutinize the offshore industry and blame it for aiding criminals, but do little about fixing the problem. Organized crime has found common cause with business organizations to squash any efforts to radically change offshore laws. Some countries only pay lip service to efforts to provide greater transparency. Some keep on promising important actions, and nothing else happens.

## Defending the business

The offshore industry has said it is primarily used by legitimate businesses. As Fidelity Services, an offshore registry agent in the Seychelles says: “Many high-taxing, high-spending governments would like everyone to believe that offshore companies are only used by fraudsters, terrorists and crooks. That’s completely unjustified. While there is always a rotten apple in any box, 99 percent of all business transacted through offshore companies is completely legitimate.”

In meetings, registry agents said their wealthy clients need to shelter their assets from extortionists, crooked businessmen and corrupt governments.

Some registry agents freely admit that they don’t care who uses them. “We are only selling the instruments to the clients. Whether they would play correctly, or use them for illegal purpose, is their own business. We don’t see and we don’t want to see this,” said Ivanna Pylypiuk, managing partner with International Consulting



Group (ICG), a company that promotes offshore accounts for “tax minimalisation”.

Sharman partially agrees: “It’s a good-faith effort to make it as easy as possible for small businesses to register companies with a minimum of paperwork, a minimum of hassle, and a minimum of expense,” the professor said. While he understands the desire for deregulation, “making it as easy as possible for businesses also makes it easy for criminals.”

Nobody knows how much of the offshore trade is legitimate and how much is criminal, but part of that depends on what people consider legitimate.

“I really don’t know any legitimate reason (for offshores). The companies will tell you that a legitimate reason is reducing their taxes and that’s legitimate. I think that cheating on your taxes is not legitimate,” said Lucy Komisar, a writer who specializes in financial crime, offshores and organized crime.

Komisar also takes issue with the argument that wealthy individuals need to hide their money offshore to avoid being kidnapped or extorted. “The account being available to law enforcement is not the same thing as being open and available for public inspection. ... Or the other example they use is the opposition person in the repressive country, who doesn’t want the government to take his money. In a repressive country, the ones who have money tend to be the ones in government.”

To stop the use of offshore havens by criminals requires giving up loopholes, something business organisations have worked hard to prevent.

“The same mechanisms allow tax evasion, tax avoidance, corruption, and organized crime money to flow – it’s all the same. While we’ve left these loopholes open because it’s beneficial to multinationals and to the rich, to be able to structure their money to minimize tax, we let a hell of a lot more go on under this,” said Lawson of the Kleptocracy Team.



## Part Two

### Laszlo kiss, the offshore master

by Mihai Munteanu

In a small, well-appointed boardroom just steps from the Romanian Government Building, Laszlo Gyorgy Kiss sketches on a sheet of paper for the benefit of an undercover reporter. The reporter from the Organized Crime and Corruption Reporting Project (OCCRP) has told Kiss he wants to hide his ownership in a large oil deal.

Kiss looks exactly like you'd expect an accountant to look – medium height, going a little bald, in a neat grey suit, speaking in a low, even, tone, without any inflections. But what he is outlining isn't dull accounting at all. He is explaining how the reporter can use offshore companies to "optimise" millions of dollars in Romanian taxes and customs fees.

He draws a line from a dot on the sheet representing the Seychelles Islands off the coast of Africa to other forms representing Cyprus and Nigeria. Then a line to a Kiss company in Bulgaria and finally to the key location – the US state of Delaware.

"What you need is a triangulation," Kiss says in his patient, teaching tone. He shows the sheet to the reporter and added: "This is the mechanism I propose to you." He calls it tax optimization.

When reporters showed the sheet to authorities later they called it something else: fraud.

### The business of making businesses

Like Kiss, who operates Lamark Tax Planning Consult SRL, dozens of other

accountants, lawyers and businessmen in Eastern Europe, and thousands more around the world, are in the business of helping people set up offshore companies.

What many actually are doing is helping organized crime, politicians and crooked businessmen launder money, hide company ownership, avoid taxes, and skirt monopoly laws. Their industry is making organized crime and corrupt politicians wealthier and helping them get away with it.

Within weeks of Kiss's lesson to OCCRP, Romanian police arrested him. Kiss is one of the few registry agents OCCRP could find who were ever arrested for helping evade taxes. OCCRP found there should be a lot more.

Four OCCRP reporters talked with more than two dozen companies that advertised the registration of offshore companies, and many were told the same thing. Each promised to help the reporters avoid taxes or hide assets. Nobody asked where the reporters got the money or why they were trying to hide assets or ownership.

### Tools of the trade

Back in the boardroom, Kiss advises the reporter that the key to optimising taxes is lowering the price of the product. The (imaginary) product, in our case, is 1,500 tons of industrial oil that is to be imported from Nigeria into the European Union (EU).

"Here, in Nigeria, you purchase the merchandise through an offshore company



from Seychelles or from Delaware,” he explains. “The offshore company then sub-invoices the imports to a Romanian company. From this point, we make the triangulation. We immediately deliver the merchandise to a Cypriot company. It, in turn, re-sells it to a company in Bulgaria, and from there it returns back to Romania.”

Kiss calls his plan “sub-invoicing,” another of the dull euphemisms common in the industry. At each sale, the price changes, but the changes are for tax purposes only, because the reporter will own all of the companies involved.

For example, an offshore company in Delaware buys the oil in Nigeria for €100. It sells it to a Romanian company for €1. The Romanian company then sells it to a Cyprus company for €1.1. The reporter then pays taxes in Cyprus on the reduced price.

But that is illegal, said Sorin Blejnar, president of the Romanian National Agency for Fiscal Administration (ANAF).

“Any operation of this kind, which involves sub-invoicing or changing figures, is called either [tax] evasion or money laundering,” said Blejnar.

Another expert agreed. “When you resell the same goods well below market prices, under-evaluating it, you are guilty of several crimes. It is clear that the network you are describing to me is a typical money-laundering network,” said Ionel Blănculescu, former minister-delegate of the Romanian National Control Authority.

Kiss explains that the Republic of Cyprus is the key strategic location for import-export businesses in Europe. The island country has had the lowest tax rate in the EU since it joined in May of 2004, and it is the most commonly used offshore haven. The maximum VAT rate on imports is 15 percent and there is no tax

for goods heading to other EU countries. There are no custom fees for several types of African mineral oils. Corporate tax rates for companies are just 10 percent and excise taxes are low.

“It is clear that those involved do not want to pay the VAT and their customs duties. Then, the goods can circulate unhindered in the EU. Without question, the undervaluation is not right at all. People actually change the amounts in the transaction documents,” Blejnar said.

### **The Bulgarian connection**

But Cyprus is just the first stop in the “triangulation”. The second is Bulgaria.

Once the goods are imported into Cyprus, they are immediately resold to a Bulgarian company, but at a price near the market price of €200. The profit remains in an offshore account of the company in Nicosia, Cyprus. The Bulgarian step obscures the path of the goods.

“You do not need to find a company in Bulgaria: we have one,” Kiss says. “But here the goods have to physically circulate. We do not necessarily need to store it – we can pass it through Bulgaria in a single day.”

While there are no taxes between EU countries, companies must have the paperwork to prove the goods were actually shipped.

Once in Romania, everything can come out in the open and the African industrial oil can enter the normal market. The Bulgarian company sells to a Romanian company for a price that also includes a fee for Kiss.

“It will cost you at most 1 percent of the business. Maximum 1 percent. That would be our fee,” Kiss tells the reporter.





## Hiding the ownership

Another key element of the process is hiding the real owners. Despite the US government's outspoken criticism of offshore companies, Delaware is the location many offshore services companies. Kiss even published a book on how to avoid Romanian taxes called "United States, Tax Heaven – Uncle Sam Will Fight Your Taxes!"

"We have already booked companies in Delaware," says Kiss. He said he almost has a factory in Delaware producing companies. Actually, it is a Delaware based company registry firm.

Kiss says that as long as it does not do business in the United States, an offshore company will not report to the US tax collection authorities. It does not have to pay taxes and it needs little accounting.

Kiss explains that ownership is easily hidden. Proxies, or people willing to allow their name to be used as an owner in exchange for money, sign the company registration documents. Lawyers, registration agents, or someone off the street can all do this. The real beneficiaries are camouflaged behind a declaration of trust, a legal document that states the proxy is holding the property for another party. Sometimes the real owner holds undated resignations of the proxies that he can use at any time. These documents are usually kept secret.

## Laundering money

The reporter tells Kiss he has recently come into a large amount of money and

needs to hide it. Kiss asks no questions but immediately sketches out another offshore scheme.

Kiss recommends the tiny Seychelles Islands in the Indian Ocean this time. The generic-sounding name of a preregistered company is chosen: M Intelligence Ltd (Seychelles). The company will be capitalised with the reporter's mystery money. The company will sell shares of itself to investors, who thus own it.

Using another tool in the offshore kit, Kiss recommends that the company use bearer shares. Bearer shares are stock shares owned by whoever has possession of them. There is no registry of owners kept. A series of proxies will buy the initial shares in groups and then transfer them to the reporter. Once the shares are transferred, they are untraceable.

The Seychelles company, now owned by the reporter through his bearer shares, will be a shareholder in an "investment" company. Again, Kiss has already set one up – a matching Delaware company named M Investments LLC. Money from the Seychelles company will fund the Delaware company, which will then make legal investments. The money is thereby laundered.

Kiss's bill for the four offshore companies is €12,000 plus 1 percent of the take. The invoice is issued by Lamark Tax Planning Consult SRL from Bucharest, where the reporter met Kiss. Behind this Romanian SRL lies, naturally, a web of offshore companies that spread like a spider's web to all continents.

## Part Three

### A reporter forms an offshore

by Mihai Munteanu

Reporters from the Organized Crime and Corruption Reporting Project (OCCRP) set out to find how easy it is to set up an offshore company.

They imagined a company in a remote location with good privacy laws. They decided their imaginary company needed to have proxies for both the shareholders using bearer shares and for the director of the company.

They asked Seychelles-based Fidelity Corporate Services, an online register of offshore companies that has been used in the region. Fidelity advertises such services on their website. For example, it offers “nominee” directors or proxies. “A third-party Company Manager (Nominee) would effectively shield the company owner from any publicly obvious relation to the offshore company,” the site says. For shareholders it says “in order to shield his direct link to the company, a company owner may involve services of a nominee shareholder.”

Fidelity boasts on this site that “since 1998 we have provided thousands of offshore incorporations for professional and individual clients worldwide.” Fidelity also provides services in the British Virgin Island and Belize and has offices in Riga, Latvia.

What Fidelity does is not illegal in the Seychelles. However, using their services to avoid taxes can be illegal in many countries.

When OCCRP emailed Fidelity staff, they were very accommodating, asked no ques-

tions and never discussed whether the activities could be illegal except to say where the clients could spend more money to help avoid getting caught for tax evasion. The price tag: \$1,657.

OCCRP reporters placed an online order for an offshore company. After filling out forms on Fidelity’s website, they received a prompt email message signed by Stella Constance, the Fidelity Corporate Services’ managing director. The message indicated the next steps: the reporters needed to send a notarized copy of the beneficiary’s passport, a bill that would show the beneficiary’s permanent address and the standard contract needed to establish an offshore, signed, scanned and emailed to the Seychelles. It is not clear if or how Fidelity would verify whether the information sent was real.

To dispel our concerns about protecting our identity, Stella explained that “By law [the Seychelles International Corporate Service Providers Act], we are obliged to verify the identities of our clients. This information is for our internal file only and NOT for any public registry! All licensed registered agents in Seychelles are subject to the same regulations.”

The price including the designated shareholder and director (proxies) provided by Fidelity. After the order has been placed, the documents would be sent to Europe via a fast mail courier and the offshore company should be operational in three weeks.

Another Fidelity employee, Cynthia Chehab, explained by email how the proxy system worked. The real owner can control the offshore company by means of two documents: A “General Power of Attorney” (cost: \$225) or “Special Power of Attorney” (\$250). The first option gives the real owner full control over the company for an unlimited period of time. However,



Fidelity lawyers do not recommend it, she said. Chehab warned the reporter in the email that “this is the new climate, the issuance of General Power of Attorney (the ones issued last year) can be extremely dangerous for the client. Please note that a General (power of attorney) can cause domestic tax liability for the client and it is a direct written evidence that the person runs an offshore company from his own home and this will make the person taxable in his own country, for the revenues of that offshore company, through what is called a permanent establishment.”

Instead, Chehab recommended the firm’s more expensive Business Administrative

Service combined with a “Special Customized Power of Attorney.” She also sold the reporter on the company’s more expensive director proxy service because “you need the professional directorship service to avoid being seen as directly managing and controlling an offshore company.”

Fidelity’s website offers us an individual director who would do the work for \$1,000 per year. The registered agent informed the reporter that he can also use the corporate directorship service, which means that for \$250 your director could be – what else? – another offshore Seychelles corporation.



## Afterwords

---

---

**Drew Sullivan, Editor:** *There was a team of reporters on different parts of the story. On the deepest part, we assigned Mihai to gather all the information from his colleagues and do the writing. It's sometimes better to have one person get the whole thing in their head. It takes longer but gives a greater continuity.*

*Because such stories are rather intense, we always do two layers of editing. At each point, Paul Radu or Mihai or Paul and me discussed the story structures and we came to a general agreement. Paul did the first edit. The original stories were long so Paul broke them up as needed into sidebars, and did some restructuring and copy editing. It then went to me for fact checking and a final edit. Because English is not the first language of our reporters, there is some rewriting and tightening that needs to be done, but if the reporting was done right, all the material is there. In this case, the story was well reported. Near the project end, I added another couple of stories from other reporters to fill in the series and give greater context. These are standalone stories. The whole process takes a while – upwards of a month.*

**Mihai Munteanu, lead reporter:** *We were familiar with the issue of the offshore industry from our previous investigations, so we knew the main offshore agencies in the region. But we didn't know exactly how a cross-border offshore network works. And we did not expect to find so many connections.*

*Basically, I collect all the information I can before I write the story. First step: I access information from databases.*

*In offshore jurisdictions, online databases of companies are very poor in information. They identify only a particular company or*

*a registrar agent. So we crossed the offshore databases with those of the Balkan countries. In many cases we found out who set up offshore companies and who represents them. With that information, opaque commercial jurisdictions appear in the online databases. Freedom of information laws in Bosnia helped us to obtain relevant documents on three criminal cases pending in court.*

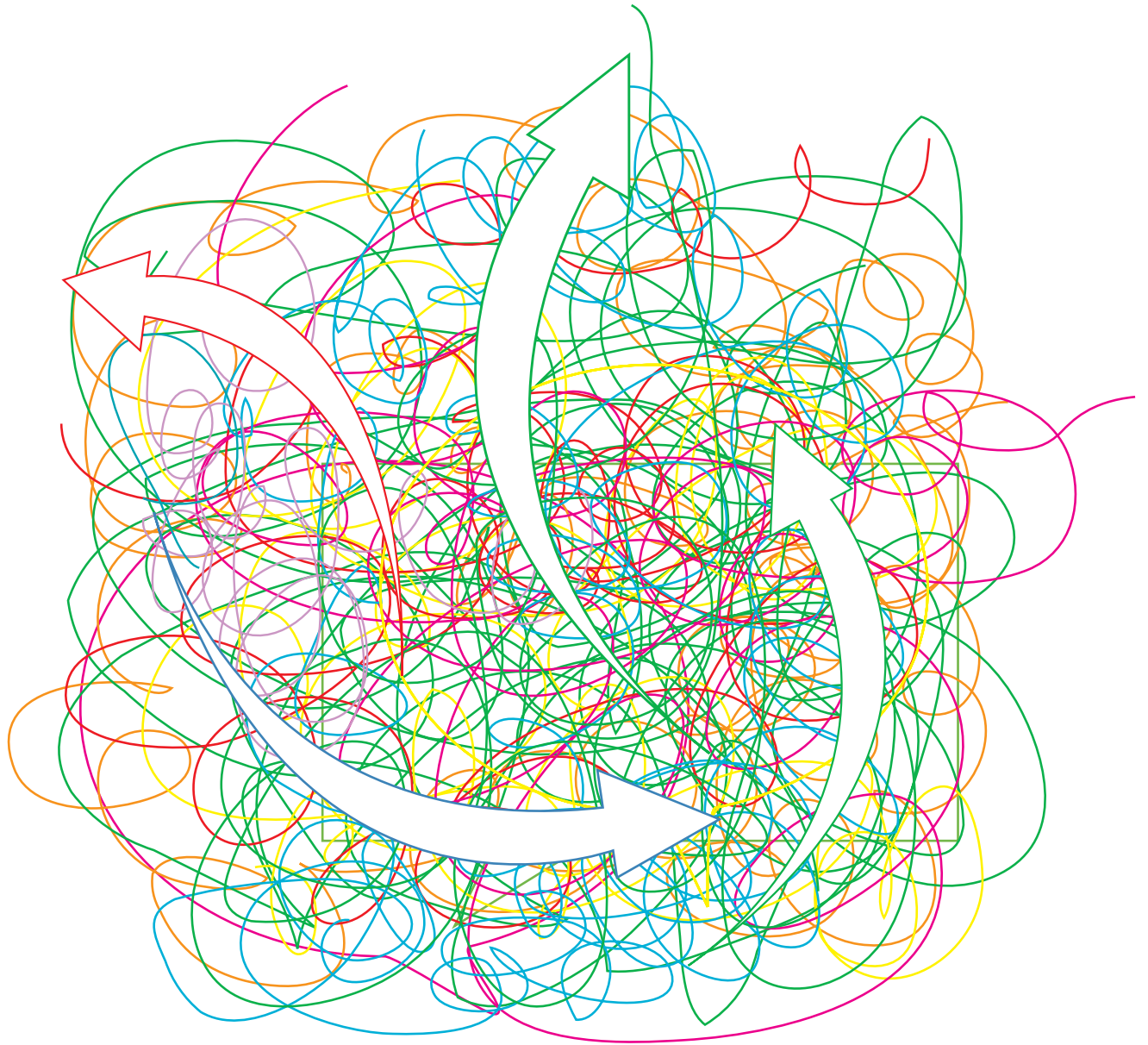
*Second step: trying to identify human sources. But identifying them is not enough; they have to talk.*

*The third step is finding a way to prove what I found. To succeed at this point, where it's necessary and where I can, I gather information from inside as an incognito reporter, undercover. In this case I identified a human source who helped me enter incognito into the offshore industry. That was luck, though I did study the industry beforehand to be more persuasive.*

*The fourth step: Once I can see the whole picture, only then can I structure my narrative. Chronology and descriptive elements are the two methods that help me to structure a story. I also made two relevant graphics. I think the story should be viewed while it is read.*

*As far as I know, I had no problems with the accuracy of the story. Nobody demanded or offered clarification and nobody threatened me with a lawsuit. Our stories had very good exposure, which is satisfying for me. Further thanks are unnecessary, because we have only reported a fact. When I start working on a story I only intend to expose an unfair situation. Other people are able to change it. In retrospect, I think that our stories about the offshore industry have inhibited a subtle mechanism of organized crime in the region. I am partially satisfied.*





## **Chapter Seven**

# **Traffickers and tyrants**

---

---

# A.

## Latvian brides

by Jamie Smyth  
and Aleksandra Jolkina

---

### Introduction

*Human trafficking began to take a new form in Europe at the beginning of the 1980s, as global networks of recruiters, transporters and pimps took shape. Police generally regarded the victims, nearly all women, as willing accomplices in their own enslavement, entrapped by their desire for easy money. Yet the tactics of traffickers formed a clear pattern, repeated with local variations, that made official complacency seem increasingly incomprehensible, if not disgusting. Women from Africa and Asia were recruited through advertisements promising better-paid employment in the West than was available at home. When they showed up for work, their passports were taken away, and they became prostitutes in brothels or nightclubs. If they complained they were beaten or sold to other pimps. Journalists played a key role in fighting that traffic – in particular, Chris de Stoop, then of the weekly Knack in Belgium, whose groundbreaking investigation of the traffic led to a severe crackdown in the mid-1990s. But it never went away entirely, and never will. Traffickers simply change locale and focus, looking for new sectors where victims and clients can be found. The story is always there to be done, and every time it is done, someone may be saved from victimisation.*

*In the two articles below, extracted from a longer series and made possible by a grant from the European Fund for Investigative Journalism ([www.journalismfund.eu](http://www.journalismfund.eu)),*

*Smyth and Jolkina go beyond the recurrent rumours of “white marriages” between immigrants and natives to document a criminal enterprise’s true extent and practices, and then to propose solutions. They make clever use of official data, and sparing use of NGO sources, who frequently dominate reporters looking into such subjects. The reporters also formed a cross-border team to follow the traffic from beginning to end. Though not all the women in this scheme appear as victims – the reporters take the time to draw their portraits – they nonetheless come across as very naïve, and often very much in danger. The story originally ran as a three-part series including two reports and an editorial, and we’ve used two parts of it. I would argue that if news media want to maximise the benefit from investigation, there are two things they should do immediately: Run the stories as series, and propose solutions. A third idea would be to report on whether anything happens with the proposals. It can be argued that this is not the role of a news media. It can also be argued that when news media accepted such a role, in their crusading days, they sometimes did more good than harm, and some of them also had a bigger public. The task of formulating and lobbying for solutions has lately devolved to NGOs, which – along with the fact that some of them are investing in investigative reports – may help explain why they are a growing sector, while news media are in crisis.*

*From The Irish Times, October 9-11, 2010*



## Part One

### Ireland's sham marriage scam

by Jamie Smyth

It is almost a year since Anna arrived at Dublin airport, a bright-eyed 18-year-old Latvian schoolgirl on a two-week holiday. Her trip to Ireland was not your typical half-term break. It was financed by a 24-year-old Pakistani man named Muhammad and arranged by a friend living in her town who promised her money if she travelled to Ireland to meet the Pakistani and consider getting married to him.

“My friend told me she had been to Ireland and had good friends there. She said the Pakistani guy would buy me everything I wanted. She told me I wouldn't even have to marry him if I didn't want to, but could just spend a few weeks in Ireland with him,” says Anna, who chain-smokes as she recounts a trip that very nearly ended in disaster.

Anna is one of a growing number of Latvian women – many of whom are young, naive and poor – responding to offers of sham marriages with people from outside the EU.

The scam exploits an EU directive on free movement that provides residency rights for non-EU citizens who marry EU nationals (although marriage to an Irish citizen would not provide these residency rights.) Since the directive became law, in 2006, the number of people applying for residency rights based on marriage to an EU citizen in Ireland has increased steadily, reaching 2,129 in 2009, up from 1,207 in 2006. This upward trend is continuing: 1,182 non-EU nationals applied for residency based on marriage in the first six months of 2010.

Most of these unions are genuine, but the Minister for Justice, Dermot Ahern, has said the large numbers of unusual nationality matches suggest many are shams. In January Ahern told his EU colleagues at a meeting in Spain: “There is growing evidence of abuse of EU immigration laws, and Ireland's experience is that the love affair between Pakistan and Baltic states shows no signs of abating.”

Department of Justice figures show 266 spousal applications were made by Pakistanis up until the end of August, by far the largest number submitted by any nationality. More than a third of these applications – 115 – are based on marriages to Latvian women. Indians, Bangladeshis and Nigerians have also made a large number of applications for residency in the Republic based on marriages mainly to eastern European women.

The phenomenon is now so widespread that one of the country's most senior marriage registrars warned in August that up to 15 per cent of civil ceremonies in Ireland could be bogus. Dennis Prior, superintendent registrar for the Health Service Executive eastern registration area, described witnessing marriage ceremonies where the bride and groom needed interpreters because they couldn't understand one another.

I MEET ANNA in a cafe in her hometown in Latvia, about 80km from Riga. We have been introduced by Aleksandra Jolkina, a Latvian journalist who has written extensively in her home country on the sham-marriage industry between Ireland and Latvia. Her research has included inter-



views with women who suffered rape and sexual abuse, as well as undercover work in which she created a false internet identity as a Latvian woman seeking a “paper marriage”. For the purposes of this investigation The Irish Times teamed up with Jolkina and shared contacts.

Anna was one of these. She says she never intended to marry Muhammad but went to Dublin anyway because she wanted to have a good time and go shopping. She didn’t think about the risks of travelling to a foreign country and staying with a stranger.

“I didn’t have much money, because I didn’t work, and my mother didn’t have much money either. My family was living on about 250 lats [€300] per month,” she says. “I flew to Ireland in October last year and was met by two Pakistanis, who brought me to meet my potential husband. The brother of the groom lived in the house too, with his family. My potential husband was quite nice, but he didn’t speak much,” says Anna.

“I was brought to get a PPS [personal public service] number because he said he had got a job in a cafe for me. He also asked me if I had my birth certificate with me, because I needed this to register to get married. He wanted to bring me to a register office in Galway. I lied to him and said I didn’t have my birth certificate with me. I then told him I didn’t want to marry,” she says. “He got angry and told me the only way I would be allowed to go home was if the marriage organiser would pay back the money he’d spent on me. I think it was about €2,000. He locked me in the house for two days and I was not allowed out,” she says.

“I thought they would do anything to me, even rape me. I pretended everything was okay but I began to try to escape,” she says.

She was able to get access to the man’s computer and sent an e-mail to a Latvian journalist based in Dublin with the address of the house she was in. Within three hours the Garda arrived. The Latvian embassy contacted her mother, and she was flown home.

Several other young Latvian women have not been so fortunate and have been imprisoned, raped and abused by people involved in marriage scams. The Garda National Immigration Bureau is investigating such cases.

Last year a 19-year-old woman and two other women in their 40s from Latvia were imprisoned in a house outside Dublin by a group of men from the Indian subcontinent, according to a worker at an Irish NGO that helped the three women.

“The women were locked in a room that had no heating and given food just once a day. They were terrified and hungry,” says the worker, who does not want to be named in case it helps the perpetrators track down the women. “A Latvian man and woman had promised them money and a job if they married a non-EU citizen. When they escaped they flagged a car down and made it to Dublin. They were robbed when sleeping rough in Busáras before they came to our office,” she says.

The abuse didn’t end there. The women received threatening text messages from the organisers, making the two older women fear for the safety of their children back in Latvia.

