

BRITISH BROADCASTING CORPORATION

RADIO 4

TRANSCRIPT OF "FILE ON 4"- 'MONEY LAUNDERING'

CURRENT AFFAIRS GROUP

TRANSMISSION: Tuesday 31st October 2006 2000 - 2040

REPEAT: Sunday 5th November 2006 1700 - 1740

REPORTER: Fran Abrams

PRODUCER: Rob Cave

EDITOR: David Ross

PROGRAMME NUMBER: 06VQ3625LHO

THE ATTACHED TRANSCRIPT WAS TYPED FROM A RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT. BECAUSE OF THE RISK OF MISHEARING AND THE DIFFICULTY IN SOME CASES OF IDENTIFYING INDIVIDUAL SPEAKERS, THE BBC CANNOT VOUCH FOR ITS COMPLETE ACCURACY.

“FILE ON 4”

Transmission: Tuesday 31st October 2006

Repeat: Sunday 5th November 2006

Producer: Rob Cave

Reporter: Fran Abrams

Editor: David Ross

ABRAMS: Next month will see the launch of a new police unit, which will try to stop the proceeds of foreign corruption from being laundered here. And Tony Blair’s appointed a cabinet minister, Hilary Benn, to spearhead a government initiative on the issue.

BENN: Corruption in developing countries hits poor people hardest. It means that money is stolen that could otherwise be spent on buying medicines and getting children into school, and we’re serious about trying to do better in playing our part in helping to deal with the consequences of corruption that affects so many people’s lives in other countries.

ABRAMS: But does the government’s rhetoric really match the reality? File on 4 can reveal serious defects in the UK laws that are supposed to shed light on these illicit activities. And when the victims of these crimes want their money back, we’re not always keen to hand it over.

DOWDEN: If you’re rich and you have a shady past, London is a very good place to come and put your money.

SIGNATURE TUNE

EXTRACT FROM NEWS

NEWSREADER: In the last hour the deposed Prime Minister of Thailand, Thaksin Shinawatra, has arrived in London from New York. The leader of the military coup in Thailand has said the army will appoint a new Prime Minister within two weeks and will then step back from power ...

ABRAMS: It's six weeks now since the Thai Prime Minister was deposed in a coup, which proved popular with many of Bangkok's residents.

ACTUALITY OF COUP

NEWSREADER: This is what Thailand's military coup sounds like. Crowds of people laughing and chatting with soldiers outside Government House. General Sonthi's seizure of power has gone down well with lots of people here.

ABRAMS: One reason for the positive reaction was that there'd been allegations of corruption in Mr Thaksin's government - and although nothing's yet been proven, a special committee's been set up to investigate the former Prime Minister and his political associates. Its spokesman is Sak Korsangruang. He says it will ask if Mr Thaksin used an offshore company, to avoid paying tax on a \$1.9 billion share deal.

SAK (READ IN TRANSLATION): A commission has been formed to investigate what harm may have been done to the state. During the five years the former Prime Minister was in power, there were allegations of conflicts of interest. We will investigate projects approved by the past government and also deals done between the government and companies if we suspect they may be corrupt.

ABRAMS: When the tycoon-turned-politician arrived in London after the coup, he said he'd come to see his daughter. But it turns out that wasn't the only reason - he also had somewhere to stay.

ACTUALITY IN LONDON

ABRAMS: This is 55 Park Lane, it's a huge luxury block next to the Dorchester Hotel. Apartments here go for millions. And since the coup in Thailand, Mr Thaksin's made his home here, in a large apartment he bought from his old friend and business associate, Mohamed Al Fayed, who owns the block. Mr Fayed's son, Dodi, had a flat here, which is still preserved in his memory. And the former president of Ghana, Jerry Rawlings, was also reported to have stayed here a couple of years ago. Mr Thaksin's family also owns another property in London – an apartment he bought for his daughter, who's a university student. And the Thai investigator, Mr Sak, says although inquiries are at an early stage, the committee would like more information on the former Prime Minister's UK assets.

SAK (READ IN TRANSLATION): There are two things we need to know – how he got his assets and, second, whether he has reported them.

