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Public Corruption and the Egyptian Revolution of January 25: Can Emerging International Anti-Corruption Norms Assist Egypt Recover Misappropriated Public Funds?

An article in the series on the aftermath of Egypt's February 2011 Revolution
and the possibilities for legal and constitutional reform.

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The January 25 Revolution, as Egyptians call it, is the fourth Egyptian revolution in the last 130 years. The modern Egyptian national movement has consistently sought three goals: self-government in the basic sense of allowing Egyptians to be in charge of public offices; independence in the international community and effective domestic sovereignty, in particular with regard to the national economy and the ability to secure a more egalitarian distribution of national wealth and income; and governmental accountability to the people of Egypt. While Egypt's prior revolutions secured, to a certain extent, the first two goals, contradictions between the desire for national

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independence and the desire for democracy ultimately led to the Free Officers' Revolution of 1952. The Egyptian people discovered, however, that in the absence of internal democracy, it was impossible to preserve the gains of the previous revolutions. The January 25 Revolution therefore affirmed the centrality of democracy to the Egyptian national movement, not just as a utopian goal—one whose practical implementation would be indefinitely deferred—but rather as the foundation for a modern, independent, and prosperous Egypt.

The Mubarak regime was the last breath of the Free Officers' Revolution. The Mubarak regime systematically stifled the development and maturity of democratic and egalitarian norms which are immanent in Egypt's modern legal and political history, even as the regime paid increasingly grotesque lip service to democratic forms. The spread of corruption and torture represented the grossest and most palpable failures of the regime to live up to the aspirations of the Egyptian state: Egyptian law prohibited both financial corruption¹ and torture,² yet Mubarak used his powers under the Constitution of 1971 to subvert the enforcement of Egyptian law in order to benefit himself, his family, and their allies. It is not surprising, then, that eliminating torture and public corruption were issues that galvanized Egyptians during the January 25 Revolution. With the resignation of Mubarak on February 11, 2011, Egyptians have now turned their attention to how the Egyptian state can recover public property from the possession of corrupt officials of the *ancien regime*.³

A quick glance at poverty in Egypt explains why corruption was such a central concern of the January 25 Revolution. In the early 1990s, Egypt began to implement structural adjustment reforms to its economy at the behest of the International Monetary Fund ("IMF"), and the Egyptian state embarked on a campaign of privatization of state-owned firms combined with a substantial reduction in the state-provided safety net and state investments in education and health. As a result, and

¹ See, e.g., CONSTITUTION OF THE ARAB REPUBLIC OF EGYPT, 11 Sept. 1971, *as amended*, May 22, 1980, May 25, 2005, March 26, 2007, March 30, 2011, art. 95 [hereinafter EGYPT CONSTITUTION]; Law No. 62 of 1975 (Illegal Profit-Making) *Al-Jarida Al-Rasmiyya*, 7 July 1975 (Egypt); Law No. 38 of 1972 (The People's Assembly, as amended by Law No. 175 of 2005) *Al-Jarida Al-Rasmiyya*, 28 Sept. 1972 (Egypt), arts. 23–24; see also TRANSPARENCY INT'L NATIONAL INTEGRITY SYSTEM STUDY, EGYPT 2009 40–43, 54–56 (2009), available at <http://www.transparency.org/content/download/50747/812368> [hereinafter 2009 TRANSPARENCY INT'L STUDY] (providing a detailed overview of Egyptian law's extensive prohibitions against public official corruption).

² In 1986, Egypt acceded to the U.N. Convention Against Torture and Other Cruel and Inhuman or Degrading Treatment or Punishment, Dec. 10, 1984, S. Treaty Doc. No. 100-20, 1465 U.N.T.S. 85, and the treaty went into effect in 1987. See *Convention Against Torture and Other Cruel and Inhuman or Degrading Treatment or Punishment: Egypt*, U.N. OFFICE OF THE HIGH COMM'R FOR HUMAN RIGHTS, TREATY BODIES DATABASE, <http://www.unhchr.ch/tbs/doc.nsf/22b020de61f10ba0c1256a2a0027ba1e/80256404004ff315c125638b005df964?OpenDocument> (last visited Mar. 8, 2011). Under the Egyptian Constitution, treaties, once ratified have immediate effect in the domestic legal system. EGYPT CONSTITUTION, *supra* note 1, art. 151.

