



Corruption Threatens Libya's Derna Again

On September 10, 2023, two dams near Derna, in eastern Libya, collapsed amid a strong rainstorm. The ensuing flood killed at least 4,352 people and displaced almost 45,000, while another 8,000 remain missing and should be presumed dead.¹ Since the disaster, journalists and nongovernmental organizations have highlighted several factors that contributed to the collapse, including suspected corruption that may have led to the dams' extreme frailty. In this report, The Sentry sheds additional light on these schemes, linking them to the Dabaiba family's leadership of the Organization for the Development of Administrative Centers prior to 2011 and showing how new corruption risks under the Haftar family could lead to similar infrastructure failures in the future.

Among several factors contributing to the loss of life and material damage in Derna was the dams' poor condition.^{2, 3, 4, 5, 6} From 2007 to 2010, Libya's General Water Authority (GWA) paid Arsel İnşaat Company Limited, a minor Turkish construction firm, and other companies for rehabilitation work that never happened.^{7, 8} Such inaction was indicative of a broader pattern of corruption that affected much of Libya's non-oil-related construction and maintenance, especially in the years leading up to the 2011 uprisings. Schemes such as those affecting the maintenance of Derna's dams were largely orchestrated through the Organization for the Development of Administrative Centers (ODAC),⁹ a state-owned body then controlled by relatives of Abdelhamid Dabaiba, the current prime minister in Tripoli, western Libya.¹⁰

Today, post-disaster, the reconstruction of Derna is underway.^{11, 12, 13, 14} In this ongoing process, Field Marshal Khalifa Haftar's family, which rules eastern and southern Libya, has complete control of new infrastructure contracts. Early indications suggest that the Haftar clan may be resorting to corrupt practices similar to those of the Dabaibas, potentially using foreign companies as conduits to divert public funds.

Despite having occurred more than 15 years ago, the anomalies in ODAC's interactions with Arsel remain acutely relevant in present-day Libya. They illustrate how officials may have exploited existing companies to steal billions from their own country's public coffers. This suspected transnational method of theft, or variations thereof, may be being employed in 2024—a time when large-scale infrastructure projects are used by Libyan leaders to justify spending significant public funds. By uncovering past fraud and scrutinizing contemporary contracting practices, this report seeks to contribute to the prevention of further corruption in Libyan infrastructure.



Dubious and Deliberate*

In November 2007, the GWA awarded a \$30 million contract to Arsel,¹⁵ a small Turkish firm, for the maintenance of the Derna dams—a decision that was heavily influenced by ODAC and its leadership. In the years that followed, until the 2011 uprisings, Arsel failed to carry out any tangible work on the Derna dams, despite receiving timely payments from the Libyan state. This failure to perform can be traced to the corrupt practices of ODAC and its leaders, who benefited from the complicity of others involved in the project, including the GWA and Arsel’s management.

A thorough examination of the project’s negotiation, scope, payment history, and facilitation reveals a pattern of irregular behavior and red flags for corruption.^{16, 17, 18, 19, 20} Such unlawful practices and systemic failures not only contributed to the 2023 catastrophe in Derna but also mirrored issues affecting dozens of contracts across pre-2011 Libya involving foreign firms, many based in Turkey. The common thread was the family then in control of ODAC—the Dabaibas.

ODAC’s influence

Ali al-Dabaiba, the current prime minister’s cousin and the head of ODAC from 1989 to 2011, exerted significant influence on the GWA’s November 2007 decision to sign a contract with Arsel for maintaining the Derna dams.

Between 2007 and 2010, ODAC awarded Arsel a portfolio of about 15 projects, including parts of a university campus in Benghazi and housing units in al-Marj, the total value of which amounted to approximately \$1 billion.^{21, 22, 23} From hand-picking the Turkish company to managing its relationship with the Libyan state, Ali al-Dabaiba dominated the discussions and negotiations with Arsel. By so doing, he greatly influenced the GWA’s own decision to hire the Turkish firm.^{24, 25}

Until ODAC awarded Arsel the \$1 billion package of projects, the Ankara-based company was relatively unknown, with no experience abroad, having handled only modest domestic projects averaging about \$20 million each.^{26, 27, 28} Nevertheless, ODAC’s leader favored Arsel over other larger and more experienced Turkish firms,²⁹ suggesting that Ali al-Dabaiba may have had an ulterior motive for the selection.³⁰ Indeed, ODAC had a record of hiring unqualified contractors.³¹ Arsel was no exception: it would go on to demonstrate significant shortcomings throughout its dealings in Libya. Neither Ali al-Dabaiba nor ODAC responded to a request for comment.

Malfeasance, not negligence

After the GWA signed the contract with Arsel in November 2007, the project experienced almost 18 months of unexplained delays.³² From April 2009, when the project kicked off, to the onset of political unrest in February 2011,³³ the Derna dam project was marked by a slew of administrative and operational irregularities, particularly in the interactions between Libyan officials and Arsel.

*Reports by The Sentry are based on interviews, documentary research, and, where relevant, financial forensic analysis. In some cases, sources speak to The Sentry on the condition that their names not be revealed, out of concern for their safety or other potential retaliatory action. The Sentry establishes the authoritativeness and credibility of information derived from those interviews through independent sources, such as expert commentary, financial data, original documentation, and press reports. The Sentry endeavors to contact the persons and entities discussed in its reports and afford them an opportunity to comment and provide further information.

Between 2007 and 2010, ODAC awarded Arsel about 15 projects worth approximately \$1 billion, heavily influencing the GWA’s decision to hire Arsel for the \$30 million Derna dam maintenance project.





Ali al-Dabaiba, former ODAC chief, with EU Ambassador Nicola Orlando in February 2024. Ali al-Dabaiba is officially retired but still influences the decisions of his cousin, Prime Minister Abdelhamid Dabaiba. Image: X.

Administrative irregularities

Advance payments for the project circumvented standard procedures. Arsel received a direct advance payment of about 25% of the contract sum, even though it was common practice at the time for the advance payment to be set at 15% or less, with at least a third of that being placed into an escrow account.^{34, 35} In addition, Arsel paid neither the mandatory 2% tax nor the required 0.5% contribution to the Social Security Fund.³⁶ These exceptions suggest a deliberate effort by high-ranking Libyan officials to ensure that Arsel enjoyed immediate access to the funds, raising the possibility of their diversion or misuse.³⁷

The scope of the project also raises questions. In 2003, a Swiss consultancy was commissioned to assess the situation in Derna. The resulting report concluded that the two existing dams needed bolstering, including through the addition of hydraulic devices, and that a third dam should be built to ensure the safety of Derna's inhabitants downstream.^{38, 39} Yet when the Libyan state hired Arsel in 2007, it confined the project to modestly strengthening the two dam structures—even though funds were available for more substantive work. More troublingly, after the Turkish company submitted its initial proposal for a light rehabilitation of the two existing dams, Libyan officials insisted on an even more rudimentary version,^{40, 41, 42, 43} a move that suggests a potential plan to have Arsel spend less than it was to receive from GWA for the dam rehabilitation work.⁴⁴ What's more, despite Arsel's contract including no third dam and none having been built, the company falsely claimed on its website that its 2007-2012 Derna mission involved "constructing another third dam in between."⁴⁵ A lawyer representing the owners of the now-defunct Arsel did not respond to a request for comment.

Failures in project management

Beyond administrative irregularities, the Derna dam project was marked by an unusual and corruption-prone configuration of partners.



In July 2009, the GWA contracted El Concorde, a Jordanian firm, to participate in the Derna dam project.⁴⁶ The task for which El Concorde was recruited had in July 2007 been declared completed by an ODAC-affiliated enterprise called Bena wa Tashyeed.⁴⁷ The hiring of another company for the same task two years later indicates that Libya's Bena wa Tashyeed had failed to do the work and that Arsel could not complete it.⁴⁸ El Concorde received its upfront payment but initiated no work, likely because Arsel did not complete its own earlier phases, preventing El Concorde's work from commencing.⁴⁹ In response to The Sentry's questions, a senior Bena wa Tashyeed official declined to comment on the Derna dams but acknowledged the enterprise's general lack of capabilities.⁵⁰

For large infrastructure projects, a consultancy is typically hired at the outset to validate contractors' milestones throughout. For Derna's dams, however, this crucial step was delayed until 2010, when the GWA hired Italian consultancy IRD.⁵¹ This delay suggests that the relevant Libyan decision-makers had been in a rush to funnel the upfront payment to Arsel before even making sure that all the necessary components for physical implementation were in place. Such behavior often goes hand in hand with corruption.^{52, 53, 54}

Derna post-2011

Throughout the course of the Derna dam project, GWA officials demonstrated a notable lack of follow-through, as well as a remarkable leniency towards Arsel's nonperformance. This behavior only continued in the years following 2011, adding to the likelihood that the initial assignment was tainted by corruption.⁵⁵

After Qadhafi's fall, the newly established government in Tripoli introduced a policy meant to encourage foreign companies to return and resume their pre-2011 projects.^{56, 57} In response, Arsel personnel returned to al-Marj and Benghazi, likely motivated by the prospect of receiving at least half the payment from a round of invoices issued and approved just before the 2011 uprisings.⁵⁸ But the Turkish company never returned to its Derna sites.^{59, 60}

Arsel did, however, voice grievances over not receiving the funds it was due at the start of 2011 for the Derna work scheduled to occur in 2010.⁶¹ After years of bureaucratic back-and-forth, the GWA—now called the Water Resources Ministry—disbursed the payment,⁶² but it notably did not request that Arsel return to Derna and complete the job for which it was paid.⁶³ Nor did the GWA attempt to get its money back when it became clear that almost no work had been carried out.^{64, 65} The GWA, now called the Ministry of Water Resources, did not respond to a request for comment.