ABRAMS: What about those assets Mr Thaksin holds in the UK? Would you seek co-operation to recover those if there was money to be recovered?

SAK (READ IN TRANSLATION): First we need to investigate whether Mr Thaksin owns those properties. But if that's the case, then we might need to take some action. It will depend on what facts we find out, but if we discover some assets have been transferred to the UK, we might ask as a government for co-operation to freeze or recover them, or we might bring a lawsuit to do that.

ABRAMS: Mr Thaksin told us he didn't want to take part in this programme. And at this stage the allegations that have been made against him are just that – allegations that have not so far been backed by evidence. But among the many other foreign politicians who've made their homes in London, there are some whose motives are much more questionable.

ACTUALITY AT WATER GARDENS

ABRAMS: I'm standing by a fountain in Water Gardens, an up-market development just off London's Edgware Road. It's long been popular with wealthy families from oil-rich states. And it's here that Diepreye Alamiyeseigha, a Nigerian state

ABRAMS cont: governor, bought a two-storey penthouse costing £1.75 million. When the police raided the property late last year, they found a million pounds in cash in his safe.

Mr Alamieyeseigha was arrested and charged with money-laundering, but he jumped bail and he's now awaiting trial in Nigeria. Colin Joseph, a partner with Kendall Freeman solicitors, was appointed by the Nigerian government to investigate the case.

JOSEPH: We discovered that considerable sums had come to this country, either into bank accounts or to purchase property, which were money either he had stolen from the government or that were the proceeds of bribes that had been paid to him for awarding contracts in his official capacity as state governor.

ABRAMS: What was the scale of that, in financial terms?

JOSEPH: He had bought four properties in London for a total of just under £5 million and there had been at least £2.7 million in addition that had passed through a bank account in the name of a company that he controlled. The four properties that he had acquired in London were each purchased through a different firm of solicitors. He had one very active bank account and he'd had a previous bank account. Both of those were with major high street banks. And his wife had also had an account with a third high street bank.

ABRAMS: In addition to his penthouse in Water Gardens, Mr Alamieyeseigha had bought a property in Finchley and two in Kilburn. He'd opened accounts with no fewer than five major London banks. Under Britain's money-laundering regulations, they were supposed to make Suspicious Activity Reports to the police if they had any concerns. And solicitors, too, had been warned they should be alive to money laundering. But Colin Joseph says it was some time before the whistle was blown.

JOSEPH: The first property that he acquired was back in late 1999 and further properties were acquired in 2001, 2002 and 2003, the bank accounts were opened in 2003 and 2004, and it was not until the end of August 2005 that we had our initial conversation with the Metropolitan Police.

ABRAMS: To the best of your knowledge, over that six year period, how many suspicious activity reports were lodged by those banks?

JOSEPH: I'm aware of one having been lodged. The sort of transactions that we're dealing with here look to me certainly to be suspicious. I would expect people to pick up on those, particularly when it was known that the person behind the companies entering into these transactions was a governor of the state of Nigeria. I would have thought that they would have merited rather a lot more attention than they got.

ABRAMS: The legislation that requires banks to report suspicions of money-laundering has been in place for more than ten years. But Stephen Baker, a Jersey-based barrister who specialises in corruption cases, says even though it's a long-established regime, it's far from perfect. How many cases do you know of in which bankers have been prosecuted in the UK for not reporting money laundering?

BAKER: To the best of my knowledge there's none.

ABRAMS: Isn't that quite surprising?

BAKER: Yes. There has been a law for well over a decade that banks have to have in place sufficient systems to prevent money laundering, and as far as I'm aware not a single institution has been prosecuted through the United Kingdom in a decade.

ABRAMS: It's not much of an incentive to report, is it?

BAKER: Thus far there hasn't been much to discourage banks. All systems are run by humans and there could have been mistakes. In my experience the reason sometimes that suspicious transaction reports perhaps aren't made are that persons perhaps have their eye too much on the dollar rather than where the money came from. The complaint that one hears is that the most serious financial crime is not properly investigated or prosecuted in the United Kingdom.