³ See, e.g., *Criminal Court Upholds Mubarak Asset Freeze Order*, AL-MASRY AL-YOUM, Mar. 8, 2011, available at <http://www.almasryalyoum.com/en/node/343983>.

despite the generally high marks Egypt received from the IMF, the rate of Egyptians living on less than \$2 per day remained at a stubbornly high 20%, and real wages for the working class stagnated.⁴ Benefits of growth during the Mubarak era generally went almost exclusively to those sectors of Egypt that were already relatively well-off, and the class of crony capitalists close to the regime especially benefitted.⁵ Consequently, both the working classes and the upwardly-mobile but politically disconnected professional middle classes could easily unite behind a revolution committed to the elimination of public corruption. The working class blamed the public sector's failures on the corruption of Mubarak cronies who were appointed as managers of state-owned firms. On the other hand, the upwardly mobile professional classes could identify corruption as a primary cause holding back Egypt's international competitiveness and an immediate threat to the value of their greatest asset—their human capital.

The widely held view that the corruption of the Mubarak regime was debilitating Egypt's ability to compete internationally also reinforced the deep desire for a genuine system of democratic accountability⁶: Egyptian law already prohibited financial corruption of public officials, but Mubarak's presidential powers effectively insulated himself and others from the reach of Egypt's otherwise broad set of anti-corruption laws. Mubarak and his regime were seen as both corrupt as well as flaunting their immunity. To add insult to injury, Egypt remains a lower-middle income country with a per capital income of only \$6,200.⁷ While the figure of \$70 billion in regards to Mubarak's family wealth that has been popularly referenced in the media is almost certainly an exaggeration, even a more modest sum of \$7 billion would amount to

⁴ See *Selected World Development Indicators*, in WORLD BANK, WORLD DEVELOPMENT REPORT 2010: DEVELOPMENT & CLIMATE CHANGE 380, tbl.2 (Poverty) (2011), available at <http://siteresources.worldbank.org/INTWDR2010/Resources/5287678-1226014527953/WDR10-Full-Text.pdf> [hereinafter *Selected World Development Indicators*]. But see U.N. Development Programme & Inst. of Nat'l Planning, *The Egypt Human Development Report*, EGY/01/006, at 27 (2004), available at http://hdr.undp.org/en/reports/nationalreports/arabstates/egypt/egypt_2004_en.pdf. (estimating the percentage of Egyptians living at the \$2 per day level to be slightly above 40%); EGYPT MINISTRY OF ECON. DEV., EGYPT—ACHIEVING THE MILLENNIUM DEVELOPMENT GOALS: A MIDPOINT ASSESSMENT 7 (2008), available at <http://www.undp.org.org/Portals/0/MDG%20Links/Egypt%20MDG%20Mid%20Term%20Assessment%20Report%202008.pdf>.

⁵ Hanaa Khair-El-Din & Heba El-Laithy, *An Assessment of Growth, Distribution, and Poverty in Egypt: 1990/91–2004/05*, in EGYPTIAN ECONOMY: CURRENT CHALLENGES AND FUTURE PROSPECTS 13, 53 (Egyptian Ctr. for Econ. Stud., 2008).

⁶ Polling data prior to the January 25 Revolution indicated that although 88% of Egyptians believed that democracy would help Egypt progress, only 4% of Egyptians actually had voiced an opinion to a public official, the lowest figure in the world. ABU DHABI GALLUP CTR., EGYPT: THE ARITHMETIC OF REVOLUTION—AN EMPIRICAL ANALYSIS OF SOCIAL AND ECONOMIC CONDITIONS IN THE MONTHS BEFORE THE JANUARY 25 UPRISING 7 (2011), available at <http://www.abudhabigallupcenter.com/146888/BRIEF-Egypt-Arithmetic-Revolution.aspx>.

⁷ *Egypt*, CENTRAL INTELLIGENCE AGENCY, THE WORLD FACTBOOK (2011), <https://www.cia.gov/library/publications/the-world-factbook/geos/eg.html> (last visited Mar. 8, 2011).

approximately 23% of Egypt's external indebtedness.⁸ In short, there are compelling political, economic and rule-of-law reasons motivating post-Mubarak Egypt in its attempt to track down and recover the overseas assets held by Mubarak, his family, and their cronies. Indeed, the zeal by which the next Egyptian government pursues assets of the Mubarak family and their cronies could serve as a significant signal of whether changes made by the new government are genuine or are only cosmetic.