During that same post-2011 period, ODAC directly contracted another Turkish company, Karan Grup, to perform excavation work as part of the rehabilitation of the Derna dams.^{66, 67} Like Arsel before it, Karan did almost nothing.⁶⁸ The small Turkish company also had direct ties to its predecessor: Before 2011, Karan Grup's leader, Sertac Karan, had held an executive role within Arsel, focusing on projects in the greater Benghazi area.⁶⁹ After 2011, he worked for various other Turkish companies in Libya,⁷⁰ including his own. Karan Grup participated in several projects funded by ODAC, including the Derna assignment from 2012 to 2016.^{71, 72} A former Karan Grup employee indicated to The Sentry that, during that period, Sertac Karan maintained connections with the Dabaibas, even though they were no longer officially at the helm of ODAC.⁷³ Karan Grup did not respond to a request for comment.

In 2017, Arsel—whose fiscal health was weakened—filed for bankruptcy, leaving its creditors in pursuit of any remaining assets.^{74, 75} Later, in the wake of the dams' September 2023 collapse, information began to surface that Arsel's failure to perform maintenance work on the dams had contributed to the tragedy. In an attempt to change the narrative, the Dabaiba government helped promote the idea that proper and legitimate work by Arsel in Derna was interrupted by the February 2011 uprisings.⁷⁶ The evidence, however, suggests otherwise.



ANASAYFA KURUMSAL BELGELERİMİZ **KARAN GRUP**



DERNA ve BU MANSUR BARAJLARI REHABİLİTASYONU

İş Kapsamında;
760.000 m³ Tünel ve Şaft Kazıları



POSOF TRAFİ MERKEZİ

Proje kapsamında 154 kV Posof Havza Trafo I yapımına başlanmıştır.

Karan Grup, another small Turkish firm, also removed website content about its rehabilitation of the Derna dams after the 2023 disaster. The company had been contracted by ODAC to work on the dams in 2012, after the Qadhafi regime's fall. Image: The Sentry.

ODAC Under the Dabaibas

Arsel's compromised conduct in Derna was not isolated. It reflected a wider problem that was the hallmark of ODAC in the 2000s. With Ali al-Dabaiba at its helm from 1989 until 2011, ODAC employed questionable practices that subverted and impeded the completion of projects across Libya. To put the situation with Arsel in Derna in perspective, it is essential to step back and examine ODAC's broader operational context under the Dabaibas.

As early as 1998, Ali al-Dabaiba implemented strategies that shielded his organization from the significant payment delays that characterized Qadhafi's arcane bureaucracy. By achieving greater financial independence from other parts of the state, Ali al-Dabaiba ensured that ODAC could issue payments fast, without interference from Qadhafi's revolutionary committees and other cumbersome controls.^{77, 78} This differentiating trait contributed to rendering ODAC particularly attractive to foreign companies, especially from Turkey.⁷⁹ Moreover, ODAC was notorious for its opacity.⁸⁰

Ali al-Dabaiba's power system rested on a foundation of familial ties, with his tightknit clan wielding influence across various parts of the Libyan state apparatus, beyond just ODAC. In his capacity as ODAC chief, Ali was often assisted by his sons, Usama and Ibrahim, and his brother Youssef.^{81, 82} Ibrahim became particularly assertive starting in 2006.⁸³ That same year, Ali's cousin Abdelhamid took the helm of the Libyan Investment and Development Holding Company (LIDCO), a real-estate vehicle through which billions of public dollars flowed.^{84, 85} LIDCO served three main state clients: ODAC, the Housing and Infrastructure Board, and the Civil Aviation Authority.⁸⁶ Thus, during the regime's last half-decade, the two cousins did business together, often without any oversight. LIDCO did not respond to a request for comment.

Also in 2006, Bena wa Tashyeed, a state-owned construction enterprise established by Qadhafi's regime the previous year, fell under ODAC's control, becoming an extension of the Dabaiba family's influence.^{87, 88, 89, 90} For many of its projects, ODAC required that foreign firms—including Arsel, on several non-Derna projects contracted between 2007 and 2010—partner with Bena wa Tashyeed in joint ventures.^{91, 92} From a governance perspective, the configuration posed a significant problem. Both the Libyan client (ODAC) and the Libyan contractor (Bena wa Tashyeed) operated under the sway of the same family—a clear conflict of interest that undermined the principles of checks and balances, damaging project integrity and undercutting public inter-



est.⁹³ Suspicions of impropriety were further fueled by the absence of evidence that Bena wa Tashyeed ever possessed the capabilities necessary to fulfill its high-profile mandates in these joint ventures.^{94, 95} In response to The Sentry's questions, a senior Bena wa Tashyeed official indicated that from 2006 to 2010, projects were awarded to Bena wa Tashyeed in a centralized manner based on favoritism, without regard for the company's capabilities. The official noted that this practice undermined project completion and added that Bena wa Tashyeed's weak finances prevented timely payments and limited its ability to attract qualified personnel.⁹⁶

With Ali al-Dabaiba at its helm from 1989 until 2011, ODAC employed questionable practices that subverted and impeded the completion of projects across Libya.

The period from 2005 to 2010, while all this was happening, was also one of the most financially prosperous in Libya's history.⁹⁷ The December 2003 agreement between the US and the Qadhafi regime led to the removal of international sanctions, which—in conjunction with then-rising oil prices—brought about a surge in national prosperity.^{98, 99} Soon afterward, hundreds of foreign companies flocked to Libya. By the time of the February 2011 insurgency, the Qadhafi regime was overseeing more than \$70 billion in ongoing projects,^{100, 101} including more than \$15 billion in contracts awarded to 200 Turkish firms active in 100 different locations across Libya.^{102, 103} In eastern Libya, in the cities of Tobruk, Benghazi, and Derna, 28 Turkish companies were said to be working on projects with a combined value of \$3 billion.^{104, 105} ODAC and LIDCO were the most prolific in handing out new contracts, with other active spenders including the Housing and Infrastructure Board and the Highways Authority.¹⁰⁶ But despite these impressive figures, many of the projects did not actually proceed as planned once the paperwork was signed.¹⁰⁷

As the number of projects swelled, a change occurred: The pace of many Turkish construction projects in Libya became more laborious—if they got off the ground at all.^{108, 109, 110, 111} The pronounced slowdown coincided with the rise in Dabaiba-linked corruption, which reached levels so severe that it hampered the implementation of construction projects.^{112, 113, 114, 115, 116}

Five former Libyan officials and a Turkish corruption expert told The Sentry that Ali al-Dabaiba and his relatives routinely demanded more than 15% in kickbacks as they negotiated infrastructure projects, especially during the years leading up to the 2011 uprisings.^{117, 118, 119, 120, 121, 122, 123} The diversion of project funds into these bribes severely strained foreign contractors' profit margins and operational budgets, often resulting in poor execution, delays, and long halts, despite timely payments from the Libyan state.^{124, 125} Some companies responded by borrowing money, minimizing expenditures, progressing slowly on projects, and then, after years of delay, requesting additional funds from the Libyan state.^{126, 127}

From Qadhafi's instruments to unruly power brokers

The Dabaibas, rather than being mere pawns of Qadhafi and his children, formed a center of discretionary power in pre-2011 Libya. During the 1990s, Ali al-Dabaiba's ODAC was known to have been exploited by the Qadhafi family as a tool for illicitly diverting wealth from Libya, including as a means of bypassing international sanctions.¹²⁸ By the mid-2000s, however, the Dabaiba family had gained significant influence of its own, becoming so emboldened that it sometimes operated beyond the regime's control.

In 2007, an anti-corruption inquiry led by a Libyan judge documented a set of severe corruption cases featuring ODAC and Ali al-Dabaiba.¹²⁹ They were prominently cited for their pivotal role in Tripoli-based real estate scams that centered around the unauthorized relocation of government offices and the provision of preferential housing for regime functionaries.¹³⁰ The judge found that ODAC was paying exorbitant prices for property that was often not suitable for its declared



purpose, and he recommended criminal charges against Ali al-Dabaiba and others.¹³¹ Despite the report's thoroughness, few actions were taken, likely because the individuals incriminated were deemed too crucial to the Qadhafi regime. The inquiry did, however, clearly document ODAC's increasing independence and brazenness under the Dabaiba family's leadership, marking these as clear trends as early as 2007.

Two years later, under separate circumstances, Seif al-Islam Qadhafi, the dictator's second son, had then-Prime Minister al-Baghdadi al-Mahmudi informally encourage Libyan law enforcement authorities to investigate Ali al-Dabaiba's conduct as head of ODAC.¹³² In August 2010, they froze almost all ODAC outlays.^{133, 134} The following month, under Mahmudi's directive, Ali al-Dabaiba was replaced as the head of ODAC.¹³⁵ Soon afterward, both Ali al-Dabaiba's legal troubles and the decision to oust him were eclipsed by the widespread civil unrest that began in early 2011.¹³⁶

From the vantage point of foreign companies engaged in Libya, the uprisings of February 2011 caused a major rupture, compelling tens of thousands of foreign workers, including Arsel's personnel, to flee the country.^{137, 138, 139} The regime change also presented an opportunity for some companies to try to recover part of their operational losses—including those unrelated to the 2011 uprisings—by blaming the unrest.^{140, 141} But those hopes would be largely disappointed.

A carefree trail of impunity

Post-Qadhafi, Libyan justice has been ineffective in scrutinizing the Dabaiba family's track record from the 2000s. The international response, as well, has been insufficient, especially given the severity of the suspicions. This lack of accountability has contributed to the kleptocratic surge afflicting present-day Libya,¹⁴² with the Derna tragedy being just one of many consequences.