Arturs Vaisla, head of the Latvian police’s human-trafficking unit, says they began to receive information about Irish marriage scams in 2006, and contacted the Garda about the emergence of criminal networks involving people of Pakistani, Indian and Bangladeshi origin in Ireland. Two groups





in particular found recruiters in Latvia and began to search widely for brides, he says.

Vaisla's unit is investigating several cases of alleged human trafficking, typically when women were tricked into coming to Ireland with the promise of a job and then sexually abused by groups who tried to force them into marriage.

Some women enter willingly into such arrangements, attracted by the large sums of money on offer, but are naive about the consequences. Vaisla says the money on offer for girls who are willing to get married is a powerful draw. "In 2006 they offered girls €10,000, which is huge money for Latvian girls, possibly several years' income. In 2009 the prices fell dramatically, to €2,000," he says.

The economic crisis in Latvia is a big factor in enticing women to travel to Ireland to get married for money. Over the past two years unemployment has surged to 22 per cent, and a quarter of the population live at risk of poverty – the highest rate within the EU.

Liene, whom The Irish Times meets in Latvia through our local journalist contact Aleksandra Jolkina, says it wasn't just the money that made her consider a sham marriage. "I was told I'd get €3,000 by the Latvian organiser, and I'm a person who likes adventure," says Liene, who flew to Dublin to meet a Pakistani student called Zubar. "I stayed for one and a half months in his house and had my own room. They paid for everything, and I was able to come and go as I wanted. I liked Irish discos," says the 35-year-old mother of three. "They brought me to a marriage registrar a long way outside Dublin. I brought my birth certificate, passport and PPS number. There was no interview, but they asked a few simple things like if I'd been married before. It was very easy."

Under the Civil Registration Act, all marriages must be notified to a registrar three months before a ceremony can take place, necessitating Liene's trip out of Dublin.

A few weeks later Liene decided not to go ahead with the marriage to Zubar and returned home. But she says she knows other women who have married in Ireland.

THE ORGANISERS of sham marriages use different ways of recruiting women, says Aleksandra Jolkina, the Latvian journalist contact, who is writing a book on the phenomenon and has infiltrated some of the criminal networks procuring Latvian brides.

"Sometimes they meet Latvian women working in Ireland and form genuine relationships where no money changes hands; on many occasions the Latvian women find out after the event that their husband really only wanted them to get a visa," she says.

"Usually if they source women directly from Latvia it is a sham. The woman can either stay on in Ireland and wait the mandatory three months for the wedding or return to Latvia and come back a few days before the wedding."

Women are also recruited through job advertisements placed in the Latvian media, and through the Latvian social-networking website Frype.com.

When researching her book, Jolkina set up fake internet profiles posing as Latvian women seeking jobs abroad. She was contacted by more than 20 people via the internet, who paid for 18 airline tickets to fly her from Riga to Dublin to take part in a sham marriage.

Her most recent case involved an Indian man living in Ireland who called himself



“Vicky Singh” on the internet. During an online chat he offered several thousand euros if she would agree to a “paper marriage” and find two Latvian brides for Indian friends living in Ireland.

Most of the Pakistanis, Indians and Bangladeshis organising the scams come to Ireland as students on temporary visas that restrict their working hours and travel opportunities within the EU. Many of the Africans who have taken part in sham marriages are asylum seekers, some of whom have already had their claim for asylum rejected by the State.

EU treaty rights are the “gold card of immigration” rights, says Chief Supt John O’Driscoll of the Garda National Immigration Bureau, who is co-ordinating Operation Charity, which targets the growing scam. The bureau has lodged 57 objections with registrars since last November about civil ceremonies scheduled nationwide, and has arrested 16 people as a result of its investigations into illegal activity connected with the scam. He says his unit is investigating several cases of alleged rape and human trafficking, although none has so far gone to court.

Anyone has the right to object to a marriage during the three-month notice period before the ceremony takes place. If an objection is lodged, the registrar must investigate the marriage before it can proceed. But it remains unclear if registrars have the necessary legal powers to block the marriages, and there are fears they could be sued by couples.

A “marriage of convenience” for money or to circumvent Irish immigration law is not illegal in Ireland. Neither is it possible to prevent someone getting married because they are illegally resident in the State, which makes efforts to block the scam difficult.

A Latvian-English interpreter who has worked at 10 marriages over the past two years says he has never seen a registrar block a marriage. “Most of these were sham marriages, and it’s easy to tell. Everyone is dressed casually, usually in jeans and T-shirts, and it’s not a celebration. There is no reception and no friends with the girl. There are usually two witnesses with the groom,” says the interpreter, who spoke on the condition of anonymity.

He has worked at weddings in Drogheda, Tipperary and Donegal. Dublin is not a typical venue, because of delays of up to five months in arranging a ceremony, compared with the standard three-month wait at register offices outside the capital.

An address in Ireland and a job – proving the EU citizen can support the non-EU spouse – is required before the Department of Justice will sanction any residency rights for the non-EU citizen. To get around this problem organisers often set up fake companies to supply their Latvian brides with the necessary paperwork. One Dublin company, established by a Pakistani, supplied almost 50 women with work documents to support their husbands’ application for residency rights. But when gardaí called at its premises in the city centre, they found no one working there.

The growing problem of sham marriages is causing grave concern in Latvia. Its government has begun campaigns in schools and is training its consular staff at embassies to try to persuade women not to go ahead with bogus marriages.

Svetlana Biseniece, a senior official at the consular assistance division of the Latvian Ministry of Foreign Affairs who worked in the country’s embassy in Dublin until mid-2009, says women turn up at the Latvian embassy in Dublin asking for copies of their birth certificate to enable them to get married. “Often they are



accompanied by two or three men, usually from Pakistan, India or Bangladesh. We try to separate the woman by bringing them into a private room and talking to them privately about the potential consequences, such as the difficulty of getting divorced,” Biseniece says. “Two out of every 10 women don’t go ahead with a marriage after this consultation,” she says.

There is a great deal of frustration at the perceived lack of response from the Irish authorities. “We [the ministry of foreign affairs of Latvia] have repeatedly asked your Government to introduce simple measures to tackle the problem,” says Biseniece. “They could ask all foreign nationals to produce freedom-to-marry certificates from their embassies. This would direct all Latvian women to the embassy in Dublin and enable us to talk to them. They could also make it mandatory that you can prove lengthy residency in the country. They could also ask women to get birth certificates translated and stamped by the embassy, which again would force them to come to us,” she says.

“In spite of all the efforts of the Latvian and other EU-state embassies in Dublin, the feedback from the Irish competent authorities is minimal,” says Biseniece.

## How the scam works

The “paper marriage” exploits an EU directive on free movement that provides residency rights for non-EU citizens who marry EU nationals. Marriages to Irish citizens do not provide these residency rights.

Some EU countries have laws against “marriages of convenience”, but Ireland does not, making it a target for fake marriages. Since the directive became law, in 2006, the number of people applying for residency rights based on marriage to an EU citizen in Ireland has increased steadily, reaching 2,129 in 2009.

Most of the Pakistanis, Indians and Bangladeshis organising the scams come to Ireland as students on temporary visas that restrict their working hours and travel opportunities within the EU. Many of the Africans who have taken part in sham marriages are asylum seekers. When non-EU-nationals marry an EU national they are entitled to full residency rights, which under the EU directive are a lot stronger than the rights enjoyed by non-EU nationals marrying an Irish person in Ireland (or a French person in France, and so on).



## Part Two

### Ireland must take action to stop sham marriages

#### Money may not buy you love but it can buy you a marriage in Ireland between Latvian women and Pakistani men

by Aleksandra Jolkina

Ireland has become the main destination for young and vulnerable Latvian women, lured by the promise of just one or two thousand euro to marry a Pakistani or an Indian man, also poor and wanting to relocate to an English-speaking European Union state. A Latvian bride brings with her the tantalising prospect of EU citizenship.

Why Ireland? The key to this “cash ‘n’ marry” problem is a lack of laws or serious checks against such disingenuous weddings.

Ireland is a particular draw for men from the Indian sub-continent who speak English. The women are generally from Latvia, one of the poorest members of the EU, and a significant number are destitute.

The solution is as complicated as the problem. Poverty is the driving force for both bride and groom and the marriage presents the promise of an escape from a perceived hell of poor living.

For the bride, the promise is often undeclared. In some rare cases, bride and groom stay together and a sham marriage becomes a real one. But more likely, her only purpose is to say “I do” and then go back home. Worse, she may be tricked, get no money, and face abuse and even rape.

The Asian groom, once in possession of a valid EU marriage certificate, is free to work in Europe under the free movement directive and apply for Irish citizenship in five years.

Behind all this is something more sinister – the sham marriage brokers who form part of an organised criminal network.

And something yet more menacing may also be at work: the use of sham marriages to enable criminals or even extremist Islamic terrorists to infiltrate first Ireland and then the EU.

For my book on this issue, I posed as a fake bride and in a short time, I managed to get access to around a dozen organised crime gangs procuring false marriages in Ireland.

I made contact with numerous potential “grooms” of Pakistani or Indian origin, offering money in exchange for marriage to me.

To address this problem a change to the law is needed, in Ireland and the EU.

It is not illegal in Ireland to enter into a “sham” marriage or even to organise one for financial gain.

New proposed immigration legislation sadly avoids tackling the issue. In other



countries – including Germany, France, Belgium – the problem is tackled both before and after the wedding.

Civil registrars in these countries have the power to postpone or cancel a wedding if there are suspicions of a sham. This can arise, for example, if the bride and groom don't understand each other or if one of the partners has precarious residence status.

In Germany registrars can contact the immigration service, who then carry out an investigation into a suspicious marriage.

They usually interview bride and groom, separately and intensively, and compare the answers. The same could also happen after the wedding – people living under the same roof know, for example, if a partner sleeps on the right or left side of the bed, or drinks his coffee with or without milk and sugar.

Investigators can also ask to show documentary evidence of relationship, such as wedding photos, joint leases and utility bills.

They will often simply ring the door bell and see if the couple really live together.

In Belgium a foreign spouse found guilty of being involved in a scam can lose his residence permit and be deported, as well as be forced to pay a fine. The EU spouse can also be forced to pay a fine and, in some cases, even go to jail. Members of a criminal gang involved may spend up to 10 years in jail.

Here the Garda Síochána can only tackle the problem indirectly, by targeting other offences such as bigamy, false documentation or being in the State illegally.

Organisers can be punished only in cases where they trick a bride into coming

to Ireland with the promise of a job, and then try to force her into marriage. However, these are rather rare cases as most women know where they are going to.

Ireland and Latvia are not alone in this. Sham wedding bells ring loud in the UK, Cyprus, Denmark, Sweden and other countries, while non-EU grooms order brides from Poland, Lithuania, Estonia, Slovakia and the Czech Republic. So what has the EU done so far to solve the Europe-wide problem?

Not much. It has passed two non-binding documents defining sham marriages, listing possible indicators and allowing member states to curb the fraud in a way they want to. But the free movement directive prohibits systematic checks, so every Pakistani groom and Latvian bride appearing at the marriage office cannot be checked.

Two major options are possible: amend the directive, or leave it as it is and adopt a binding law (framework decision in EU-speak) across member states.

In the first case, we could take the US experience as an example. There marriage results in a two-year period of conditional residence unless the marriage is more than 24 months old. A five-year residence permit would be granted only after that period.

Before the applications are approved, couples could be asked to show documentary evidence of genuine relationship. If there are suspicions, investigation should be carried out. If the directive is not amended the EU-wide binding law should require registrars to pass a suspicious case to authorities for deeper investigation. Registrars should be given a list of indicators – as systematic checks are prohibited, they may rely on several indicators.



This approach is more resource-intensive, however.

Irrespective of the solution chosen, the EU-wide binding law must require member states to introduce sanctions for “husbands”, “wives” and organisers.

A wedding ceremony just to gain residency status makes a mockery of marriage and

immigration laws. In the long term, the problem may diminish as the standard of living in Latvia and other member states increases.

In the short term, however, urgent action is needed to close the legal loophole. That can only mean two things: a change in the law and much more careful monitoring by our enforcement agencies.



## Afterword

by Jamie Smyth

---

*The investigation began in July 2010 when I was contacted by a journalist friend in Brussels, who told me a Latvian journalist wanted to conduct a cross border investigation into the phenomena of Latvian women travelling to marry Asian men in Ireland and Britain.*

*She had been tipped off about the story while working at a newspaper in Latvia and had interviewed some women involved in the sham marriage trade. I had already worked on the shame marriage story in Brussels covering a new EU directive providing the right of residency to the spouses of EU citizens.*

*I contacted Aleksandra Jolkina, who was already working on a book about Latvian sham marriages, and we agreed to cooperate together by sharing contacts, sources and information in each of our countries.*

*Working together really helped us get deeper into the story as we had both sides of the story covered. Aleksandra helped me to meet contacts and access information in Latvia and I did the same for her in Ireland.*

*To get documentary evidence I made a request to the Irish Department of Justice to provide the most recent statistics on residency applications by non-EU nationals based on marriage, including a breakdown by nationality of each spouse.*

*This showed a huge increase in the number of residency applications between 2006 and 2010 based on the EU treaty rights provided by the new EU directive. It also showed a very large number of*

*Pakistani men had applied for residency based on marriages to Latvian women. Statistically this was much higher than any other nationality, suggested what we had suspected already- that a large number of sham marriages were taking place to take advantage of the new EU directive.*

*The next stage of the investigation involved working out how the marriages were being arranged and how they were being conducted.*

*Aleksandra travelled to Ireland for a week of research and was able to attend interviews that I scheduled with senior police investigators, justice officials and a senior marriage registrar.*

*The interviews provided very detailed on and off the record information for the investigation.*

*While in Ireland Aleksandra set up a fake internet profile on the Latvian equivalent of Facebook, on which she posed as a Latvian woman seeking a job in Ireland. She had already used this undercover technique while in Latvia to speak to organisers of sham marriages.*

*Within 48 hours she was offered a job in Ireland and 2,000 euro in return for a “paper marriage”. Several other contacts were made with other Asian men, who also were interested in “paper marriages”.*

*This provided valuable information about how the sham marriage trade was organised.*



*For the second part of the investigation I travelled to Latvia to meet Aleksandra. We interviewed two women who travelled to Ireland as part of a “sham marriage” scheme. We visited the poverty stricken villages where many of the women live who take part in the scam.*

*We visited an NGO, which helps some of the women who are tricked into taking part in the scam- some of who allege they have been sexually abused and imprisoned.*

*We also interviewed senior police and Government figures, who expressed their anger at the Irish Government’s inaction on cracking down on the trade.*

*When I returned to Ireland I continued the investigation by tracking down an inter-*

*preter, who helped at 10 sham weddings. And a Latvian journalist living in Ireland who had helped one of the Latvian women we interviewed escape from her expectant husband. This interview was important to help corroborate the original interview with the woman.*

*I also requested an interview with the Minister for Justice. This was refused as it had already become apparent that the Latvian authorities had complained about the lack of action by the Irish Government.*

*But by then we had a very interesting story, which has continued to run in Ireland with a documentary due to be broadcast this year.*





**B.****Fields of terror:  
the new slave trade in the  
heart of Europe****Poor people are being  
lured from Eastern Europe  
to the Czech Republic  
for forced labour****Some of the worst gangsters  
are now on trial, but there is no  
sign of this evil trade coming to  
an end**

by Adrian Mogos in Holland and  
Ukraine, Petru Zoltan, Doru Cobuz  
in Czech Republic and Romania,  
Vitalie Călugăreanu in Moldova,  
Transnistria and Ukraine and  
Vlad Lavrov in Ukraine

---

**Introduction**

*In the award-winning article below, Adrian Mogos and his team – several of whom, like Vlad Lavrov, are award-winning reporters in their own right – uncovered and dissected a surprising new aspect of the traffic. This time the focus isn't sex, it's the food on your plate. The article takes the reader from fields cultivated by slaves to the restaurants and shops where their products are sold and consumed. It leaves open the possibility that some of the people who worked with the traffickers did not know what was going on further down the value chain. That ignorance is one reason that this is a horror story. Another is that the victims' accounts of their exploiters*

*spill into nightmare territory at a couple of points, when you realise that there may be no limits on how bad the situation can get. The story is told with anger, yet the narrative never conceals the victims, and the victims get the last word – a device that can save a lot of useless effort. Why try to say it better than someone who lived it? This project, involving reporters from several countries, was supported by the European Fund for Investigative Journalism and the Danish organisation Scoop. Journalism scholars would do well to team up with organisational analysts to see what best practices can be extracted from these experiments.*

*Initially published by the Balkan Investigative Reporting Network (BIRN) and the Bucharest daily Jurnalul Național in December 2009*



While pricey restaurants in Berlin or Amsterdam serve fresh asparagus plucked from fields in the Czech Republic, none of the appreciative diners has the slightest idea that this much-loved item is only on their dinner plates thanks to the backbreaking work carried out by modern-day slaves – men and women lured from poor countries on false pretences and then held captive, beaten and threatened by armed guards if they ask for their wages or even food, or try to escape.

Our three month investigation in Romania, the Czech Republic, Moldova, Transnistria – a state that broke away from Moldova – Ukraine and The Netherlands, has uncovered the way in which a brutal criminal network of Ukrainian-run gangs recruited hundreds of victims to work in effect as slaves in Bohemia for years before the network was broken up this spring.

All the 40 victims from Romania whom we interviewed had been lured to an asparagus farm in Hostín u Vojkovic in 2007 and 2008, to toil for Bohaemer Spargel Kultur, BSK, a Czech firm owned by a Dutch company, Procint B.V. None of them were paid, nor even decently fed. All say they felt lucky to escape.

An ongoing investigation into forced labour into the BSK fields by Czech and Romanian police has revealed that at least 300 Romanians were trapped into forced labour there in 2007, 2008 and 2009. A more recent probe has revealed that Bulgarian Roma, Ukrainians and Moldovans also worked there for free.

It took Czech police two years to raid the premises of BSK in February after being first informed of what was going on in 2007. The raid led to the release of the remaining workers and the break-up of the organised crime network that had ensnared them.

The dupes were recruited by Ukrainian and Romanian agents of the gang leaders who promised them good salaries, accommodation and food.

Most victims that we interviewed independently identified Vasyl Bentsa, the Ukrainian owner of a Czech recruiting company, Bear Logging, as ringleader of the gangs who trapped them. Czech police arrested Bentsa in February and his trial is ongoing. We approached his defense lawyer, Jiří Teryngel, but we were told he would decline to comment.

It was Bentsa's company, Bear Logging, which had a contract with BSK to supply them with workers. BSK's chief executive, Will Teeuwen, maintains that he only found out about the conditions of the workers following Bentsa's arrest.

"There was no direct labour contract between BSK and the Romanian, Bulgarian and Moldavian workers," he said. "This was between the contractor, Bear Logging, and the workers".

Teeuwen's firm exports asparagus and other vegetables from Spain and Italy to Britain, Japan and elsewhere. BSK products are on sale in Germany and the Netherlands and turn up in major supermarket chains, including Tesco outlets in the Czech Republic.

### **No wages, just beatings**

Corina Rahoveanu stands in front of her parents-in laws' cottage in a village in the southern Prahova region of Romania. In her late twenties, she dandles a baby in one arm while two other children run around. She and her children live in a single room made of mud and straw attached to her in-laws' cottage.

Desperate to earn some money last year, Corina left in the spring of 2008 for the



asparagus fields in the Czech Republic, where she knew her husband and brothers-in-law were already working.

A member of a network of people across Romania, which finds people to work abroad, recruited her. It later transpired that the agent belonged to the southern Romanian branch of Bentsa's extensive network.

Bus travel was organized to bring her and the other recruits to Prague, where people of Ukrainian origin awaited them and transported them to the fields.

"When I got there, I found my husband and brothers-in-law not in great shape. They had been beaten and almost starved," she recalls. "I had to work even on Sundays and if I said no, I was threatened with a beating."

Corina says they worked in the fields under the guard of Ukrainians carrying shotguns who hit anyone that dared ask about the wages they'd been promised, or who protested over the conditions and hours.

Around 400 hundred men and women were kept working around the clock, sleeping in a dormitory, and they were not allowed to leave the fields unless their Ukrainian bosses transferred them to construction sites or slaughterhouses.

One of Corina's brothers-in-law initially thought that he had been given a proper job contract, albeit written in Czech. He later learned that his bit of paper was a worthless license to rent a garage.

After two months of working for free under these armed guards, Corina knew she'd never get any money. When she and her husband protested, they threatened to sell her off to a pimp to work as a prostitute in Prague.

Finally, she, her husband and one brother-in-law fled the camp by night in the summer of 2008.

Fifty-year-old Costica Chiriac, from the village of Gorbanesti in northern Romania, tells a similar story. He too became a modern-day slave and only escaped from the BSK fields after working for nothing for several dreadful months.

Together with his daughter, he worked in the BSK fields and some other sites from May to July 2008. When they finally fled the farm, they ran through the night for six hours, crossing 45 kilometres. "Fear kept me running," he told us.

"My daughter and I worked for three months for nothing – fed only on bread and boiled plums," he said. "They hit us to make us work faster. We barely could sleep in the dorm because of the cuts and bruises."

His main fear was for his 16-year-old daughter, whom their Ukrainian foreman forced to sleep in the same bed with a male Chinese worker. The guard said she should marry the Chinese man so that he could get Romanian citizenship and an EU passport, for which he was apparently ready to pay the guard.

Chiriac and his daughter were lured to the Czech Republic by one of their own relatives, who put them in contact with a man later charged with being part of Benta's criminal network. Chiriac said he found out later the recruiters were paid 150 to 200 euros for each worker they delivered to Prague.

Some of the workers trapped in BSK's fields only escaped after Romanian diplomats in Prague found out what was going on.

Consulate official Iulian Gheorghiu says the embassy received a call in March 2007



from a man trapped at the asparagus farm. He said he was working in appalling conditions but couldn't explain where the farm was or who the owner was. He knew only that it was close to Prague, near a painted wall.

The embassy contacted the Czech police who explained to the embassy how to tell the people to escape. In this way, 67 workers soon fled the Ukrainian guards who, however, kept hold of their ID papers and money.

Almost every week after that, groups of workers began escaping from the fields and appearing at the Romanian embassy.

But though the Czech police were first informed of what was going in 2007, it was only in February this year that they finally raided the farm and a nearby dormitory and released 36 people found there.

One problem was that the foreign workers tended to avoid contact with the Czech police, because they were scared to talk to the authorities. Some, such as the Ukrainians and Moldovans, had no right to be in the EU at all. Others, like the Romanians, were working without required permits.

David Rodr, a Czech liaison officer for Romania, Moldova, Bulgaria and Ukraine, defended the slow pace of the Czech police investigation, saying that the victims "didn't give officers enough information and data, so police couldn't identify their abusers." Asked Rodr, "How could we help the victims since they didn't even speak Czech?"

According to a report of the Romanian National Agency against Trafficking in Persons (ANITP), by 2007 the Czech Republic had become a top destination for trafficking Romanians for the purposes of forced labour. The country had been in 10th

place on a 2006 black list of countries into which Romanians were being trafficked.

By 2007, according to ANITP, it had risen to 3rd place – partly because Romania had by then entered the EU, and Romanians thus had freedom of movement into the Union.

### **The Ukrainian bosses**

Prosecutors and police from the Directorate for Investigating Organized Crime and Terrorism, DIICOT, which is part of the Romanian General Prosecutors' Office, started investigating the recruiters' networks in March 2007, monitoring two different networks in northern and southern Romania.

Bentsa's name surfaced as the big boss of both. The 31-year-old Ukrainian citizen, then living in the Czech Republic, his right-hand man, Volodymyr Dublenych, 37, and another associate, Mykhaylo Zavatsky, 25, all Ukrainians were arrested in February in a small town 50 km from Prague. They were charged with trafficking human beings and with establishing and running an organized crime network.

Bentsa had established Bear Logging CZ s.r.o, the front company tasked with providing workers for the Czech asparagus fields among other sites, in 2003, according to the Czech Companies Register. Bentsa and his associates also set up a number of interconnected companies in the Czech Republic.

Bear Logging's headquarters were located in a ninth-floor rented apartment in the town of Melník, on 2723 Sportovní St. The company had five registered employees. Now only the metal post box at the entrance hall of the building, with Bear Logging written by hand, recalls its existence.



Bentsa comes from the village of Krychovo, in the Ukraine's western Transcarpathian region, not far south of Lviv. Neither Bentsa nor Dublenych has any criminal record in Ukraine or a business registered in the country, according to Ukrainian official data.

In Krychovo and in other small villages in the region, cars with Czech registration plates can often be seen, as well as advertisements to work in the Czech Republic.

Bentsa's relatives and neighbours confirmed that he and his companions took people abroad to work in the Czech Republic. At the clean, white family house, where we posed as businessmen offering plenty of cheap labour to send abroad, Bentsa's father insisted that his son was innocent. He had been working for others in eastern Ukraine, he said. His son would never work with Romanians again, he added. "Once bitten by the snake..." he added.

### **The southern and northern network**

In the southern part of Romania, in the county of Prahova, around 20 victims told us that several people came in 2008, looking for unemployed people who were willing to go to Bucharest and later to Prague to work.

Gabriel Nita, 38, owner of two companies in Romania, was arrested in Romania in September 2008 as ringleader of this southern branch. His trial is ongoing but he was released in mid-December 2009 to defend himself.

Ionut Mateescu, his lawyer, says his client was only an employee of the Czech company, and drove a bus from Romania to Prague to transport the workers because he knew the Czech language. "The prosecutor doesn't have enough evidence - only

36 victims' statements, which are not enough to convict," he said.

Romanian prosecutors have identified 50 victims of the southern branch, among them two young people aged 16 and 17, who ended up in the BSK asparagus fields at Hostin u Vojkovic.

In the northern, poor part of Romania, in the county of Botosani, ten victims we interviewed said a man named Laurentiu Drangă had recruited them. This 46-year-old from the city of Botosani was arrested in March 2009 in Romania, as head of the northern branch. He was charged with delivering 120 workers to Bentsa.

None of the lawyers that initially defended him are his attorneys any longer. The prosecutor in charge of the case said he had since been released to defend himself, like Nita. Despite many efforts, he or his lawyer couldn't be reached.