ABRAMS: None of the banks concerned was able to talk to us, as money-laundering laws prevent them from discussing cases with anyone but the police. But Ian Mullen, Chief Executive of the British Bankers' Association, says banks are doing their best to eradicate the problem.

In this case that we've looked at, a man was able to place large sums into five London banks over a period of several years and only one of them made a suspicious activity report.

MULLEN: Well, in the circumstances an arrest was made and that's what we're after, isn't it?

ABRAMS: Well yes, but surely an arrest could have been made several years earlier if the report had been made several years earlier.

MULLEN: I cannot get into specific cases.

ABRAMS: But on a general point about how well the system is working, I mean, are you confident that it is, when we're seeing evidence that some banks are not reporting fully or that it seems to take a long time for that to happen sometimes?

MULLEN: Last year there were 175,000 reports made and of those 175,000, 65% were made by banks, so I must say that the banks are being highly diligent in this particular area. The fact that the Proceeds Of Crime Act has an ultimate penalty of thirteen years imprisonment is something of a deterrent for both the banks and the bankers.

ABRAMS: There's never been a prosecution though, has there? That's not much of a deterrent.

MULLEN: Not yet.

ABRAMS: The British government were able to return the £1 million they found in cash in Mr Alameiyeseigha's penthouse to the Nigerian government. And the country's now pursuing civil action to recover its assets. But

ABRAMS cont: Richard Dowden, director of the Royal African Society, believes Britain may still be viewed as a safe haven by some corrupt foreign politicians seeking to enjoy the proceeds of their crimes.

DOWDEN: I think until recently Britain has been seen as quite a soft touch. In fact the expression the City of London being the laundry of choice I've heard a couple of times. There's a lot of property being bought, nice houses or land. The way it comes in is to go into offshore trusts and companies where they don't need to name the beneficiaries. That money then flows into the City of London from apparently legal companies in offshore territories and overseas territories, and I think that's the sort of soft underbelly here and that's the one they've got to tighten up on.

ABRAMS: Is it the regulatory system or simply London itself?

DOWDEN: Well it's a nice place to come anyway. If you had to go to there or Zurich, which would you choose? You'd come to London, much more fun than Zurich. But I think the other one is that the regulatory system has been, not that it's been weak but it hasn't been implemented. And so I think the feeling is yeah, if you're rich and you have a shady past, London is a very good place to come and put your money.

ABRAMS: In the past year, the government's stepped up its efforts to tackle foreign corruption – largely in response to Tony Blair's Commission on Africa. Hilary Benn, the International Development Secretary, has been appointed the government's champion on the issue. And he admits Britain's record hasn't always been a good one – but he says he's determined to change that.

Isn't there still feeling though that Britain is still the laundry of choice for corrupt foreign politicians from all over the world?

BENN: No, I wouldn't say that. What we're trying to do first of all is to ensure that we've got better legislation in place, but crucially to have better capacity to enforce the law, and one of the things that I have done is to use some of the money from DfId's budget to help increase the capacity of the police forces – the Metropolitan Police and the City of London Police - to investigate cases of money-laundering and bribery, because it seemed to me this was a really practical contribution

BENN cont: that I could make to increasing our capacity to investigate cases and, if there's evidence, bring people to account.

ABRAMS: We're looking at one case in which a Nigerian governor was able to put millions into five different bank accounts in London and to buy four different properties, yet only one bank made a suspicious activity report - the reporting system just isn't working at the moment, is it?

BENN: Well, it needs to work better and I think that's going to be a real gain in strengthening the system. In this particular case we have returned some money to Nigeria.

ABRAMS: But the Nigerian government is now having to take civil action in this country to recover all the rest of the assets. That was cash, that was easy. The difficult part was the property, which they are now having to take civil action to recover.

BENN: Well that is the case, but I recognise that we need to increase our capacity, and that's including a better system for sorting out all the reporting that is taking place. Part of this reform is about having a more effective system so that the different bits of reporting that they receive can be looked at, can be farmed out to those who've got a responsibility, and crucially, where investigation is required, we're now going to have much more capacity to do that than was the case in the past.