In February and March 2011, to curb the Qadhafi regime's violent repression of popular uprisings, the United States and the United Nations imposed significant sanctions on Libyan economic institutions.^{143, 144} However, the sanctions did not target ODAC, LIDCO, or other vehicles controlled by the Dabaiba family. The European Union did freeze ODAC's assets in August 2011, but it dropped those measures a year and a half later.^{145, 146} The lack of international scrutiny into ODAC, combined with other factors, such as Ali al-Dabaiba's concerted efforts in 2011 to fund preeminent anti-Qadhafi factions, helped ODAC survive as an institution.^{147, 148, 149}

In 2014, Libyan prosecutors determined that Ali al-Dabaiba had embezzled between \$6 billion and \$7 billion while he was the head of ODAC from 1989 to 2011.^{150, 151, 152} The Libyan Attorney General's Office asked Scottish authorities to initiate an investigation and even issued an Interpol red notice seeking him on that basis in 2014.^{153, 154, 155} Shortly thereafter, however, Abdelqader Radwan, the attorney general under whom most of these actions were taken, retired. His departure, coinciding with the outbreak of a new civil war in Libya, caused the investigation into the Dabaiba family to wane.^{156, 157, 158} Meanwhile, ODAC carried on operating in post-2011 Libya under the leadership of Sharif Ibrahim Takita, a technocrat known to be aligned with the Dabaiba family.^{159, 160}

In 2016, a new UN-backed government in Tripoli, led by the moderate Fayez al-Serraj, ushered in a period when pragmatic Libyan factions sidelined hard-core revolutionaries, rendering the Libyan capital less hostile to former Qadhafi associates.^{161, 162, 163} The following year, Abdelhamid al-Dabaiba, who had never relinquished his leadership of LIDCO, resurfaced in the political sphere.^{164, 165} In October 2020, the United Nations Support Mission in Libya (UNSMIL) selected Ali al-Dabaiba to serve on a committee of 75 Libyan citizens that was asked to guide the preparations for Libya's first nationwide elections in seven years.¹⁶⁶ The UN-backed committee ultimately selected Ali al-Dabaiba's cousin Abdelhamid Dabaiba as the new prime minister amid credible vote-buying allegations.^{167, 168}



Mere months after taking office in 2021, Prime Minister Abdelhamid Dabaiba announced his intention to resuscitate “stalled projects in Libya” through ODAC.^{169, 170} While the body is notably less active than before 2011—many construction negotiations now circumvent it, particularly in the east—ODAC still possesses some relevance.¹⁷¹ The designs, blueprints, financing schedules, and administrative groundwork that ODAC prepared years ago for numerous unfinished projects still provide a foundation for several companies that hope to revive their contracts.¹⁷²

This is particularly true of the Turkish firms active in Libya before 2011. Since then, most input prices have risen substantially, necessitating a complete review and adjustment of original contracts. But despite the changes in the economic environment, those Turkish firms that have managed to avoid bankruptcy since 2011 have demonstrated interest in reviving their old contracts with ODAC.¹⁷³ A return to Libya would enable them to recover what they perceive as payments owed to them.^{174, 175} The Libyan side, however, is not eager to accommodate them.¹⁷⁶



The new 350-bed hospital in Zliten, built by Turkish company Ünal Akpınar under a 2021 contract from ODAC, serves as a reminder that the Libyan state organ remains active, despite its controversial pre-2011 history. Image: The Sentry.

The Haftar Family's Stranglehold on Derna's Reconstruction

Although the Dabaiba family holds power in present-day Tripoli, it wields no influence over Derna's current reconstruction, which is tightly controlled by Field Marshal Khalifa Haftar and his sons, mainly Saddam, Belqacem, and Khaled. Their style of authoritarian kleptocracy, although employing different tactics and unfolding in a drastically changed Libya, presents risks analogous to the Dabaibas' own harmful practices.

Don't ask, don't tell, don't know

An array of unilateral measures enacted after the Derna floods placed the Haftar family at the helm of recovery and reconstruction efforts, granting them power over almost every facet with minimal accountability. Their near total control significantly increases the risk that a large portion of the Libyan public wealth allocated for reconstruction will be misappropriated.

Shortly after the 2023 floods occurred, Khalifa Haftar appointed his son Saddam to spearhead post-disaster security and oversee the international rescue operations.^{177, 178, 179, 180, 181, 182, 183} As part of their bid to deepen their supremacy in eastern Libya,¹⁸⁴ the Haftars prevented Tripoli-based Prime Minister Dabaiba from visiting Derna,¹⁸⁵ while Benghazi-based Prime Minister Usama Hammad was asked by the Haftar family to stay out of any decision-making related to the reconstruction.^{186, 187}

Quite significantly, in February 2024, the speaker of the House of Representatives issued a law appointing Belqacem Haftar, another son of Khalifa Haftar, as the head of the Libya Reconstruction Fund, which selects, negotiates, awards, finances, and manages many infrastructure projects in Haftar-held territories.^{188, 189} The official legislation bars the Audit Bureau, the Administrative Control Authority, and other Libyan regulatory bodies from examining Belqacem Haftar's



decisions or requiring transparency in his management of the reconstruction.^{190, 191} Other state entities, such as the Ministry of Planning in Tripoli, are also cut out. Even the House of Representatives itself lacks both oversight and knowledge regarding the specifics of most contracts signed by the Haftars.¹⁹² A spokesperson for the House of Representatives did not respond to a request for comment.

When it comes to Derna, Belqacem Haftar's Reconstruction Fund has been signing contracts through an opaque, unilateral selection process that eschews competitive tendering.¹⁹³ What's more, the total sum of contracts signed by Belqacem Haftar for the reconstruction of Derna could soon reach approximately 12 billion dinars (\$2.4 billion).^{194, 195, 196, 197} In July 2024, the House of Representatives passed a unified national budget law, which includes allocations for Libya's reconstruction.^{198, 199} Under this framework, the Central Bank of Libya (CBL) will likely review each project proposed by Belqacem's Reconstruction Fund, deciding case by case whether to issue the letter of credit essential for each project's realization.^{200, 201, 202} This leaves many vulnerabilities unaddressed, as the CBL is not intended to act as a law enforcement or supervisory body responsible for ensuring the integrity of infrastructure contracting. When asked by the press how his Reconstruction Fund will finance its work, Belqacem expressed his confidence in Libya's official budget law, but remained vague about the details.^{203, 204}



Saddam Haftar, son of Field Marshal Khalifa Haftar, oversaw rescue and security operations in Derna following the September 2023 disaster. In May 2024, he was promoted to major general, becoming chief of staff of the Ground Forces in his father's armed coalition. Photo: Facebook.

Belqacem Haftar's Reconstruction Fund is not the only infrastructure vehicle fully controlled by the field marshal's family.²⁰⁵ Even before the floods in Derna, reconstruction was already a top priority for eastern Libya's rulers, an emphasis that had translated into a proliferation of committees and investment organs. One consequential Haftar-linked player in the reconstruction space is the opaque National Development Apparatus, headed by Jibril al-Badri, who is known for his close ties to Saddam Haftar.^{206, 207, 208, 209, 210, 211}

All of this means almost complete opacity under the Haftar family's rule: The Libyan public, Libya's regulatory bodies, and international actors have little, if any, access to an overall reconstruction plan or to details about the contracts, the companies engaged, the composition of consortiums, the financial allocation for each project, the scope of work, or the origins of the funding.^{212, 213}

Across Libya, illicit activities have been on the rise, including in territories under the Haftars' rule.^{214, 215, 216, 217} Amid this kleptocratic boom, the opacity of the publicly funded reconstruction process is especially concerning, as the Haftar family and its associates may exploit it for personal gain. Possibilities in the context of infrastructure contracts include letter of credit fraud and money laundering.²¹⁸ If a lot of construction business is processed through eastern Libya-based banks,²¹⁹ the Haftars and their associates would find it easier to perpetrate such schemes under the guise of legitimate work by private contractors.





Belqacem Haftar, son of Field Marshal Khalifa Haftar, has leveraged Derna's recovery to bolster his stature both domestically and internationally. By leading and publicizing the efforts, he has gained the respect of foreign diplomats. Photo: Al-Hurra Media Channel.

What Benghazi's reconstruction reveals about Derna

The reconstruction process underway in Benghazi—also fully controlled by the Haftar family through the same institutional mechanisms as in Derna—provides a good indication of how Derna's projects might unfold over the coming months. Benghazi, a city of 800,000 residents, endured more than three years of intense urban warfare from 2014 to 2017, with reconstruction efforts finally commencing in 2022.^{220, 221, 222, 223} Since then, the city has witnessed a surge in projects, and these construction initiatives have shaped the Haftars' approach to infrastructure.^{224, 225, 226, 227, 228} Similar methods, including potential risks of abuse, are likely being applied in Derna.

In Benghazi, the Haftars' infrastructure strategy often involves securing opaque deals with private companies, foreign and Libyan alike, via a process that lacks any public bidding.^{229, 230} The process typically begins with the allocation of an undisclosed amount of funds for a high-profile agreement with a foreign company that is chosen and publicly announced.

The Haftar family's reconstruction strategy involves opaque, no-bid deals with foreign and Libyan firms alike. Foreign companies are often expected to partner with private Libyan firms informally linked to the Haftars.