The Romanian prosecutor's list of criminal network members also mentions Nurdy Antaev, another Ukrainian, as a part of the northern branch. The same name popped up in a conversation in a bar in Tiraspol, capital of Transnistria, where we interviewed four other former forced labourers taken to the Czech Republic.

They said they had been taken to work in asparagus fields but didn't know the name of the place or the company. They had experienced the same abuse as the others. Sasa Toridkă, aged 52, said that Antaev and Oksana Golubeva, a woman in her early fifties, had run their own slave network together. Others confirmed that they had been taken to Golubeva's brother in Odessa and later to the Czech Republic.

Neither name is known to the authorities of Transnistria or Moldova, however. When we tried to find Antaev and Golubeva in the Ukrainian town of Odessa, we located



Golubeva's elderly brother. Asked about his sister's business activities, he simply shut the door and threatened to come back out with a shotgun.

### **“We didn't know what was going on”**

The BSK asparagus fields in Hostín u Vojkovic looked deserted when we visited in May. BSK was established in 1995, and farms asparagus on 129 hectares. In the courtyard there stood several empty silos and a few parked tractors, ready to plough the field.

Only one man, a guard, was there, waiting to start his shift. We could not find Michal Cervenka, the agronomist employed by BSK, who has given several interviews about BSK's exports to markets in Germany, the Netherlands and to Tesco supermarkets in the Czech Republic.

In 2006 he told a Czech agricultural website, that all the workforce at BSK, comprising almost 200 people, came from abroad, especially Eastern Europe, while the harvesting was coordinated by a Dutch specialist.

We asked the guard to put us in contact with Cervenka but after making a few phone calls he said he was not available. He would not give us Cervenka's telephone number.

Our next stop was the headquarters of Procint, the company that owns BSK, at Zandberg Street in Helden, in southeast Holland. At number 15, there was no sign of Procint, however. Instead there was the sign for a company called Teboza Holding B.V.

The connection between Procint and Teboza is Will Teeuwen, owner and chief executive of Procint and Teboza. Both companies are big suppliers of asparagus.

The other Procint executive is Fernando Mora Figueroa Domecq, 70, of Spain, who runs an agricultural empire through companies such as Grupo Carrizuelo Investment, Complejo Agricola SA, Inversora y Comercial SA, and Agricola Conagralsa S.L. His domain stretches from Spain and the Netherlands to Britain.

Teboza's website says the company won the “Prix d'Sparanghel” in 2006, and that its clients include a number of luxurious restaurants in Maastricht, Rotterdam and Waalre as well as a five-star hotel in Amsterdam. In February 2009, the company entered the Japanese market.

Teboza also sponsors two local football teams playing in the lower Dutch divisions.

According to the Dutch Companies Register, Procint was established in 1987 and specializes in asparagus importing and trading. A medium-sized business, it sold 800,000 euros' worth of asparagus in 2005.

Teeuwen was not available when we reached Helden, but answered questions about the Czech situation via email later on. “Our company intention is that they work at our farm with pleasure, so that they will return the following years” he said, concerning his East European labour force.

Asked about Bentsa and Dublenych, the two Ukrainians arrested in the Czech Republic for trafficking, Teeuwen said they had visited BSK and had offered Bear Logging's services as a duly registered Czech company. “I have never met these gentlemen,” he added.

He said his company had never had direct contact with the workers, which was handled by Bear Logging. “Our policy is



not to interfere within the internal affairs of the partner company, as the managers bear the full responsibility for their actions,” he said. According to him, Bear Logging had arranged the accommodation and facilities for workers and the Czech manager of BSK was only the interface in relations with Bentsa.

After the arrest of the two Ukrainians, he added, BSK had severed ties with Bear Logging. “We only came to know about these abuses when the police started their investigations and we have supplied all facts and figures to the officials concerned,” Teeuwen said.

Ian Hutchins, a spokesman for Tesco in London, said the supermarket chain has never sourced product directly from BSK.

However, he added: “Our initial investigation confirms that two suppliers in the Czech Republic have in the past traded with BSK and we are working with them to establish the facts.”

Former slave labourers like Chiriac have received no compensation for what they endured. He is trying to rebuild his life.

But he sold all his goats to raise money to get to the Czech Republic. “I will never leave my house again. I won’t go again to work abroad,” he says.

“What happened there was more than enough for me. I just hope my daughter can get over that nightmare. Maybe there is somebody up there,” he said, pointing at the sky, “who will judge them.”

## Afterword

by Adrian Mogos

---

---

*The idea came in early 2007 when I had an off-the-record discussion with an official from the National Agency Against Trafficking in Persons about specific cases. During the conversation I noticed a graphic showing that the Czech Republic was on top of Romanian authorities' black list for trafficking in human beings. That surprised me (as well as the Agency), because Italy, Spain and Germany are the traditional destinations for Romanian victims. Moreover, the number of forced labour cases was above the number of prostitution cases. I stayed with that original idea, though during our research there were other ideas that my colleagues considered better. I was stubborn, and the outcome was better than I expected.*

*It was very difficult to obtain the research money. I proposed the story in early 2007 to a journalistic organization, but it was refused. In 2009 I managed to get the money from an investigative journalism organization and from a journalistic fund. In the meantime I was collecting data for the story. Everyone on the team that came together did the research while working on a daily basis for our media institutions, and that is why it took six months. However, our editors in Romania allowed us to follow the story without pressure.*

*I established a work plan and a structure as soon as I had a team. Each of the five members had specific tasks to do. After each research trip, the data collected was put into a file. Every interview file was named with the date and place. When issues arose during research we tried to solve them immediately. For instance, when a large supermarket company's*

*name appeared, I immediately sent an email asking for their comments.*

*We were looking for the legitimate businesses of people involved in trafficking. That led to company records, and later to trials, criminal records, and indictments. We needed similar documents from Georgia, Transdnester or Belarus, and we couldn't always get them. In Romania we have a law called 544/2001 that promotes freedom of information, but it doesn't cover ongoing judicial investigations. However, we did use it to obtain official data and graphics with excellent results.*

*Initially we spoke off the record with officials until we got solid data. Then we obtained their statements. The Czech police liaison officer in Romania was one of the most annoying source. We could get real info from him only through a Romanian police officer. Moreover, the Czech officer acted like it was the victims' fault that the Czech police were unable to help them. We experienced very bad official communications with almost all the institutions involved.*

*There was a real threat in the Ukraine, where a colleague was threatened with a shotgun. In the Czech Republic some journalists were afraid to participate when they heard that Ukrainian organized crime was involved. We were lucky that victims talked. Many of them were still afraid, because the Czech lawyer for their oppressors threatened them even in Romania. We were also lucky when a police officer and prosecutor decided to reveal certain information from their investigation.*





*We advise you never to be afraid or shy, and to ask questions whether you are facing a criminal or a giant company. Keep everything from your research, even after publishing the story. It might prove very useful afterwards. Keep tracking the criminals and their companies up to the end of the project. You never know what you may find.*

*Because we did the research separately, the first draft was a sum of all our stories, and it ran about 70 pages. Afterwards, I selected the main ideas together with my colleagues. The rest became sidebars. This is the system I use for all of my*

*stories. The method is to follow the main story and not be drawn into unnecessary details.*

*We spread the story through our regional network of journalists, and with the help of our funders. I am partially satisfied with the results. Nothing changed after we published, except that the Romanian police opened other investigations based on our research, and two ongoing trials resulted. The story would have been different if we had obtained funding earlier. We could have had a greater effect, and gotten a fuller picture of the traffic.*



C.

## A Taliban of our very own

**Murder, rape and exile are routine punishments for these parallel “parliaments”**

by Neha Dixit

---

---

### Introduction

*The underlying model of most investigative stories is what Northrop Frye called a “romance narrative” – not a tale of love, but of descent from a bright world where all is well into a sombre underworld of violence and corruption. Neha Dixit’s voyage into a part of India where tribal law trumps the Constitution doubles that spiritual journey with a physical voyage. In most investigations, the danger reporters face is psychological; it resides in the stress of an adversarial posture, or in the sheer fatigue of hanging out with people who are busily trying to make the world worse. In this case, the danger is both psychological and physical, and that explains why the reporter did part of her job undercover. Thus she goes to hell and back, as in a romance narrative. At the end of a romance narrative, order is restored, and the world becomes bright again. But journalists do not have the power of a novelist to create a happy ending. Instead, Dixit invites the authorities to change the situation. As Albert Londres put it in his masterwork, *Au bagne*, “I’ve finished. The government has to start.”*

*Originally published in Tehelka  
August 15, 2009*

Just a few kilometres outside our capital, there exists a body that brazenly rejects our Constitution and our laws. It orders the assassination of couples who marry for love and snatches and sells the children of those who defy its rules. It has ordered the punitive gangrape and murder of mothers whose sons have eloped with another’s daughter. This body has even gone so far as to order that women should only give birth to sons. In yet another paradox in this land of paradoxes, our Prime Minister goes to the G8 Summit to lend his support towards fighting the Taliban, even as we refuse to acknowledge a Taliban huddling not in some foreign mountain redoubt but reigning rampant over millions of Indians – just a short bus ride away from the halls of Parliament.

On July 23, the day our prime minister assured the G8 that India would fully cooperate towards ending oppression by the Taliban, a man was lynched on the orders of the Sarv Khap Panchayat in Haryana’s Jind district because his bride was from the same gotra, a lineage assigned to a Hindu at birth. Some Hindus believe it is incestuous to marry within the gotra. According to various NGO and media reports, Khap panchayats have ordered the execution of at least four people every week



for the last six months for marrying within the gotra. Doctrinally orthodox, yet radical in their rejection of the law, the Sarv Khap Panchayat is a cluster of several caste-based panchayats. Translated, it means the supreme Panchayat; and it behaves like a Parliament unto itself.

Khap panchayats have existed since 600 AD in India and have managed their affairs independent of the law of the land. Historically, they have had standing armies protecting the individual Khaps. A Khap is a unit of territory – traditionally, 84 villages from the same caste. The Sarv Khap Panchayat has 300 subordinate Khaps, controlling roughly 25,000 villages in Haryana, Punjab, Western Uttar Pradesh, Madhya Pradesh and Rajasthan.

Over the last five years, the Khap Panchayats have emerged as an extra-Constitutional body that has repeatedly issued extremely disturbing diktats. Khap Panchayats have been known to order killings, rapes, human trafficking, the seizure of the assets of their victims and arbitrary bans and restrictions based only on their whims and fancies. All this is done in the guise of maintaining the honour and pride of their community. In many cases, the local administration is all too ready to bow before the will of the Khap.

### **Sentenced to death**

Misha holds the High Court order in one hand and grabs this reporter's hand with the other. "What have you come here for?" she cries. "You all are impotent. You can't change them. They will kill you too. We have to live and die by their rules," she says. Her 26-year-old son Ved Pal, an ayurvedic practitioner, married and eloped with Sonia, 22, in March this year against the wishes of their parents. When the Banawala Khap, under whose 'jurisdiction' Singhwala, Sonia's village is in heard about

the marriage, they issued a decree stating that since the couple belonged to the same gotra, they were siblings and their marriage unholy. For the crime of "incest" and for dishonouring the community, the decree ordered that both be hunted down and killed.

The newlyweds were tracked down and separated on May 22, not even two months after the decree was passed. Ved Pal could not bear the injustice and put his hopes in the laws that are supposed to govern this land. He approached the Haryana High Court and got a Court order for police protection. At 9pm on July 23, Balwant Singh, the SHO of Narwana Sadar, and Suraj Bhan, a warrant officer of the High Court arrived along with a police party at Ved Pal's residence in Mataur village in Jind, Haryana. They promised to escort Ved Pal to Singhwala, where his wife Sonia was forcibly confined in her parents' house, in order to get her back. As soon as he reached Singhwala, Ved Pal was attacked. He was dragged to the terrace in Sonia's house and stripped. His face and torso were beaten with sticks and his neck and shoulders were cut open with sickles and scythes. Suraj Bhan was pushed from the terrace, while, astonishingly, the 15 policemen fled. "Not a single bone in my son's body was left intact. They kept beating him long after he was dead," says his mother. His family, which lives in Matour village, 5km from Singhwal, came to know 14 hours later. They were not even given a copy of the post mortem report. While Balwant Singh has been suspended, four villagers have been arrested. Since then, Sonia has gone missing. Her friend, who refused to be named, told Tehelka that Sonia was badly beaten with bricks by her family. Sonia's uncle, Surat Singh says, "She has been remarried and is happy in her household." Her friend says that this had been done just to dissuade queries about Sonia and fears for her life in the near future.



“What else can be done with such children?” asks Kamal. Her husband Om Prakash and nine others from Balla village in Karnal district, Haryana, have been in jail for the last year. On May 9, 2008, Om Prakash along with others allegedly tied the hands and legs of her 23-year-old pregnant daughter Sunita and her husband Jasbir to a tree and ran them over with a tractor. Their bodies were hung outside Sunita’s house to warn youngsters who might be considering something similar. Both were from the same gotra. Says Jagat Singh, a member of the Kaliraman Khap, which ordered their killing, “We believe that all those who marry within the gotra are bastards. To save the biradari (community), one has to kill the dissenters.” Villagers hail the murders as a victory of good over evil. “The parents of such children should quietly murder them. Not many get such an opportunity to show their true commitment to the biradari,” says Jai Singh, another member of the Kaliraman Khap.

The absence of law enforcement in this situation is stark. A barbaric system that glorifies murder and lynching in the name of honour is rampant, victorious. The constitution, the law, the administration are all slumped in defeat. No wonder then, that Jasbir’s sister, a witness in the case against the alleged murderers, suddenly turned hostile. An insider who did not want to be named told Tehelka, “The Khap told Jasbir’s family that if they did not withdraw the case, they would be boycotted by the community and would be expelled from their village.” The accused will soon be set free, further reinforcing a barbarity that has wide social sanction locally. Ajit Singh, an ‘activist’ of the Banawala Khap, says, “The Khap has framed ways of life for the community. Love marriages are not permitted. Our elders have enforced this rule. We will do the same.”

In conversations with villagers over weeks and months, it became clear that murders

decreed by Khap panchayats were common. However, in most cases, a twisted notion of tradition and the fear of social boycott ensure the murders are never reported to the police or the media. The National Crime Records Bureau (NCRB) doesn’t classify or record honour killings and hence has no statistics on them. The lack of figures on murders ordered by Khap panchayats or ‘honour killings’ hinders research and legislation that might address the issue.

A major reason behind non-availability of statistics is ‘bhaichara’ (brotherhood), which is practised by the villagers under Khap panchayats. To safeguard the honour of the Khap and the village, Khap decrees and executions are deep secrets. Few FIRs are ever lodged.

### **A gender stubbed out**

Misogynists often have a way of manipulating the actions of women to their own advantage by hiding their motives behind logic. Patriarchal and regressive, Khaps have played a key role in reducing Haryana’s sex ratio to an abysmal low. Already the state with the lowest sex ratio, and infamous for its bride markets, Khaps in Haryana still proclaim the primacy of male heirs. In 2004, the Tevatia Khap was ‘hearing’ a property dispute in Duleypur. The Khap decreed that families with less than two sons were not eligible to approach the Khap for property disputes as those ‘unfortunate’ families had ‘lesser scope’ towards carrying forward the father’s name or increasing family assets. They simply deserved less, the Khap said.

This has had a devastating effect. Families, desperate for the ‘required’ two sons are using every trick in the book to avoid female births (or kill baby girls). According to a report by the premier All India Institute of Medical Sciences (AIIMS), the sex ratio in 28 villages in Ballabhgarh block – an area



'governed' by the Tevatia Khap in Faridabad – has nosedived. The report shows a direct relation between sex determination tests and the abortion of female fetuses. Shockingly, because of the failure of the state to notify the Pre- Natal Diagnostic Techniques Act, which bans sex-determination tests nationwide, courts were forced to acquit the few doctors arrested for conducting sexdetermination tests in Haryana.

The physician in-charge of AIIMS' Rural Health Services Centre in Ballabhgarh since September 2006 says, "The report clearly reveals that fewer females are born as second or third children in families that are yet to have a boy. This can be solved only by social intervention."

The 2004 statement by the Tevatia Khap offers a revealing explanation for the shockingly adverse sex ratio. Says Kanta Singh, member of the Tevatia Khap and father of a daughter older than his three sons, "Sons are a man's assets. My sons will take my name forward and expand my farms. They will earn money to pay for this girl's dowry and marriage." When asked where his sons will find brides, considering the scarcity of girls, he answers arrogantly, "They will earn enough not to have to worry about that." This could be a veiled reference to the fact that Haryana has one of the country's largest 'bride markets', where trafficked girls are sold and end up as baby-producing machines.

The Khap's misogyny is not limited to female infanticide. They rely on an age-old tactic: rape as punishment for a whole family. In 2004, in Bhawanipur village in Moradabad, Uttar Pradesh, 20-year-old Chetan eloped with Pinky, the daughter of an influential Yadav family. The boy belonged to the barber caste. The Tevatia Khap ordered that while the couple should be traced, Sia Dulari, Chetan's mother, should be raped turn-after-turn by the members of the Yadav family, since her

son had dishonoured the Yadavs. "Not only did they gang rape her, they burnt her alive to destroy any evidence. The police knew about it but did nothing," says Raj Narayan, Chetan's uncle. Only after activists intervened were some arrests made – but everyone was later released on bail.

### **No dance, no cricket**

Following the precedent of Afghanistan's Taliban, in March 2007, the Ruhai Khap banned DJs from playing in marriage parties in Rohtak, citing the 'disturbance to milch animals' as the reason. The real reason for the prohibition was the determination to stop girls from entering dance floors. Soon, three other Khaps joined in, spreading the ban to at least 83 villages around Rohtak. Says Pankaj Ruhai, an activist of Ruhai Khap, "Youngsters drink and dance to loud music. Cows can't sleep in the night and it becomes difficult to milk them in the morning. Women who used to stay indoors started dancing publicly. This is against our tradition."

Similarly, in May 2001, the Taliban stated that cricket should be banned in Muslim countries. Six years later, in April 2007, Tewa Singh, head of the Daadan Khap banned cricket and watching cricket matches on television in 28 villages in Jind district as 'young boys were going astray'. Says Daadan Khap's 'secretary', Jogi Ram, "Elders should ask their children to play kabaddi, kho-kho and wrestling. Cricket is not a game at all." Those found guilty, the Khap warned, would be fined "for seven generations". Unconfirmed reports state that Khaps near Karnal district have banned television and the radio.

### **The lure of easy money**

While the murder of same-gotra couples by these 'custodians of tradition' is

commonplace, Khaps have devious ways of making their roles as custodians profitable ones. In September 2006, Pawan and Kavita visited their parents in Katlehri in Karnal district, Haryana. Kavita delivered a son the day after her arrival. Ten days later, the Bombak Khap declared that since the couple were from the same gotra, their baby was illegitimate and couldn't remain with them. Uma, Pawan's sister-in-law says, "The ten-day-old baby was roughly snatched away by the Khap's representatives." What followed was a bizarre panchayat meeting in which Kavita was beaten mercilessly until she agreed to tie a rakhi (a mark of being a sibling) on her husband's wrist. Their son went missing for three months. The Khap claimed the baby was 'given' to a childless couple. Birmati, Pawan's mother, says, "We found out that the Khap sold the baby to the couple for Rs 50,000." After much pleading and media intervention, the Khap relented and their baby was returned – but only after the Khap got Rs 65,000 from Pawan and Kavita. The couple now live in Mumbai and plan never to return to their village.

Though the Khap says honour is paramount, it frequently barter this honour for material assets without blinking. On July 21, the Kadyan Khap fined the family Rs 1 lakh and ordered the permanent expulsion of 23-year-old Ravindra and his 15 family members from Dharana in Jhajjar district, Haryana. Ravindra (from the Gehlawat gotra) had married Shilpa (from the Kadyan gotra). Even though their gotras were different, Ravindra's family had been living in a Kadyan village for generations and was hence 'deemed' a part of the same clan by the Khap, which declared their marriage void. Chattar Pradhan, the head of the Kadyan Khap gave the family 72 hours to dispose of their property and leave the village or face death. As time greedily ate away at the hours before the deadline was to expire, Ravindra's 90-year

old grandmother Birna told Tehelka, "I worked day and night on our farms. That is how we expanded our fields. Where on earth will I go now?" Kamal, Ravindra's grandaunt is more bewildered. "They could have expelled Ravindra and his wife – but why the entire clan?" she says. Despite getting 'police protection', Ravindra's family finally agreed to leave the village. As they left, their house was ransacked and their cattle were pelted with stones.

When Tehelka last met them, they were trudging towards Jugna village in Rohtak district. The police cannot (or will not) see any wrongdoing. According to the SHO Puran Singh of Beri police station, "They have gone to a neighbouring village to meet their relatives. Everything is under control." The Khap will now control the family's property – all 53 acres of prime land. Even Jaivir, the 'legally-elected' sarpanch of Dharana village refuses to side with Ravinder's family, saying, "I am not above society's rules. If society has decided to expel them and seal their property, they have to abide by the decision."

Where does the money go? Says Paramjit Banawala, President, Akhil Bhartiya Adarsh Jat Mahasabha, "The money goes to charity, temples and new gaushalas (cow shelters)." When asked who pockets the profits from gaushalas, he retorts, "Who else but Khap members?"

Khaps have tremendous political backing. During elections, Khaps declare which candidate they support and the entire community votes accordingly. Unsurprisingly, during the Lok Sabha elections this year, 46 Khaps in Narwana district in Jind were so bold as to 'reject' the Hindu Marriage Act and declare that all politicians who came asking for votes had to promise a new law that prohibited same-gotra marriages or marriages within the same village. In a reflection of Khap power, when Ved Pal was lynched,



Bhupinder Singh Hooda, Haryana's chief minister refused to intervene, saying, "It's a social matter and society has the right to decide." Not one political party has taken up the cases of honour killings and Khap diktats. Raj Singh Chaudhuri, an activist based in Asandh says, "It is difficult to convince the police to act in such cases as they too believe in the Khaps."

As a result, political movements against the atrocities of the Khaps fail to gain any momentum. Mani Shankar Aiyar, former Minister for Panchayati Raj, says: "They are absolutely illegal. Khaps are self-appointed custodians of various communities who have gained a moral force over time. It's difficult to take them head on but they should be abolished in the same manner that Sati was. "

On July 28, in a written reply in the Rajya Sabha, Home Minister P Chidambaram observed, "We should hang our head in shame" because of honour killings, and said that the government could classify such crimes separately.

Ranbir Singh, a sociologist who has worked extensively on castes in Haryana gives an interesting explanation for the dominance of Khaps in Haryana. A research paper he has authored states, "Jats, being marginal farmers, have not only been bypassed by the process of economic development but have been further marginalized by it. This is because they could not take advantage of the Green Revolution due to their tiny and uneconomic land holdings, could not enter modern professions due to a lack of academic qualifications and could not take up some other occupations due to caste pride. Their lot has been made even more difficult by the processes of liberalisation, privatisation and globalisation. Their disenchantment with political leadership has made these pauperised peasants look backwards instead of forward."

Till laws accurately define and punish these malign anachronisms and until the political will is found to abolish them, Khap panchayats will continue to brew a poisonous cocktail of crime, ignorance and bigotry.