ABRAMS: It isn't only banks that can be used to hide the proceeds of corruption. Some experts believe our companies, too, can be vehicles for crime.

ACTUALITY AT COMPUTER

MURPHY: If we wanted to form a UK company with nominees, the first place you start is Google.

ABRAMS: Richard Murphy, a forensic accountant who works for an organisation called the Tax Justice Network, says it's only too easy to start your own company. You can even hide your ownership by having another company act as a nominee shareholder.

MURPHY: We come up with a company straightaway, so let's have a look at that. If we go through and look at what it says about these things, the name of every shareholder has to be recorded in the company's statutory registers and at Companies House, but this formation company will supply a nominee instead and their name will be recorded in your place. And it says companies may wish to do this to keep secret the ownership of their company for valid commercial reasons. Well, they might also want to do it for other reasons as well, I suspect. It's designed to help a person who would rather not disclose their interest or association with a given corporate body. Well, I have to ask the question, why wouldn't you want to be associated with the company that you own or run?

ABRAMS: And what could we use this company for?

MURPHY: We can do anything we like with it.

ABRAMS: But what's all this got to do with the developing world? As it happens, quite a lot. Sometimes companies like these can leave people in faraway places wondering why their country's wealth seems to be disappearing without trace.

MOUNZEO: We don't understand why, with such huge oil revenue, we are one of the most indebted and poorest countries in the world.

ABRAMS: This is Christian Mounzeo – an anti-corruption campaigner from the Republic of Congo. He and his colleagues have been asking for years why their country's citizens are still so poor, when Congo makes more than \$2 billion a year from oil.

MOUNZEO: Why are we one of the most important oil producers in Gulf of Kenya, but we don't have enough drink water, electricity, healthcare, education and so on? There seems to be no link between oil production and development, and the oil revenues only serve to enrich an elite to the detriment of the majority.

ABRAMS: London's a major trading centre for oil from West Africa. And a high court judgement revealed last year that the Congolese government had been able to hide its murky dealings from people like Mr Mounzeo, by channelling them through a series of companies – one of which was registered in the UK. That court case was brought by creditors chasing Congo for unpaid debts, but it also helped expose the scale of the problem. Sarah Wykes, an oil researcher for the environmental campaign group Global Witness, has investigated the deals.

WYKES: The national oil company in Congo sells oil on behalf of the government. Now normally they would sell that directly to oil traders. In this case they sold the oil on at very low prices to a series of shell companies, Sphynx Bermuda was the main company, but there was also a company registered in the UK called Sphynx UK. These companies then sold on the oil at a profit to oil traders. Around \$470 million worth of oil was being sold in this way. This oil was being sold under the market price. It's not clear where the proceeds of those sales ended up, whether they did actually go to the Treasury. It appears these private shell companies owned by some of the top officials in Congo actually made significant profit, so that is public money being siphoned off through these shell companies.

ACTUALITY IN BLOOMSBURY

ABRAMS: This is Bedford Row in Bloomsbury. It's an elegant row of Georgian terraced houses, and it's also the company address of Sphynx UK. But when we arrived here, all we found was another company, a company service provider. They told us they couldn't disclose who's behind Sphynx UK. If we want to contact the company, we have to write to them here. They also told us their ultimate owner was yet another company in the British Virgin Islands. What we've discovered is that Sphynx UK is nothing more than a shell.

We tried to track down some of the figures behind this shell company, but it wasn't easy. The head of the Congo state oil company, Denis Gokana, didn't respond to our letters and

ABRAMS cont: emails, and his two phone numbers didn't appear to be working. So we tried to contact another key figure in the deals.

ACTUALITY IN ST JOHN'S WOOD

ABRAMS: This is Wellington Court in St John's Wood. It's a handsome block of flats near Lords Cricket Ground. It's the home of Dr Ike Nobodo. He advised the Congo to set up a separate company to trade its oil, and he organised its deals in London. He was criticised by a UK judge for helping Congo conceal details of its oil deals. We've just asked him if he'd like to talk to us about it, but he's refused.

