

## How Hosni Mubarak Got Filthy Rich



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*By Rick Newman (US News & World Report)*

There are no Mubaraks on the Forbes list of the world's richest people, but there sure ought to be.

The mounting pressure from 18 days of historic protests finally drove Egyptian President Hosni Mubarak from office, after three decades as his nation's iron-fisted ruler. But over that time, Mubarak amassed a fortune that should finance a pretty comfortable retirement. The British *Guardian* newspaper cites Middle Eastern sources placing the wealth of Mubarak and his family at somewhere between \$40 billion and \$70 billion. That's a pretty good pension for government work. The world's richest man—Mexican business magnate Carlos Slim—is worth about \$54 billion, by comparison. Bill Gates is close behind, with a net worth of about \$53 billion.

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Mubarak, of course, was a military man, not a businessman. But running a country with a suspended constitution for 30 years generates certain perks, and Mubarak was in a position to take a slice of virtually every significant business deal in the country, from development projects throughout the Nile basin to transit projects on the Suez Canal, which is a conduit for about 4 percent of the world's oil shipments. "There was no accountability, no need for transparency," says Prof. Amany Jamal of Princeton University. "He was able to reach into the economic sphere and benefit from monopolies, bribery fees, red-tape fees, and nepotism. It was guaranteed profit."

Had the typical Egyptian enjoyed a morsel of that, Mubarak might still be in power. But Egypt, despite a cadre of well-educated young people, has struggled as an economic backwater. The nation's GDP per capita is just \$6,200, according to the CIA—one-seventh what it is in the United States. That output ranks 136<sup>th</sup> in the world, even though Egypt ranks 16<sup>th</sup> in population. Mubarak had been working on a set of economic reforms, but they stalled during the global recession. The chronic lack of jobs and upward mobility was perhaps the biggest factor driving millions of enraged Egyptian youths into the streets,

demanding change.

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Estimates of Mubarak's wealth will probably be hard to verify, if not impossible (one reason dictators tend not to make it onto Forbes's annual list). His money is certainly not sitting in an Egyptian vault, waiting to be counted. And his delayed exit may have allowed Mubarak time to move money around and hide significant parts of his fortune. The Swiss government has said it is temporarily freezing any assets in Swiss banks that could be linked to Mubarak, an uncharacteristically aggressive move for the secretive banking nation. But that doesn't mean the money will ever be returned to the Egyptian people, and it may even find its way to Mubarak eventually. Other Mubarak funds are reportedly sitting in British banks, and Mubarak was no doubt wily enough to squire away some cash in unlikely places. Plus, an eventual exile deal could allow Mubarak to retain some of his wealth, no questions asked, as long as he and his family leave Egypt and make no further bids for power.

Epic skimming is a common privilege of Middle Eastern despots, and Mubarak and his two sons, Gamal and Alaa, were a bit less conspicuous than some of the Saudi princes and other Middle Eastern royals seen partying from time to time on the French Riviera or other hotspots. The family does reportedly own posh estates in London, New York, and Beverly Hills, plus a number of properties around the Egyptian resort town of Sharm El Sheikh, where Mubarak reportedly went after resigning the presidency.

Mubarak also spread the wealth far and wide in Egyptian power circles—another Middle Eastern tradition—one reason he incurred the kind of loyalty that allowed him to rule for a remarkable three decades. Top Army officials were almost certainly on his payroll, which might help explain why the Army eased him out in the end—allowing a kind of in-country exile—instead of hounding him out of Egypt or imprisoning him once it was clear the tide had turned against him for good.

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That money trail, in fact, will help determine whether Egypt becomes a more prosperous, democratic country, or continues to muddle along as an economic basket case. Even though he's out of power, Mubarak may still be able to influence the Army officials running the country, through the financial connections that made them all wealthy. And if not Mubarak, the next leader may be poised to start lining his pockets the same way Mubarak did. For Egypt to have a more effective, transparent economy, all of that will have to be cleaned up. There are probably a lot of people in Cairo who have been checking their bank balances lately.

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