Behind the scenes, however, the foreign company is often asked to partner with a private Libyan firm—one with informal ties to the Haftar family or their allies. From there, roughly half the project's nominal cost is reportedly paid out to the Libyan company, which contributes almost no value, while the remaining half goes to the foreign company, which performs the majority of the work.^{231, 232, 233, 234, 235} This practice warrants concern: Officials who represent the Libyan state should not covertly control the Libyan contractors they hire for construction projects. Such conflicts of interest heighten the probability of financial misconduct and the likelihood that an enormous chunk of public wealth may be diverted.

When it comes to foreign partners, the Haftars have so far favored Egyptian and Emirati construction companies. Egyptian firms involved in Benghazi's reconstruction thus far include Neom Real Estate Development, under the ownership of Ibrahim al-Arjani, a friend of President Abdel Fattah al-Sisi; the Arab Contractors Company, linked to the Egyptian Council of Ministers; and the Wadi El Nile Company, known for its affiliation with Egypt's General Intelligence Services.^{236, 237, 238, 239, 240, 241, 242, 243} In August 2024, Saddam Haftar's National Development Apparatus awarded the major al-Marisa Free Trade Zone project to the UAE's Global Contracting.^{244, 245, 246}





Derna's new sea bridge is being built by three foreign companies: Abnaa Sinai and Neom Real Estate Development, both led by Egyptian magnate Ibrahim al-Arjani, who is known for his close ties to President Abdel Fattah al-Sisi, and Consolidated Contractors Company, a Lebanese-led group. The bridge will span almost 700 meters, crossing the city's river near the port's shoreline. Photo: The Sentry.

Turkish companies, too, have secured contracts in Benghazi, suggesting they may find similar success in Derna.²⁴⁷ Despite Ankara's strong stance against Haftar during the 2019-2020 Tripoli war,²⁴⁸ Turkish diplomats—particularly since 2022—have made significant efforts to court the field marshal and his family, aiming to help Turkish firms win economic opportunities in eastern Libya.^{249, 250, 251} Companies from China,²⁵² France,²⁵³ South Korea,²⁵⁴ Canada,²⁵⁵ and other nations have also shown keen interest in contracts from the Haftar family, although their political connections likely rank lower than those of companies from Egypt, the UAE, and Turkey. Moreover, some Western companies are wary of directly signing contracts with Belqacem Haftar's Reconstruction Fund, owing to compliance concerns.²⁵⁶

Among the private Libyan firms most actively participating in construction projects in Benghazi are El Rayan Holding Company and Emaar Libya Holding Company.^{257, 258} Both are linked to Haftar's son Khaled, who serves as chief of staff of the Security Units, headquartered in Benghazi's Qaryunis neighborhood.^{259, 260, 261, 262} In addition, Eabar al-Alam, with which the UAE's Global Builders partnered to build a new Benghazi airport, is said to be tacitly controlled by Belqacem Haftar.^{263, 264} A representative of Belqacem Haftar at the Libya Reconstruction Fund did not respond to requests for comment. El Rayan Holding Company, Emaar Libya Holding Company, and a spokesperson for the Haftar armed coalition did not respond to requests for comment.

The risks of a flawed recovery

Interviews with Derna natives and eyewitnesses have revealed that ongoing recovery efforts in the disaster-ravaged city appear to be more superficial than what was recommended by the World Bank. Belqacem Haftar's Reconstruction Fund never adequately communicated its plan for the city's recovery, but its actions suggest that it may be prioritizing speed and cosmetics over safety.

The World Bank's "Libya Rapid Damage and Needs Assessment" report, which was issued following the 2023 floods, emphasizes the need for water, sanitation, and road infrastructure.²⁶⁵ It also underscores the need to rebuild and upgrade electricity generators and water and sanitation systems, with an eye toward improved resilience against future extreme



The Sahaba Mosque stands in Derna's historic center by the river, adjacent to an ancient cemetery that many locals believe contains the graves of companions of the Prophet Muhammad. Built in the 1970s, the mosque was restored in summer 2024 by Belqacem Haftar's Libya Reconstruction Fund in a multi-company project that involved Eabar al-Alam, a Benghazi-based private firm reportedly controlled by the Haftar family. Photo: The Sentry.



weather events;²⁶⁶ it urges the construction of flood-resistant bridges and roads using resilient materials and modern designs for durability and adaptation to climate change.²⁶⁷ As for the dams, the World Bank recommends a comprehensive overhaul.²⁶⁸

After 12 months of outwardly impressive work in Derna, there is still no evidence that authorities have adhered to the World Bank's recommendations. For instance, the plan for replacing the collapsed dams remains unclear, with no indication as to whether the new structures will meet recommended standards. Rumors suggest that the Libya Reconstruction Fund may invest in an advanced overhaul that features the introduction of hydraulic systems, but local skepticism abounds.²⁶⁹ Some residents have also voiced concern over which companies ought to be given the task, highlighting a trust issue.²⁷⁰

In the city itself, many Derna residents have welcomed the surface-level progress achieved so far, such as renovated schools, new children's recreational facilities, and a new polyclinic.^{271, 272} But more in-depth interviews with locals reveal that the recovery has been uneven. Rehabilitation of al-Muzdawaj Darnes Club Street, for instance, has been thorough, covering sewage, drinking water, and electricity.²⁷³ But the effort in other parts of Derna is falling short of addressing issues that have been developing for decades in a city known for its lack of infrastructure.²⁷⁴ For instance, two Derna residents told The Sentry that, despite announcements in March 2024 declaring a complete restoration of a key thoroughfare called al-Fanar Street,²⁷⁵ the actual work proved shallow, consisting of little more than cleaning and repainting.^{276, 277} A local source told The Sentry that the authorities had applied just a single layer of asphalt, and they expressed concerns that it would begin to crack in a few years.²⁷⁸ Another Derna resident, who lost two neighbors in September 2023, praised Belqacem Haftar's repairs on a few of the main streets but pointed out that other vital arteries severely damaged by floods remained inhospitable as of October 2024.^{279, 280} Interviewees expressed their discontent with the condition of the alleys and smaller side streets, many of which are still cluttered with debris.²⁸¹ Others also emphasized the ongoing lack of essential infrastructure such as electric and sewage systems in entire swathes of Derna.^{282, 283, 284, 285}



The way the authorities have treated parts of Derna's population shows signs of politically motivated neglect. Dozens of families from the flood-ravaged historical center—an area that previously took the brunt of Haftar's 2018-2019 military campaign—seem to have been marginalized in the post-flood rehabilitation process.^{286, 287, 288, 289} As authorities carry out extensive demolitions in preparation for future reconstruction in those central neighborhoods, they have offered to buy some residents' homes at prices significantly below fair market value.^{290, 291, 292} In 2023, the Haftar family implemented a more aggressive version of similar policies in downtown Benghazi, and it led to the arbitrary and permanent displacement of numerous families.^{293, 294, 295, 296, 297} It is therefore possible that the Haftars are intentionally implementing an approach that would result in the forced dispersal of some families from downtown Derna, the tacit aim being to prevent the resurgence of political opposition there. Moreover, compensatory money has not been evenly distributed thus far, adding to the risks of unfairness and lack of neutrality.^{298, 299, 300, 301}

Overall, the haste on display today in Derna's reconstruction is typical of dysfunctional situations in which political leaders are driven by two misaligned incentives that detract from the population's well-being.³⁰² First, the rulers exhibit a preference for bolstering their image through eye-catching announcements, rather than committing to the slow and meticulous implementation of projects. Second, these leaders may give precedence to obtaining immediate financial gains via upfront payments, rather than dedicating resources to the high-quality realization of projects. Such an approach runs counter to the recovery's long-term success; it leads to the neglect of essential preparatory steps and the use of shortcuts that undermine the integrity of the eventual outcome.

No Complacency Allowed

Between 2005 and 2010, Libya experienced extensive corruption in its infrastructure projects, and foreign firms were used as conduits to facilitate this wrongdoing. The absence of proper maintenance on Derna's dams for many years before the September 2023 catastrophe is just one example of these practices. A small group of high-level Libyan officials likely stole billions of dollars without leaving a clear paper trail, leading to years of impunity and even further entrenchment in the political ruling class, not to mention decrepit national infrastructure.³⁰³

This precedent of infrastructure-related irregularities from the mid-2000s calls for caution and vigilance regarding the ongoing reconstruction push in Libya. Although the circumstances are different, present reconstruction contracting protocols, including in the city of Derna, should be closely scrutinized, as patterns of worrisome business practices may be repeating themselves. Many projects involve contract funds being split between foreign firms and Libyan private entities informally linked to the Haftar family, opening the door for the possible diversion of funds. There is also a risk that some of the contracts involving Libyan companies may be used to facilitate fraudulent letters of credit, including for money laundering purposes. Such potential misuse and misappropriation of Libya's public wealth would jeopardize the adequacy, sustainability, and feasibility of all new infrastructure projects announced by the Haftars. It therefore is imperative to seek transparency on these publicly funded contracts, especially considering the secretive, unilateral approach imposed by the Haftar family.

As for the Dabaiba family, presently in power in Tripoli, its members should also be held accountable for their suspected unlawful practices from the mid-2000s. Furthermore, Dabaiba's government—as it has operated since 2021—bears at least some, and perhaps significant, responsibility for the Derna catastrophe.³⁰⁴ The office of Prime Minister Dabaiba did not respond to a request for comment.

The ever-deepening dysfunction in Libya's economic governance calls for an international and domestic reevaluation of



pressure and accountability mechanisms. If systemic gaps remain unaddressed, the ongoing surge in Libyan corruption will continue accelerating, with potential consequences including a relapse into economic turmoil or armed conflict.

