

Is Banque du Liban under a massive information attack ?

A large part of statements, in Lebanon or in the world, in favour of the in-depth reform of the Lebanese system, seems to reflect much vaguer political agendas. The case of Riad Salamé, governor of the Banque du Liban (BdL) is the most visible epiphenomenon.

The question here is not to determine the responsibilities, real or supposed, of the Bank of Lebanon in the Lebanese crisis, but most of the articles and statements that deal with this crisis often have one point in common: the nominal or very explicit accusation of its governor, and him alone (or almost).

The *de facto* political and religious sclerosis and the endemic corruption of the Lebanese state are in fact the subject of a consensus shared by absolutely all players. However, it is precisely this consensus that very clearly highlights the almost exclusive focus of the attacks on Riad Salamé. Indeed, why such an offensive, especially in the international press, against a single senior official when responsibility is unanimously considered as collective?

Just a few weeks ago, Riad Salamé was the subject of new complaints (aggravated money laundering) from the very recently created NGO Accountability Now and the London-based activist law firm Guernica 37. The methodology is dubious, as in addition to being almost simultaneous, the nature of the accusations of the two organisations does not bring new elements to the case that has already been ongoing for months. Moreover, the characterisation of the networks of some of their members leaves some doubt as to the total integrity of their intentions.

Lebanon: a complex crisis

Independent since 1943, Lebanon is a country governed under a constitutional regime called "Personal Federalism" or confessional. It is also traversed by clan (family), religious, ethnic and factional struggles that are also transmitters of international interests. The Lebanese political praxis is based on these fragile balances that often transcend confessional boundaries. This system is considered, by all, as the origin of the country's ills - including the current crisis. But in fact, most of the actors, from the elites or factional groups, use the reformist argument, a seller in times of crisis, as a front for their respective agendas.

In this perspective, it is not Riad Salamé, despite the BoL's share of responsibility in the crisis, who can be blamed for Lebanon's economic wanderings over the past 30 years. The lack of logistic and electrical infrastructures, the near absence of industry, the clientelist inflation of the public sphere are all evils for which successive governments and parliaments are directly responsible. Even though the BoL has systematically backed the reform packages of the Paris 1, 2 and 3 conferences or more recently CEDRE, they have remained unheeded.

The systematic smear campaign against the Governor of the Banque du Liban therefore takes on a particular connotation.

A heterodox procedure

The first media appearance of the *Accountability Now* foundation, created in Switzerland at the beginning of the year, was in April 2021. Its members announced, via the newspaper *Le Commerce du Levant*, that they were taking legal action against the governor of the BoL in the British courts. The foundation claims to want to act against "the impunity of corruption in Lebanon" and for the reform of the system. Hence the desire to initiate legal proceedings, from abroad, against personalities who have irregularly embezzled funds from Lebanese territory. The methodology is legally specious and highly biased.

Indeed, Zeina Wakim, a member of *Accountability Now*, told the newspaper *Commerce du Levant*: "We believe that the cases submitted are strong enough for the English judiciary to take them up and launch an investigation. She said that she based the procedure on a facility in English tax law, the *Unexplained Wealth Order*, which allows the burden of proof to be reversed. Intrigued, we contacted Crossbridge Capital - one of the companies involved in the proceedings - to get their opinion on the matter. They sent us the letter sent to them by the NGO on 11 April. The language used is much more moderate. Indeed, it states: "*To avoid any ambiguity, we are not suggesting that Crossbridge has engaged in any way in inappropriate or illegal activities*". In sum, *Accountability Now* has gone public about the initiation of proceedings without any formal evidence, but only on the basis of supposition. This suggests that the desired target of the operation may not be so much legal as media related.

Accountability Now's neutrality in question

An analysis of the background and networks of some of the foundation's members reveals inconsistencies and even conflicts of interest. This is the case of Zeina Wakim, a [Lebanese] lawyer in international law based in Geneva. She is also a founding member of the Interpol Foundation "*for a safer world*". This organisation aims to finance the development of Interpol around several projects such as the fight against terrorism, cybercrime, and trafficking of drugs, cultural goods and automobiles. The foundation was first criticised in 2018 by the newspaper *Médiapart* for its funding, coming mainly from the United Arab Emirates and raised questions about its decision-making independence. This investigation, closely followed by that of the *Tribune de Genève*, pointed out the eminence of the members of the foundation's board (statesmen, directors of banks and investment funds, major industrialists, etc.), and possibly their questionable nature (tax evasion, money laundering, etc.).

In the Salamé affair, however, it is the chairman of the foundation's board who stands out the most: Elias Murr. A former deputy prime minister, interior minister and minister of defence of Lebanon, he is also the owner of one of the main media in the country: *al-Joumhouria*.

Elias Murr notably hit the headlines in 2015 with the *SwissLeaks* affair. These leaks revealed the existence of bank accounts in Switzerland (42 million dollars) and the domiciliation of several companies of his group (Murr Group) in various tax havens such as the British Virgin Islands or the Isle of Man, as the investigative media *Field* recently recalled. These are proven facts that *Accountability Now* obviously does not want to address. Is Zeina Wakim's close association with Elias Murr responsible for the Swiss NGO's lack of interest in the *SwissLeaks* case? This element clearly casts strong doubts on the sincerity of the Lebanese lawyer who declared to *Le Commerce du Levant* that: "*Accountability Now is not a punitive approach against any individual in particular*".

