

**From The Financial Times (UK),  
Help needed to trace Mugabe funds, says PwC  
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Johannesburg - International auditing firms operating in southern Africa said on Thursday that an investigation into the assets of Robert Mugabe, president of Zimbabwe, and those of his associates would be strengthened by the co-operation of international donor agencies. John Roux, the head of PricewaterhouseCoopers' forensic unit in Johannesburg, said the international banking community's co-operation in tracking funds belonging to Zimbabwe's ruling elite depended on donors, such as the World Bank or the European Union, raising concerns about the abuse of their funds. The US and the UK have launched an investigation into the assets held abroad ahead of a possible decision to impose targeted sanctions on Zimbabwe to put pressure on the government to hold free and fair elections. The US said this week that capital outflows from top officials to tax havens in Europe and the US had been increasing in the months before the presidential elections in March. Ed Royce, chairman of the Africa Committee of the US House of Representatives, warned of the danger of officials stripping the Zimbabwean national treasury. "There is nothing to prevent them [Zimbabwean officials] from doing it [moving money offshore]. It's very difficult to investigate. To get the Swiss banking authorities to co-operate, you would need some official backing and a criminal prosecution. The banks are not going to disclose for the sake of disclosing," said Mr Roux.

Swiss banks co-operated in an investigation last year into the assets held abroad by General Sani Abacha, former Nigerian president, after his death and proof of illegal accumulation of funds. By comparison, Mr Mugabe is the legitimately elected leader of Zimbabwe and would find protection in banking confidentiality. Auditors say the measures the US and UK are proposing would apply to more easily traceable, hard assets, such as properties, rather than to bank accounts probably held in tax havens. Zimbabwean officials are likely to have used formal private banking channels to move their money offshore. Alternatively, they may have set up corporate front companies to transfer their personal wealth overseas. "People would use tried and tested methods they have used for years. They would already have bolt-holes and slush funds. They would move money out along simple lines," said Rowan Bosworth-Davies, a consultant at Control Risks, a political and security risk analysis company, in London. Others would have sought to avoid detection by the Zimbabwean central bank and formal banking sector by redirecting funds held outside Zimbabwe or by illegally taking out hard currency. A likely first destination is South Africa, which has a large banking system offering international investment access and strong financial ties with its northern neighbour. "You can stash cash in a suitcase and fly out. It's not going to be picked up," said a Johannesburg-based forensic auditor.