Recommendations

The United States and other likeminded countries

Resist any perpetuation of the current system of dual dynastic kleptocracy in Libya. Instead, nations committed to reducing corruption in Libya should intensify pressure on both ruling families, as well as their closest business associates. This anti-corruption objective should be pursued even though US partners in the region such as Turkey, Egypt, and the UAE remain indulgent towards Libyan corruption.³⁰⁵

Actively engage in discussions with the Central Bank of Libya's leadership regarding Derna's reconstruction. Haftar-sponsored contracts should be appropriately vetted through all existing oversight mechanisms. There is a risk that the CBL may issue letters of credit for those contracts in an opaque manner. To prevent such a scenario, international stakeholders should urge the CBL leadership to increase transparency and accountability for reconstruction expenditures, which might otherwise bypass the ministries in Tripoli and all oversight bodies.³⁰⁶ The CBL should refrain from exaggerating its enforcement role. Instead, it should focus on supporting the Audit Bureau, the Administrative Control Authority, and the Anti-Corruption Office in fulfilling their legal mandates. This is critical, given Belqacem Haftar's relentless efforts to shield his Reconstruction Fund's expenditures from any form of scrutiny.

Support the Audit Bureau, in exchange for their increased scrutiny of both past and present infrastructure-related corruption schemes. The US should enhance USAID's existing cooperation with the Audit Bureau, potentially including funding for its partnerships with international audit firms. US diplomats should advocate for the publication of the Audit Bureau's annual reports and urge power brokers in both Tripoli and Benghazi to allow the Audit Bureau to operate without intimidation. The Audit Bureau merits this focus by virtue of its competence and mandate to improve transparency in infrastructure spending.

Promote accountability and transparency in development spending beyond Derna. For a better management of the so-called Chapter III section of Libya's national budget, empower the Ministry of Planning and require the CBL to release detailed project lists, fund allocations, and progress reports, potentially through an accessible online portal.

Pair calls for increased transparency from Libyan leaders with targeted sanctions against those leaders' closest associates and facilitators in the illicit realm. Such an approach is needed because Derna's reconstruction relies almost entirely upon Libyan resources, with foreign donations playing an insignificant role.³⁰⁷ Having made no substantial financial contributions, Western democracies lack leverage, making sanctions the primary tool with which they can influence Libyan behavior in the recovery process.

Support credible civil society organizations aspiring to mobilize the skills and efforts of Derna natives who live elsewhere in Libya and beyond. Currently, the lack of interaction among members of the Derna diaspora results in a significant waste of potential, as many of them are adept at medical, administrative, and technocratic tasks. Initiatives aimed at fostering solidarity among people with roots in the bereaved city are worth backing, with one key goal being to elicit greater inclusiveness and transparency from the Haftar family.



Investigate fraud, where possible. Given the Dabaiba family's involvement in the Derna dam scandal, the United Kingdom should reinvigorate its decade-old investigation into ODAC-related fraud.

The UN Security Council

Maintain existing sanctions on Libyan Investment Authority assets until the sovereign wealth fund complies with the Santiago Principles by providing comprehensive accounts. Even if Libyan officials cite Derna's recovery in their request for an exception to the asset freezes imposed in resolutions 1970 and 1973 of 2011, the UN Security Council should remain steadfast.³⁰⁸

International banks

Exercise increased vigilance. Given the risk that the Haftar camp may use reconstruction projects to launder proceeds from illicit activities, international financial institutions should exercise caution. Under the guise of rebuilding Libya, the Haftar camp could use seemingly legitimate infrastructure projects as a means of integrating its illicit financial flows into the global banking system. To avoid inadvertently facilitating Libyan corruption, foreign banks should scrutinize all transactions related to reconstruction, applying stringent anti-money laundering (AML) measures and focusing not only on members of the Haftar family but also on their enablers.³⁰⁹

Libya's ministries, agencies, and other public institutions

Digitize the registry of private companies and make it publicly accessible. This measure would facilitate the exposure of illegitimate firms linked to public officials and, in this way, help curb the misappropriation of government funds.

Launch a national taskforce dedicated to surveying existing infrastructure from a maintenance perspective. Recent incidents—such as the August 2024 flood in Ghat, the February 2024 flood in Zliten, and the July 2023 collapse of the Great Man-Made River in Ajdabiya—show that the country's vulnerability is not confined to Derna.^{310, 311, 312, 313} To prevent further instances of inadequate, underfunded, or mismanaged maintenance, the proposed taskforce should assess and publicly disclose the status of the nation's infrastructure. This initiative should involve existing bodies, including the National Planning Council, the Economic and Social Development Board, the Public Projects Authority, and the Ministry of Planning. Such a coordinated and comprehensive approach is imperative, given Libya's heightened susceptibility to the adverse effects of climate change.^{314, 315, 316}



Endnotes

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The Sentry interview with hydrogeology expert Ajweida Bubeidhah, March 2024.

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The Sentry interview with a former senior official in Libya's Intelligence Services, May 2024.

Yaşar Özkan, *Background of Turkish Contracting in Libya*, Ankara: İntes / Türkiye İnşaat Sanayicileri İşveren Sendikası, 2015, pp. 71-72, available at: https://intes.org.tr/wp-content/uploads/2020/07/yasar_ozkan.pdf

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The Sentry interviews with two Gharyan natives, April 2024.
Arsel İnşaat, "Ongoing Projects," available at: <https://web.archive.org/web/20091029051416/http://orhanozer.com/devam.htm> (archived on October 29, 2009).
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- 26 The Sentry interviews with a Libyan who has extensive access to historical documentation on Arsel's dealings in Libya, February-April 2024.
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- 44 For a discussion of how corruption typically leads to poor quality in the execution of infrastructure projects, see:
Johann G. Lambsdorff, “How Corruption Affects Productivity,” *Kyklos* 56.4, 2003, pp. 457-474, available at: <https://doi.org/10.1046/J.0023-5962.2003.00233.X>
- 45 Shortly after the Derna tragedy, Arsel’s website was taken offline. For years before its removal, however, the website falsely stated that Arsel’s mission in Derna involved erecting a third dam between the city’s two existing ones. Arsel’s official contract with Libya’s GWA made no mention of a third dam. The actual scope of work was limited to the rehabilitation of the two existing dams, with no plans for building another. See:
Contract between the General Water Authority and Arsel for the maintenance and rehabilitation of the Derna dams, 2007, reviewed by The Sentry.
Arsel İnşaat, “Derna and Bu Mansur Dams Rehabilitation,” available at: https://web.archive.org/web/20221005153302/http://arselinsaat.com/?ongoing_projects/international/derna_and_bu_mansur_dams_rehabilitation_project/ (archived on October 5, 2022).
- 46 Libyan Audit Bureau, “Report on Wadi Derna and Abu Mansour Dam Projects,” September 18, 2023.
- 47 Libyan Audit Bureau, “Report on Wadi Derna and Abu Mansour Dam Projects,” September 18, 2023.



- 48 Libyan Audit Bureau's 2012 annual report notes Bena wa Tashyeed's failure to complete most of its projects, raising doubts about the company's ability to execute construction work, its core mandate. Additionally, the company disbursed potentially unauthorized bonuses despite its worsening financial situation, a sign of corruption. These considerations suggest that Bena wa Tashyeed was a not genuine enterprise. See:
Libyan Audit Bureau, "Annual Report 2012," p. 144, available at: <https://www.audit.gov.ly/ar/reports/>
- 49 Libyan Audit Bureau, "Report on Wadi Derna and Abu Mansour Dam Projects," September 18, 2023.
- 50 Bena wa Tashyeed response to The Sentry, November 2024.
- 51 Libyan Audit Bureau, "Report on Wadi Derna and Abu Mansour Dam Projects," September 18, 2023.
- 52 In contexts where corruption is rife, high-level officials are often hesitant to recruit a project management consultancy responsible for monitoring and minimizing delays and cost overruns. This is because the consultancy might increase the chances of corrupt practices being exposed. See:
Michael G. Goode, "Project Management Oversight—Good Tool for Program Managers," *Journal of Management in Engineering* 8.3, 1992, pp. 243-253, available at: [https://doi.org/10.1061/\(asce\)9742-597x\(1992\)8:3\(243\)](https://doi.org/10.1061/(asce)9742-597x(1992)8:3(243))
- 53 Liisa Lehtiranta, Sami Kärnä, Juha-Matti Junnonen, and Päivi Julin, "The Role of Multi-Firm Satisfaction in Construction Project Success," *Construction Management and Economics* 30, 2012, pp. 463-475, available at: <https://doi.org/10.1080/01446193.2012.669485>
- 54 In response to The Sentry's questions, IRD acknowledged that it was hired late but added that the Derna dam project was void of irregularities in 2010. It stated that while Arsel had not fully completed any tasks before the February 2011 civil war broke out, IRD had determined that Arsel performed about 35% of the earthworks—the preparation and stabilization of the dam site's earth materials before any concrete, asphalt, or pipes could be applied. See:
IRD Engineering response to The Sentry, November 2024.
- 55 Indeed, in environments riddled with corruption, public officials tend to expend minimal effort to ensure that projects are completed or that public funds are handled responsibly. See:
Thomas M. Jones, "Ethical Decision Making by Individuals in Organizations: An Issue-Contingent Model," *Academy of Management Review* 16.2, 1991, pp. 366-395, available at: <https://journals.aom.org/doi/abs/10.5465/amr.1991.4278958>
Giorgio Locatelli, Giacomo Mariani, Tristano Sainati, and Marco Greco, "Corruption in Public Projects and Megaprojects: There is an Elephant in the Room!," *International Journal of Project Management* 35.3, 2017, pp. 252-268, available at: <https://doi.org/10.1016/J.IJROMAN.2016.09.010>
- 56 The Sentry interviews with a Libyan who has extensive access to historical documentation on Arsel's dealings in Libya, February-April 2024.
- 57 Benoît Faucon and Jared Malsin, "Behind Libya's Dam Catastrophe Lies a Long Trail of Conflict and Corruption," *The Wall Street Journal*, September 24, 2023, available at: <https://www.wsj.com/world/behind-libyas-dam-catastrophe-lies-a-long-trail-of-conflict-and-corruption-fa58c57>
- 58 The Sentry interviews with a Libyan who has extensive access to historical documentation on Arsel's dealings in Libya, February-April 2024.
- 59 The Sentry interviews with a Libyan who has extensive access to historical documentation on Arsel's dealings in Libya, February-April 2024.
- 60 In 2012, Arsel reportedly offered to return to its sites in Derna on the condition that the revolutionary armed factions in Derna return the vehicles they had arbitrarily taken from the sites in February 2011. Those factions refused, offering only to rent the vehicles to the Turkish company. Arsel invoked this disagreement as a reason for not returning to work. See:
Habib al-Aswad, "Water From Derna Dams Washes Away Thousands of Victims: Who is Responsible?" *Al-Arab*, September 15, 2023, available at: <https://alarab-co-uk.cdn.ampproject.org/c/s/alarab.co.uk/%D9%85%D9%8A%D8%A7%D9%87-%D8%B3%D8%AF%D9%88%D8%AF-%D8%AF%D8%B1%D9%86%D8%A9-%D8%AA%D8%AC%D8%B1%D9%81-%D8%A2%D9%84%D8%A7%D9%81-%D8%A7%D9%84%D8%B6%D8%AD%D8%A7%D9%8A%D8%A7-%D9%85%D9%86-%D9%8A%D8%AA%D8%AD%D9%85%D9%84-%D8%A7%D9%84%D9%85%D8%B3%D8%A4%D9%88%D9%84%D9%8A%D8%A9>