Sphynx UK doesn't appear to have actively traded for some time, if ever. But it's still on the company register, even though its activities were detailed in a Parliamentary report on corruption and Africa. However, its sister company in Bermuda has fared less well – as Bermuda's registrar of companies, Stephen Lowe, explains.

LOWE: There was allegations that the Bermuda company was used as a sham, the global press was quite rampant at the time about it, so we obviously were very concerned. Because anything of that kind goes against or has a negative influence or impact on our reputation, we're very very interested to find out exactly what happened.

ABRAMS: So what action did you take?

LOWE: It was actually quite swift. The Ministry of Finance exercised her authority to actually put in an inspector. Once that report was tabled we considered it, the minister considered it and her tactical officers, and the decision was made to actually go in and start winding up proceedings on the company.

ABRAMS: So it's quite a different and much stronger regime there?

LOWE: Oh absolutely. And again, I think it has to be, because our reputation is everything.

ABRAMS: Hilary Benn rejects the suggestion that Britain's system of company regulation compares unfavourably with that of its offshore territories. The Bermudan government closed down Sphynx Bermuda. We didn't do anything about Sphynx UK. Isn't it shaming that the Bermudan government should have a system which is policed more strongly than ours is?

BENN: What I would say is it's important that evidence is provided to the authorities here in order that investigations can take place. Now I don't know whether Global Witness has provided that information yet, and if they haven't then I would encourage them to do so. If people have got suspicions or concerns, then it's very important that they report that to the relevant authorities, and then our job is to make sure that the authorities have the capacity to investigate, and that's why we're taking the steps to increase our capacity to do exactly that.

ABRAMS: The Bermudan government told us they read the newspapers, and as soon as they saw a report about a court judgement in London on this company, they stepped in.

BENN: Well, that's the action that they took. What I don't know and I don't know whether you know, whether Global Witness has passed the evidence that it has about the company to the authorities here, and I can simply just repeat that if they haven't, I hope they will do so.

ABRAMS: They've certainly passed it to the government, via an all-party Africa Group report, haven't they?

BENN: There was indeed reference to that in the all party group report, but I think people should just take a direct route and I would urge anybody who has any evidence of what they think is wrongdoing, to pass it formally to the authorities with a request that it should be looked into.

ABRAMS: Global Witness might not find that so easy. When we asked Companies House to comment on why no action appeared to have been taken against Sphynx UK, and why it still appeared on the register of companies, its spokesman said:

READER IN STUDIO: Our responsibility under the Companies Act is to maintain a register of companies. We can strike off a company if it fails to file accounts, but complaints are dealt with by the Investigation Branch of the Department of Trade and Industry.

ABRAMS: So we asked the Department of Trade and Industry to comment, and they said:

READER IN STUDIO: I'm not sure this falls squarely within our remit. This isn't the sort of inquiry we normally deal with. You might need to speak to somebody at the Treasury.

ABRAMS: So we approached the Treasury, and their spokesman said:

READER IN STUDIO: I'm trying to think why the DTI would send you to us. That's what the DTI are there for.

ABRAMS: Richard Murphy of the Tax Justice Network isn't surprised by the government's baffled response to File on 4's questions. Our system of company regulation's been causing concern for some time. And during a debate on a Company Law Reform Bill that's currently before Parliament, there were attempts to change the law so firms couldn't be used in this way.

MURPHY: There is nobody who really regulates this. Some amendments were put down to the Companies Law Reform Bill asking for this sort of disclosure of who really runs a company to be required by law. And the government put a lot of effort into ensuring that it did not become part of the bill.

ABRAMS: So the government's just not interested? It's made it's position plain?

MURPHY: It believes that this sort of action, to require companies to register details of who own them and so on is a red tape burden upon business, and they see it as their job to cut all red tape away. But at the same time they are

MURPHY cont: providing a licence to people to abuse the law, to operate frauds, to undertake transactions in the UK or elsewhere which abuse civil society around the world and I think that's a complete neglect of duty by our government.

ABRAMS: Hilary Benn, the government's anti-corruption champion, didn't accept the recent arguments for a change in the law. He says other measures the government is taking under a new EU money-laundering directive will make a real difference.

