

AP

Anti-corruption campaign in Saudi brings hope to businessmen



ADMA, Lebanon (AP) — Lebanon-based businessmen who lost enterprises through dealings with members of Saudi Arabia's royal family and others in the kingdom are closely watching a new campaign led by the powerful crown prince targeting officials, princes and tycoons in the oil-rich kingdom, hoping it will help them win back what they lost over the years.

The campaign, which Crown Prince Mohammed bin Salman says is aimed at cracking down on corruption in the kingdom, has been met with skepticism by many. With dozens of powerful princes, business leaders and government officials in custody, the move has provoked speculation the crackdown is more about consolidating power than curbing corruption. Others speculate the move amounts to a shake-down of wealthy

players for their assets as the crown prince tries to implement sensitive economic reforms in the face of lower oil prices.

Either way, many in the kingdom welcome efforts to fight rampant corruption and abuse of power, and many outside it hope the move will encourage people to invest in the kingdom without fear.

Since the first week of November, some 201 people have been taken into custody by Saudi authorities in a sweep that investigators say has uncovered at least \$100 billion in corruption. The detainees include Cabinet ministers, members of the royal family and the owners of three TV networks that are among the largest in the Middle East.

The crackdown that began on Nov. 4 initially targeted 11 princes, 38 officials, military officers as well as business leaders. An estimated 1,700 individual bank accounts have been frozen.

Saudi critics and experts have called the unprecedented purge of top princes and businessmen by the crown prince, also known by his initials MBS, a bold and risky move aimed at consolidating power as he keeps an eye on the throne, sidelining potential rivals and dismantling alliances built with other branches of the royal family.

Pierre Daher, who founded the first private TV station in Lebanon in 1985 and turned it into one of the top media outlets in the Arab world, has been locked in court cases with detained Saudi Prince Alwaleed bin Talal, one of the world's richest men, since 2011. The prince, whose maternal grandfather Riad Solh was once Lebanon's prime minister and also holds Lebanese citizenship, has investments that include Twitter, Apple, Citigroup and the Four Seasons hotel chain and was once a significant shareholder in Rupert Murdoch's News Corporation, but sold much of those shares in 2015.

Their court battles are over Lebanon's leading LBC and the affiliated Production and Acquisition Company, widely known as PAC, which filed for liquidation in 2012. Some 400 PAC employees lost their jobs and are still waiting for Prince Alwaleed to compensate them.

Prince Alwaleed and Daher, now chairman and CEO of LBC, were once allies when the prince pumped money into LBC TV before the two split over several issues and Daher was removed from his job as head of PAC. Prince Alwaleed ended up taking over the LBC SAT and PAC while Daher took LBC.

"The disgraceful behavior of Alwaleed by making the company (PAC) bankrupt fraudulently while it was not bankrupt and had assets. PAC was able to continue normally but he mechanically made up bankruptcy," said Daher in his LBC office in the posh town of Adma north of Beirut.

Several cases between the two are still ongoing in countries including Lebanon, Britain and the Cayman Islands. Daher says that he is suing Prince Alwaleed for more than \$100 million and is optimistic he will win.

Lebanese media outlets reported this month that two Beirut hotels owned by Prince Alwaleed's Kingdom Holding are for sale. The Four Seasons and Mövenpick Hotel are among Beirut's most luxurious hotels and are located in two of the capital's most posh neighborhoods.

"If the hotels are not in the person's name, not in the name of the defendant himself in person, you cannot garnish them since they belong to a company," said Paul Morcos, legal expert and founder and owner of Justicia Consulting Law firm in Beirut.

Morcos added that the prosecution that is done in Saudi Arabia does not directly affect a prosecution taking place in Lebanon.

Attempts to reach a representative of Prince Alwaleed at Kingdom Holding were not immediately successful.

Another person who lost millions of dollars in the kingdom as a result of alleged corruption is Lebanon-based U.S. citizen Yahya Lotfi Khader who for more than 20 years ran petrochemical businesses along with his two partners in eastern Saudi Arabia.

The Syria-born, 57-year-old businessman said he left the kingdom two years ago after he became the victim of interference by officials who worked in the office of a once powerful prince, Saoud bin Nayef, the brother of the former crown prince who was removed from his post earlier this year. Khader put forward documents that proves they have lost tens of millions of dollars in cases that he says were manipulated by powerful people in the kingdom.

"There is widespread corruption from princes to ministers to judges to lawyers to businessmen," Khader said, speaking in his posh apartment overlooking the Mediterranean Sea in the north Beirut suburb of Dbayeh. "Regrettably there are people who are taking advantage of the wealth and powers of the kingdom and are taking it in the wrong direction."

Khader added that the first step by MBS is to fight corruption and people in the kingdom have been waiting for an "awakening against corruption." Khader said "Saudi Arabia has all the capabilities to become one of the most important countries in the world If we can fight corruption and it will not be an easy mission but we are very optimistic about what happened."

Khader has sent documents listing all the injustice they were subjected to in the kingdom to the office of King Salman and MBS hoping that it could help them return to the kingdom and get back their money that are worth tens of millions of dollars.

"What is happening in Saudi Arabia is a game changer. It is turning the country on the political, economic, social and religious levels," said Daher of LBC.

He added: "Today there is a new Saudi Arabia that is totally different from what it used to be but it is still early to judge it."