- 61 Libyan Audit Bureau, “Report on Wadi Derna and Abu Mansour Dam Projects,” September 18, 2023.
- 62 Libyan Audit Bureau, “Report on Wadi Derna and Abu Mansour Dam Projects,” September 18, 2023.
- 63 Louisa Loveluck, Jan Ludwig, Mohamad El Chamaa, and Sarah Dadouch, “How Government Neglect, Misguided Policies Doomed Libya to Deadly Floods,” The Washington Post, October 5, 2023, available at: <https://www.washingtonpost.com/world/2023/10/05/libya-derna-floods-disaster-government/>
- 64 Louisa Loveluck, Jan Ludwig, Mohamad El Chamaa, and Sarah Dadouch, “How Government Neglect, Misguided Policies Doomed Libya to Deadly Floods,” The Washington Post, October 5, 2023, available at: <https://www.washingtonpost.com/world/2023/10/05/libya-derna-floods-disaster-government/>
- 65 Ultimately, Libya spent around 9 million dinars (approximately \$6.9 million) on Arsel’s Derna dam rehabilitation contract, which did not result in any useful work being done by the Turkish company. See:
Libyan Audit Bureau, “Report on Wadi Derna and Abu Mansour Dam Projects,” September 18, 2023.
- 66 Before being taken offline in late September 2023, Karan Grup’s website referred to its rehabilitation of Derna’s dams and 760,000 cubic meters of tunnel and shaft excavations. See:
Karan Grup, “Completed Projects,” available at: <https://karanlibya.com/bitene-projeler/> (archived on August 4, 2023).
- 67 The Sentry interview with a Turkish engineer who was part of Karan Grup’s Derna team from 2012 to 2016, December 2023.
- 68 The Sentry interview with hydrogeology expert Ajweida Bubeidhah, March 2024.
- 69 Pinar Aydinli, “Turks Fleeing Libya Take Refuge in Soccer Stadium,” Reuters, February 21, 2011, available at: <https://www.reuters.com/article/uk-libya-protests-turkey-idUKTRE71K5GQ20110221/>
- 70 Ersin Çelik, “Libya Confirms Release of Three Turkish Engineers,” Yeni Şafak English, June 24, 2018, available at: <https://www.yenisafak.com/en/world/libya-confirms-release-of-three-turkish-engineers-3414602>
- 71 The Sentry interview with former Karan Grup employee #1, April 2024.
- 72 Although Karan Grup’s website is no longer online, when it was, it claimed that Karan Grup had completed the “rehabilitation of Derna and Bu Mansur Dams.” The scope of work, the website indicated, involved the excavation of tunnels and shafts, totaling 760,000 cubic meters. See:
Karan Grup, “Completed Projects,” available at: <https://karanlibya.com/bitene-projeler/> (archived on August 4, 2023).
Karan Grup, “Completed Projects,” available at: <https://web.archive.org/web/20190324195427/http://karangrup.com.tr/projeler/bitene-projeler/altyapi-isleri/> (archived on March 24, 2019).
- 73 The Sentry interview with former Karan Grup employee #2, April 2024.
- 74 Ragip Soylu, “Libya Floods: A Turkish Firm Said It Repaired Derna’s Dam. But Did It?,” Middle East Eye, September 19, 2023, available at: <https://www.middleeasteye.net/news/libya-floods-derna-turkish-firm-said-repaired-dam-did-it>
- 75 In 2020, two Arsel shareholders, acting as individuals, turned to arbitration as a means of seeking compensation from the Libyan state. Their action was related to the vast ensemble of projects that Arsel had secured before 2011 and was brought through an ad hoc tribunal managed by the Permanent Court of Arbitration, an intergovernmental organization providing a variety of dispute resolution services to the international community. The Derna dam contract was not among the contracts that were brought to arbitration, possibly because it represented only a small fraction of Arsel’s set of Libya contracts. Back in February 2011, Arsel’s staff told a Turkish news outlet that its six sites in Libya had incurred \$5 million in losses owing to the anti-Qadhafi insurrection. But when Arsel’s shareholders engaged in their arbitration proceedings, they argued that they ought to be awarded about \$116 million in compensation for the disruptions from the 2011 uprisings and the subsequent non-payment by the Libyan state. Arsel’s shareholders argued that their company’s equipment was stolen by rebels and its working sites razed in February 2011. As a result, they invoked contractual and legal aspects of the various projects, particularly the housing units in Benghazi and al-Marj, to demand financial compensation, reevaluations, and compensatory measures. See:
Excerpt from an internal document outlining Arsel shareholders’ grievances within the scope of their arbitration action, March 2023, reviewed by The Sentry.
Haber Turk, “Gaddafi’s Fire Burned 40 Million Dollars,” February 20, 2011, available at: <https://www.haberturk.com/ekonomi/makro->



[ekonomi/haber/602933-kaddafinin-atesi-40-milyon-dolari-yakti](#)

Investment Treaty Arbitration Law, “Mustafa Orhan Özer and Nurettin Mendost Dirlik v. Libya,” 2022, available at: <https://www.italaw.com/cases/9255>

The Sentry interviews with a Libyan who has extensive access to historical documentation on Arsel’s dealings in Libya, February-April 2024.

- 76 For instance, a representative of the Tripoli-based Ministry of Planning told the press that maintenance of the Derna dams had “stopped since 2011.” See:

Bwaba al-Wasat, “Dabaiba: We Discovered That the Maintenance Contracts for the Derna Dams Were Not Completed,” September 14, 2023, available at: <https://alwasat.ly/news/libya/412046>

- 77 Yaşar Özkan, “Background of Turkish Contracting in Libya,” Ankara: İntes / Türkiye İnşaat Sanayicileri İşveren Sendikası, 2015, p. 87, available at: https://intes.org.tr/wp-content/uploads/2020/07/yasar_ozkan.pdf

- 78 The 1988 Lockerbie terror attack resulted in international sanctions against Libya beginning in 1992. These sanctions targeted the nation’s economy and financial sector, freezing many of Libya’s overseas assets. In response, Muammar Qadhafi encouraged the development of labyrinthine financial networks and a proliferation of vehicles active in the international banking system. Even if it meant not being fully in control, Qadhafi sought to set up new mechanisms to move money internationally in a way that could evade sanctions without being easily traced back to his government. This rationale is crucial for understanding the environment in which Ali al-Dabaiba arose as ODAC’s chief in the 1990s. In the first decade of ODAC’s existence, Qadhafi wanted the organization to be difficult to monitor and able to facilitate unlawful movements of money outside of official channels. See:

The Sentry interview with a former high-ranking official in Libya’s Intelligence Services, May 2024.