## Afterword

by Neha Dixit

---

*Honour killings had increased exponentially in Haryana, a north-Indian state, where in two months of 2007 at least 48 cases were reported. Youth who were marrying within the same gotra, a sub-caste in the Hindu religion, were executed by a body known as khap panchayats, operating in small groups.*

*The initial idea was to go to ground zero and meet the families of the victims as well as the members of these kangaroo courts. However, once I started meeting the victims, I figured out that the concerns of the kangaroo courts were not restricted to marriages but to controlling the whole terrain by thrusting a way of life on the inhabitants. Khap panchayats had banned music, television and cricket in various areas in north India. Villagers blindly obeyed the rules of the khap panchayats and would even follow orders to kill their own children. The khap panchayats also ordained female foeticide in the area, bringing the sex ratio down to 336 females per 1000 males in some areas.*

*Thus an idea that originated with one observation in the northern part of India developed into a whole phenomenon. This was possible only because I decided to go on the ground and meet as many victims and khap members as possible.*

*In this particular story, there was no data available. The khap panchayats operate in remote areas and hardly any of their diktats are recorded officially, so the Right To Information Act wasn't useful. The National Crime Records Bureau did not have any records of honour killings*

*in that part of the country until two years back. Because the khap panchayats defy the constitution and seek to govern these areas according to their own laws, any police interception or first hand report was neither allowed, nor recorded. The only figures I could deduce came through a few media reports in local newspapers and by going to remote villages ourselves to find the exact number of killings.*

*Word of mouth information from ground zero was the only data available, with one exception, related to the sex ratio of a particular region, where following a khap's diktat for female foeticide the sex ratio dropped from 700 females per 1000 males to 336 female per 1000 males. We contacted the All India Institute of Medical Sciences (AIIMS), a leading institution, to ask for comparative data to analyse the diktat's effects over two years. That data came in handy because the government was sensitive about the issue. Health centres in the affected area neither had records nor saw the ratio change as a pattern due to the diktat.*

*The research started by interacting with NGO volunteers who were familiar with the terrain and knew about incidents taking place in these remote areas. Since in most of these locales police was either inactive or connived with khap members, it was only through NGO workers that one could get access to information about executions and the victims' families.*

*Because khap panchayats were never reported and hardly researched, the only option was to visit people on the ground.*





*After spending ten days meeting a range of people, I could get a sense of how the khap actually operate, how powerful they are and the kind of support they enjoy in these areas. Then I mapped a further strategy. Because khap panchayats are culturally rooted, they aren't mere criminal offenders, but are instead a social problem that has endured over hundreds of generations. So it was very important to understand the culture that the phenomenon starts from. The key notions are patriarchy, caste based discrimination, sub-caste based discrimination, honour and complete rejection of the state and the constitution.*

*I had to go undercover to meet the khap leaders, who almost operate like the Taliban, and are extremely patriarchal, extremist and brutal. To make them open up, it was essential for me to sympathise with them and attempt to understand the phenomenon through their cultural perspective. So my technique was not to confront the offenders; instead, I was somewhat manipulative in asking questions, to get information without being confrontational. Luckily, I knew the local language, which also helped me merge in the local crowds.*

*Researching the story was a mammoth task, and it was hard to convince my editors to allow such a long period of time. So I was simultaneously reporting small stories on different issues from the same area, to buy more time for this investigation. I was threatened and felt physical danger a couple of times on the ground; fortunately the local NGO sources were helpful and provided shelter.*

*I decided to simplify the context for the reader by dividing the whole research into four major sections based on the nature of diktats the khap had passed over a span of time. I believe it is easier to make a large topic lucid and understandable if it is broken down into a few parts and*

*then researched. It then becomes easier to explain the contexts and look for case studies.*

*This is also my method of writing: break the research into 3-4 major portions and then divide the thoughts accordingly. I avoid flowery language and write clinically and objectively and leave it open for the readers to interpret it. I believe in reporting things as they are without taking a stand. Also, it is important to balance the reportage with the version of all the parties that are involved in the story.*

*When the story was published, I sent copies to all the government ministries and activists, to make the country and the agents of change at least acknowledge the presence of such an extra-constitutional body and its practices.*

*The response to the story was mixed. While mainstream readers wrote several letters vociferously congratulating me on my work and expressing shock at the presence of a Taliban like body just 100km from the national capital, the jat community started a hate campaign against me on the Internet, calling my report a brahmanical interpretation and an attempt to malign the community that was motivated by Western culture. I received mails and threatening calls promising physical injury.*

*However, the Home Minister acknowledged the issue in Parliament, more cases of honour killing were officially acknowledged, and police activity increased. I felt that the report became a success when it was used in court in the Manoj-babli case, where a young couple was murdered on the diktat of Banwal khap and their bodies were thrown in an irrigation canal. That case appeared in my report, and after civil society and the court took account of it, for the first time the conviction of khap leaders occurred, and five khap members were sentenced to life imprisonment.*





---

---

8

## Chapter Eight

# When the game is fixed: investigating sport

---

---



**A.**

## **Killing soccer in Africa**

**Bad African football will stay bad as long as FIFA protects corrupt officials; Mugabe wanted to investigate corruption, FIFA stopped him;  
When Cameroon's players complained about poor payment, they were told they were not patriotic enough**

by the Forum for African Investigative Reporters (FAIR)

---

## **Introduction**

*The story below is a landmark in African investigative reporting – the first occasion when journalists from across the continent did a story together precisely because powerful forces wanted them not to. They did the story without freedom of information laws to rely on, in countries where asking questions can get you hurt, and where documents can be hard to find precisely because nothing was documented in the first place. It's true that FOI or RTI acts are tremendously important, and not only for journalists, but for all citizens. It's also true that journalists should not have to worry that they will be killed for doing their jobs properly. (The argument that if they were, in fact, doing*

*a proper job, more would be killed – the line is Julian Assange's – may indeed be true. But that doesn't mean Assange wants it to happen – he doesn't – or that it should happen.) It's not true that a journalist must live in the US, the UK, or Scandinavia in order to carry out an investigation that matters. When you read this piece, consider how much the reporters were able to find with the means at their disposal, and how it all fits together into a model of corruption across borders, from poor countries to rich ones. The original article has been slightly redacted to reflect international usage standards, which takes nothing from the power of the story.*

*Originally published in September 2010 by FAIR and major African dailies*



Africa's dismal performance (with the exception of Ghana) at the World Cup 2010 is no surprise, in view of the all-pervasive mismanagement and corruption in African soccer administration, and the condoning and even active encouragement of this situation by the worldwide body FIFA (Fédération internationale de football association). FIFA accepts no "political interference" in the work of national soccer associations. However, it suspends, or threatens with suspension, countries that attempt to clamp down on soccer corruption in their own countries. Meanwhile, corruption is killing soccer in Africa, marred by high-flying, partying officials who care more about selling off promising players internationally than about developing soccer at home.

A fair investigation into soccer management in eight African countries – Cameroon, Nigeria, Ivory Coast, Ghana, South Africa, Zimbabwe, Kenya and Zambia – found that no soccer association in any of these countries has accounted for donations, grants and sponsorships received. Requests by the journalists for such accounts were met with stony silences. However, inferences can be drawn from the facts that soccer administrators are regularly seen partying in the best hotels, in Ivory Coast; that the Cameroonian football association Fecafoot is a top ten of the country's wealthiest businessmen; that in Kenya, soccer officials recently flew first class to the US whilst the national team could not get to a match in neighbouring Uganda; and that Nigerian officials, who landed 21 million dollars in grants this year, lodged the Nigerian national team in one of the cheapest South African hotels during the World Cup.

## Players are transfer fodder in Cameroon

In Cameroon, traditionally Africa's foremost soccer country and the home of Confederation of African Football (CAF) president Issa Hayatou, soccer stadiums are empty. "How do you want people to attend matches when their favourite players are not on the field?" asks Prince Ndoki Mukete, former assistant secretary general of the Cameroonian football association Fecafoot. The reasons for the absence of both supporters and the most famous players from the Cameroonian stadiums is simple, adds Mukete: "It's transfers. Our soccer officials quickly sign deals for player transfers as soon as a player shows promise. Transfers bring in money."

The effect of the focus on transfers is that every good player knows that his value is to the outside world and not to the national soccer team. Samuel Etoo, one of the best known players from Cameroon, and currently the most decorated African player, is only 29, but he has been in international soccer since he was 16, playing for top clubs like Real Madrid, Mallorca, Barcelona and Internazionale. Other top players in Cameroon have similar histories. They often don't perform well on the rare occasions that they are playing nationally, since getting hurt or exhausted will diminish their international value. Mukete regrets the situation, which he says has gotten out of hand recently. "We need to retain some value here. Soccer cannot develop when the stadiums are empty."

Soccer development does not seem high on the agenda of the present Fecafoot, which is a virtual top ten of real estate owners, sports goods manufacturers' agents, lawyers (who organize player transfers), transport and hotel contractors, and public relations agents. At any Fecafoot meeting in Cameroon, businessmen fight to get



access to rich spoils. Beefing up payment for services provided to Fecafoot is a common scourge, with a prime example being a bill that was filed for use of an air-conditioned Prado by the Malawi team on the occasion of the African Cup of Nations in January 2010. The actual vehicle provided to the Malawians was a dilapidated Toyota.

Court documents obtained by FAIR show that a Fecafoot official receives regular payments from a sponsor of the Indomitable Lions, the Cameroonian national team, into his personal bank account, without reflecting the amounts in Fecafoot records. A co-bidder for the same sponsorship, which did not offer such payments, lost out.

Other Fecafoot documents seen by FAIR include player transfer contracts in which birth dates of players are altered to make them more easily marketable. Club origins of players are altered sometimes as well, so that the purported “owners” of the clubs can cash in on transfer fees. Some players sold off in this way have not made it in international soccer and live in poor conditions in countries such as Indonesia, China and Mexico.

A recent State audit, following on revelations made by the government delegate to Fecafoot, Jean Lambert Nang, who was seconded to the association during the preparation for the World Cup, has recommended the prosecution of four Fecafoot officials. However, observers do not expect these prosecutions to take off in practice. Said one such observer: “They can’t do that, because everybody is in on it.”

Within all this, Cameroon’s players seem to be forgotten. When news reports said they had complained about “poor payment” in the run up to the World Cup, soccer officials stated in response that the players were not “patriotic” enough.

Being “unpatriotic” was also one of the epithets directed at a member of the FAIR team in Cameroon, when he attempted to investigate the sources of CAF president Issa Hayatou’s wealth. The reporter was threatened, beaten and has been in hiding since the incident earlier this year. The reporter has since quit journalism to go into farming.

## Partying in Ivory Coast

Ivory Coast’s coffee and cocoa industry includes some of the principal sponsors of the Fédération Ivoirienne de Football (FIF), jostling for prime position with mobile telephone operator Orange Côte d’Ivoire. Other major sponsors are the National Petroleum Operations Company (PETROCI) and the Petroleum Stocks management Company (GESTOCI). Estimates of the amounts that are contributed by these major sponsors are not made public, but sources say they could be as high as \$US 40 million per year.

Sadly, Ivory Coast has received very little national soccer performance in return. Even equipped with such great international stars as Didier Drogba, the team lacks cohesion and is mostly, like Cameroon, concerned about individual players’ performances outside their country. At the World Cup, Ivory Coast was knocked out in first round.

Soccer officials and local government allies in this country meanwhile make money out of fraudulent ticket sales and building contracts that seldom materialise into actual buildings. Abidjan stadium dates from 1945 and only has 35,000 seats. This is so small that when extra tickets for non-existent seats were fraudulently sold at the World Cup qualifying match against Malawi in 2009, a stampede killed 20 people and injured another 135.



The Ivorian Football Federation has reported this particular incident as “an unfortunate experience” and refers to “funds allocated to the presidents of the clubs of Anyama, Korhogo and to the mayor of Bouaflé” for the refurbishments of their stadiums, which were apparently never carried out.

A number of low-level officials were fined for fraudulent ticket sales leading up to the Abidjan stampede, but local award-winning journalist André Silver Konan, who investigated the matter, has gone on record to say that only small fry got punished and that “big fish” were left alone.

Ervé Siaba, president of the Ivory Coast Association of Football Club presidents (APCFCI), has gone on record to say that “FIF money is wasted”, because the FIF is “full of people who know nothing about football and who make decisions according to their own whims, to the detriment of the laws that govern our football.” Numerous telephone calls, emails and questionnaires addressed to those in charge of the FIF only resulted in promises for interviews. One of the contributors to this investigation went to a few such promised meetings, only to be stood up several times.

FIF chairman and president Jacques Anouma, formerly the financial director of the Gbagbo presidency in Ivory Coast, has withstood calls for his resignation. “They can call me to resign as much as they want,” he has commented.

### **Administrators fly around, players stay stuck**

In May this year, Kenyan soccer officials went on an all-expenses paid trip to the US, leaving the national soccer team – the Harambee Stars – without means to go play a match in neighbouring Uganda. The

Kenyan government had to fork out \$US 10,000 in taxpayers’ money to get the team to the African Nations Cup. “This morning we have been forced to spend this money to take the boys to Kampala,” Gordon Oluoch, the Commissioner of Sports, told FAIR.

Similarly, in Nigeria, Sports Minister Ibrahim Issa Bio had to use taxpayers’ money during the World Cup to bail out the Super Eagles, Nigeria’s national team. The Nigeria Football Federation (NFF) had booked them into a cheap hotel in South Africa, costing only \$100 a night, when FIFA was paying the federation \$400 for each player per night. Yet the Federation failed to pay for the hotel. Nigerian players are well used to this kind of treatment; many Nigerian publications, in particular *The Guardian*, have pointed out that players often do not receive promised bonuses and benefits.

General corruption around NFF contracts does little to help the situation. When former England coach Glen Hoddle was asked to coach the national team and offered a contract worth \$1 million, he was told by NFF officials that it would be announced as \$1.5 million, with the profit to be divided amicably between the individuals involved. He rejected this and went public, scuttling the deal.

The Nigerian Football Federation is certainly not battling for money. Other than the 2010 World Cup FIFA grant of \$US 9 million, the NFF receives an annual sponsorship from TV company Globalcom to the tune of about \$US 7 million. Where the money is spent is a mystery. The Nigerian football clubs that are supposed to benefit from this money have stated that, altogether, they are only aware of about 10 percent of it. Nobody seems to know where the rest goes. Additional television rights for the league are worth



\$US 5 million but the clubs all say that they haven't seen any of this money either.

The South African Premier Soccer League is still richer. The seventh best funded league in the world is supported by ABSA, one of the leading banks, SAB Miller, internationally the fourth largest brewer, the satellite Supersport channel and a number of other banks and corporates, whose donations together amounted to about \$US 300 million over a five year period from 2007.

Premier Soccer League chairman Irvin Khoza, who also owns the soccer team Orlando Pirates in South Africa, is reported to have made R25 million (\$3.3 million) from soccer in 2008 and R30 million (\$4 million) last year.

South African soccer officials were expected to be paid a bonus by FIFA for organising the World Cup. According to an investigation by The Sowetan newspaper, the Local Organising Committee, of which Khoza is deputy head, recently voted to allocate 10 percent of World Cup profits (expected to amount to \$US 130 million) to its own members and 5 percent (\$US 65 million) to SAFA officials. Irvin Khoza was a member of the local organizing committee as well as the South African Football Association (SAFA).

Despite these massive amounts of money, South African soccer is also not doing well. Ironically, a key reason is that in this country, players generally do not get international exposure, playing only locally. It is the very opposite of a situation like in Cameroon, where players get sold off at early ages, almost never to return. The ideal situation would be to have some players playing internationally, and coming back home to impart their experiences in the national team. In the end neither a country that sells off all its players, nor the country that neglects

international exposure totally, will do well.

In the run up to and during this World Cup, local government officials and their friends in local government councils in South Africa have been involved in business deals concerning the building of stadiums and other infrastructure rather than in enabling South Africans to become involved in the game. In 2009, Nelspruit municipal officer Jimmy Mohlala, who blew the whistle on corruption in the awarding of the Mbombela World Cup Stadium project in that town, was murdered.

### **Donations for young players going haywire**

Maybe the worst aspect of mismanagement in African soccer is the misuse of funds meant for the development of new soccer talent. It is the dream of many a young African child to learn how to play soccer really well: You can see them all over the continent, playing in dusty streets with plastic balls made from discarded maize meal packages, plastics and paper, shouting "Maradona! Maradona!" But specific donations meant for community soccer development often don't reach these target groups.

In Ivory Coast, an annual donation by the national oil refinery company SIR for the development of local clubs, worth \$US 2 million, was suspended by SIR in 2007, when it found out that none of the clubs had received any of the money.

In Zimbabwe, Robert Mugabe's nephew, Leo Mugabe, was sacked in 2003 from the Zimbabwean Football Association (ZIFA) after being unable to account to FIFA for \$US 61,000 meant for youth soccer development. But that did not clear the rot. A consignment of soccer kits meant for young players in communities was last seen in the garage of a soccer official in



Harare in late 2007 and could not be recuperated, because the garage was reported “burnt down” shortly after journalists tried to locate the kits.

Three ZIFA councillors told FAIR that they were paid \$US 2000 (more than the average Zimbabwe citizen’s annual income) each by ZIFA president Cuthbert Dube to ensure that they voted for his election. Dube’s predecessor, Wellington Nyatanga, is on the organizing committee of the Confederation of African Football and on the associations committee of FIFA. Leo Mugabe is reportedly still involved in tendering for CAF contracts.

### **FIFA acts against soccer corruption investigations**

FIFA has acted when African countries try to address corruption in their soccer associations – but often, in recent years, to impede those efforts. In 2004 FIFA suspended Kenya for “interference” after its government fired the Kenyan Football Federation for misuse of funds. This happened after the executives left office with a debt of \$US 320,000, which they could not explain, even though the federation had a surplus of \$US 200,000 when they started their term three years before.

The Kenyan government attempted to clean up the KFF and now works with the newly staffed body, but FIFA only recognizes its recently established rival, Football Kenya Limited, which operates without any “government interference”.

FIFA has, since 2004, also suspended Chad, Ethiopia and Madagascar for “government interference”. Most African national teams are funded by governments, but when national soccer administrators abuse government funds, and the government asks them to account for the funds or suspends them for corruption, it is interference.

In 2008, FIFA threatened to suspend the national Zambian team when that country’s government announced it would investigate the Israeli transfer of Emmanuel Mayuka, which was mediated by a company in which Zambian Football Association head Kalusha Bwalya’s wife owned shares. There was no investigation after the threat. When FAIR’s Augustine Mukoka tried to ask Bwalya about the case, Bwalya slapped the reporter.

Robert Mugabe, president of Zimbabwe, did not stand in the way in 2003, when his nephew, Leo Mugabe, was sacked from the Zimbabwean Football Federation, ZIFA (see above). In 2006, Robert Mugabe even issued instructions to investigate corrupt ZIFA soccer bosses. But Zimbabwe was threatened with expulsion by FIFA and the investigation came to a quick halt.

Nigeria is the latest victim of a FIFA suspension threat. President Goodluck Jonathan announced suspension of Nigerian participation in all FIFA and CAF organized competitions for two years after the national Super Eagles’ poor showing at the last World Cup. Jonathan also announced an audit on the N 900 million (about \$US 6 million) that had been allocated to the team. “We went to the World Cup and found all sorts of problems and we felt we should sit back and look inward,” explained Nigeria Rivers State governor Rotimi Amaechi, who headed a Presidential Task Force on the South Africa 2010 FIFA World Cup.

But it was not to be. FIFA gave Nigeria three days to withdraw its decision or face a ban from the soccer governing body. According to FIFA communications director, Nicolas Maingot, the FIFA ban would not only cover the national team but club matches in African competitions, plus referees, as well as the cash that flows from FIFA to national associations.





## **African soccer corruption more damaging than soccer corruption internationally**

That corruption at a stage of little development is more damaging than corruption in a more developed situation has been argued by Richard Hall, former editor of the prestigious London-based Africa Analysis. “What makes corruption different – and much less affordable – in Africa is that its countries only have infant economies,” said Hall, who lived and worked in Zambia for years before returning to England. “Like human infants, they are more vulnerable to infection, more likely to sicken and die. In America, Japan or Britain the exponents of big-time corruption are gently side-lined. In Africa, economies lack the

depth, strength and stability to shrug off corruption.”

As a way forward, Joe Kadenge, who has been involved in Kenyan football since the late 1950s as a player, team manager and coach, says countries should simply defy FIFA. “We should take control of the federations until clean people are elected to take over. FIFA can suspend us if they so wish,” Kadenge argues.

The sports media in Africa also seem to have some cleaning up to do. One of the FAIR investigative team members was present when fellow journalists witnessed an event of soccer bribery. Instead of running to their newsrooms to report the crime, the journalists stayed and demanded some payments for themselves, too.



## Afterword

by Evelyn Groenink and Charles Rukuni

---

*FAIR – the Forum for African Investigative Reporters – is a network of 180+ journalists, editors, veterans and investigative reporting trainers in around 40 African countries. 65 journalists within the network are professional investigative journalists who publish work currently and regularly, often in the face of obstacles and challenges such as lack of funds, lack of editorial cooperation and threats. Besides networking, exchanging information and sharing experiences, the FAIR journalists also regularly work in teams to dig deeper into issues of cross border, transnational and international scope. One such issue, in 2010, was the soccer world cup that was to take place in South Africa.*

*FAIR members usually keep an eye on international developments and events that could inspire a good investigation. In the context of the World Cup Soccer 2010, it was FAIR Board member Justin Arenstein who suggested that we look at the game, and more specifically, that we look at transfers of African soccer players and the money made from these transfers by soccer administrators. Others in FAIR, while agreeing that the African ‘leg’ of the worldwide soccer industry would be a great investigation for the year of the African World Cup, offered a slightly different angle. They focused more on the money diverted from African soccer development to line the pockets of soccer administrators, often in collusion with FIFA.*

*Then, one of the reporters our team had sent to Cameroon, David Ayuk of the Weekly Post, was beaten up. The thugs who assaulted him did not seem to appre-*

*ciate the fact that Ayuk had started to dig into the wealth of CAF president and FIFA deputy president Issa Hayatou. That did it. We decided to conduct a “stealing of soccer development money” project as a response to the assault. The project was now an ‘Arizona’ project, a term derived from that famous investigation in the US, where dozens of reporters came together after a colleague, Don Bolles, was assassinated in the course of his investigation, and finished the story. For the first time, the message ‘you can beat up a journalist, but you can’t kill the story’ would start resounding in Africa.*

*We started with a questions list distributed over the entire investigative team in various countries. This was to ensure that each team member in each country would come back with data that could be combined with the data gathered by the others. We did not specify whether the data should be obtained from human or documentary sources, though it would have been clear that some data (like figures) would have to be obtained from documents. We also did not specify where sources and/or documents would be located since we trusted the team members, all experienced in the soccer beat, to know where to find what. (For a basic research manual and method, FAIR has adopted Story-Based Inquiry.)*

*As data came in, they were compared at periodic intervals and members were then asked by the editor, Charles Rukuni, to fill remaining gaps. The questions list remained central through the entire exercise, with data filled in next to the questions*



until we had data on every question from each country.

Documents were obtained at two levels: centrally at the FAIR database and helpdesk in Johannesburg, where Rukuni accessed online documents on soccer money flows, business plans and expenditures; and nationally by our members in participating countries. Revealing court documents, documents from national soccer administrations and documents from parties who had invested in soccer and saw their investments go to waste because of corruption in the soccer administration, were all obtained. Also, national South African infrastructure budgets and actual costs (way higher than the initial budgets), that had led to the building of ‘white elephant’ stadia, were obtained in cooperation with other investigative journalists in that country.

Obtaining the documents was difficult and in many cases, like in Cameroon, Nigeria and Ivory Coast, required “working the system”, and also sometimes subterfuge. In most countries where FAIR works there is little to no transparency.

We have found that in Africa – where resources are fought over, media often are partial to an interested “faction”, and risks are high for the independent reporter who tries to expose the “vultures” – undercover techniques and subterfuge work well. A friend is likely to give a friend a document, and would rather not even know if the second friend is also a friend of a journalist. Very good contacts were made in Ivory Coast that led to us obtaining documents that would otherwise have been impossible to obtain, and innovative use of Facebook led to this result. One can befriend people and explain that one is concerned about little boys not having a field to play soccer, or soccer equipment, before one takes the step of identifying oneself as a journalist. Another piece of luck was getting documents through high-

level contacts in Cameroon and Zimbabwe, whom we found on our side.

Lack of funds is of course always a problem in African investigative reporting, where most media houses are either unwilling or unable to pay for good journalism. Most of our team members do other jobs or various stories at the same time. And then – after the assault on David Ayuk in Cameroon – there were also other threats and intimidation, and fear among sources.

While it was not surprising that some soccer administrators in Africa would pocket soccer subsidies, the sheer scale of the embezzlement, the devastating consequences and the collusion by FIFA, which still continues to protect corrupt officials while threatening African countries that seek to discipline them, turned out to be a very interesting result. We found more than we bargained for – an international system that hurts, rather than helps, African soccer.

Writing was very difficult and had to be redone many times, partly because different reporters in different countries use different styles and angles, and partly because the outlets we were marketing the story to demanded different story lengths and angles. We would like to develop a method for this but haven’t found one yet. We are currently brainstorming on the issue of localisation toolkits to make a general international dossier into a feature story that can be published or broadcast in a particular country.

We marketed it a lot, in African countries and internationally, and it was published in twelve countries. That number could have been even higher, had we timed the story to come out at the start of the World Cup instead of at the end (when soccer fatigue had set in internationally).

There were massive responses. Reporters noted a ‘tsunami’ of anti-corruption publi-



*city in Cameroon after our publication and in Ivory Coast the soccer VIP's, for the first time, had to respond to calls for explanations from the public. Nigeria tried to discipline its own corrupt soccer officials in the course of our investigations – partly because those responsible were aware that our reporters were on it – only to be stopped by FIFA with a suspension threat. There were no challenges to the content.*

*The Weekly Post in Cameroon experienced financial strangulation after publishing the story: the government stopped paying for ordered adverts, did not pay other bills and eventually withdrew the business license for the paper. After another 'tsunami' of publicity generated by FAIR, some bills were paid and the license was re-issued. The core problems for investigative reporting and publishing, however, remain.*



## B.

### How to fix a soccer match

by Declan Hill

---

#### Introduction

*Declan Hill follows a career path unlike any I've witnessed since the mid-1970s, when I started working in journalism. On the one hand he's a scholar, with a Ph.D in criminology. On the other, he's a crusader, a one-man NGO. Recently, for example, he contacted a major international sports institution and suggested that they listen to his proposals for eliminating crime (such as doping or match fixing) from their events. They did, in fact. It's striking that Hill doesn't hesitate to lobby for such proposals (which you can find in detail at his websites, [www.declanhill.com](http://www.declanhill.com) and [www.howtofixasoccermatch.com](http://www.howtofixasoccermatch.com)); some journalists would worry that they'll lose credibility by posing solutions to the problems they uncover. In the 21st century, having some answers as well as some questions raises one's credibility, rather than wrecking it. Hill exemplifies another paradigm change: Readers and viewers expect transparency, not objectivity, from journalists. Of course they want journalists to be honest, and they want the facts*

*journalists recount to be true. But they don't expect journalists to be neutral; on the contrary, they expect to be told exactly how much skin a journalist has in a given game. Hill's style supports that stance: It's openly emotional, mixing naïveté and outrage. He's more concerned with looking authentic than with looking like he's always in control (which he isn't; the man is hanging out with criminals). It's worth mastering the techniques shown in this excerpt from his groundbreaking book *The Fix*. For example, he asks some wonderfully simple questions, like "What's the biggest event you ever fixed?" A number of reporters know that simple questions are the best questions, but asking them as if you had the right to ask takes practice. What I also like in these passages is the intense surveillance Hill practices on his subjects. His attention enables him to arrange weak signals into strong patterns, to see events that keep repeating themselves. It's classic detective work, and it reads like a crime novel.*

*From *The Fix: Soccer and Organised Crime*, by Declan Hill (McClelland and Stewart, 2008)*



**Saturday 26 November 2005,  
8 p.m., Bangkok**

For months I'd been tracking down one particular match fixer. His name is famous among the Asian gambling community and has been associated with some of the major match-fixing trials in the last decade. But always he appeared as the "shadow figure" about whom not much is known. I will call him Lee Chin.

I had been told to take a taxi to the Country Club, an expensive golf club on the outskirts of the city, and come to room 1104. In the room were three people: two men, Chin and one of his assistants; and on the bed, a beautiful woman watched a movie.

Stephen Fleming, the great New Zealand cricket captain, that he was approached by a gambler in 1999, who told him there was a syndicate of Asian bookies fixing top international games of cricket and soccer. The gambler, according to Fleming, said prominent sportsmen were involved, including some in English soccer and tennis.

In essence, this is what Chin told me. The only difference was that he claimed to be one of the men at the centre of the network. He claimed to have 16 runners around the world working exclusively for him.

I asked him what had been the biggest event he ever fixed.

Chin shrugged. "The Olympics? The World Cup? I don't know." Which is bigger?