Unsurprisingly, the interim Egyptian government has already taken steps to freeze assets belonging not only to prominent Mubarak allies in the business class, e.g., Ahmad 'Izz, an infamous steel magnate, but also assets of senior ministers of the Mubarak regime, e.g., Habib al-'Adili, the former Interior Minister, and even of Mubarak, his wife, their children, and their children's spouses. While the post-revolution Egyptian government, if it chooses, will certainly be able to recover assets obtained corruptly to the extent they remain in Egypt, there is little doubt that much of the wealth that Mubarak and his allies were able to obtain has been sent overseas and cannot be recovered without the cooperation of the international community. Some states have already taken steps to freeze assets belonging to Mubarak including Switzerland and the European Union, while others, e.g. the United States, have indicated that they are considering taking similar steps.⁹

While the international legal regime extant at the time of the Free Officers' Revolution was largely unsympathetic to its claims and the claims of other, similarly-situated newly independent states against their previous colonizers, the new post-revolutionary Egyptian government will find a more hospitable international environment to claims for the restitution of public funds that leading figures of the previous regime misappropriated. While the Organization for Economic Co-operation and Development's Convention Against Bribery of 1997,¹⁰ on its own, does not provide adequate tools for the recovery of misappropriated public funds, its adoption represented among developed countries a new global awareness of the costs

⁸ *Id.*

⁹ Deborah Ball & Cassell Bryan-Low, *Swiss Freeze Assets Linked to Mubarak*, WALL ST. J., Feb. 21, 2011, available at

<http://online.wsj.com/article/SB10001424052748704271104576156383829089252.html>; John Burns, *Britain to Look Into Freezing Assets of Mubarak Associates*, N.Y. TIMES, Feb. 14, 2011, available at <http://www.nytimes.com/2011/02/15/world/europe/15britain.html>; Justyna Pawlak, *Germany Defends Libya Stance, EU Toughens Sanctions*, REUTERS, Mar. 21, 2011, available at <http://uk.reuters.com/article/2011/03/21/libya-eu-idUKLDE72K1Z420110321?pageNumber=2>; Joe Palazzolo, *Canada Freezes Assets Tied to Mubarak, Ben Ali Clans*, WALL ST. J., Mar. 24, 2011, <http://blogs.wsj.com/corruption-currents/2011/03/24/canada-freezes-assets-tied-to-mubarak-ben-ali-clans/> (last visited Apr. 15, 2011); see also Gov't of Canada, Ministry of Foreign Affairs & Int'l Trade, Freezing Assets of Corrupt Foreign Officials (Tunisia and Egypt) Regulations, SOR/2011-0078 (Can.), (Mar. 23, 2011), available at http://www.international.gc.ca/sanctions/tunisia_egypt_regulations-reglements_tunisie_egypte.aspx?lang=eng.

¹⁰ Organisation for Economic Co-operation and Development [OECD], Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Dec. 17, 1997, S. Treaty Doc. No. 105-43, 37 I.L.M. 1 (1998), available at <http://www.oecd.org/dataoecd/4/18/38028044.pdf>.

of corruption. It also served as a harbinger of greater international cooperation to prevent public corruption in international business transactions. Accordingly, subsequent international conventions, e.g., the U.N. Convention Against Corruption,¹¹ and the 2009 Recommendations of the Council for Further Combating of Bribery of Foreign Public Officials in International Business Transactions,¹² have been adopted to prevent corrupt public officials from using the international financial system to launder misappropriated assets across national boundaries¹³ and to promote international cooperation in the investigation of bribery of public officials.¹⁴ In 1999, the Council of Europe also adopted the Criminal Law Convention on Corruption.¹⁵ Article 5 of this Convention requires parties to adopt legislation and other necessary measures in order to make criminal bribery involving foreign public officials.¹⁶ Article 23 in turn requires parties to implement legislation and other measures necessary to permit it “to identify, trace, freeze and seize instrumentalities and proceeds of corruption, or property the value of which corresponds to such proceeds.”¹⁷ On March 23, 2011, in the wake of the Tunisian and Egyptian Revolutions, Canada adopted legislation enabling it to rapidly seize the assets of corrupt foreign officials in circumstances of “internal turmoil or an uncertain political situation.”¹⁸

¹¹ U.N. Convention Against Corruption, Oct. 31, 2003, S. Treaty Doc. No. 109-6, 2349 U.N.T.S. 41, available at http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf [hereinafter “U.N. Convention Against Corruption”].

