

Kleptocrats at Work

By [Dr. Paul Craig Roberts](#)

Region: [Asia](#)

Global Research, February 07, 2011

7 February 2011

Kleptocracy is as old as government. Exotic car broker Michael Sheehan discovered an amazing case nine years ago when he was invited to purchase rare Ferraris and McLaren F1s from a Brunei collection. He writes about it in the current issue of Sports Car Market.

Brunei is a family-owned oil Sultanate of 400,000 people located on the island of Borneo in southeast Asia. A brother of the sultan was finance minister until 1997, when the Asian financial crisis hit Brunei. The Arthur Anderson accounting firm was called in to audit the books. The accountants found that between 1983 and 1998 \$40 billion had disappeared and that the finance minister himself had personally spent \$14.8 billion.

The finance minister had a collection of 2,500 exotic cars, 500 properties, five yachts, and nine world-class aircraft. He had managed to spend \$900,000,000 in the London jeweler Asprey, apparently guaranteeing the old age retirements of a number of attractive women who consort with kleptocrats.

The finance minister was allowed to keep 500 of the cars, but he had to turn in the rest of his loot-to no avail as we shall see.

Sheehan went to Brunei to view the cars. From his general description of the collection, I estimate that the finance minister had paid six figures for the least expensive car in the collection. Many cost much more. McLaren F1s cost \$1,000,000 new. They are more valuable now. In October 2008 one sold at a London auction for \$4,100,000. Many of the cars were custom built. Some of the high speed Ferraris "were coated in radar-absorbent matt-black coatings and fitted with infrared cameras for night driving." Easily more than one billion dollars of Brunei's oil revenues had found their way into the finance minister's car collection.

Sheehan reports that the cars were stored in about 12 buildings "surrounded by a high wall topped with razor wire and with a bomb-proof front gate" and patrolled by "armed Gurkhas with very serious German shepherds." The security was for naught, because "the air conditioning was off, but the tropical sun was not." Years of heat and humidity had destroyed the cars. The storage facilities had become a car tomb.

Sheehan concluded that most of the cars were in such a state of ruin that only a few of the cars had sufficiently high inherent values to support commercially viable restorations. The best use of the rest, Sheehan decided, would be to turn them into an artificial ocean reef.

The careless waste is shocking and even more so to car buffs who consider many of the ruined cars to be artistic masterpieces. This is the kind of opulent waste that we associate

with family-owned countries. But before we Americans start feeling superior, consider that the U.S. government puts the Brunei finance minister to shame.

On January 29, 2002, CBS Evening News reported that the Pentagon had lost track of \$2.3 trillion, yes, \$2,300 billion. <http://www.cbsnews.com/stories/2002/01/29/eveningnews/main325985.shtml> Defense Secretary Rumsfeld admitted, "According to some estimates we cannot track \$2.3 trillion in transactions." "We know it is gone," said Jim Minnery of the Defense Finance and Accounting Service, "but we don't know what they spent it on."

Reported thefts from Iraq and Afghanistan reconstruction aid rival Brunei's missing billions. Pallets of cash stacked high have been flown out of Afghanistan in plain view. The stories of corruption and missing funds are so numerous that they are no longer reported.

The U.S. Congress, at President Obama's request, recently passed the largest military spending bill of all time in behalf of the share prices of the military/security complex, while many of the 50 states teeter on bankruptcy and default on pensions and municipal bonds and slash education, medical, and other services. For "our" government in Washington, it is a no-brainer that the profits of the military-security complex take every precedence over every need of the American people.

If the Brunei finance minister's billion dollar car collection becomes an artificial reef, it will foster marine life. In contrast, Dick Cheney seriously damaged, perhaps for many years to come, the Gulf of Mexico, because Cheney believed a few extra bucks for the oil companies were more important than safety standards. The missing safety standards have cost British Petroleum \$20 billion in clean up and restitution costs.

U.S. taxpayers are paying the Orwellian Department of Homeland Security \$56,336,000,000 this year to porno-scan and grope them and otherwise invade their privacy, while millions of Americans are foreclosed out of their homes.

How are the priorities of the US. government superior to those of the Brunei finance minister? When it comes to waste and corruption, lies and deception, the U.S. government has no equal.

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