BENN: We reflected upon it and weren't convinced of the case that was put forward for making that change, but there are going to be some other changes arising out of the EU money-laundering directive, particularly relating to shell banks. There will be a requirement on banks, accountants and lawyers and others to be able to identify who ultimately gets the benefit, and that is going to be a step forward.

ABRAMS: But no requirement on company formation agents in this country, there are offices all over London where there are hundreds of companies registered and it's impossible to know who they are, there's no regulation at all.

BENN: Well, I wouldn't agree that there's no regulation at all, but in the end the government, having considered it, decided that that change was not one that we thought was sensible.

ABRAMS: Why not?

BENN: Well we weren't persuaded of the argument, and in the end in regulation you have to strike a balance.

ABRAMS: You thought it would have been too onerous as a regulation?

BENN: Well, that was one of the arguments, but then we're taking a lot of steps to ensure there is more information available to people.

ABRAMS: But if we don't know who owns our companies it's very difficult for us to really make sure that they are decent and honest and running them for a good purpose. I could set up a company tomorrow, I could set up a company to help you to set up a company. It's that easy.

BENN: The question is, I mean it should be relatively easy for people to set up companies, because you want to encourage people to do business. But what you also need to make sure, if people act in an improper way, you've got effective laws and that they're enforced. And I think it's perfectly possible to have the two side by side.

ABRAMS: But there are still complaints Britain's companies can be impenetrable to foreign governments trying to recover their stolen assets. And sometimes even when they ask for our government's help, progress can be slow.

EXTRACT FROM NEWS BULLETIN

NEWSREADER: A diplomatic row has broken out between the United Kingdom and Kenya, after Britain's High Commissioner, in a flurry of highly undiplomatic language, accused the Kenyan government of failing to tackle corruption. In a speech to a group of British businessmen in Nairobi, Edward Clay said that ...

ABRAMS: When Sir Edward Clay, then our High Commissioner to Kenya, hit out at the country's government for failing to deal with a massive corruption scandal, his words caused a major row. And even though that was two and a half years ago, the repercussions are still reverberating around the corridors of power in Nairobi. The previous government, which left office in 2002, had signed and made payments on a whole series of contracts with overseas companies – including several with UK addresses. But most - if not all - were shams – corrupt deals set up to defraud the Kenyan state. Sir Edward was soon convinced the scandal – known as Anglo Leasing after one of the companies involved – went right to the highest levels of government.

CLAY: Anglo Leasing is, of course, a collective term given to a nexus of scandals, but the first really to come to light were those to do with passports and then secondly that to do with forensic laboratories. Forensic labs was a wonderful scam, because there was nothing ever written down, except drawings on the back of an envelope, and nothing was to be delivered, just hot air, and a lot of money going into the wrong pockets.

ABRAMS: Broadly then, there were a whole series of contracts?

CLAY: Yes, they all however involved dodgy procurement procedures of some sort or another. To put it in perspective, it's about the value of Kenya's total foreign aid in a year. A billion dollars.

ABRAMS: The ensuing official investigation revealed the Anglo Leasing and Finance Company didn't exist – there was a company with a similar name in the UK, which had nothing to do with the scandal. But there was a whole network of other companies, in Britain and elsewhere – some not even officially registered, others apparently ill-equipped to fulfil the contracts they'd signed. A number of UK citizens were named in an official Kenyan government report as signatories to the contracts. And among the key players was a Kenyan businessman called Deepak Kamani, whose family also had links to the UK. The Kenyan Justice Minister, Martha Karua, says unearthing the detail was fraught with difficulty.

KARUA: The Anglo Leasing Company, which is one of the many phantom companies that were supposed to have contracted with the government of Kenya, had its address in the UK, and our investigation agency was able to trace the particulars of the company. One find that it was not registered, it didn't exist, the address it gave was fictitious.

ABRAMS: Kenyan police came to Britain in 2004, but because of legal red tape they left without being able to interview key suspects and without ever really getting to the bottom of the mystery. We understand the Serious Fraud Office now has the file. But Miss Karua says she's seen little evidence they're actively looking at it.