¹² OECD, *Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions* (Nov. 26, 2009), available at <http://www.oecd.org/dataoecd/11/40/44176910.pdf> [hereinafter “OECD 2009 Recommendations”].

¹³ Article 31, Section 1 expressly provides that “Each State Party shall take . . . such measures as may be necessary to enable confiscation of (a) Proceeds of crime derived from offences established in accordance with this Convention or property the value of which corresponds to that of such proceeds; (b) Property, equipment or other instrumentalities used in or destined for use in such offences established in accordance with this Convention.” U.N. Convention Against Corruption, *supra* note 11, art. 31(1). http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf.

¹⁴ Article XIII explicitly contemplates that Member States will cooperate with non-Member states in the investigation and prosecution of bribery, including, by “the identification, freezing, seizure, confiscation and recovery of the proceeds of bribery of foreign public officials.” OECD 2009 Recommendations, *supra* note 12, art. XIII.

¹⁵ Council of Europe, Criminal Law Convention on Corruption, Jan. 27, 1999, 38 I.L.M. 505, available at <http://conventions.coe.int/Treaty/EN/Treaties/Html/173.htm>.

¹⁶ *Id.* art. 5.

¹⁷ *Id.* art. 23.

¹⁸ Freezing Assets of Corrupt Foreign Officials Act, S.C. 2011, c. 61 (Can.), available at http://www2.parl.gc.ca/content/hoc/Bills/403/Government/C-61/C-61_3/C-61_3.PDF; see also Stikeman Elliot LLP, *New Act Allows Gov't to Freeze Assets and Prohibit Financial Transactions and Services to Politically Exposed Foreign Persons*, CANADIANSECURITIESLAW.COM (Mar. 29, 2011), <http://www.canadiansecuritieslaw.com/2011/03/articles/securities-law-compliance/new-act-allows-govt-to-freeze-assets-and-prohibit-financial-transactions-and-services-to-politically-exposed-foreign-persons/> (last visited Apr. 15, 2011).

In addition to a greatly improved international legal environment for the pursuit and recovery of funds laundered from public corruption, international civil society has become much more aware of the costs of political corruption. The publication and dissemination of numerous indexes that purport to measure public corruption in various jurisdictions and the existence of several non-governmental organizations, most notably, Transparency International, devoted to fighting public corruption, has also increased the salience of public corruption as an evil that international civil society should combat. Indeed, Transparency International prepared an extensive, 200-page report (the “2009 Report”) with the assistance of Egyptian academic experts, detailing the scope of Egypt’s anti-corruption regime as well as the debilitating limitations placed on its effective operation as a result of the Egyptian executive’s ability to block meaningful investigations into suspicious conduct of public officials.¹⁹ Indeed, the same report documented that, according to the Egyptian government’s own internally-prepared corruption index, Egyptians’ perceptions of public corruption was positively correlated with education level, a fact that supports the idea that anti-corruption was a widely-held value among Egypt’s educated groups that made up an important backbone of the January 25 Revolution.

The extent to which states will implement their international treaty obligations into domestic law, and the strength with which states will enforce such laws, if and when implemented, is of course a matter of concern. The United Kingdom, for example, has recently come under criticism by Transparency International for what it called a “watered-down” version of its new Bribery Act.²⁰ It also appears that the United Kingdom failed to act quickly enough to freeze Mubarak family assets, thus allowing those assets to leave the United Kingdom before the announcement of the freezing order.²¹ Egypt, too, has expressed concern that the United States is dragging its feet with respect to freezing assets belonging to the Mubarak family and other regime cronies.²²

Space constraints prevent detailed discussion of the domestic laws of jurisdictions that are the favoured destinations for the proceeds of political corruption. Instead, I will focus on the domestic laws of the United States that could be applied to assist Egypt reclaim public assets held by Mubarak and other “politically exposed persons.” The focus on the United States is justified not only because the United States is generally considered to have among the most sweeping anti-money laundering laws in the

¹⁹ 2009 TRANSPARENCY INT’L STUDY, *supra* note 1.

²⁰ Jane Wardell, *U.K. Government Details New Bribery Laws*, ASSOCIATED PRESS, Mar. 30, 2011, available at <http://finance.yahoo.com/news/UK-government-details-new-apf-3252088334.html?x=0>.

²¹ *Mubarak’s Funds in the U.K. May Have Flown*, AHRAM ONLINE (Mar. 27, 2011), <http://english.ahram.org.eg/~NewsContent/3/12/8714/Business/Economy/Mubaraks-funds-in-the-UK-may-have-flown.aspx> (last visited Mar. 8, 2011).