"I went to the Olympics in Atlanta in 1996," Chin said. "I fixed a game in the 1996 Olympics: Tunisia versus Portugal. I bribed some of the Tunisian guys to lose outside of the spread. They did it."

We spoke about the fix. He claimed it was one of the rare ones where the players he

approached wouldn't even consider doing it for money: They were too religious.

"Finally I get this beautiful Mexican girl. I paid her \$50 000 for the whole tournament. She would hang out in the lobby... she met him [one of the players from Tunisia], they went up to his room, did it and then she proposed to him. Then I went in... 'Will you do the game for me?' He said, 'Yes, opening game.' They lose to Portugal 2-0... I make a lot of money and everyone was happy."

One of his phones rang. There was a conversation that lasted two minutes in a language I couldn't understand.

Chin put the phone down.

"You see this, I just got a call. Hannover [a German Bundesliga team] is going to win by at least two goals. It is arranged. I have only put \$20 000 down. Not much."

I told Chin I didn't believe his claims about fixing top leagues. The games were worth too much. The players are paid too much money.

He smiled. "That is a common mistake. People see the amount of money paid in transfer fees, but that money does not go to the players. You approach their agents: That is the way to get to the players. Say they get £50 000 a week. Then we offer them £150 000 for an hour and a half's work. Think they will turn that down?"

"I had players on Crystal Palace, Wimbledon and Liverpool. You say these are great teams? They are bullshit. We can bribe them."

At quarter after midnight I left the room. A few minutes before I departed another call came through from his correspondent:



Hannover had beaten Kaiserslautern five goals to one. It fitted Chin's prediction – a victory by more than two goals.

The next month he invited me to watch while he fixed matches in the 2006 World Cup Finals.

## 5 May 2006, Bangkok

They fixed the World Cup at an anonymous Kentucky Fried Chicken restaurant in northern Bangkok. There were four men. They sat at a little table hunched over. One was black, tall, and athletic, wearing a tight blue shirt and jeans. The other three were Asians: One was Chin; beside him sat two younger Chinese men.

They met at 12 pm on 25 May 2006 and continued their discussion for almost an hour and 20 minutes.

After 10 minutes a tall white man dressed in an unironed shirt came to a nearby table. He looked harassed and had problems with his mobile phones. He went outside a number of times to try to get them to work. I was the tall white man.

From what I heard then, and from what Chin told me later their conversation was along the following lines. The black man was the runner or match-broker from one particular team. He claimed to have a number of players and officials from his country willing to consider throwing a game.

But Chin and his associates had a problem. They didn't have enough money to cover the initial payment it takes to ensure trust with the team. The match broker was asking for at least \$100 000 to cover the network.

Chin wanted to introduce him to another syndicate – or "investors" – who could front the money. Chin would surrender control

of the fix but still receive some money for the deal. The match-broker didn't like this. He didn't know who the new people were.

At 1:20 pm the group of men stood and walked out.

At 1.59 I got a phone call. It was Chin. He sounded exultant. The problems were being solved. The fix was on. One country was mentioned repeatedly: Ghana.

## Würzburg, Germany, June 2006

The Ghana camp was at an expensive hotel in the centre of Würzburg. Over the next six days I contacted pretty much all of the players, managers and officials I wanted to. I did it by taking a strategic decision within about 20 seconds of arriving at the hotel.

First I took a deep breath. Then I mentally counted my few remaining euros. Then I walked up to the reception desk and booked a room.

Each day the tension at the hotel increased a little more. Once the euphoria of beating the Czechs and the United States had faded, everyone's attention, including my own, began to focus on the Brazil game coming up on Tuesday 27 June.

One evening I interviewed Stephen Appiah, the captain and talismanic player of the Ghana team. He told me their main focus for the Brazil match was to defend well: "They have players, they always come like three, no, four, five. They come to attack. We have to take our time to get a counterattack."

He was charismatic, charming and seemingly completely focused on winning the game. Surely this man, with so much money and talent, could not be tempted to take money from an Asian gambler?



Everything seemed fine on the surface. There was no sign of any fixers anywhere. I searched the squad again and again. I sat in the corner of the lobby and I took photos. Then, late at night, I would examine the shots to see if there was anyone I recognised. But there was no one who reminded me of the people in the Bangkok KFC.

In a meeting room at nine at night the team would gather to sing Christian hymns, their voices echoing down the hall after me as I went to my room. The idea of a fix being perpetrated now seemed like a dream. The whole thing was crazy.

While these thoughts floated through my head I began to realise there was something else going on at the hotel and amongst the Ghana team.

I went out of the hotel on the Sunday morning before the Brazil match. I looked back, and there, sitting at an open window, was a gorgeous young German prostitute. She stood there, large breasts packed into a red bustier, blonde hair floating across her shoulders, silently announcing to the world who she was and what she did. She looked down at the square with wonderful self-assurance. And she looked down from the floor where many of the rooms belonging to the Ghanaian delegation were located.

Then I watched the Ghanaian delegation selling their ticket allocation. When Ghana got into the second round, Fifa issued tickets to the team. They ordered dozens of tickets each. Then some of them went into the hotel lobby and sold the tickets for at least twice what they had paid for them.

And then there were the phone calls.

On 25 June, two days before the Brazil game, Chin and I spoke.

**Chin:** They called me and they are interested in doing Ghana and Brazil.

**Hill:** Brazil's going to win?

**Chin:** No, Ghana will lose. They will do the business with Brazil. Yes it is confirmed.

**Hill:** Confirmed, confirmed?

**Chin:** Absolutely 100 per cent confirmed. They say against Brazil, they really want to do the business.

## 27 June 2006, Dortmund Stadium, Germany

I cried. I stood in the stands and I cried.

I think I cried for the millions of people around the world willing their team on against the greatest favourites in the sport. I think I cried because of the Brazilian man with the twisted face dressed in a chicken outfit in front of the stadium. A man so intent on seeing his heroes in action that he had spent an enormous sum in travelling to Germany, and now he desperately begged for a ticket outside the gate.

I think I cried because at an emotional level I was sure that match was fixed.

I watched that match in the Dortmund Stadium surrounded by tens of thousands of chanting, flag-waving supporters. I watched the game sceptically. I had heard Chin's story before the match. But I still watched the game with disbelief that anything corrupt would happen. It was simply impossible.

The teams came out. They seemed to play with all their hearts. They seemed to be trying as hard as they could. They seemed to be doing everything they could to win the match.

But there were a string of stupid mistakes: Shots were missed, offsides weren't played well, defenders' attention wandered and





three stupid, silly goals were scored. They were goals a youth team would have been ashamed to give away.

There was something not right about the game, something that stunk.

The final score was the exact one Chin had told me it would be.

The supporters left and I stood alone. It was then I cried. Then I pulled myself together and phoned Chin. I congratulated him on his victory and told him I'd never quite believed him; but now I did.

### **Accra, Ghana, 2007**

A year later I decided to go to Ghana. I knew if I didn't I would always wonder about the truth of what I'd seen in Germany at the World Cup.

I tracked down Appiah and asked if anything had happened in the Brazil game.

"Nothing happened. I think we made mistakes with underestimating the quality of the players they have."

Then I asked him about the fixers. He was staggeringly direct about them.

**Appiah:** When we went to the Olympics, Athens 2004, this guy came to us and he said, 'You know you have to try and win the game.'

**Hill:** Go all out?

**Appiah:** Yeah. So this guy gives me \$20,000. And I share with the players. We won 2-1.

**Hill:** What did they do this last World Cup? Did they approach you?

**Appiah:** Yeah, they came to me and said, 'You have to win the game against the

Czech Republic.' I didn't give them a chance to talk to me.

Stephen Appiah, the captain of the Ghana national team and a top international player, had confirmed there had been an approach made to him by fixers during the World Cup tournament.

I asked him about other fixers and he laughed. "If you go writing this in your book these people will come and kill me."

I asked again and he assured me he was only joking.

After intense negotiations by phone and e-mail I went to Zurich to FIFA headquarters to meet its chief executive Sepp Blatter. I asked for his reaction to the fact that I'd been told the essential scores of games by an Asian gambler in the World Cup Finals before they had taken place.

He paused, his manner utterly stone cold, then said: "I think it is not true. I think it is not true. I think it is not true. Or if something happened it did not influence the final result ... [but if it were true] then I would say all the work we've done in FIFA over the last 30 years, to develop the game, and to make the game accessible to everybody. To say the game is an education, it is a school of life. It is part of a social cultural programme. It is entertainment. It is passion. Then we have failed. We failed."

Then he said, "I have spent over 30 years working at FIFA. Football is my baby. I want to protect it. Thank you for your investigation but if you are right, it hurts."

Then with a significant, backward look at me, he walked out of the room.



## Afterword

by Declan Hill

---

*The work that you have just read was based on over 220 interviews with players, referees, coaches, sports officials, policemen, prosecutors, gamblers, book-makers and the fixers themselves. The surprising thing was that few journalists had ever actually bothered to try to interview people inside sports about match-fixing. Which is very odd when you think of all the interviews done in sport.*

*You could go on about all the various skills needed for good interviewing, but I would suggest two things – have the right mindset and get your paperwork right.*

*The right mindset is simple. It is based on two fundamental principles: Always listen and always keep an open mind. Yes, yes, yes, you are working on a story and you know who is the ‘bad’ person and who is the ‘good’ person. You know what the story is supposed to be about. Your job is to show up, turn on the tape recorder and then leave. Wrong. Always keep listening! Always keep asking questions, even when you think you know everything about a story. In fact, when you think you know everything about a story, you are probably in most danger of getting it wrong.*

*Two, get your paperwork right. It may sound odd to say that about interviews, which one might think are about speaking to people. Well, good interview campaigns are based on a rigorous methodology. You need four documents:*

**1 Chronology:** *This is a long list of actions that show who did what and*

*when. It can be as long as appropriate. For the big, legally dangerous investigations these documents can run to over 1500 pages. You will find them very helpful, because they start to prompt questions. For example, when I started my chronology on match-fixing, the obvious question came up: ‘What was the first case of match-fixing?’ It prompted a lovely research angle. At first it seemed like the first case involved chariot racing in the early Byzantium Empire. (That entailed the most serious political dangers for one of their Emperors, and resulted in half of Constantinople being destroyed.) Then it moved back to Nero fixing his chariot racing, five-hundred years before. Then I read Pausanias who described fixers being caught at the early Olympics in 752 BC. All of which was very useful, particularly in my academic work, for it showed that match-fixing is that rare thing, a universal deviancy – an act which is almost always abhorrent despite the differing historical context.*

**2 List of questions:** *Do take five minutes before you begin an interview to plan out the questions you want to ask your subject. Do, when beginning a long investigation, take an hour and write out all the questions that you would like answered. They can be very simple, almost child-like. ‘What is match-fixing?’ ‘Does it exist in all sports?’ ‘If not, why not?’ ‘Who fixes matches?’ ‘How do they fix matches?’ But all the questions should be phrased as open-ended – ex: ‘How*



did you feel at the end of the match?’ and not close-ended, as in “You must have felt very angry at the end of the match?” When you are at parties or chatting with your family at home you will discover a lot of these questions. Remember them. Also write down the questions that people ask you when you describe (in general terms, right?) what your research is about.

- 3 List of people:** These are the people that it is important to talk to. It should be a list unhampered by practicality. For example, you are writing a story about the Catholic Church, so you would really like to speak to the Pope. Fine. Put his name down – this helps you understand how wide the scope of your interviews should be, and it also helps to structure the hierarchy of an organization. You may not be able to speak to the Pope or the CEO, but the person that you do speak to will

allow you to understand the reaction of the institution to your story.

- 4 Finally,** and possibly most important, but shortest, write in one sentence what your story is about: ‘This story is about match-fixing in professional football.’ This tells you, obviously, what your story is about, but it also tells you what your story is not about – like doping in sport, corruption in stadium building, sexual abuse of athletes, etc., etc. As a curious person, you will find that you are often swayed off the path of your story to research a number of other things. Your story focus sentence should be reviewed at the beginning and end of every day. It does not mean that you should ignore any other stories that you come across in your research. But you can understand that they are different stories, and treat them as such.



## C.

## Jack Warner still won't pay soca warriors their 2006 World Cup money

by Andrew Jennings

---

### Introduction

*The quality of sports journalism tends to be inversely proportional to the popularity of the genre. One of the chief reasons is that sports journalists behave like servants of the athletes they cover, and of the managers who stage the events that showcase the athletes. Andrew Jennings, however, has made a life's work of denouncing hypocrisy and corruption at the pinnacle of the sports industry. His books, most notably *Foul!: The Secret World of FIFA: Bribes, Vote Rigging and Ticket Scandals (2006)*, and *The Lords of the Rings: Power, Money & Drugs in the Modern Olympics (1992)* are landmarks in the opening of sports to investigative reporting. The piece here, about an associate of FIFA president Sepp Blatter, is reproduced from Jennings' website, <http://transparencyinsport.org>. It is among the least aggressive on the site, which gives you an idea of the rest. I picked it, first, as an example of hard-edged sports writing in a short form. It was and remains timely, even premonitory. It concerns a football team from the Caribbean who were not paid what they thought they deserved for playing in*

*the 2006 World Cup; five years later, in July 2011, they have still not been paid, awaiting a final judgment after winning in an appeals court in November 2010. Jennings was well ahead of the curve on this case, which has since received ample publicity. The compression of the piece, in style as well as information, is also impressive. Jennings combines a rhetorical stance of outraged common sense with dark, absurdist humour (as in: "More months passed. Small creatures lived out their life cycles and the leaves fell"). The piece also catches his intense sympathy for victims of the sports business; when Jennings goes out on a limb, it's on behalf of someone else. Note the hard edge of his professionalism: Jennings never says anything he can't back up. Don't be afraid if you have the goods, he seems to say. If you take Jennings as a stylistic example, make sure you do the rest of the job properly. And make sure you read his afterword, which counts among the best descriptions of the job (and of a certain approach to the job) that I have ever read.*

From *The Glasgow Herald*  
November 20, 2008

The 2006 World Cup generated billions of dollars – but not a cent has been paid to the heroic Soca Warriors from Trinidad & Tobago who say they’ve been ripped off by FIFA vice-president Jack Warner.

Twenty-eight months after the final whistle the team from the smallest country ever to qualify are still being denied their share of revenues from sponsors and other sources, despite defeating Warner at an arbitration hearing.

As soon as it looked likely Trinidad would qualify for Germany the Warner family put their football money-making machine into gear.

At the travel agents owned by Warner and his wife Maureen, son Daryan began acquiring, with daddy’s help, more than 5,000 finals tickets later sold for an estimated \$3 million profit.

Other son Daryll Warner was put in charge of a private company, ‘Local Organising Company Germany 2006 Ltd’ which would vacuum up millions of dollars in fees from sponsors wanting to be associated with the Warriors.

Warner Senior, who terms himself ‘Special Advisor’ to the Trinidad football federation, would negotiate directly with the players about their share of the proceeds.

In early January 2006 Warner installed himself at the super-luxury five-star Mandarin Hotel in Mayfair (“One of the capital’s most distinguished hotels”) and the players were summoned to his presence. They wanted to know, what had sponsors paid? What other income from tickets, TV and the government? I’ll have a spreadsheet drawn up, promised Warner.

The months pass, the team trains but the promised spreadsheet doesn’t appear.

‘Soon’ promises Warner. ‘We’re working on it,’ say his aides. Days before the Warriors’ first game, against Sweden, goalkeeper Shaka Hislop asks Warner yet again. ‘Sorry,’ says Jack, ‘no time now until after the tournament is over.’

Nonetheless the team play brilliantly to hold Sweden to a goalless draw. Then the festering anger boils up. Every time they touch the ball they’re making money for Warner – and getting nothing themselves. They demand Warner come to their hotel but he arrives so late most – but not all – have gone to bed.

One player told me, ‘Warner still hadn’t told us how much sponsors were paying and what our share was going to be. Many of our squad play in minor leagues around the world, don’t earn much, had worked hard to get to the final 32 teams. Their reasonable expectation was enough to set up pension funds, retire with some dignity.’

Warner must have realised that if he didn’t calm them fast, he might not have a team for the game against England in three days time. OK, he said. I’ll give you 50% - and I’m so proud of your achievements.

The Warriors could hold up their heads after losing 2-0 to the millionaire England players and lost no respect going down another two goals to Paraguay – and then packed their bags.

More months passed. Small creatures lived out their life cycles and the leaves fell. Then in October Warner’s accountant produced the long-awaited spreadsheet.

It was surprisingly short. ‘Consistent with normal accounting principles we have made estimates in such instances where specific documentation was unavailable.’ There were more holes. Sponsors appeared to have paid less than their earlier press



releases claimed. Some sponsors – and their money – had fallen off the page.

And another surprise! One third of their money was being withheld to fund the next campaign, to qualify for 2010. Warner insisted that sponsors had insisted – until the claim became so lacking in credibility that he abandoned it, gracelessly.

But here was the bottom line: Warner had sold their bodies for millions – and their share was £494 a man!

Dwight Yorke told reporters, ‘The contracts we enter into are not worth the paper they are written on.’ The majority of the squad hired London sports lawyer Mike Townley. Warner promptly blacklisted them saying, ‘I lose no sleep, I have nothing to be worried about, absolutely nothing.’ For players needing regular international games to keep work permits, it was a disaster.

Jack’s crony Trinidad Federation general secretary Richard Groden accused the team of ‘delinquency’ and ‘less than honourable motives.’ Warner added that they were ‘greedy’.

Six more months passed and in mid-2007 Warner popped up to commend his officials (code for himself) for their ‘principled stand in resisting being blackmailed by certain players.’ He added, ‘Their demands are not justified and until they drop all court action, they remain outside the pale of organised football.’

Lawyer Townley turned to FIFA. Was this a case for FIFA’s Ethics Committee, chair Seb Coe? No, Townley was told, it’s an internal matter, we refer you to Jack Warner to sort it out.

Townley made a Freedom of Information request to the Trinidad Government. That brought another surprise. Warner had neglected to reveal the additional £18 million contributed by taxpayers to the campaign’s cost – freeing up more money for the players.

It wasn’t looking so good for Warner at home so he agreed to switch the dispute from a Trinidad courtroom to arbitration in faraway London.

That hearing was at the end of April this year and its confidential Decision was passed to both parties on May 19. The Warriors won all they asked for, disclosure of all contracts and revenues raked in by the Warners and 50% of the total. The Warriors were looking to get – at last - the big money they are owed.

Within hours the report was leaked to the Trinidad Guardian whose sports editor has written two paid-for biographies of Warner that find no fault in him - ever.

Warner claimed to be shocked. The other side must have leaked! Such an outrageous breach of confidence must nullify the arbitration decision. So he still won’t pay and he still won’t disclose. To muddy the waters more Warner has offered some money to the Warriors who didn’t hire a lawyer and is going to court in Trinidad in January to get the arbitration award cancelled.

There’s not been a peep from sponsors Adidas, KFC, Ebay, Carib beer, British Gas and a host of regional companies who gained lustre from the efforts of the Warriors.

It will be a chilly Christmas for some of the Heroes of 2006.



## Some thoughts on our simple craft

by Andrew Jennings

---

*The story featured here is roadkill from several years investigating corruption at FIFA. As time passed I published in the press in many countries, made films for British television and wrote a book that is now, I hear, in 16 languages, not forgetting Albanian.*

*But to hunt down FIFA roadkill I had to find the road. Let's gaze back over the reporter's shoulder for how a roadmap got itself drawn.*

*I was there a decade ago when suggestions of massive kickbacks and global rackets – institutional corruption – were mocked by many sports reporters and all the sport's leaders. F\*\*\* them was the response. There was a stench drifting from the shit mountain, time sniff out the source. Ten years onwards, my earthmover's blade clears the debris, levelling the new roadway. But it took time and study and getting drunk in many lands. And teaching myself to drive down the unfolding road.*

### **Some answers to some questions**

**1:** *I like to lock into big corruption sagas at the heart of international organisations. Who would you rather discomfort? The guy in the Gulfstream or the one on a bike? We have to have fun in our labours. If you are freelance you need wide markets. And many staffers have neither the time nor inclination to dig internationally for years, developing a narrative.*

*I learned a lot writing and filming about the Palermo Mob and Organised Crime in*

*the 1980s and then stumbled across two perfect applications of Mob structures and principles. They appealed to me because they were global organisations, were the sharp end of the big brands penetration of new markets (we didn't call it globalisation then) and were completely ignored by grownup reporters.*

*You guessed it, the first example was the International Olympic Committee. Covered only by fans with notebooks who chortled unquestioningly about a minor French aristocratic and his body-fascism ideals, I saw every investigative reporter's dream, a massive empty canvas to paint upon, with a soundtrack of empty mantras, never challenged by the beat reporters.*

*The map began to draw itself with a tip from a contact who had worked in the early years of sports marketing in the 1960s. This guy gave me lengthy recorded interviews naming individuals and companies I had never heard of. He was happy to have been involved in commercialising sport. This was pre-Google and so I stalked cuttings libraries, photocopying and pasting into lever-arch files. Eventually there were more than seventy. I indexed them and when I transferred that to my first Mac I had the beginnings of a searchable database.*

*As the contact described the coups of the big brands in seizing control of sport, he was talking not about increasing funding to sport; he was talking about privatisation.*



The big breakthrough, the roadway swelling into a motorway, an autobahn, an autostrada, was indeed a moment of shivering ecstasy. I set myself the task of reading every clip on the IOC's then president, Barcelona-born Juan Antonio Samaranch. One day, a couple of years before the 1992 Barcelona Games I was running my eye down a newspaper profile. F\*\*\* me! Out of the grey so many times rehearsed drone sprang the sentence "he was Sports Minister in Spain in the 1960s."

Just as Sy Hersh described his discovery of the story of the Mai Lai massacre in Vietnam, I could hear myself singing, "Fame, wealth, glory!" (Hard-up freelancers get these fantasies – they come free. They don't eventually happen but at the time it's a cheap thrill.)

Why the orgasm? Because any amateur student of European history knows that the 1960s was the Franco fascist era. To be a government minister you needed to sport the fascist Blueshirt, give that crisp right-arm salute and believe the wrong team won World War Two.

So this little [...] was leading the organisation that claimed to promote world peace through sport and care deeply about equality and young people. There was the investigative reporter's dream; an organisation with a public face utterly at odds with its odious private secrets.

I read widely, reporters and academics. Nowhere could I find a reference to the IOC's Maximum Leader having a past he wouldn't want to talk about. That, I realised, was because he didn't have to talk, he had a prepared fact sheet and the sports reporters and profs, without thought, published this garbage.

I spoke to a friend with friends in Barcelona. Could it be true? Was this great

moralist an old goosestepper? The reply was incredulous laughter; Didn't I know that Samaranch was in the jackboots from 1937, when he defected from the army of the Republic, until Franco's death in 1975?

No, I didn't, because the news had never moved north across the Pyrenees. Samaranch's personal history had never been investigated. The august members of the IOC didn't talk. Crime families don't.

So my initial suspicion that there might be information worth digging out became a global disclosure, won huge amounts of admiration from the adults and, best of all, loathing from the jocks for spoiling their party. And paid the rent and developed my own thoughts about globalisation exploiting sport.

**2.** The crucial documents were photographs of Samaranch and his gang in fascist uniform striding through Barcelona, the Civil War victors terrifying the citizenry. Fancy a garrotting in the square at the central police station? Join the queue. Join a trade union? The burial plots are on the lower Montjuich hillside where the Games were celebrated by numbskulls in 1992, reporters sucking on the teat of the privatisers. There were many more pictures of Samaranch in his Blueshirt, sometimes fawning on Franco. Bereft of the Spanish or Catalan languages, I hired a smart researcher in Barcelona who sweet-talked her way into newspaper archives. I got what she shouldn't have.

There was no electronic data. This was lived history. It took 15 years to get *The Picture*. A decade and a half of reminding the friends in Catalonia to keep looking for it. After Franco died the photo archives were weeded. But they missed one from 1974 that showed Samaranch with right arm aloft. Case proved. The book I co-wrote, *The Lords of the Rings*, involved a lot of documentary research in public



archives where the wee goosestepper's record marched boldly out.

Then I revisited the IOC's histories, viewing them through the prism of a totalitarian regime, run by a strong man. Franco in Adidas sneakers. Twenty years later little has changed at the IOC. A self-selecting band of C-list royals and mostly forgotten athletes doing the work of global capital and now playing catch up with the unchecked doping that made them rich.

All this was so joyful. Much of the sports press spat at me, their lazy ramblings now exposed. That was the old guard. A new generation listened and bought me drinks. What more can a reporter hope for?

THE SOCA WARRIORS STORY is from the second saga. Samaranch retired in 2001 and I found it less stimulating to continue with what was now a club of grey people, less of them still on the make following the reforms demanded by embarrassed sponsors after the Salt Lake sex-and-cash-for-votes scandal.

The best story from that 1999 epoch was the saga of the violin, the Viagra and the \$74.27 vibrator. For that price it must have had programmable music tracks. Get with the rhythm honey. But not here! This is UNESCO! (Google it. Unbelievably, it was printed in a daily from MormonLand.)

During my Olympic years I became aware of a shady Swiss sports marketing company named ISL (International Sport and Leisure) that seemed effortlessly to acquire the multi-billion marketing TV contracts from the IOC, FIFA and the IAAF – track and field. How did they achieve this – even with rivals tendering?

With a tiny handful of German and Swiss reporters I shared night shifts until dawn in bars for years, discussing ISL, the

privatisation of sport, looking for a way in. Tunnelling perhaps? I made great friendships, men and women who didn't know how to give up. One of them, the incomparable Lasana Liburd from Trinidad, contributes a slice of toasted roadkill here.

Sometimes drinking with ex-ISLers who swore kickbacks, big kickovers were paid on contracts. But they had no pieces of paper. They only knew in their guts. So did we. But ISL was a private company and couldn't be penetrated. The paperless investigative reporter is a hack without a cause.

Then it came on stream! The incompetent clowns who'd got their business with sacks of cash (yes, really – cash breaks the trail) tried to expand into new areas of sport and crashed off their road in Switzerland's second biggest bankruptcy.