A political and economic struggle for influence at the top

The attack of Elias Murr's networks on Riad Salamé is not new: his newspaper, *al-Joumhouria*, joined the campaign to denounce Riad Salamé in September 2020. Earlier, in June 2020, one of his relatives, Alain Bifani (Director General of the Ministry of Finance), resigned with great fanfare, pointing out mainly the responsibility of the Governor of the Banque du Liban in the country's crisis.

What reasons could drive the Murr clan to want to bring down Riad Salamé? Especially since the two men, although of different and rival confessions (respectively Greek Orthodox and Maronite), are both assimilated to the political movement of the former (Sunni) Prime Minister Saad Hariri. Indeed, the position of governor of the BoL, which is strategic, is as much coveted by the Free Patriotic Movement (CPL) of President Aoun (Maronite), as by its Shiite allies of Hezbollah (the position is customarily, but not constitutionally attributed to a Maronite). Could this affair be part of a collective will of the Lebanese elites to find a fuse to the crisis that shakes Lebanon? Or is it a realignment of the political and family alliances that Lebanon is used to?

The very recent creation of *Accountability Now* could be the beginning of a hypothesis in this sense. It coincides strikingly with the start of Riad Salamé's prosecution in Switzerland (January 2021). The latter was also particularly well timed with the deadlines (February 2021) of the Central Bank's Circular 154. A rehash of Circular 584 (2018), it requires Lebanese banks to retransfer their clients' assets to Lebanon (15% from transfers exceeding \$500k). This measure is intended to recapitalise banks, nationalise insolvent institutions and bring more transparency to capital transfers (anti-corruption). However, this circular is particularly poorly received within the influential Association of Banks in Lebanon, mostly owned by family clans, as well as in a significant part of the diaspora. Yet Circular 154 is the only beginning of a reform plan proposed within the Lebanese state.

In any case, the background of the affair is complex. But it seems more than likely that *Accountability Now* is less a foundation dedicated to the fight against corruption than a tool of political influence intended to destabilise Riad Salamé, and potentially others afterwards.

Guernica 37 and Nadim Matta: the advent of Anglo-Saxon NGOs?

Although they do not clearly admit to any connection, the *Accountability Now* prosecutions are closely aligned with those of Guernica 37. This activist law firm assists clients with 'structural transformation' after periods of political, post-conflict or post-authoritarian instability. It also specialises in international criminal law and human rights law. Its members are known for their strong globalist and multilateralist outlook.

The firm's client at the origin of the investigation, and ultimately the prosecution, is Nadim Matta, a Lebanese resident in the United States. He is a businessman and managing member of the change management consulting firm Schaffer Consulting. He is also president and founding member of the Rapid Result Institute (RRI), an international humanitarian NGO. In the past he has worked in Lebanon with the US government development agency, USAID. In 2012, he was ranked 25th in *Foreign Magazine's* 100 Top Global Thinkers. This is a testament to his strong integration into the ecosystem of the American progressive left.

This action by Nadim Matta is not isolated. In July 2020, in cooperation with the *Lebanese Swiss Association* (LSA), he co-signed a letter calling on the IMF to proactively intervene against corruption in Lebanon. The timing again raises questions, as the publication of the letter precedes by a few weeks the start of the legal proceedings leading to the prosecution of Riad Salamé in Switzerland (January 2021).

The offensive, far from being a spontaneous action, is clearly carried out in a network. Indeed, we find among the co-signatories of the LSA letter, Elian Sarkis, president of the World Lebanese Citizens Movement (MCLM). The latter was part of the group of 100 signatories (including five legal entities) of an opinion column published on 5 April 2021 in the French newspaper *Le Monde*. The article, entitled "*Mr. President, freeze the assets of dubious origin held in France by Lebanese officials*", describes the ravages of corruption in Lebanon. But it explicitly points only to the governor of the BoL. The other "officials responsible" are referred to only in vague terms: "senior officials" or "politicians".

In the end, Riad Salamé is in a way the ideal culprit. At the head of the Bank of Lebanon since 1993, he is at the heart of the country's political and economic system. His action was decisive in the development of the Lebanese economy after the civil war. However, as a corollary, his financial ingenuity also contributed to dissimulating the structural insolvency of the country and the inability of its elites to reform it. This is the crux of the matter: Riad Salamé is now being singled out by a political and economic system that he had to cover up for 30 years. For an outside observer, even a superficial one, of the Lebanese crisis, this narrative is hardly convincing. And *de facto*, it seems clear that this affair is not a series of spontaneous revelations driven by the desire to address the country's endemic corruption. On the contrary, these revelations seem, if not coordinated, at least opportunely convergent in order to provide a scapegoat for the discontent of the Lebanese people. A way for all to preserve the *status quo*?