KARUA: I think they are active only when requested, but I still believe there are substantial assets, even not in the mainland UK, in some of your islands there, because I have an idea the areas where our investigation commission is looking for those funds.

ABRAMS: And that would be within Britain and also in its offshore territories?

KARUA: You are correct.

ACTUALITY IN LIVERPOOL

ABRAMS: In fact, when Kenya first asked for help on the case, some of those assets may well have been in the UK. I'm standing outside a hotel in Liverpool. It used to be owned by Deepak Kamani's sister. But last year she resigned her directorship of the firm that owns the hotel, and sold her shares. And if the Kenyans want to find the Kamanis' money now, their job will be that much harder.

Martha Karua says Kenya's now working on a series of civil cases in which it will attempt to recover its stolen funds. She admits it's been slow progress, but says there's much more countries like Britain could do to help.

KARUA: I'm lamenting that the laws in Britain and in other western countries tend to favour the looters, in the sense that it is difficult to get hold of the funds and to repatriate them back, and this is something that the international community must look at. It doesn't pay for them to be telling the developing world that we are not doing anything to combat corruption, when they are receiving and protecting the monies of those looting our countries. It is time the international community walked the talk and enacted laws that deter corrupt practices, and especially looting of public funds in developing countries. We are saying at the moment that our looted funds are developing the West.

ABRAMS: Is there not still a point there, though, that Kenya could have acted more quickly on this and could have done more to help itself before asking the international community to return assets and to change its laws?

KARUA: I think we've done what we could have done. We did an in-depth examination and the government continues up to this day with clean-up. When you're cleaning mess that has settled in for more than a decade it sometimes takes a long long time to discover things that have gone wrong. And fighting against corruption is a process, not an event, and we are saying do more and help us to recover our money. Perhaps our money may amount to more than the aid we're getting.

ABRAMS: In fact, Britain does have a mechanism for recovering assets which may have been stolen from overseas –under the 2002 Proceeds of Crime Act, the Asset Recovery Agency can apply for a court order to seize suspect property. But it's not surprising Ms Karua doesn't know about it. The system's never once been used to tackle foreign corruption. Mr Benn says the new police unit will make a difference. But he believes countries like Kenya are doing too little to help themselves.

BENN: The single most important step that Kenya could take is to demonstrate that it's serious about tackling corruption. Because the truth is, everybody knows that grand corruption has been endemic in Kenya for a number of years. All the mechanisms are in place, the laws are there. The question is, are the laws going to be enforced?

ABRAMS: They did ask us for help more than two years ago and we were certainly aware more than two years ago that there were assets in this country, that could be connected with crimes in Kenya, and yet no interviews, no arrests, no active police investigation in this country that we can discover.

BENN: Are you aware whether they have formally requested assistance from the relevant authorities?

ABRAMS: They formally requested assistance in 2004.

BENN: Well, I don't know why that is the case, but if the reason is because of the issue of investigative capacity, then once again I would say that the additional police officers who are now going to be provided in this new unit that's being established will put us in a better position in the future now to respond to requests of

BENN: Well, we have been consulting, you know, and intending to publish our response to that consultation process in the near future. The fact is we've got the legislation that we need to deal with the problem. What we recognise is that it would be better if you could codify it, but it's not that we're unable to act because we don't have laws on the statute book. It's proved quite difficult, in truth, to get agreement across the piece on precisely how do you define the offence. But people should not worry that the fact that we haven't yet been able to bring forward a bill on which there could be broad agreement doesn't mean that we don't have the legislation that we need to get on and deal with the problem.

ABRAMS: There isn't foot dragging anywhere else in government then?

BENN: The government is very committed and that's why we're doing all of the other things, including getting on with implementing other bits of legislation. We've got the offences on the statute book. We're going to have more tools to do the job, and I hope in time we can make progress on getting a definition that everyone can agree on, but it's not for the want of trying.

ABRAMS: Questions remain, then, over whether Britain will fulfil its promise to throw its full weight behind the fight against corruption. The real test will be whether, in years to come, corrupt politicians stop using UK properties, banks and companies to launder the proceeds of their crimes.

SIGNATURE TUNE