The road map led me to the first creditor's meeting, in Zug, six weeks after the crash. Presided over by a Swiss grey suit. F\*\*\* this, what's the point of tapping up an accountant? Swiss accountants don't even talk to themselves, never mind ill-clad hacks. Gotta do it. An editor had paid my fare. Move in, prepare for rebuff, sure to be embarrassed at my own temerity, ask "Excuse me, have you found any evidence of black money?"

Grey suit beams. "Mr Yennings, I know your work, and yes, and I have sent legal letters asking for it back." I mumbled thanks, speechless. He said yes! This was as good as unmasking Samaranch, again in one sentence. Write quickly in notebook, see there's no more for now, fly back to England, can't stop grinning.

I'm seeing ahead down a long and straight road. From then it was just another ten years incrementally upping the speed. I knew where I was going.



**3.** I've had little use of FOI. Only in England, trying to extract my Government's secret deals giving FIFA tax holidays. Failed. Got next flight to Holland where they were public. Not necessary, they were online. But Holland can be so much more fun.

Did get more on how England swooned in front of the FIFA pirates who wanted cash for votes to give the 2018 World Cup to us. We didn't pay and Qatar and Russia got the events and you mustn't read anything into that until you've talked to your lawyers.

I never have a research strategy because, hell, every day's a new day. Might get an email from an admirer in the bowels of the venal with a conscience to clear or a back to be knifed. I'm their friend and there's lots of them out there still being negotiated with. The more you achieve, the more you can persuade sources that you know all the tricks to conceal their identity. (TIP: The Black Arts guys tell me they can't penetrate Skype. But watch out for the account details on your hard disk. Erase daily if possible because it can be hacked and your calls list discovered)

One prime insider took nine years to do the business and when they did, I immediately got drunk because, meeting in an hotel garden in mittel-Europe and saying "I think this is what you wanted," they handed me the list of \$100 million in bribes absorbed by FIFA's leaders. You can't make a strategy for that. Just be a decent person, be patient, and the stuff will be attracted to you.

I fear "systems" in case I become trapped within.

The most important research technique is identifying lowly people inside corrupt organisations who have access to filing cabinets and servers. From them will flow

the forbidden documents, year after year, if properly managed.

### **But how to locate them?**

I do a lecture on this but in essence. Go to a press conference chaired by Mr Big & Nasty. Don't dress as smartly as the press pack. Silk ties are a career killer. Be a killer. Stand up and accuse Mr Big of whatever takes your fancy; bribe-taking, paedophilia, the list is yours to write.

You are sending a message to the employees who, if Mr Big is as big a bastard as you suspect, will be a sordid nightmare to work for, bullying the men and feeling up the women. Or the other way around, depending how they like it. You are signalling that you don't give a f... for his big b ..., you only turned up because you're looking for a fight and that you intend to render him into chopped liver. You are also making clear that you are not one of the time-serving beat reporters. You want his staff to believe that your ambition is to be a drunk driver in a loaded tank transporter, closing on his fragile Ferrari in a narrowing lane.

If you've given a good performance the documents should start to flow. If you can get his credit card bill you might appreciate his dilemmas arranging for his multiple girlfriends to be booked on separate flights. Write it low key and the guy is hung out to dry, a national joke with a wife closing the doors, bedroom and then front. Bliss. Get drunk.

Pause: when he is on his knees, befriend the poor sap, buy him a drink and he might tell you about the other bastards who turned their backs. He will have documents. Take pity, help him up, extract the system's password.

I think my tenacity has brought change in these major sports federations. First

destroy their pompous image with rank disclosures of the gulf between their public and private morality. Next must be kick-start the pols to move in because these scamsters have no capacity – or interest – to reform themselves. Cause more trouble. Is the job description. Some journos say they cannot help the cops. It compromises their independence. The truth is they probably can't write notes while keeping up with most detectives' ferocious alcohol intake. For those of us who can, file-sharing takes on a new meaning.

*Litigation.* If you research assiduously and get the documents you will still get threats of rack and hot irons in court. But once with the documents, you respond to the beasts with mixture of phrases ending in "off". The finest offsky I know was the famous Arkell versus Pressdram response. It chilled a generation of would be bullyboys.

I was successfully sued, once in the Lausanne criminal court. The wee one went to court in the Cité Olympique and despite the photographic evidence, persuaded the local judge to give me a 5-day suspended jail sentence and 1,000 Swiss Francs costs bill for writing that he was a fascist.

I couldn't believe my luck. A stunning award that few others acquire. A criminal conviction means you have to buy me the first drink.

The hardest thing was giving up writing about a certain Russian crime family boss. But I did block his advance into sports politics and he went back to heroin trafficking. I have had to undertake some other projects, to keep the landlord content. But they have ended up in places like Chechnia, trying to see the local Mob's point of view until there's a reliable flight out of Grozny before the Red Army starts shelling. Silly thing is you get to eat caviar

by the fistful. Their big, often unwashed fists. Only joking fellers, look, there's poppies to harvest.

Writing books, scripts, essays is the best fun of all. You've got the goodies, don't squander them. First throw out the television, don't read newspapers. If you inject c ... use of language into your brain, out will come s ... .

Read good books, written by people cleverer than yourself. Something must stick. My favourite read is The New York Review of Books. Then Tom Wolfe's The New Journalism from 1974. It doesn't get any better. The New Yorker is very well written and there are some brilliant story structures but I chafe at the Gucci adverts. These I don't buy. I can connect with the writers but not too many readers.

Then think structure. For years I had a big sign on my office wall: WHAT AM I TRYING TO SAY? I would spend as long as it took trying to get an intro that made me squirm with joy. It might be direct, it might herald a delayed drop. But it felt good because it showed the way to a narrative. The internal map engine.

Blow text up into 20 point. Sentence by sentence, cut and paste into a new document. Test every word in every sentence. Cut the surplus. Clean and lean. Understate. Never miss a joke because they are not illegal, Not with readers so f ... most – but not all – copy editors (I was one for a few years but I had to deliver what the suits wanted. Great experience, endlessly trying to control language but good to move on from.)

Write long pieces with kickstarts every 15-20 paragraphs. These take the narrative in a new direction. We are story tellers, no more, descendents of the wandering oral historian, chanting and enchanting in the firelight about long ago fought battles.

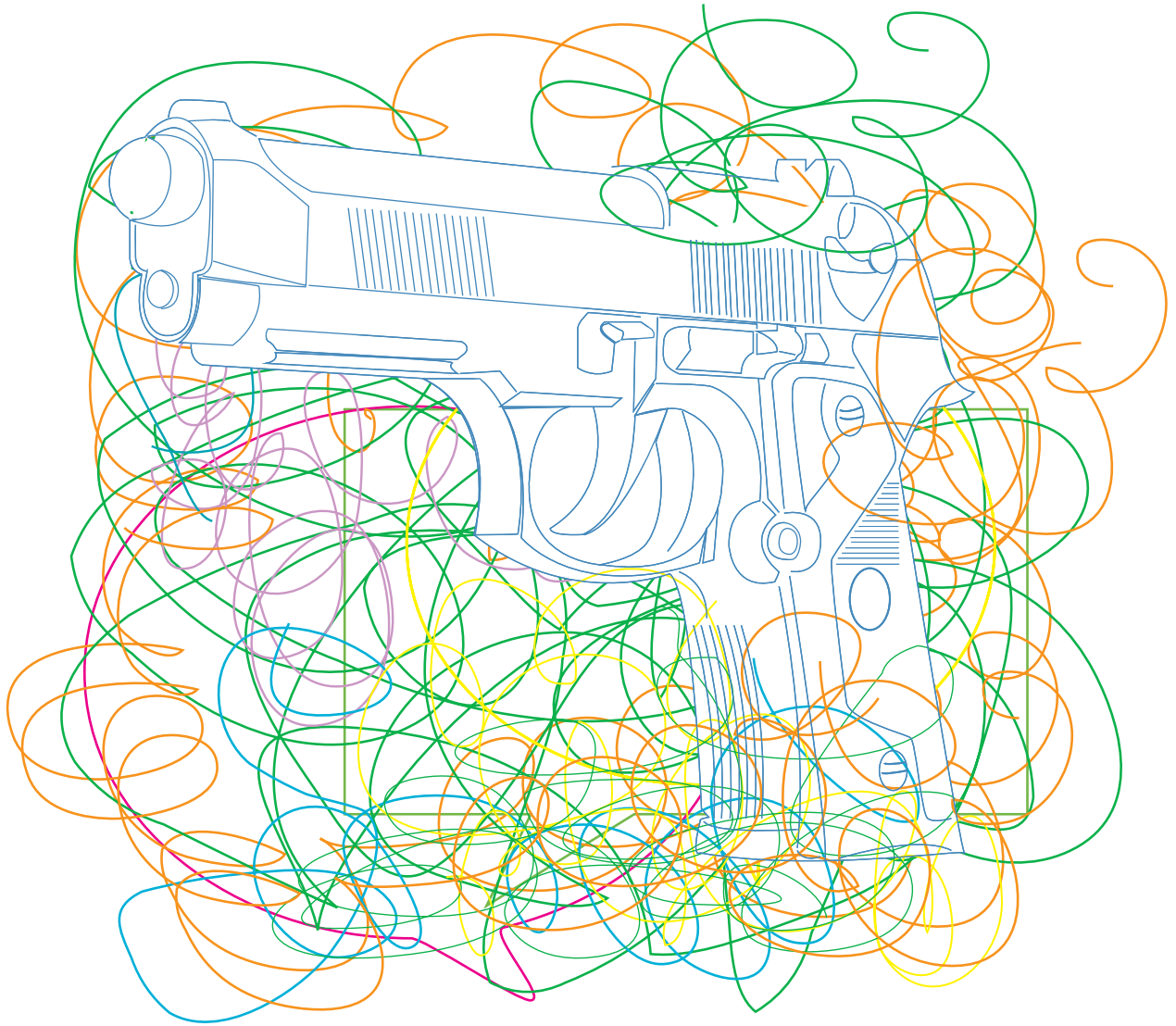


*The more time getting the structure right, the less time writing. And, when you can see the roadmap ahead, you can write with joy. You are not going to be roadkill.*

*Good stories take off. Even if they flare then seem to die, they will have lit up*

*some peoples lives somewhere ... Bad news for public morality, horrendous for football – and great news for hacks. The fetid swine are still there for poking, prodding and maybe eventually driving from public life. That's what we are supposed to do.*





## Chapter Nine

# The war on terror

---

---

# A.

## The intelligence factory: how America makes its enemies disappear

by Petra Bartosiewicz

---

---

### Introduction

*A fundamental issue of any investigation resides in how to deal with what cannot be known. The problem is at once ethical – does one hide the ignorance? Invent something to fill the hole? Pretend it isn't there? – and practical: How does one write about (or around) what one doesn't know and will never know? Petra Bartosiewicz's inquiry into an alleged terrorist places that question at the centre of the story. Incredibly, what isn't and can't be known reinforces the power of what she finds out and recounts. She shows us a world in which no one, ultimately, knows what is happening, and no one admits it. Instead, a system is built on ignorance, and that system creates enemies and victims. My thanks to Mark Schapiro for suggesting this story. For more on Petra Bartosiewicz, see her website, [www.petrabart.com](http://www.petrabart.com). (And by the way, if you are an investigative reporter, and you do not have your own website or blog, how do you expect your stories to find you?)*

*From Harper's Magazine  
November 2009*

**W**hen I first read the U.S. government's complaint against Aafia Siddiqui, who is awaiting trial in a Brooklyn detention center on charges of attempting to murder a group of U.S. Army officers and FBI agents in Afghanistan, the case it described was so impossibly convoluted – and yet so absurdly incriminating – that I simply assumed she was innocent. According to the complaint, on the evening of July 17, 2008, several local policemen discovered Siddiqui and a young boy loitering about a public square in Ghazni. She was carrying instructions for creating “weapons involving biological material,” descriptions of U.S. “military assets,” and numerous unnamed “chemical substances in gel and liquid form that were sealed in bottles and glass jars.” Siddiqui, an MIT-trained neuroscientist who lived in the United States for eleven years, had vanished from her hometown in Pakistan in 2003, along with all three of her children, two of whom were U.S. citizens. The complaint does not address where she was those five years or why she suddenly decided to emerge into a public square outside Pakistan and far from the United States, nor does it address why she would do so in the company of her American son. Various reports had her married to a high-level Al Qaeda operative, running diamonds out of Liberia for Osama bin Laden, and abetting the entry of terrorists into the United States.



But those reports were countered by rumors that Siddiqui actually had spent the previous five years in the maw of the U.S. intelligence system – that she was a ghost prisoner, kidnapped by Pakistani spies, held in secret detention at a U.S. military prison, interrogated until she could provide no further intelligence, then spat back into the world in the manner most likely to render her story implausible. These dueling narratives of terrorist intrigue and imperial overreach were only further confounded when Siddiqui finally appeared before a judge in a Manhattan courtroom on August 5. Now, two weeks after her capture, she was bandaged and doubled over in a wheelchair, barely able to speak, because – somehow – she had been shot in the stomach by one of the very soldiers she stands accused of attempting to murder.

It is clear that the CIA and the FBI believed Aafia Siddiqui to be a potential source of intelligence and, as such, a prized commodity in the global war on terror. Every other aspect of the Siddiqui case, though, is shrouded in rumor and denial, with the result that we do not know, and may never know, whether her detention has made the United States any safer. Even the particulars of the arrest itself, which took place before a crowd of witnesses near Ghazni's main mosque, are in dispute. According to the complaint, Siddiqui was detained not because she was wanted by the FBI but simply because she was loitering in a "suspicious" manner; she did not speak the local language and she was not escorted by an adult male. What drove her to risk such conspicuous behavior has not been revealed. When I later hired a local reporter in Afghanistan to re-interview several witnesses, the arresting officer, Abdul Ghani, said Siddiqui had been carrying "a box with some sort of chemicals," but a shopkeeper named Farhad said the police had found only "a lot of papers." Hekmat Ullah, who happened to

be passing by at the time of her arrest, said Siddiqui "was attacking everyone who got close to her" – a detail that is not mentioned in the complaint. A man named Mirwais, who had come to the mosque that day to pray, said he saw police handcuff Siddiqui, but Massoud Nabizada, the owner of a local pharmacy, said the police had no handcuffs, "so they used her scarf to tie her hands." What everyone appears to agree on is this: an unknown person called the police to warn that a possible suicide bomber was loitering outside a mosque; the police arrested Siddiqui and her son; and, Afghan sovereignty notwithstanding, they then dispatched the suspicious materials, whatever they were, to the nearest U.S. military base.

The events of the following day are also subject to dispute. According to the complaint, a U.S. Army captain and a warrant officer, two FBI agents, and two military interpreters came to question Siddiqui at Ghazni's police headquarters. The team was shown to a meeting room that was partitioned by a yellow curtain. "None of the United States personnel were aware," the complaint states, "that Siddiqui was being held, unsecured, behind the curtain." No explanation is offered as to why no one thought to look behind it. The group sat down to talk and, in another odd lapse of vigilance, "the Warrant Officer placed his United States Army M-4 rifle on the floor to his right next to the curtain, near his right foot." Siddiqui, like a villain in a stage play, reached from behind the curtain and pulled the three-foot rifle to her side. She unlatched the safety. She pulled the curtain "slightly back" and pointed the gun directly at the head of the captain. One of the interpreters saw her. He lunged for the gun. Siddiqui shouted, "Get the f... out of here!" and fired twice. She hit no one. As the interpreter wrestled her to the ground, the warrant officer drew his sidearm and fired "approximately two rounds" into Siddiqui's abdomen.



She collapsed, still struggling, then fell unconscious.

The authorities in Afghanistan describe a different series of events. The governor of Ghazni Province, Usman Usmani, told my local reporter that the U.S. team had “demanded to take over custody” of Siddiqui. The governor refused. He could not release Siddiqui, he explained, until officials from the counterterrorism department in Kabul arrived to investigate. He proposed a compromise: the U.S. team could interview Siddiqui, but she would remain at the station. In a Reuters interview, however, a “senior Ghazni police officer” suggested that the compromise did not hold. The U.S. team arrived at the police station, he said, and demanded custody of Siddiqui, the Afghan officers refused, and the U.S. team proceeded to disarm them. Then, for reasons unexplained, Siddiqui herself somehow entered the scene. The U.S. team, “thinking that she had explosives and would attack them as a suicide bomber, shot her and took her.”

Siddiqui’s own version of the shooting is less complicated. As she explained it to a delegation of Pakistani senators who came to Texas to visit her in prison a few months after her arrest, she never touched anyone’s gun, nor did she shout at anyone or make any threats. She simply stood up to see who was on the other side of the curtain and startled the soldiers. One of them shouted, “She is loose,” and then someone shot her. When she regained consciousness she heard someone else say, “We could lose our jobs.”

Siddiqui’s trial is scheduled for this November. The charges against her stem solely from the shooting incident itself, not from any alleged act of terrorism. The prosecutors provide no explanation for how a scientist, mother, and wife came to be charged as a dangerous felon. Nor do they account for her missing years, or her

two other children, who still are missing. What is known is that the United States wanted her in 2003, and it wanted her again in 2008, and now no one can explain why.

As the “global war on terror” enters its ninth year, under the leadership of its second commander in chief, certain ongoing assumptions have gained the force of common wisdom. One of them, as Barack Obama explained in a major policy speech last May, is that we have entered a “new era” that will “present new challenges to our application of the law” and require “new tools to protect the American people.” Another, as Obama made clear in the same speech, is that the purpose of these new tools and laws is “to prevent attacks instead of simply prosecuting those who try to carry them out.” These positions are appealing, but they fail to address what might be thought of as an underlying economic disequilibrium. The continued political appetite for a global war on terror has led to a commodification of “actionable intelligence,” which is a product, chiefly, of human prisoners like Aafia Siddiqui. Because this war, by definition, has no physical or temporal boundaries, the demand for such intelligence has no limit. But the world contains a relatively small number of terrorists and an even smaller number of terrorist plots. Our demand for intelligence far outstrips the supply of prisoners. Where the United States itself has been unable to meet that demand, therefore, it has embraced a solution that is the essence of globalization. We outsource the work to countries, like Pakistan, whose political circumstances allow them to produce prisoners with far greater efficiency.

What the CIA and the FBI understand as an acquisition solution, however, others see as a human-rights debacle. Just as thousands of political dissidents, suspected criminals, and enemies of the state





were “disappeared” from Latin America over the course of several decades of CIA-funded dirty wars, so too have hundreds of “persons of interest” around the world begun to disappear as a consequence of the global war on terror, which in many ways has become a globalized version of those earlier, regional failures of democracy.

Many individual cases are well known. Binyam Mohamed, an alleged conspirator in Jose Padilla’s now debunked “dirty bomb plot,” was arrested in Karachi in 2002 and flown by the CIA to Morocco, where he was tortured for eighteen months. He eventually emerged into the non-covert prison system, as a detainee at Guantánamo, and was released earlier this year without charge. Maher Arar, a Canadian citizen, was arrested at New York City’s John F. Kennedy Airport in 2002 while on his way home from a vacation, flown by the CIA to a Syrian prison, held in a coffin-size cell for nearly a year, and then released, also without charges. Saud Memon, a Pakistani businessman rumored to own the plot of land where the Wall Street Journal reporter Daniel Pearl was murdered, was arrested in 2003, held by the United States at an unknown location until 2006, then “released” to Pakistan, where in April 2007 he finally emerged, badly beaten and weighing just eighty pounds, on the doorstep of his Karachi home. He died a few weeks later.

The total number of men and women who have been kidnapped and imprisoned for U.S. intelligence-gathering purposes is difficult to determine. Apart from Iraq and Afghanistan, the main theaters of combat, Pakistan is our primary source of publicly known detainees – researchers at Seton Hall University estimated in 2006 that two thirds of the prisoners at Guantánamo were arrested in Pakistan or by Pakistani authorities – and so it is reasonable to assume that the country is also a major

supplier of ghost detainees. Human Rights Watch has tracked enforced disappearances in Pakistan since before 2001. The group’s counterterrorism director, Joanne Mariner, told me that the number of missing persons in the country grew “to a flood” as U.S. counterterrorism operations peaked between 2002 and 2004. In that same three-year period, U.S. aid to Pakistan totaled \$4.7 billion, up from \$9.1 million in the three years prior to the U.S. invasion of Afghanistan. Correlation does not prove causation, of course, but Pakistan’s former president, Pervez Musharraf, did claim in his 2006 memoir, *In the Line of Fire*, that his country had delivered 369 Al Qaeda suspects to the United States for “millions of dollars” in bounties (a boast he neatly elides in the Urdu edition). It is reasonable to suspect this figure is on the low side.

One reason estimates are so inconclusive, of course, is that the business of disappearance is inherently ambiguous. Missing-person reports filed in Pakistan rarely claim that the detained individual was picked up by the CIA or the FBI. Instead, the detainee is almost always arrested by “city police” or “civilian clothed men” or unidentified “secret agency personnel” who arrive in “unmarked vehicles.” The secretary-general of the Pakistani NGO Human Rights Commission, Ibn Abdur Rehman, described the process. “A man is picked up at his house, brought to the police station,” he said. “The family comes with him and are told, ‘He’ll be released in an hour, go home.’ They come back in an hour and are told, ‘Sorry, he’s been handed off to the intelligence people and taken to Islamabad.’ After that, the individual is never heard from again. When the family tries to file a missing-person report, the police won’t take it, and no one admits to having custody of the person.” Some of the disappeared pass directly to U.S. custody and reappear months or years later at Guantánamo or Bagram air base. Others remain captives of Pakistan’s multiple

intelligence agencies or are shipped to places like Uzbekistan, whose torture policies are well known. Others simply vanish, their fate revealed only by clerical errors, or when they turn up dead.

Most of the arrests and detentions take place under the auspices of Pakistan's Inter-Services Intelligence (ISI), which the CIA helped expand in the 1980s largely in order to wage a proxy war against Soviet forces in Afghanistan (where the ISI continues to wield considerable influence). The agency has evolved into a powerful institution with its own agendas and alliances – it has long pursued ethnic separatists in the Baluchistan region, for instance, where the Human Rights Commission estimates that at least 600 individuals have disappeared – and the result is that the CIA itself often has little knowledge of the provenance or purpose of a given arrest.

Such may be the case with Siddiqui. To my knowledge, the only current or former U.S. official to comment publicly on the significance of her capture was John Kiriakou, a retired CIA officer who gained notoriety in 2007 when he told ABC News that the CIA waterboarding of Abu Zubaydah, an Al Qaeda lieutenant, produced life-saving intelligence in less than a minute. Although Justice Department memos later revealed that Zubaydah was waterboarded eighty-three times, Kiriakou's comments did much to foster acceptance of the practice among the American public – and his description of Siddiqui seemed calibrated to achieve a similar effect. In 2008 he told ABC News, which had hired him as a consultant after his waterboarding interview, "I don't think we've captured anybody as important and as well connected as she since 2003. We knew that she had been planning, or at least involved in the planning of, a wide variety of different operations." When I called Kiriakou to ask him about those operations, though, he said the extent of his knowledge was that

Siddiqui's name "had popped up an awful lot" while he was in Pakistan searching for Zubaydah in 2002, and that "the FBI talked about her so often that I thought she must be a big fish." After he left Pakistan, he forgot all about Siddiqui until ABC called for an interview. "I actually had to Google as to remember who she was," he said.

Last spring, in the hope that I might discover how Siddiqui became such a sought-after commodity, I took the eighteen-hour flight from New York to Karachi. Pakistan's cities are like many in the Third World: overwhelmed with humanity, underserved by government, and ruled by a wealthy elite who cultivate an atmosphere of lawless entitlement. The current president, Asif Ali Zardari, widower of slain former Prime Minister Benazir Bhutto, was once charged with (though not tried for) attempting to extort a Pakistani businessman by strapping a remote-controlled bomb to the man's leg. My host in Karachi, a friend of a friend, was a charming fashion designer and gun aficionado who also happened to be a bona-fide feudal lord. The day after my arrival, as one of his servants massaged his neck, he explained to me that he could have the subjects on his lands killed, though I had the impression that he would consider such an act gauche.

Siddiqui's own family is well known in Karachi. They are religiously conservative, but also, in certain respects, "Western." Siddiqui's father, who died in 2002, was a doctor educated in England. Her brother is an architect in Houston; her sister, now one of Pakistan's premier neurologists, received her training at Harvard. Siddiqui herself attended MIT as an undergraduate, and earned her doctorate in neuroscience at Brandeis. Her education, and the privilege it implies, is part of what made her disappearance so newsworthy. Families like hers are understood to have enough connections, or at least



enough hired guards, to prevent their members from being kidnapped, even by the government.

The national press nonetheless seems to take for granted that Siddiqui and her children were abducted by Pakistani intelligence in 2003, most likely at the behest of the United States. Almost no one I spoke to in Karachi believed she could have remained underground and undetected by the ISI for five days, let alone five years. But there was one important exception. A few days before I arrived, Siddiqui's ex-husband, Amjad Khan, told a reporter from the Pakistani Daily News that he thought she was an "extremist" and that of course she had been on the run. This so infuriated Siddiqui's sister, Fowzia, that she later called a press conference of her own and told reporters Khan was an abusive husband and father, and that if anyone was an extremist it was him.

Khan now lives in Karachi with his new wife and their two children, in the well-appointed home of his father, a retired businessman. He is thirty-nine years old, tall and slender, and when we met he was wearing the long beard that denotes his strict devotion to Islam. He invited me into the drawing room and signaled a servant to bring cookies and cold glasses of lassi, a yogurt drink. Khan came to know Siddiqui, he said, in 1993. She was an active supporter of Islamic causes at MIT, and during a visit to Karachi, Khan's mother arranged for her to come to their home and give a talk on the plight of Bosnian Muslims. After the talk, Khan's mother, presumably impressed, asked him if he liked what he saw. He said yes, and the parents arranged a wedding. The ceremony took place over the phone while Khan was in Karachi and Siddiqui already back in Boston, but Khan, who had studied medicine in Pakistan, soon followed her and took a research position at Massachusetts General Hospital.