Stephen D. Collins, “Dissuading State Support of Terrorism: Strikes or Sanctions? (An Analysis of Dissuasion Measures Employed Against Libya),” *Studies in Conflict & Terrorism* 27.1, 2004, pp. 1-18, available at: <https://doi.org/10.1080/10576100490262115>

- 79 In the decades preceding the mid-2000s, Turkish construction firms active in Libya were known for their efficiency and punctuality. During the decade following their 1972 debut in Qadhafi’s Libya, they experienced success and expansion, aided by favorable political relations and abundant contracts. For instance, Turkey’s STFA Group successfully built the harbor of Tripoli. This achievement not only established STFA’s reputation in Libya but also paved the way for other Turkish construction companies. In the mid-1990s, poor relations between Qadhafi and Prime Minister Necmettin Erbakan affected Turkish companies’ prospects, but they nevertheless maintained a significant presence in Libya, leading to another phase of growth starting at the turn of the century. The development of Sirte, a coastal municipality situated near Qadhafi’s birthplace, was mostly executed by Turkish companies in the 1990s and early 2000s, as the late autocrat used the city as a symbolic venue to promote his pan-Africanist agenda. See:

Yaşar Özkan, “Background of Turkish Contracting in Libya,” Ankara: İntes / Türkiye İnşaat Sanayicileri İşveren Sendikası, 2015, p. 87, available at: https://intes.org.tr/wp-content/uploads/2020/07/yasar_ozkan.pdf

Recep Yorulmaz and Şerife Akıncı, “Turkey-Libya Economic Relations from the Gaddafi Era to the Present,” *Center for Middle Eastern Studies (ORSAM)* 251, June 12, 2020, p. 17, available at: https://www.orsam.org.tr/d_hbanaliz/-kaddafi-doneminden-gunumuze-turkiye-libya-ekonomik-iliskileri.pdf

Aaron Stein, “Turkey’s New Foreign Policy: Davutoglu, the AKP and the Pursuit of Regional Order,” *Royal United Services Institute for Defence and Security Studies*, available at: <https://www.routledge.com/Turkeys-New-Foreign-Policy-Davutoglu-the-AKP-and-the-Pursuit-of-Regional-Order/Stein/p/book/9781138907232>

Mary Beth Sheridan, “Gaddafi Home Town Largely Destroyed,” *The Washington Post*, October 15, 2011, available at: https://www.washingtonpost.com/world/middle_east/gaddafi-home-town-largely-destroyed/2011/10/15/gIQAplOjml_story.html

The Sentry fieldwork in Sirte, January 2023.

- 80 Tim Eaton, “The Post-Revolutionary Struggle for Economic and Financial Institutions,” in Wolfram Lacher and Virginie Collombier (eds.), *Violence and Social Transformation in Libya*, London: Hurst, June 2023, p. 213, available at: <https://doi.org/10.1093/oso/9780197756492.003.0008>

- 81 The Sentry interview with a former member of the Libyan attorney general’s team involved in investigating ODAC corruption, October 2023.



- 82 Sara Farolfi and Stelios Orphanides, "Cyprus Records Shed Light on Libya's Hidden Millions," Organized Crime and Corruption Reporting Project, July 25, 2018, available at: <https://www.occrp.org/en/investigations/8366-cyprus-records-shed-light-on-libya-s-hidden-millions>
- 83 At the time of writing, Ibrahim Dabaiba holds significant influence in Tripoli's UN-recognized Government of National Unity, serving officially as the prime minister's advisor. See:
Libyan News Agency, "Berndt Meets With Adel Juma and Ibrahim Dabaiba," April 2, 2024, available at: <https://ana.gov.ly/post.php?lang=en&id=304856>
- 84 Al Jazeera, "Abdul Hamid Dbeibah: Who Is Libya's New Prime Minister?" February 6, 2021, available at: <https://www.aljazeera.com/news/2021/2/6/abdul-hamid-dbeibah-who-is-libyas-new-prime-minister>
- 85 Rahma al-Bahi, "Abdelhamid al-Dabaiba: Embezzlement, Corruption and Exploitation of Influence from Libya to Portugal," Al-Katiba, February 13, 2023, available at: <https://alqatiba.com/2023/02/13/%D8%B9%D8%A8%D8%AF-%D8%A7%D9%84%D8%AD%D9%85%D9%8A%D8%AF-%D8%A7%D9%84%D8%AF%D8%A8%D9%8A%D8%A8%D8%A9-%D9%82%D8%B5%D9%91%D8%A9-%D8%B2-%D9%88%D8%A7%D8%AC-%D9%85%D8%AA%D8%B9%D8%A9-%D8%A8%D9%8A%D9%86-%D8%A7/>
- 86 Ahmet S. Yayla, "Erdogan's Sinister Game in Libya: Construction Corruption," Dryad Global, January 28, 2021, available at: <https://channel16.dryadglobal.com/erdogans-sinister-game-in-libya-construction-corruption>
- 87 General People's Congress Libya, "General People's Committee Secretariat Resolution No. 469 of 2005," available at: <https://ssf.gov.ly/wp-content/uploads/2019/12/%D9%82%D8%B1%D8%A7%D8%B1-%D8%A7%D9%85%D8%A7%D9%86%D8%A9-%D8%A7%D9%84%D9%84%D8%AC%D9%86%D9%87-%D8%A7%D9%84%D8%B4%D8%B9%D8%A8%D9%8A%D9%87-%D8%A7%D9%84%D8%B9%D8%A7%D9%85%D9%87-%D8%B1%D9%82%D9%85-469-%D9%84%D8%B3%D9%86%D8%A9-1373%D9%88.%D8%B1-2005-%D8%A8%D8%A7%D8%B9%D8%AA%D9%85%D8%A7%D8%AF-%D8%A7%D9%84%D9%86%D8%B6%D8%A7%D9%85-%D8%A7%D9%84%D8%A7%D8%B3%D8%A7%D8%B3%D9%89-%D8%A7%D9%84%D9%84%D8%B4%D8%B1%D9%83%D8%A9-%D8%A7%D9%84%D8%B9%D8%A7%D9%85%D8%A9-%D9%84%D9%84%D8%A8%D9%86%D8%A7%D8%A1-%D9%88%D8%A7%D9%84%D8%AA%D8%B4%D9%8A%D9%8A%D8%AF.pdf>
- 88 Libyan Audit Bureau, "Annual Report 2012," p. 144, available at: <https://www.audit.gov.ly/ar/reports/>
- 89 General People's Committee Decision, "Secretariat Resolution No. 454 of 2006," November 11, 2006, available at: <https://ssf.gov.ly/wp-content/uploads/2019/12/%D9%82%D8%B1%D8%A7%D8%B1-%D8%A7%D9%85%D8%A7%D9%86%D8%A9-%D8%A7%D9%84%D9%84%D8%AC%D9%86%D9%87-%D8%A7%D9%84%D8%B4%D8%B9%D8%A8%D9%8A%D9%87-%D8%A7%D9%84%D8%B9%D8%A7%D9%85%D9%87-%D8%B1%D9%82%D9%85-454-%D9%84%D8%B3%D9%86%D8%A9-1374%D9%88.%D8%B1-2006%D8%A8%D8%AA%D9%82%D8%B1%D9%8A%D8%B1-%D8%A8%D8%B9%D8%B6-%D8%A7%D9%84%D8%A7%D8%AD%D9%83%D8%A7%D9%85-%D9%81%D9%89-%D8%B4%D8%A3%D9%86-%D8%A7%D9%84%D8%B4%D8%B1%D9%83%D8%A7%D8%AA-%D8%A7%D9%84%D8%B9%D8%A7%D9%85%D8%A9-%D9%84%D9%84%D8%A8%D9%86%D8%A7%D8%A1-%D9%88%D8%A7%D9%84%D8%AA%D8%B4%D9%8A%D9%8A%D8%AF.pdf>
- 90 The Sentry interview with a Benghazi professor involved in his city's reconstruction planning, April 2024.
- 91 The Sentry interviews with a Libyan who has extensive access to historical documentation on Arsel's dealings in Libya, February-April 2024.
- 92 For example, in 2007, when ODAC hired Singaporean corporation Boustead to build a township in al-Marj, as part of a \$196 million project, Boustead had to enter a joint venture with Bena wa Tashyeed. Similarly, when ODAC commissioned work from Arsel on al-Marj's university campus, Arsel was also required to form a joint venture with the ODAC-aligned Bena wa Tashyeed. See:
Boustead Singapore Limited, "Boustead Awarded Record S\$300m Contract to Design and Build New Township in Libya," August 22, 2007, available at: <https://boustead.sg/sites/boustead.sg/files/2020-05/2007-08-22%20Boustead%20Awarded%20Record%20S%24300m%20Contract%20to%20Design%20and%20Build%20New%20Township%20in%20Libya.pdf>
The Business Times, "High Court Dismisses Bahrain Bank's Appeal Against Boustead Over Libya Payments," April 22, 2016, available at: <https://www.businesstimes.com.sg/companies-markets/high-court-dismisses-bahrain-banks-appeal-against-boustead-over-libya-payments>
Middle East Economic Digest (MEED) Insight, "The Libyan Projects Market 2012: A Comprehensive Overview of Project Opportunities in the New Libya," December 2011, Dubai: Emap Business Communications Ltd.