²² William Wan & James V. Grimaldi, *Egypt Says U.S. Dragging Its Feet on Freezing Mubarak Assets*, WASH. POST, Mar. 30, 2011, available at http://www.washingtonpost.com/world/egypt-says-us-dragging-its-feet-on-freezing-mubarak-assets/2011/03/28/AFdCA35B_story.html.

world,²³ and because of the increasingly aggressive posture that the Department of Justice has taken toward violations of the Foreign Corrupt Practices Act,²⁴ but also because, despite these sweeping laws and a credible enforcement record, the United States remains among the top destinations of choice for laundering wealth that despots have misappropriated from their people.²⁵

In the United States, the most important developments regarding international corruption involving foreign public officials have involved the amendment of money laundering statutes to include as a predicate act transactions intended to conceal funds obtained from violation of public corruption laws of foreign countries²⁶; the Patriot Act's introduction of civil forfeiture as a remedy against a defendant, including a foreign person, involved in the laundering the proceeds of overseas public corruption²⁷; and, the expanded use of "control person" liability under Section 20(a) of the Securities Exchange Act of 1934 to increase the risk of individual liability under the Foreign Corrupt Practices Act ("FCPA").²⁸ Although the FCPA does not contemplate civil forfeiture, it is possible that in connection with an FCPA investigation, the target may voluntarily disclose, or the investigatory authorities (whether the Securities Exchange Commission or the Department of Justice) may discover evidence related to public corruption in a foreign country that could lead either to criminal convictions under the money laundering statutes or civil forfeiture under the Patriot Act. The United States, moreover, has committed itself publicly to using the tools available under U.S. law to help "recover the proceeds of foreign corruption offenses."²⁹

Most significantly, a U.S. court can find a defendant guilty of money laundering in which the predicate act involves foreign corruption, even in the absence of proof beyond a reasonable doubt that the defendant violated the foreign state's laws.³⁰ This aspect of U.S. money laundering laws, along with the civil forfeiture remedy provided

²³ Marian Hagler, *International Money Laundering and U.S. Law: a Need to "Know-Your-Partner"*, 31 SYRACUSE J. INT'L L. & COM. 227, 229 (2004).

²⁴ Claudius Sokenu, *FCPA News and Insights*, 1836 PRACTISING L. INST./CORP. 289, 295 (2010).

²⁵ Philip Shenon, *Dirty Dictator Loot*, NEWSWEEK, Mar. 13, 2011, available at <http://www.newsweek.com/2011/03/13/dirty-dictator-loot.html> ("The uncomfortable, often overlooked fact is that the U.S. remains as much a haven for the loot of bloodthirsty foreign despots as Switzerland, Dubai, the Cayman Islands, and the other international banking centers that usually take blame for stashing autocrats' dirty money.").

²⁶ See 18 U.S.C. § 1956(c)(7)(B)(iv) (2010) ("... an offense against a foreign nation involving ... bribery of a public official, or the misappropriation, theft or embezzlement of public funds by or for the benefit of a public official").

²⁷ 18 U.S.C. §§ 981, 1956(b)(2) (2010).

²⁸ Sokenu, *supra* note 24, at 295.

²⁹ Lanny A. Breuer, Ass't Atty. Gen., Criminal Div., Address to the 22nd National Forum on the Foreign Corrupt Practices Act (Nov. 17, 2009), at 6, available at <http://www.justice.gov/criminal/pr/speeches-testimony/documents/11-17-09aagbreuer-remarks-fcpa.pdf>.

³⁰ Hagler, *supra* note 23, at 252.

by the Patriot Act, may prove especially useful in recovering assets of regime insiders. As already mentioned, and as extensively documented in Transparency International's 2009 Report, Egypt had established extensive public corruption laws, and while the 2009 Report found some deficiencies in Egyptian law regarding conflict of interests, the main obstacle to addressing corruption in Egypt was not the substantive law, but rather the inadequate procedures for monitoring, exposing, and punishing public corruption. This weakness was a structural feature of Egypt's anti-corruption laws, which stemmed from the fact that, at most crucial junctures, the executive branch, i.e., former President Mubarak, had the discretion to intervene and prevent investigations. A U.S. proceeding, however, would not depend on a conviction under Egyptian anti-corruption laws, or evidence that Egypt's laws were violated beyond a reasonable doubt. All that would be required is that the prosecution prove, under a probability of the evidence standard, that the proceeds used in the transaction alleged to be part of a money laundering scheme were proceeds that derived from violations of substantive Egyptian anti-corruption laws.