Khan said he loved Siddiqui in the early years of their marriage but that the relationship was always somewhat volatile; he casually described an incident in which he threw a baby bottle at Siddiqui's face and she had to go to the hospital to get stitches. The marriage began to unravel, he said, after the attacks of September 11, 2001. Siddiqui, shaken by the U.S. reaction to the attacks, flew with the children to Karachi soon after, and when Khan joined them in November, he says, Siddiqui's "extreme nature" became apparent. She wanted him to go with her to Afghanistan to serve as a medic for the mujahedeen. When he refused, he said, "she became hysterical. She started pounding on my chest with her fists. She openly asked for a divorce in front of my family." Khan's parents urged him to return to Boston without Siddiqui, to complete his board exams, which he did. In January 2002, he convinced Siddiqui to return to Boston, where they patched things up sufficiently that Siddiqui became pregnant with their third child.

Then, in June 2002, the couple received a visit from the FBI. The agents said they were following up on a suspicious-activity report from Fleet Bank in Boston. Why had someone at the Saudi embassy in Washington wired \$70,000 to accounts linked to their address? And why had Khan recently purchased night-vision goggles, body armor, and, according to Khan, as many as seventy military manuals, among them *Fugitive*, *Advanced Fugitive*, and *How to Make C-4*? "I asked the FBI," he said, "whether I should return some of the objectionable books, and the agent replied, 'No, we are a free country. You are free to read these books.'" Khan told me that the "night-vision goggles" were actually just a single night-vision scope for his hunting rifle; the "body armor" was a bulletproof vest for his uncle, a big-game hunter in Karachi. The \$70,000 was not for them. It had been sent to a Saudi man who sublet

Khan's first Boston apartment in 2001 after the couple had moved to another place – the money was to pay for medical treatment for his son. And the military manuals, Khan explained, less convincingly, were an appeasement gift for Siddiqui. "By that time I knew the marriage wasn't going to last," he said. "But I had my exams coming up and needed to keep things neutral."

The arguments continued, however, and in the end it was Khan who, in August 2002, finally demanded a divorce. The parting was quite bitter, and perhaps not entirely because of Siddiqui's purported radical proclivities. Even before the divorce was finalized that October, Khan had contracted a marriage with his current wife, an act that Siddiqui, according to divorce papers her sister gave me, said was done "without her consent or prior knowledge." And although Khan said he offered to pay child support and sought to see the children, the divorce papers note that he gave up permanent custody and would "have no right of any nature with the children." He has never seen his son, Suleman, who was born that September.

Khan said he learned that Siddiqui was missing only when the FBI issued an alert in March 2003, five months after the divorce was finalized, seeking both of them for questioning. He told me he cleared his own name several weeks later in a four-hour joint interview with the FBI and the ISI, and that his "contacts in the agencies" informed him that Siddiqui had gone underground. He had no idea where his children were, he said – a claim he would later contradict. He said he and his driver saw Siddiqui in a taxi in Karachi in 2005. But they did not follow her.

As we talked, Khan's father came and sat down and soon began answering questions for his son, who deferred to him. Eventually the father decided the interview

had gone on long enough, and so Khan walked me outside, where his two young daughters from his second marriage were playing on the lawn. One was named Mariam, the same name as his daughter with Siddiqui. I asked if he had given up on the possibility of the first Mariam coming home. Khan shrugged and said he just liked the name.

Fowzia lives in Gulshan-e-Iqbal, an affluent enclave of palm trees and high-walled compounds not far from Amjad Khan's home. When I called, she was about to hold her press conference and told me to come right over. "I got a video of the prison strip search," she said. "It's really gruesome."

I knew Siddiqui had been searched when she left her holding cell for preliminary hearings. She was still recovering from her gunshot wounds and had found the process, which included a cavity search, to be humiliating and extremely painful. I assumed Fowzia had somehow acquired a tape of the search. Images of a devout Muslim woman being stripped in the presence of Western prison guards would be offensive and inflammatory, and thus newsworthy, and could help Fowzia gain sympathy for her sister's cause.

Several TV satellite trucks were idling outside the house when I arrived, and in the living room three dozen reporters were watching the video, which Fowzia played on her laptop computer. I leaned in to get a better look and saw that it was indeed a strip search. But the woman was not Siddiqui. The video, taken from a U.S. television report on an entirely unrelated case, was meant to depict what Fowzia's sister might have gone through – not an outright deception but a well-timed ploy to shift attention away from the damaging claims of an angry ex-husband.

After the reporters left, we sat down to discuss the case in greater detail. Fowzia



kept steering the conversation away from questions about her sister's culpability and the whereabouts of her niece and nephew. Instead, she wanted to discuss Khan's perfidy. "He's on a lying spree," she said. "Let him continue!" Fowzia speculated that Khan was inventing tales about Siddiqui in order to save himself from prosecution, that he was a criminal who had been turned into an informant, that he could be trusted by no one. I asked her what proof she had that Khan had been involved in terrorist activities. She said she had none. But he certainly held extremist views, she said, and as evidence she produced a copy of the couple's divorce agreement and directed me to a proviso that Khan had inserted: "Under no circumstances would the children be admitted in any of the schools which render education in Western style or culture."

Fowzia's resignation about the missing children puzzled me, as had Khan's. When I asked her about it, she said, "I've coped by assuming the kids are dead." A few years ago, she explained, a Pakistani intelligence agent had come to her house and told her that Suleman, who had been born prematurely and was sick at the time Aafia disappeared, had died in custody. I asked her who the agent was, but she said he refused to give his name. (After I left Pakistan, Khan emailed me to say he had received "confidential good news" from the ISI that Mariam and Suleman were "alive and well" with Fowzia. When I asked if he could tell me more, he wrote back that he possessed "a lot of detailed information" about his children and implied they had been with the Siddiqui family all along, but he refused to provide any of that information "because I was forbidden by the agencies/my lawyer to do so for my own safety." Fowzia says she still has not seen the children.)

On my way out of Fowzia's house, I passed a boy who was watching television. It was

Siddiqui's eldest son, Ahmad, now twelve years old. After his arrest at the market in Afghanistan he had again vanished, and for a month U.S. authorities denied any knowledge of his whereabouts. In fact, he had been turned over to an Afghan intelligence agency, which held him for six weeks and finally sent him to Pakistan to live with his aunt. I waved to Ahmad. He said hello and then went back to the Bollywood film he was watching. "He hasn't talked in great detail about where he was," Fowzia said. "He tries to figure out what answer you want him to give and he gives that answer."

What most of us understand as human relationships, infinitely varied and poignant with ambiguity, criminal investigators understand simply as a series of associations. The mapping of "known associates" is an old and powerful investigative technique. But within the context of the global war on terror, the technique – known variously as "social-network analysis," "link analysis," or "contact chaining" – has been used less for solving crimes and more for preventing them. Using large computer arrays and the kind of automated data analysis that already dominate the world of global finance, investigators cobble together every scrap of available information in order to create what they hope is a picture not of a single true past but of an infinite variety of theoretical futures. In such a system, the universe of possible associations – and therefore the universe of possible detainees – also becomes unlimited. When the FBI detained more than a thousand Muslim immigrants in 2001, for instance, it provided judges at secret detention hearings an affidavit explaining that "the business of counterterrorism intelligence gathering in the United States is akin to the construction of a mosaic" and that evidence "that may seem innocuous at first glance" might ultimately "fit into a picture that will reveal how the unseen whole operates." The FBI

reasoned that even the possessors of this intelligence might not be aware of the significance of what they knew, and so they could be detained simply because the agency was “unable to rule out” their value.

It was precisely such a mosaic, in which none of the myriad connections were quite intelligible but all were laden with vague significance, that set off alarms at the FBI and CIA in the months leading up to the moment Siddiqui disappeared in 2003. In early 2002, the FBI became aware of a United Nations investigation into Al Qaeda financing that mentioned Siddiqui. A “confidential source” claimed he had “personally met” her in Liberia, where she was on a mission to “evaluate diamond operations” for her Al Qaeda bosses in Pakistan. Dennis Lormel, an FBI agent who was investigating terrorism financing at the time, told me the agency quickly debunked this specific claim. Nonetheless, the notion that Siddiqui was involved in money laundering had entered the picture.

Then, in late December 2002, two months after her divorce, Siddiqui flew from Pakistan to the United States, where she had a job interview at a hospital in Baltimore. On December 30, she made her way to nearby Gaithersburg, Maryland, and opened a post office box. She listed as a co-owner of the box a man named Majid Khan, whom she falsely identified as her husband. According to court records, the FBI began to monitor the box almost immediately.

On March 1, 2003, intelligence agents in Pakistan arrested Khalid Sheikh Mohammed, the alleged operational planner of the September 11 attacks. U.S. interrogators quickly elicited from him the names of dozens of possible co-conspirators. Among them was Majid Khan. Mohammed said he had assigned Khan

to deliver “a large sum of money” to Al Qaeda.

On March 5, the ISI arrested Khan, along with his pregnant wife. According to a statement by Khan’s father, “U.S. and Pakistani agents, including FBI agents,” interrogated his son for at least three weeks at a secret detention center in Karachi. What Khan told his captors is not publicly known, but by March 18 the FBI was alarmed enough to issue a bulletin seeking Siddiqui and her ex-husband for questioning.

On March 28, FBI agents in New York City detained a twenty-three-year-old man named Uzair Paracha, who had just arrived there from Pakistan to help his father sell units of a beachfront property in Karachi. His father also owned an import/export business in Manhattan, and Paracha worked from an office there. Khalid Sheikh Mohammed had planned to use the company, he told investigators, “to smuggle explosives into the United States.” Among the first questions agents in New York asked Paracha was whether he knew Majid Khan. He said he did. And there was more: he also had the key to his post office box.

At some point that same month, Siddiqui disappeared. Her family would not, or could not, give me a specific date. The last traces of her I found came from news accounts. On March 28, the day the FBI detained Paracha, the Pakistani daily Dawn reported that local authorities took Siddiqui “to an undisclosed location” for questioning and that “FBI agents were also allowed to question the lady.” Three weeks later, on April 21, a “senior U.S. law enforcement official” told Lisa Myers of NBC Nightly News that Siddiqui was in Pakistani custody. The same source retracted the statement the next day without explanation. “At the time,” Myers told me, “we thought there



was a possibility perhaps he'd spoken out of turn."

There was one final association to take into account. On April 29, the Pakistani authorities arrested Ammar al Baluchi, a computer technician they suspected was plotting to bomb the U.S. embassy in Pakistan. Baluchi was the nephew of Khalid Sheikh Mohammed. The FBI and the CIA suspected that he had provided the 9/11 hijackers with almost a quarter of their financing. They had also come to believe, as was later reported in an undated Department of Defense "detainee biography," that Baluchi had "married Siddiqui shortly before his detention."

The means by which we assemble such intelligence have become more sophisticated and also more violent. During his initial month of detention, Mohammed was waterboarded 183 times. Khan's father claims that his son was forced "to sign a statement that he was not even allowed to read," and Khan later attempted suicide, twice, by chewing through an artery in his arm.

The interrogations yielded a great deal of data, but it is unclear how useful any of that data actually was. Mohammed later said, "I gave a lot of false information in order to satisfy what I believed the interrogators wished to hear." Paracha told many contradictory stories, and Baluchi, who had maintained his innocence during his U.S. military tribunal hearing, later filed a statement saying, in effect, that he was proud of his involvement in the September 11 attacks.

The roles Siddiqui and Paracha played in the post-office-box affair may have been entirely innocent. Majid Khan said at his own military tribunal hearings that his travel documents had expired while he was in Karachi and he wanted to renew them. He asked his friend Baluchi to enlist

Siddiqui and Paracha to help maintain the ruse that he was still in the United States by establishing a mailing address. Khan and Baluchi both contended at Paracha's trial that he was ignorant of their ties to Al Qaeda.

Such intelligence may actually be worse than useless. In a 2006 Harvard study of the efficacy of preemptive national-security practices, Jessica Stern and Jonathan Wiener note that "taking action based only on worst-case thinking can introduce unforeseen dangers and costs" and propose that "a better approach to managing risk involves an assessment of the full portfolio of risks – those reduced by the proposed intervention, as well as those increased." Rather than understanding all intelligence as actionable, they write, "decision makers" should create "mechanisms to ensure that sensible risk analysis precedes precautionary actions." At the moment, no such mechanisms appear to exist. The leader of one FBI counterterrorism squad recently told the New York Times that of the 5,500 terrorism-related leads its twenty-one agents had pursued over the past five years, just 5 percent were credible and not one had foiled an actual terrorist plot. But the gathering of intelligence continues apace.

As I traveled from Karachi to Lahore to Islamabad, questioning family members, lawyers, and spies, I heard every possible story about Aafia Siddiqui. She was a well-known extremist. She was an innocent victim. She was an informant working for the United States or Pakistan or both sides at once. Most people continued to believe that she had been arrested by someone in 2003, but it was proving impossible to determine who actually apprehended her, or who ordered the arrest, or why. I interviewed an attorney in Lahore who swore he had seen a cell-phone video of the arrest that showed what he believed was a female CIA officer slapping Siddiqui



across the face. And as to her whereabouts before the arrest, the most persistent account – that she was held by the U.S. military in Bagram prison in Afghanistan – emerged from the testimony of two former detainees, one of whom, Moazzam Begg, was not even at Bagram during the years Siddiqui was missing.

One afternoon in Islamabad I met a recently retired senior Pakistani intelligence officer who had promised, if I agreed not to name him, to answer all of my questions. We spoke at his home, a gated mansion in one of the city’s wealthiest precincts. He had silver hair and a silver mustache, and he wore a gold pinky ring fitted with a large green stone. When I called to arrange the interview, he initially said he did not know why Siddiqui had disappeared. But he had since then contacted a friend at one of Pakistan’s intelligence agencies, “a very good chap” who had been “pretty senior in the hierarchy” when Siddiqui disappeared in 2003. Now, over the customary drinks and cookies, the retired intelligence officer recounted their conversation, the upshot of which was that Siddiqui had in fact been picked up by Pakistani intelligence and delivered to “the friends,” which was shorthand, he said, for the CIA.

“You people didn’t have the decency to tell me she’d been picked up?” he’d asked his colleague, referring to the jurisdictional problems that plague intelligence agencies around the world. “No, no, it was very sudden,” the colleague replied. “The friends, they were insisting.” My host told me that such insistence was irritating and disrespectful. “It was very difficult, very embarrassing for us to turn her over to you,” he said. “The decision was made at the highest levels. Bush and Musharraf likely would have known about it. After two to three days, we passed her along to the CIA.”

By the time our meeting ended, I was convinced that I had heard the definitive

account if not of Siddiqui’s reappearance then at least of her disappearance – until, after a fifteen-minute taxi ride later to a less fashionable neighborhood, I arrived at the home of Siddiqui’s elderly maternal uncle, Shams ul Hassan Faruqi, a geologist. As we sat in his home office, surrounded by maps and drawings of rock strata, Faruqi told an entirely different story. He said Siddiqui showed up at his house unannounced one evening in January 2008, a time when, according to the intelligence officer I had just left, she was supposedly in the hands of the CIA. Her face had been altered, Faruqi said, as if she had undergone plastic surgery, but he knew her by her voice. She said she had been held by the Pakistanis and the Americans and was now running operations for both of them against Al Qaeda. She had slipped away for a few days, though, because she wanted him to smuggle her across the border into Afghanistan so she could seek sanctuary with the Taliban, members of which Faruqi had known from his years of mineral exploration.

A few days later I heard yet another account, this one from Ahmed Rashid, a Pakistani reporter who has been writing about the Taliban and the ISI for thirty years. As I interviewed him, we were joined by his three golden Labradors, who had just been shaved bare to make the heat more tolerable for them. Rashid told me that he, too, had heard from his sources that the Pakistanis had picked up Siddiqui. But instead of handing her directly to the CIA, they hung on to her. “It’s possible there were some conditions being laid for her being released which the Americans didn’t want to meet. So we held her for a long time,” he said. “I think she was used as a bargaining chip for something completely different which we were pissed off about.”

Perhaps the most believable account came from Ali Hasan, senior South Asia resear-





cher for Human Rights Watch, whom I visited at his home in Lahore. “My professional view,” he said, “is they’re all lying. Siddiqui’s family is lying, the husband is lying, the Pakistanis are lying, the Americans are lying, for all I know the kids are lying. And because they’re all lying the truth is probably twenty times stranger than we all know.”

One of the chief conveniences of outsourcing is that certain costs are externalized. Pollution, for instance, is expensive. Manufacturers that pollute in the United States are required to bear its cost by paying a fine. If they outsource to a country where the cost of the pollution is borne directly by the people, they make more money. Such a transfer is obviously desirable from the point of view of the manufacturer, but it often generates political unrest in the host country, for reasons that are equally obvious. This phenomenon applies as well when the external cost of manufacturing intelligence is paid in freedom. The governments that did the outsourced work of U.S. intelligence agencies in previous dirty wars – in Argentina and Chile, Guatemala and Uruguay – eventually were toppled by popular protest, in large part because the people became aware that their leaders had profited from their suffering. Pakistanis today appear no less aware that this type of transaction is occurring in their country. Indeed, a recent poll found that the only nation they find more threatening than India, whose nuclear missiles point directly at them, is the United States. And they have begun to hold their leaders accountable for the association.

The rising number of disappearances became a decisive political issue in 2007, after Pakistan’s Supreme Court, under its chief justice, Iftikhar Chaudhry, opened hearings on behalf of the missing, demanding that they appear before the court. This initiative turned up the locations of

186 disappeared persons, many of whom were found in known Pakistani detention centers, including Imran Munir, a Malaysian of Pakistani origin who had been missing since 2006. During Munir’s hearing, it came to light that Pakistani security agents had continued trying to hide him even after the court demanded his presence. Chaudhry’s efforts to locate the disappeared were met with considerable resistance from the government. In March 2007, the chief justice himself was summoned to appear before Musharraf, where, with ISI and military chiefs present, he was ordered to resign. Chaudhry refused, and so Musharraf charged him with misconduct and suspended him from office.

In July 2007, a panel of thirteen judges reinstated Chaudhry, who quickly returned to his investigation of the disappeared. This time, he warned, he would order the heads of the security agencies themselves to testify. He also summoned Imran Munir once again, but before Munir could appear, Musharraf declared a state of emergency and put Chaudhry under house arrest. Lawyers around Pakistan, horrified to see the chief justice so flagrantly humiliated, rose up to demand his reinstatement. The Lawyers’ Movement, as it came to be known, was soon embraced by hundreds of thousands of Pakistani citizens, who marched in massive protests, and Musharraf, in the end, was the one who had to resign.

The current president, Asif Ali Zardari, gained considerable momentum in his election campaign by pledging to reinstate Chaudhry. But once in office, he hesitated to follow through on that pledge, likely because he was concerned that the court would reopen a series of corruption cases against him. The marches grew larger, though, and on March 16, 2009, while I happened to be in Pakistan, Zardari finally reinstated Chaudhry, along with several other similarly deposed justices.



I joined the hundreds of supporters gathered at the chief justice's house in Islamabad. Families came with children, people waved placards that bore Chaudhry's image, and a marching band with bagpipes played. Chaudhry had always maintained that his struggle was legal, not political, but the scene had all the markings of a post-campaign victory celebration. I made my way along the receiving line until I reached Chaudhry, who was surrounded by the leaders of the Lawyers' Movement. He had been shaking hands for several hours, but I thought I would try to ask a question. When I reached him, I took his hand and asked him when he planned to take up the missing-person cases with which his name had become synonymous. He paused, as if parsing the political consequences of his answer. "I don't know," he finally said, and giggled uncomfortably as his handlers, looking equally uncomfortable, hustled me down the line.

It is the shooting, oddly enough, that has generated the most detailed evidence about Siddiqui's present circumstances. After the confrontation in Ghazni, she was choppered by air ambulance to the Craig Joint Theater Hospital at Bagram air base – the same base, of course, where she may or may not once have been a prisoner. Her medical intake record notes that she was a three on the fifteen-point Glasgow Coma Scale, meaning she was almost dead. The surgeons opened her up from breastbone to bellybutton, searching for bullets. They cut out twenty centimeters of her small intestine. They also gave her transfusions of red blood cells and fresh frozen platelets and dosed her with clotting medication, which suggests she had experienced heavy blood loss. "FBI agents in room with patient at all times," the medical record stated. "Patient is in four-point restraints." In the span of just two weeks she went from near clinical death to being deemed "medically stable and capable of confinement." The doctor witnessed every detail of

her recovery. "Details of pertinent medical findings: Very thin, sallow coloring, dry cracked lips," and also "flat affect, crying at times."

From that point forward, however, the clarity of medical detail is clouded by legal concerns. Siddiqui had no lawyer during her two weeks at Bagram or on her flight to the United States. The day after she landed, she was in a Manhattan courtroom, facing charges of attempted murder. In allowing her to be transported to the United States without even a consular visit, her own government, notwithstanding its public pronouncements of support and calls for repatriation, effectively gave her up without a fight. The Pakistani embassy eventually hired a team of three attorneys to augment her two existing public defenders, but Siddiqui refused to work with them. During a prison phone call in June, she told her brother, "I just protest against this whole process and don't want to participate."

The only people Siddiqui seemed to trust, strangely, were the FBI agents who sat by her bedside at Bagram, and whose presence she repeatedly requested in the apparent belief that if only she could speak to them for a moment she could clear everything up. According to notes taken by the agents, she was voluble during those early days of her detention in Afghanistan. She said she "made some bad decisions in the past, but mostly did so out of naivety." In contrast to her later statements, she confirmed that she was married to Ammar al Baluchi, whom she met when his sister rented a room at her mother's house, and that Baluchi had asked her to help his friend Majid Khan with his immigration problem. She admitted having possession of chemicals including sodium cyanide at the time of her capture, though "not for nefarious purposes," and she said that she had been "in 'hiding' for the last five years" and "aware that various law enforcement



agencies had been looking for her.” She had little to say about her children. “She finds it easier to presume them dead,” the agents noted. She also volunteered to become a U.S. intelligence “asset” in the hope that she could find the “truth to the inner depths.”

It is uncertain what the defense’s theory of the case will be when Siddiqui goes on trial this November. Perhaps, as one of her lawyers told me, she never even touched the gun. Perhaps she acted in self-defense. Or perhaps, as another of her lawyers claimed at an early hearing, “she’s crazy.” In this last matter, ambiguity is once again the rule. Four prison psychiatrists examined Siddiqui. Two of them determined she was malingering, the faked illness being insanity. A third said she was delusional and that her behavior was “diametrically opposed to everything we know about the clinical presentation of malingerers,” and the fourth psychiatrist initially diagnosed her as depressive – and possibly psychotic – but later switched to the malingering camp. Siddiqui’s own contribution to the debate came in the form of a rambling letter, written last July to “All Americans loyal to the U.S.A.,” in which she proclaimed her innocence, decried the propaganda being spun against her by the “Zionist-controlled U.S. media,” and alleged that she spent years in a prison “controlled by the ‘Americans,’ of the kind that control the U.S. media.” Later that month the court ruled that she “may have some mental health issues” but that she was fit enough to stand trial.

Aafia Siddiqui is not presently charged with any act of terrorism, nor is she accused of conspiring with terrorists or giving comfort to terrorists. Her trial is unlikely to yield satisfactory answers about where she was, who picked her up and why, or even who she really is. Maybe she was working for the United States, or Pakistan, or maybe she was just in the United States looking

for a job and committed a minor bit of immigration fraud that catalyzed a violent farce. One FBI official told *U.S. News & World Report* in 2003, “There’s a distinct possibility she was just a victim.” Perhaps Aafia Siddiqui is guilty of nothing more than poor choice in men. We simply do not know, and the system in which she has found herself ensures that neither will her captors.

The person who seemed best able to explain what really happened to Siddiqui, her sister, Fowzia, remained elusive until my last day in Pakistan. At our first meeting she had promised to pull together all sorts of evidence of her sister’s innocence, but by the time she finally agreed to meet again, my bags were packed and my plane just hours from departure.

She said she avoided me all these weeks because she’d been told by “multiple people” that I worked for the CIA. “All you want are documents,” she said. “I just want someone who can listen.” Then she dragged out a family photo album and started showing me pictures of her sister with various animals: goats, a camel, the family cat. “Aafia loved animals,” she said.

Then she opened a more formal binder. She flipped to a grainy photocopy of a woman lying on a bed. The woman bore a striking resemblance to Siddiqui, only she looked younger and softer, as if she’d been airbrushed; sitting at her bedside was a young man – Fowzia wouldn’t say who – and mounted on a wall behind her was what appeared to be the seal of the United States government. The seal, Fowzia said, proved the picture was taken in Bagram, but she wouldn’t say why it proved this, and before I could inspect the image any further she flipped the page and wouldn’t let me look at it again. “I’d love it if a real investigator would come and devote himself to the case,” she said. “You know, really work on it.”

