

US probes former Sri Lanka president's alleged assets

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The United States Department of Justice has launched an investigation into public assets allegedly stolen from Sri Lanka by the family members of former President Mahinda Rajapakse and transferred to the US.

Washington's intervention seeks to further marginalise Rajapakse and his supporters in the Sri Lankan elite, in order to block any challenge by them to the pro-US government of President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe.

According to a recent article in the US *Foreign Policy* magazine, the Justice Department has subpoenaed Imaad Zuberi, a US political fundraiser and venture capitalist, and some lobbyists hired by him for an operation named the "Sri Lanka Project." The subpoenas require the named individuals to appear and give testimony.

The article made clear that the target of the US investigation is Rajapakse's family. "Justice is seeking public assets allegedly stolen from Sri Lanka," it stated. "None of the firms is a target of the investigation, which is focused on members of the family of the country's former president and has not been previously reported."

In 2014, the Rajapakse government transferred \$US6.5 million to accounts held by Zuberi and companies owned by him to pay for lobbying operations of US officials to get a favourable attitude toward the Sri Lankan government. Reporting that the cost of the lobbying campaign was just \$850,000, the article stated: "Zuberi would not say how the rest of the money was spent." It is alleged that those funds may have gone into the hands of members of Rajapakse's family.

According to the article: "In addition to requesting each firm's financial records, the subpoena asks for

information on relatives of Rajapakse, the former president, as well as the government of Sri Lanka and its embassy in Washington." The family members listed by the Justice Department include Gotabhaya Rajapakse, the former defence secretary, and Basil Rajapakse, the former economic development minister, who are both brothers of Mahinda Rajapakse, and several other brothers and sisters.

According to an article in the Sri Lankan *Sunday Times* on August 30, "sources familiar with the probe said it is part of a US-led effort to trace and recover Rajapakse assets in the US."

Rajapakse was defeated by Sirisena in the January 8 presidential election in what was a regime-change operation sponsored by the US, which was hostile to Rajapakse's close ties with China. The ouster involved Wickremesinghe, the leader of pro-US United National Party (UNP), and former President Chandrika Kumaratunga, who has links to the Obama administration via her association with the Clinton Foundation. Upon taking office as president, Sirisena appointed Wickremesinghe as prime minister.

Washington supported Rajapakse's war against the Tamil separatist Liberation Tigers of Tamil Eelam (LTTE), but once the war ended with the LTTE's defeat in May 2009, the US cynically exploited the war crimes committed by the Rajapakse government to exert pressure on it to break its ties with China. Rajapakse unsuccessfully tried to win back the Obama administration's favour by hiring lobbying firms.

The Sirisena-Wickremesinghe government has shifted Colombo's foreign policy away from Beijing and toward Washington. The US has reciprocated by underscoring its support for the government, while endeavouring to fix Sri Lanka firmly into its geo-political plans against China. The island is

strategically located in the Indian Ocean, near sea routes on which China relies heavily for its oil and raw materials imports from the Middle East and Africa.

When Rajapakse's attempt to return to power as prime minister in the August 17 general elections posed the threat of a reversal of the regime-change operation, the US worked behind the scenes to help assure an electoral victory for the Sirisena-Wickremesinghe alliance.

US Secretary of State John Kerry visited Sri Lanka in May 2015, and promised US assistance for investigators and prosecutors to find alleged stolen funds transferred to the US by Rajapakse's government to the tune of \$US10 billion. A US team was reportedly sent to Sri Lanka to investigate the payments to Zuberi and other lobbyists.

Within a week of the UNP's victory in the August 17 elections and Wickremesinghe's re-appointment as prime minister, the Obama administration sent Assistant Secretary of State for South and Central Asia Nisha Biswal to Colombo to express Washington's backing for new government.

In a show of support for the new government, Biswal announced US support for a domestic investigation in Sri Lanka into the former Rajapakse regime's war crimes. This effectively reversed last year's US-sponsored UN Human Rights Commission resolution to establish an international probe into the war crimes, which was a mean of exerting pressure Rajapakse to make break from Beijing.

Rajapakse's regime ruled as a corrupt cabal of his relatives, top military officials and state bureaucrats, concentrating political and economic power in their hands. But the accusations of corruption are being exploited to help the Sirisena-Wickremesinghe government settle political accounts with its rivals in the Rajapakse camp.

The UNP-led government has launched its own investigations into the alleged corruption. It has formed a special unit attached to the police, called the Financial Crime Investigation Division. Among its targets are Gotabhaya and Basil Rajapakse, as well as Sajin Vass Gunawardena, a former parliamentarian close to Rajapakse, who directed the US lobbying campaign.

Gunawardena was arrested on May 11 on charges of "misusing state assets" and remains in custody.

According to J.C. Weliamuna, who led the investigation, government law enforcement agencies are examining a network of 28 companies accused of stealing state assets and money laundering.

Former President Rajapakse has denied the existence of any foreign assets owned by his family members and challenged the government to prove its allegations. In a further indication of its foreign policy orientation toward the US and its allies, the Sirisena-Wickremesinghe government has sought help from the US, Britain, India, the World Bank and the International Monetary Fund (IMF) to trace the Rajapakse family's foreign assets.

As reported by the *Daily Telegraph*, experts from Britain's Serious Fraud Office have trained Sri Lankan investigators. Earlier in the year, a team from Stolen Asset Recovery, a partnership between the World Bank Group and the UN Office on Drugs and Crime, was sent to Sri Lanka to help the government probe. According to a government statement in late January, the World Bank, IMF and a Financial Intelligence Unit functioning under India's central bank agreed to assist the investigations.

In the August 17 elections, Rajapakse's bid to return to power was blocked. A "national unity government" has been formed, led by Wickremesinghe's UNP and Sirisena's Sri Lanka Freedom Party (SLFP), marginalising Rajapakse's camp within the SLFP. However, the government and its US and Western sponsors still fear the possibility of a challenge by Rajapakse and his supporters in the future. That is why the corruption probes are being ramped up in both Washington and Colombo.

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