The more serious obstacle under U.S. law might be establishing a jurisdictional nexus to the money laundering transactions at issue. It is not unlikely, however, that at least some transactions involving Mubarak and other regime insiders would fall under the jurisdictional coverage of U.S. money laundering statutes because of their broad reach. To the extent U.S. persons assisted in structuring various privatization transactions while knowing that regime insiders were given an undisclosed interest in the transaction, or otherwise received a kickback or other benefit, even if the transactions occurred wholly outside the United States, the anti-money laundering statutes would be applicable. So too, if the transactions at issue depended upon use of the U.S. banking system to be completed, even if no U.S. person was party to the transaction. In this case, for example, if a non-U.S. international investment bank were involved in structuring the transaction, but U.S. wires were used to fund the foreign investment's purchase price or delivery of the kickback to the regime insider, there is a substantial likelihood that the jurisdictional nexus to the U.S. would be satisfied.³¹ The likelihood for criminal prosecutions against third-party professionals or foreign investors who assisted regime insiders in concealing the proceeds of misappropriation seems unlikely. However, the prospect of such prosecutions, or even investigations of international banks who participated in Egypt's privatization program, should encourage such institutions to produce relevant information regarding the extent and location of former regime insider assets held outside of Egypt.

The likelihood that the origin of much of the wealth held by Mubarak and other regime insiders originated out of Egyptian privatization transactions over the last 20 years is significant for two reasons. First, it is likely that many of these transactions involved use of the U.S. financial system, and accordingly, the jurisdictional

³¹ Hagler, *supra* note 23, at 230–37 (analyzing extraterritorial reach of U.S. anti-money laundering laws).

requirements of U.S. anti-money laundering law will likely be satisfied. This will allow the Egyptian government to press the United States to enforce those laws, not only against Mubarak and other regime insiders, but also against any third-party professionals who assisted them. To the extent the United States agrees to pursue these charges aggressively, Egypt will have a plausible chance to recover at least some of the funds misappropriated by regime insiders. Second, Egypt instituted its privatization program as part of a U.S.-sponsored model of development, the so-called “Washington Consensus,” which in its essence encouraged developing countries to cut subsidies supporting the most vulnerable groups in their society, reduce import tariffs, encourage foreign investment, and sell state-owned enterprises³²; this regime was enforced by the IMF that was at best indifferent to crony capitalism and poverty, or believed they were completely irrelevant to its primary concern—macro-economic stability.³³ The United States, therefore, bears at least some indirect responsibility for both the Mubarak-era corruption and the billions of dollars that Mubarak and his cronies managed to divert from the state to themselves, and for the suffering of those Egyptians whose safety net was drastically cut as part of the Mubarak-era economic reforms which the U.S. heartily endorsed. Given the U.S. role in enabling the twin problems of corruption and immiseration, it seems reasonable for the new Egyptian government to expect extensive U.S. co-operation in tracking down and recovering former regime-insider assets.

Despite the dramatically improved international environment for reducing the incidence of foreign corruption, the enforcement of these laws depends almost entirely on the willingness of individual states first to implement their treaty obligations into domestic law, and second, to enforce such domestic legislation vigorously. So far, the reaction by the developed world to the Egyptian government’s requests to freeze Mubarak’s assets has been mixed. While the European Union, Switzerland, and Canada have issued freezes on Mubarak’s assets, as well as those of other regime insiders, the United Kingdom waited too long before imposing a freeze to make it effective. The United States, unfortunately, despite its public commitment to fight foreign corruption, has yet to act decisively with respect to Mubarak’s assets. The efforts of the new Egyptian government to recover such assets will no doubt shape the contours of U.S.-Egyptian relations for many years to come; one can only hope that the United States will indeed provide its full assistance to these efforts for the sake of future Egyptian-U.S. ties.

³² *Washington Consensus*, HARVARD UNIV., CTR. FOR INT’L DEV., <http://www.cid.harvard.edu/cidtrade/issues/washington.html> (last visited Apr. 15, 2011).

³³ Yves Smith, *The IMF’s Epic Fail on Egypt*, NAKEDCAPITALISM.COM (Feb. 7, 2011 4:15 AM), <http://www.nakedcapitalism.com/2011/02/the-imfs-epic-fail-on-egypt.html> (last visited Apr. 15, 2011).