## Afterword

by Petra Bartosiewicz

---

*Aafia's case was from the start an enormously intriguing mystery. She was one of the most wanted women in the War on Terror, she'd gone missing for five years, and then she'd suddenly reappeared under bizarre circumstances. I first started following the case in 2008 when she showed up in a federal courtroom in New York City charged with the attempted murder of U.S. soldiers in Afghanistan. There were rumors that she'd been held in secret by Pakistani or U.S. intelligence during her missing years. Yet here she was, in the middle of a bizarre shooting case, with no terrorism charges being brought against her. I saw her case as an opportunity to explore our intelligence gathering system in the War on Terror, and the public court record and her trial provided a window into this normally very secret world.*

*Terrorism cases unfold with great secrecy in the U.S. Key documents are often sealed by judges or withheld in the name of national security by law enforcement and intelligence agencies, and are therefore shielded from the public, or even, in some instances, the defense attorneys and prosecutors. One of the ways to obtain public records has traditionally been through the Freedom of Information Act (FOIA), which has been around since 1966 and has served as a powerful investigative tool for both journalists and the public at large. Sometimes when agencies decline to provide the requested information, journalists have to resort to legal action. Large news organizations have staff attorneys devoted to pursuing Freedom of Information requests in the*

*courts, but freelancers or smaller publications have found legal support by partnering with groups that litigate these issues, for example the American Civil Liberties Union, which does a lot of its own records requests on a wide range of issues. Of course, not all types of information are subject to FOIA, and those guidelines vary by country. This was the situation with Aafia's case, where the largely classified nature of the records I was seeking meant that filing FOIA requests would have been unlikely to yield much useful information.*

*Despite all the secrecy, there was also a copious public record. In addition to the trial transcript and court documents, by the time I began my reporting there were hundreds of news articles I could refer to on Aafia's case, both domestic and international. When I found sources that linked Aafia to a number of detainees at Guantanamo, I read publicly available reports on detention conditions, and the memoirs of some of the detainees themselves, which contained details on the network of relationships that made Aafia so interesting to law enforcement. To get a better understanding of the broader context in which her case was situated, I read up on how the global War on Terror was being fought by U.S. and Pakistani intelligence agencies (particularly helpful were Steve Coll's *Ghost Wars*, Lawrence Wright's *The Looming Tower*, Jane Mayer's *The Dark Side*, and Ahmed Rashid's *Descent into Chaos*).*

*I've found that for document research the Internet is a great resource, especially*



*in the early phase of reporting, but it's only the tip of the iceberg. To this end, research librarians are one of the world's most underappreciated assets. They know where all the data is hidden. If you're working a beat, it's useful to know what records are available in your subject area. That said, most of my reporting happens through interviews, which I prefer to do face to face whenever possible. My rule is, take detailed notes and flesh them out as soon as I can after the interview. Talking to as many people as possible is the best way to ensure you'll get lucky in terms of finding good sources. It's often that last phone call on the list that leads to the best information. That's why I always ask*

*people whom I interview, who else can I talk to?*

*Before I start writing, the outline is key. I can't write a story unless I know where it's heading. The biggest difficulty in writing about Aafia's case was figuring out how to frame a story that did not fit the traditional investigative reporting mold – we knew from the start that the likelihood that we would uncover “what really happened” to Aafia and her children was slim. In this sense I was fortunate to work with a skilled editor who helped me to turn the mystery of Aafia's case into a broader inquiry into the vagaries of our system of intelligence gathering in the U.S.*



## B.

### Hearts, minds and the same old warlords

**Go up close to what's happening in Afghanistan – for example, in the city of Kandahar – and you find crime, corruption, tribal conflict and ordinary people powerless to resist the armed might of the militias. No happy ending is in sight**

by Stephen Grey

---

---

### Introduction

*The most influential war correspondent of the second half of the 20th century was surely Michael Herr, who through his book *Dispatches* and his involvement in the films *Apocalypse Now* and *Full Metal Jacket* defined the reality of the Vietnam War as well as it could be defined for anyone who wasn't in it. Stephen Grey's work (much of which is collected at <http://www.stephengrey.com>) reminds me of Herr in its rich texture, its immersion in the environment of war and in the people who make and live in war. But Grey's ambitions go beyond Herr's stunningly intimate portraits of ordinary soldiers. Grey is also seeking the strategic implications of the acts and personalities he covers. Herr's war seemed endless, frozen in exhilaration and horror. Grey is always pointing to what comes next. His afterword*

*can be read, among other things, as a reminder of how singular and personal reporting can be. I'll admit it: Grey rejects key tenets of investigative reporting that I support. Though he has a method of writing, it doesn't rely on organising facts; it relies on absorbing them. That surely explains why his work seems, above all, deeply felt. We differ on another major point. I personally think that investigative reporting is meant to change things. Grey doesn't allow himself that illusion. That is refreshingly honest, when you've heard the directors of documentaries on various wars declare, as they accept a prize, "If this film helps stop wars I will be glad." So would we all, but it won't happen. Grey knows that, but it doesn't keep him from trying to understand the phenomenon of war in our time.*

*First published in *Le Monde Diplomatique* (France) July 4, 2010*



**K**andahar, Afghanistan. We visited the snooker club at the Kandahar Coffee Shop. It didn't sell coffee. And I can't play snooker. So we ordered burgers and filmed street life from the terrace: the traffic went around the roundabout and a manic flock of doves circled a hundred feet above. US soldiers drove by in huge armoured trucks, policemen stopped white Toyota Corollas and searched their trunks for bombs, and gunmen of every species drove around in their SUVs and pickup trucks.

Round the corner was our hotel. Half of it was destroyed earlier this year when a man walked past, pushing a bomb on a cart. He was heading for another target but when challenged by police, he and his cart – and the side of the hotel – were blown up. The bomb was detonated by the policemen's shots. The hotel owner is busy rebuilding. He's expecting an influx of journalists and trade when Nato conducts what until lately was called the "summer offensive" or even "the battle for Kandahar" but now, causing confusion, is just a "complex military-political effort".

Everyone is still playing up the game in line with a recent ABC News headline, "Campaign for Kandahar May Be America's Last Chance to Win Over Afghans". On a visit to Kandahar, Admiral Mike Mullen, the chairman of the US joint chiefs of staff, described the city as "as critical in Afghanistan as Baghdad was in Iraq in the surge".

Sadly for the US, almost everyone supports the Taliban rebels. Even Nato commanders. A senior officer said: "If I was a young man, I'd be fighting with the Taliban." In this heartland of the Pashtun people, the idea of being a stooge to foreigners or an unpopular Kabul government hardly appeals to the young unless there's serious money involved. They ask themselves if they want to take the money and work

with foreigners, or fight and risk a courageous death. Most people loathe those who work with the government.

I met a professional man in his 50s, a generation that dominates the administration (they were in their 20s when the Russians were here). He has a long flowing beard. "That's because he's a communist," said my Afghan companion. "The people that ISAF appoint, most of them are communists." (ISAF is the International Security Assistance Force, the Nato mission in Afghanistan.) "They support Lenin and Marx?" "No, not at all, but they were the ones that collaborated with the Russians. We call them the communists."

"They're still in power?" "Yes, they like working with foreigners. They're all communists. Many of them got educated in Russian too. We all despise them."

"And the beard?" "Oh they do like their beards. They're trying to cover up their past."

### **Who is fighting whom?**

In the coffee shop I talked with my Afghan partner-in-crime, with me to make a film, about whether anyone really has any idea of who is fighting who. There are plenty of assassinations, kidnappings and bomb blasts. The journalists, who like a straightforward narrative, blame the Taliban. But locals say there are other darker forces at work, including crime bosses and the armed militias of warlords in league with the government.

For Nato soldiers, the fight is confusing. General Stanley McChrystal – their commander until President Barack Obama accepted his forced resignation last month, the result of his candour – told the troops that, in the counter-insurgency campaign, their primary goal is not to kill



or even defeat the Taliban but rather to secure the population. The enemy is not even the Taliban, said Major-General Nick Carter, the British general in charge of the Kandahar campaign, but rather a “malign influence”, a code for corrupt government. McChrystal was unpopular with his troops. To protect the population, he asked them to avoid the escalation of force – firing on cars that appear to be charging towards US convoys, or making night raids at nights on homes.

I asked a US sergeant, when I joined his US convoy heading down a road near the city, about McChrystal. “Don’t get me started,” he said. I got him started: “I’m just not going to risk the lives of my men. I’m not going to let them down. If they’re in danger we’re going to protect ourselves.” But what had been wrong with McChrystal? “He doesn’t understand this place. He doesn’t realise that people don’t respect weakness out here at all. We’re not gonna win like this.”

### **‘No government here’**

From the rhetoric of commanders, you might believe that Nato and the Taliban were fighting on the same side – natural allies even as they are rivals to deliver security for the people fight corruption. That is the theory. But, in reality, the main effort of tens of thousands of US troops is to find ways to kill or beat the Taliban. The troops are brilliant fighters, and often very principled. But, however hard they try, they are not good anthropologists or development experts. And when they fight, they do so only by consent of the Afghan government they say is corrupt.

Nowhere are these contradictions more evident than in Kandahar. “If we told you what’s really happening here, we would not last the night,” said an elder of the province, speaking to President Hamid

Karzai at a tribal gathering in the city. Another added: “It’s too easy to blame the Taliban.” Shahida Hussein, a human rights activist, said the government and Nato are in league with the bad guys: “If someone kills someone, the government itself says don’t touch him, don’t bother him, he’s our friend, he’s our relative, he has a connection with us. There is no real government here. Kandahar is run by people in the drugs trade, armed with weapons and backed by foreign countries.”

I asked Falaq Safi, a senior investigating prosecutor in the city who was the bigger threat to security, the militias or the Taliban? He answered: “It’s hard to say... Sometimes the threats are from the Taliban, but mostly they are from people whose own interests are being undermined. People are more afraid of the private militia and those who have illegal weapons.”

Hearing that sentiment, and often, makes it comprehensible why the Taliban seem like the solution. The movement was a born in a village just outside Kandahar and from people’s need to combat corruption, restore basic security and a cohesive government, and have rulers who obeyed moral and religious principles. They fought the same warlords who have now returned, and who rule with what appears to all as the blessing of the US.

On a drive to the main Nato base inside the city, the Provincial Reconstruction Team, where development and “mentoring” are coordinated, we passed wide gates that led into a large military base. Our taxi driver told us this was the “commando compound”; it had a dead dog hanging on a rope from an outside wall. The base is run by a private militia, an armed force said to be controlled by Akhtar Mohamed, accused of being henchman to Ahmed Wali Karzai, the brother of President Hamid Karzai. AWK, as he is known by Nato,





or K2, as he is called by others, has the reputation of a mafia godfather – accused of raking money from coalition contracts, running intimidation rackets, squatting government land, and being a kingpin in the heroin trade. He denies it all and says he is a victim of libel by his enemies.

Militias are everywhere. Even the PRT and other Nato bases are guarded by militias.

A senior figure told us his nephew had just been recruited to work with the Americans, and had been allocated \$36m to recruit militias round Kandahar province. “Of course he’s working with the warlords. They’re the ones who will supply all the people. He has to get involved with the worst kind of criminals.”

The talk at village meetings is what the Americans call the “local defence initiative” or LDI. The people call them militias. There are complaints that these forces extort money and arrest people. An elder in the Arghandab district, near Kandahar, said: “These militia are from local tribes. They don’t care about their country. They are just concerned about money. Because of these local militia our government is not improving. Security is worse now.” At another shura (council meeting) at a US base, we heard: “We can’t tell who’s militia or Taliban; they’re all holding guns, they don’t have uniform.” An Afghan Army commander, working with the Americans, had a solution: set up a militia to handle security. “Look, you know the good and bad guys in your village. It’s entirely up to you how you rule them. I’ll support you and provide you weapons and salary. At least provide security for yourself.”

### **Chance encounters only**

Rather than scaling back, the US is expanding the militias. Some aren’t impressed: “I was with the army for two years and so the

Taliban became my enemy. I am afraid of them. Now you say you will give me a gun – but tomorrow you will take it away. By then I will have even more enemies.”

We filmed that militia, who looked Taliban except they had no beards and wore fluorescent yellow belts over their shoulders, and a red rags on their rifles, to distinguish them from the enemy. One of their leaders said they are independent of the Americans and aren’t paid by them. “They have asked us to join them but we said no. We work with them sometimes but only for the sake of our village. Everyone here is happy with us, if you have any doubt then you can go and ask the people from these villages.”

I was going to talk to US Special Forces, since many sensible people argue this local solution to the Taliban is an essential way forward. But the visit was cancelled. Only “chance encounters” are allowed with Special Forces. Any “pre-planned” interviews have to be approved at a high level, and I wasn’t approved. Too sensitive a topic. The term “militia” is a dirty word, suggesting paramilitaries in central America and Iraq, implying these men are “irregular” and outside the regular structures of the Afghan government.

In Kandahar, we met an Afghan working with the Green Berets who said the process was being conducted in secret. “These militias have not yet been introduced to the Afghan government,” he said. “They obey our orders, American orders. Unlike President Karzai, who does his own thing.” Colonel Wayne Shanks, chief of public affairs for the US Army in Afghanistan, told me: “ISAF and US Special Operations Forces do not support militia groups. We are acutely aware of the history of militias in this country and remain confident that any security programme must be connected to the government.” As for the LDI, “this is purely a defensive programme,”

said Shanks. “The villagers are not paid nor do they have the authority to make arrests. If villagers detect insurgent activity, they notify Afghan police or ISAF forces. Our information indicates that members of this programme are selected by village elders, wear distinctive reflective belts and are known by village residents.”

Behind this is a serious but sensitive debate about what kind of security force can be successful in this war. Few are convinced that the corrupt Afghan police or the Tajik-dominated, northern-biased Afghan National Army can quell this rebellion in the Pashtun-dominated south. Military blogs and journals are full of articles by special operations officers on the quest for a “third force”, perhaps different tribal forces that can preserve security when US troops start to withdraw in 2011. Some of the American Special Force units, particularly the Green Berets, have a history of raising and working with irregular units. They were set up by President Kennedy to do this in Vietnam.

What few have grasped is that the switch from an “enemy-focused” conventional military campaign to a “population-focused” counter-insurgency (COIN) campaign is not a soft option. The doctrine of COIN, emerging from Malaysia, Vietnam, Oman and central America, emphasises not only overt measures to win the hearts of the population. COIN also means security measures to control dissent and separate the population from the insurgents. It has meant massive forced migration, death squads and militias.

I hear sensible people talking of winning this war “one tribe at a time” with the use of irregular forces. Locals remember the Russians tried to use militias too, as they tried to prop up the last communist prime minister, Mohammad Najibullah. Whatever is done has to be done very carefully. The concern in Kandahar is that the creation

of these forces, whatever the intentions, will mean handing back guns to the bad old warlords.

## Who is in control?

If not the Taliban, who is really in control? Nervous local journalists recall a reporter, Jawed “Jojo” Ahmad Jojo, who asked too many questions about militias and their links to Americans. They claimed that first he was sent to Bagram airbase, then he was released but wouldn’t keep his mouth shut. So eventually he was killed, not far from our hotel. The reporters also mentioned a colleague, Abdul Samad Rohani, a BBC stringer in Lashkahr, the capital of neighbouring Helmand. He was digging into the connections between the Afghan police, local militias and the drugs trade. The police chief at the time was said to have warned him off. Then he was killed.

But there is no proof of these connections. We tried to find out about the most notorious crime committed by a militia in Kandahar, the murder in June 2009 of the chief of police, Matiullah Qateh. It was officially investigated by a prosecutor based in Kabul and that has provided rare clarity about a militia force known as the Kandahar Strike Force.

This is what we discovered: Qateh was gunned down in broad daylight along with other senior policemen, by a militia, based at the US Special Forces and CIA base known as Camp Gecko, around the former home of the Taliban supreme leader, Mullah Omar. The militia had gone with US-supplied uniforms, weapons and vehicles to a local courthouse to try to force prosecutors to release one of their members from jail. Brigadier-General Ghulam Ranjbar, a senior military prosecutor in Kabul who investigated the case, told us he had issued an arrest warrant for a US Special Forces commander, known



only to him as “John” or “Jonny”. He said all the militia members arrested after the killing had claimed Jonny sanctioned the raid to free their imprisoned comrade. (He did not suggest the Americans ordered or approved the killings, but said they were guilty of creating an outlaw unit and had refused to cooperate with his investigation.)

According to his investigation, and other witnesses in Kandahar, the militia from Camp Gecko could never have left the base in full uniform unless their mission had been approved. But a US spokesman said: “No US or coalition forces were involved in the attack; the guards were not acting on behalf of US or international forces.”

Ranjbar said: “If you go to Kandahar, people say these guys pretend to be interpreters but carry out night raids and assassinations.” And the militia who carried out the raid were not just a team of guards from Camp Gecko. Instead the men involved claimed to be integrated into Special Force activities, participating in arrest raids on enemy targets by day or night.

We had been told about a more recent death, of a young man, Janan Abdullah, 23, who was killed by grenade and gunfire, and his wife paralysed, during a raid last November led by American soldiers, according to Abdullah’s family. They said the Afghans did the shooting. “We were surprised. It was our own people – Pashtuns – doing this to us. They were so cruel to us. We thought not even the Americans can be this cruel. It was those from our own country doing this to us.”

The family said they had no idea why their home or Janan was targeted. They heard later it was a mistake. A US spokesman could find no record of the incident. But the independent human rights investigators who studied the case linked the force involved to Camp Gecko. This was also where injured family members were taken.

## Every place has a king

Ahmed Wali Karzai’s name was the one we heard most often. “Every place has a king and you know better than me who is king of Kandahar,” said Shahid Hussein. “It is Ahmed Wali Karzai, and he is not doing it just because he is the brother of the president; he is doing it because he is backed by the Americans.”

Locals explained that the two powerful tribes in the city are the Popalzais, led by the Karzai family, and the Barakzai, led effectively by the family of the former governor of Kandahar, Gulab Agha Sherzai, whose militia joined US Special Forces in capturing the city in 2001. Although Sherzai is now based in the eastern city of Jalalabad as governor of Nangahar province, he retains influence and his brother, Major-General Abdul Razik Sherzai, remains in Kandahar, doubling as a head of a construction company and a wing commander of the Afghan Air Force.

Both the Karzais and the Sherzais are said to monopolise lucrative contracts with Nato – from renting land and buildings to coalition troops, to furnishing supplies and staff, implementing vast development projects, providing intelligence to agencies like the CIA and guarding coalition bases and Nato supply convoys. And providing militias to work beside Special Forces. A police commander said: “This is a tribal war here. The people support the Taliban because certain tribes are seen to get all the jobs and all the influence.”

Karzai was first mentioned to me when a group of villagers arrived a police station and started haranguing the local police chief. They claimed an armed warlord was trying to evict them and bulldoze their village. The land belonged officially to the government. And the commander was both a relative to, and acted in the name of, Ahmed Wali Karzai.



Akhthar Mohamed, the man who ran the “commando base”, is said to work for the Karzais: he was first to arrive at the scene of the murder of the police chief and his exact role was never clear. He has never been arrested over the killing. Sources we interviewed inside the militias said Mohamed played a key role in recruiting the gunmen who worked with the Americans. He was a Popalzai and came from the Karzai home village of Karz. Senior Nato commanders, off the record, call him a “malign actor”, but the US in Kandahar is totally dependent on him, and US contractors and special force commanders regularly visit his home.

### **Power vacuum**

After Qateh’s murder, 41 members of the Kandahar Strike Force were arrested and jailed. All have now been convicted, some given death sentences. Ahmed Wali was organising a campaign for them to be released on amnesty. Families of the victims had been persuaded to sign an appeal for clemency. But 300 other members of the militia were still free. Ahmed Wali confirmed in a telephone conversation that he supported an amnesty. He said he had no involvement in militias and there were none in Kandahar. The city was under the rule of law. Karzai berated me from not coming to see him while I was in Kandahar.

A senior lawyer at a courthouse said it was a stressful time as an inspection team had arrived from Kabul: there were alle-

gations that they were demanding a bribe of tens of thousands of dollars. Officials in the prosecutor’s office complained the bill was too high: “Business is not that good. We’re not getting that much in.” The senior lawyer was laughing because he had heard the British were going to quit Helmand and come to Kandahar. “This is great news. You have done such a great job and have beaten the enemy.”

When the British came to Helmand in 2006, they arranged beforehand for the governor of the province, Sher Mohamed Akhundzada, to be removed from his job. Like Ahmed Wali, he was a warlord accused of involvement in the drug trade. That was disastrous. Helmand had been propped up by Akhundzada’s militias. As they were stood down, a power vacuum developed. Many simply joined the Taliban or stood back as the rebellion took hold. Now – despite four years of fighting – it is the most violent and unstable province.

In Kandahar, talk of “removing Ahmed Wali”, or the militias, seems pointless without deciding who would take over. There were reports that the US was seeking to work with Ahmed Wali. They couldn’t think of a way to get rid of him safely. And that’s the trouble with the big strategy. Ahmed Wali is not the problem. He’s not the only power broker around. The problem is that, after so many years of involvement, the West has still to find a workable strategy for political intervention, for dealing with warlords and corrupt people. Instead of tackling the roots of the issue, we are left with work-arounds.



## Afterword

by Stephen Grey

---

*I have been trying to cover details of the war in Afghanistan since 2007, so I was familiar with many of the issues and the players involved. This story began as an attempt to see what I could do to develop the issue of the campaign of raids by “Special Forces” in Afghanistan that appeared to exact a heavy toll on civilians.*

*As I looked into that I became more and more intrigued by the role played by special militias that accompanied US forces. I discovered not only that this was an under-reported story but that it was playing a growing role in the war.*

*This wasn't an easy story to cover but I settle on the southern city of Kandahar as the place to do it. This also had the virtue of allowing me to look at the role played by the brother of the President of Afghanistan. It appeared he had a major role in recruiting and running these militias with the Americans.*

*So a very broad story idea was gradually refined into a much tighter objective.*

*I didn't have much success with documents. Most of the subject I was looking at involved classified operations by the US, inaccessible even to FOIA requests without some great resources to fight the case. We did file on one raid by US special forces that took place in mid-2007. As of time of writing, May 2011, we are still awaiting a response to the FOIA request, despite a great volume of correspondence. As for Afghan documents, again there is not much either written down or accessible, or I didn't have any good experience to get*

*hold of it. In the UK, where I live, there is a new FOI Act, but typically not of great value in exploring national security topics, since there are great exclusions built in that prevent releasing the type of information I am after. So most of my efforts were concentrated on traditional reporting based on eye-witness and shoe leather and, in this case, air miles.*

*My first step was to get resources to cover my story. For this I decided to try to make both a film for television and write about it for print in the Sunday Times and later Le Monde Diplomatique. So I managed to get funds from Channel 4's Independent Film Fund and also from the Sunday Times to make the trip.*

*Finding and raising all the money to spend the length of time I need on the work I do is the hardest thing. I do it by working for several outlets and raising money or help from each. But that is hard work, not only to organize in the first place, but to make sure you produce*

*I always start with a simple one sentence objective for investigation and then – after scouring all the material written already after consulting the Internet and databases – write up a simple ‘State of Knowledge Memo’ that summarises in just a few pages what are the key pieces of information already known, the key ‘known unknowns’ and how I propose to uncover those.*

*My approach reporting in this conflict zone is to use an insider-outsider approach, which means to get as deep inside the*



subject I am investigating as possible, so as to acquire real testimony, while at the same time taking great care not to become so “embedded” with any subject that I lose perspective. So I am also organising practical steps to obtain an outsider perspective.

One of the most important points was to recognize my limitations – in languages, culture and personal security. I knew I had to work in close partnership with others, in particular Afghan journalists who could help me.

So from the beginning of this project I decided to work with a London-based Afghan journalist/producer (Najibullah Razaq) and we pooled resources and travelled out together to Afghanistan.

We worked out that there were particular dangers in looking into this story if we worked directly with local assistants/journalists, and that it was far too dangerous to carry out impartial investigative work into the powerful criminal groups operating in Kandahar.

In difficult and foreign territory, you only succeed with the help you find. So, building a team is the key. It's not about getting ‘glory’ as a reporter. How to find good people? First be prepared to consider team work, rather than making yourself the star of all you work on. Second, try small assignments out with people before you engage them with your major project. That way you know who you are dealing with.

Because of the conflict zone I was in, I had to make a security plan with Najib about how we would propose to look at this subject reasonably safely. I consulted widely on safe operation in Kandahar. I also went on a (refresher) safety course paid for by the Sunday Times for techniques of operating in a hostile zone.

As we researched this I wrote regular updates that summarized what we had found so far.

I would mention that it's a great benefit not only to spend time on the subject but consider ways to approach the subject from multiple angles. I was able to gain substantial access to events in Kandahar by exploiting the security provided to me by taking part in NATO's ‘Embedded Journalist’ system. My partner on the project, Najib, meanwhile spent time ‘unembedded’ reaching contacts and places that I could not reach safely and planning a program for me. Then when I did leave the US embed system and moved into a hotel ‘un-embedded’ and independent in the city, I was already fully informed about the security situation and had a plan in place to do the reporting we needed to do in as swift and efficient manner as possible to gather information we needed without exposing myself, or more likely those who were helping us, to reprisals.

The hardest thing was getting stuck due to Icelandic volcano clouds on the way home and then having all my kit stolen at Geneva Airports. It depresses you being a freelance when you have wrestle with such problems largely alone.

When I write, having studied a subject, written memos, summaries and all sorts, I then put everything to one side and start with a blank piece of paper and write from memory - cross-checking facts and quotes afterwards. It's a way of cutting to the heart of things and allowing your intuition to sift out all the extraneous details that clog up and prevent the story from flowing. Or I go and explain the story to someone (an editor or a friend) and the act of trying to interest them or explain it, I feel my way to a coherent way of capturing the essence of things. Immediately after the conversation I write down what I remember of how I



*explained it. Another way is taking a tape recorder and just dictating something.*

*After delving deep into the weeds of a subject, these are all ways of extricating yourself and trying to imagine yourself in the position of being a reader who is not familiar with anything about your subject.*

*This is a major conflict and I was glad to shed some light on parts of what is occurring. The reports and film I did apparently caused quite a stir on the Afghan TV and radio airwaves and in Kabul,*

*with President Karzai vowing to crack down on the operations of militias, which he has to some extent since. I'm not aware of anyone challenging the report's accuracy.*

*I did not do too much to publicize the story, apart from mentioning it on my home page. I also submitted in an entry for some awards, one of which was successful. However, my aim is not really to make an impact. I am trying to understand what is happening, and journalism gives me the freedom to explore that I enjoy.*





United Nations  
Educational, Scientific and  
Cultural Organization

## Communication and Information Sector

Following the successful launch of *Story-Based Inquiry: A Manual for Investigative Journalists* (UNESCO 2009), which has been adopted by many journalism programmes in the Arab States, Asia, the United States of America and the Russian Federation, we are pleased to present *The Global Investigative Journalism Casebook*.

Designed with users in mind, the Casebook serves as a complementary material for training purposes. It will also enable and enhance the exchange of good practices and networking in investigative journalism throughout the world. The Casebook contains more than 20 recent investigative stories from nearly every region of the world, covering a wide variety of topical subjects and of special interest to UNESCO such as freedom of information, good governance, social and legal issues, the environment, health and gender to name but a few, each followed by an explanation of how the authors conducted their research and the writing of the piece. Many of the authors belong to the Global Investigative Journalism Network, and their stories exemplify the cutting-edge techniques and high standards developed within this network.

At a time of a widening communications ecosystem, journalism today needs to clearly show its key value-add to the public interest. In this light, credible investigative stories, like the kind promoted in this book, are increasingly pivotal to public confirmation of the continuing importance of professional journalistic work in the coming years.

**Jānis Kārklīņš**  
Assistant Director-General  
for Communication and Information  
UNESCO



9 789230 010898