- 93 Ali al-Dabaiba and his family wielded the power to disburse public funds on behalf of ODAC, an expression of the Libyan state. At the same time, the same individuals—thanks to various arrangements—also had vested interests in the companies receiving those funds. As a result, the Dabaibas influenced both sides of the contract—a classic case of conflicting interests. For more on how joint ventures involving foreign companies and local enterprises facilitate bribes to government officials and other illicit manipulations, see:
Beata K. Smarzynska and Shang-Jin Wei, “Corruption and the Composition of Foreign Direct Investment: Firm-Level Evidence,” National Bureau of Economic Research 2360, June 2000, available at: <https://doi.org/10.1596/1813-9450-2360>
- 94 The Sentry interview with a Benghazi professor involved in his city’s reconstruction, April 2024.
- 95 Long idle as a standalone entity after 2011, Bena wa Tashyeed took on a few small projects in the greater Benghazi area between 2018 and 2020, such as the installation of three kilometers of a drinking water network in the city’s northeast. The state-owned enterprise was facing persistent financial difficulties in those years, often unable to pay salaries. In 2021, a few months after Abdelhamid Dabaiba became prime minister, he made a minor attempt to buoy the company by having ODAC chief Ibrahim Takita inject funds taken from the state’s emergency budgets. Despite these small injections, Bena wa Tashyeed’s financial woes persisted, leading the government to quietly shut it down in January 2024, putting its assets under administration. Two independent sources told The Sentry that Bena wa Tashyeed’s demise came as a result of corruption. See:
218tv, “Signing a ‘Huge Contract’ to Complete a Water Project in Benghazi,” February 5, 2020, available at: <https://www.218tv.net/%D8%AA%D9%88%D9%82%D9%8A%D8%B9-%D8%B9%D9%82%D8%AF-%D8%B6%D8%AE%D9%85-%D9%84%D8%A7%D8%B3%D8%AA%D9%83%D9%85%D8%A7%D9%84-%D9%85%D8%B4%D8%B1%D9%88%D8%B9-%D9%85%D9%8A%D8%A7%D9%87-%D9%81%D9%8A-%D8%A8/>
Sada, “Takita Talks About Government Projects in the Eastern Region,” October 26, 2021, available at: <https://sada.ly/%D8%AA%D8%A7%D9%83%D9%8A%D8%AA%D8%A9-%D9%8A%D8%AA%D8%AD%D8%AF%D8%AB-%D8%B9%D9%86-%D9%85%D8%B4%D8%A7%D8%B1%D9%8A%D8%B9-%D8%A7%D9%84%D8%AD%D9%83%D9%88%D9%85%D8%A9-%D8%A8%D8%A7%D9%84%D9%85%D9%86%D8%B7/>
The Sentry interview with a Benghazi professor involved in his city’s reconstruction, April 2024.
The Sentry interview with an eastern Libyan oil executive knowledgeable about the business scene in Benghazi, April 2024.
The Sentry interview with a Benghazi-based engineer familiar with Bena wa Tashyeed’s upper management, April 2024.
Government of National Unity Council of Ministers, “Cabinet Decision No. 47 of 2024 Approving the Dissolution of Two Companies,” January 2024, reviewed by The Sentry.
- 96 Bena wa Tashyeed response to The Sentry, November 2024.
- 97 The Sentry interview with a veteran Libyan economist who acted as deputy finance minister in the mid-2010s, April 2024.
- 98 Rwida Kreiw, “Impact of the Political Instability on the Libyan Economy,” Knowledge International Journal, 2019, available at: <https://www.semanticscholar.org/paper/impact-of-the-political-instability-on-the-libyan-kreiw/0829b9225d4792677db1e4cb9229f83365bc8873>
- 99 Ronald Bruce St John, “Libya’s Oil & Gas Industry: Blending Old and New,” The Journal of North African Studies 12.2, 2007, pp. 203-218, available at: <https://doi.org/10.1080/13629380701220428>
- 100 According to a 2017 non-public report by the World Bank, the Qadhafi regime had outstanding projects worth about \$70 billion as of early 2011. See:
World Bank, “Libya Legacy Project Summary Review,” 2017.
- 101 Between 2008 and 2010 alone, ODAC awarded approximately 7,000 contracts totaling \$30 billion in value. See:
Tim Eaton, “The Post-Revolutionary Struggle for Economic and Financial Institutions,” in Wolfram Lacher and Virginie Collombier (eds.), *Violence and Social Transformation in Libya*, London: Hurst, June 2023, p. 213, available at: <https://doi.org/10.1093/oso/9780197756492.003.0008>
- 102 Tankut Öztaş and Ferhat Polat, “Turkey-Libya Relations: Economic and Strategic Imperatives,” TRT World Research Centre, December 2019, available at: <https://researchcentre.trtworld.com/wp-content/uploads/2020/11/Turkey-Libya-Relations-Economic-and-Strategic-Imperatives-r5.pdf>
- 103 As of January 2011, Arsel was among the top 10 Turkish companies with the largest number of contracts signed in Libya. See:



Recep Yorulmaz and Şerife Akıncı, "Turkey-Libya Economic Relations from the Gaddafi Era to the Present," Center for Middle Eastern Studies (ORSAM) 250, June 2020, p. 18, available at: https://www.orsam.org.tr/d_hbanaliz-kaddafi-doneminden-gunumuze-turkiye-libya-ekonomik-iliskileri.pdf

- 104 Tankut Öztaş and Ferhat Polat, "Turkey-Libya Relations: Economic and Strategic Imperatives," TRT World Research Centre, December 2019, available at: <https://researchcentre.trtworld.com/wp-content/uploads/2020/11/Turkey-Libya-Relations-Economic-and-Strategic-Imperatives-r5.pdf>
- 105 The year 2006, partly because of the then-recent launch of the reform-and-revitalization reform "Libya al-Ghad," witnessed a leap in infrastructure spending. From 2006 to 2010, the Libyan state signed Turkish contracts worth an average of \$3.8 billion annually, up drastically from an annual average of \$166 million from 2001 to 2005. See:
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- 106 By 2008, both firms with experience in Libya and newcomers were continuously winning contracts in Libya. Most of those assignments came from ODAC, LIDCO, the Housing Infrastructure Board, and the Highways Authority. See:
Yaşar Özkan, "Background of Turkish Contracting in Libya," Ankara: İntes / Türkiye İnşaat Sanayicileri İşveren Sendikası, 2015, p. 106, available at: https://intes.org.tr/wp-content/uploads/2020/07/yasar_ozkan.pdf
- 107 In response to The Sentry's inquiries about achievements by Turkish firms from 2005 to 2010, a Turkish engineer based in Tripoli could only name a few examples, such as a desalination facility in Sidra and a housing development in Brega, acknowledging the limited scope of finished works from that period. See:
The Sentry interview with a senior Turkish engineer based in Tripoli, September 2023.
- 108 The Sentry interview with a long-time Libyan business owner with operations across the country, November 2023.
- 109 The Sentry interview with a financier who worked as part of the Qadhafi regime in the 2000s, March 2024.
- 110 The Sentry interview with a veteran Libyan economist who acted as deputy finance minister in the mid-2010s, April 2024.
- 111 The Sentry interview with a Benghazi landowner familiar with his city's business circles, April 2024.
- 112 The Sentry interview with a long-time Libyan business owner with operations across the country, November 2023.
- 113 The Sentry interview with a financier who worked as part of the Qadhafi regime in the 2000s, March 2024.
- 114 The Sentry interview with a veteran Libyan economist who acted as deputy finance minister in the mid-2010s, April 2024.
- 115 The Sentry interview with a Benghazi landowner familiar with his city's business circles, April 2024.
- 116 The Sentry interview with a long-time Libyan business owner with operations across the country, November 2023.
- 117 The Sentry interview with a former member of the Libyan attorney general's team involved in investigating ODAC corruption, October 2023.
- 118 The Sentry interview with a Libyan businessman who worked for the Libyan treasury department in the 1990s under Qadhafi, March 2024.
- 119 The Sentry interview with a former high-ranking official in Libya's Intelligence Services, May 2024.
- 120 The Sentry interview with a veteran Libyan economist who acted as deputy finance minister in the mid-2010s, April 2024
- 121 The Sentry interview with a financier who worked as part of the Qadhafi regime in the 2000s, March 2024.
- 122 The Sentry interview with Ahmet S. Yayla, June 2021.
- 123 Ahmet S. Yayla, "Erdogan's Sinister Game in Libya: Construction Corruption," Dryad Global, January 28, 2021, available at: <https://channel16.dryadglobal.com/erdogans-sinister-game-in-libya-construction-corruption>
- 124 The Sentry interview with a former high-ranking official in Libya's Intelligence Services, May 2024.
- 125 High pressure from Libya's corrupt officials did not discourage foreign firms from pursuing contracts in the country. One reason, among several others, was that securing high-profile Libyan projects could enhance a company's international reputation. The improved standing could help firms win more lucrative contracts in other markets. Indeed, in the field of construction, global market presence and



international operations tend to bring about increased profitability. For a broader discussion of such dynamics, see:

Suat Günhan and David Arditi, "Factors Affecting International Construction," *Journal of Construction Engineering and Management* 131.3, March 2005, available at: [https://doi.org/10.1061/\(ASCE\)0733-9364\(2005\)131:3\(273\)](https://doi.org/10.1061/(ASCE)0733-9364(2005)131:3(273))

- 126 The Sentry interview with a former member of the Libyan attorney general's team involved in investigating ODAC corruption, October 2023.
- 127 The Sentry interview with a Libyan businessman who worked for the Libyan treasury department in the 1990s under Qadhafi, March 2024.
- 128 Over a period of several years beginning in 1995, Canada's SNC-Lavalin was contracted in Libya to work on diverse projects, including the construction of the Great Man-Made River, an airport in Benghazi, and a prison facility. The Canadian company doled out about \$56 million to shadowy foreign agents linked to the Libyan officials who awarded the contracts worth several hundred million dollars. Within the context of this corruption scandal, SNC-Lavalin worked closely with both the Dabaiba family and Saadi Qadhafi, the dictator's third son. At the time of writing, SNC-Lavalin, now called AtkinsRéalis, has expressed interest in rebuilding the Derna dams. See:
- Greg McArthur and Graeme Smith, "The Inside Story of SNC-Lavalin's Gadhafi Disaster," *The Globe and Mail*, February 12, 2019, available at: <https://www.theglobeandmail.com/business/rob-magazine/article-from-the-archives-the-inside-story-of-snc-lavalins-gadhafi-disaster/>
- Rita Trichur, "How Canada Became a Money-Laundering Haven for One of Gadhafi's Inner Circle," *The Globe and Mail*, June 24, 2018, available at: <https://www.theglobeandmail.com/canada/investigations/article-how-canada-became-a-money-laundering-haven-for-one-of-gadhafis-inner/>
- The Sentry interview with Derna inhabitant #1, April 2024.
- 129 *Libyan Investment Authority vs. Credit Suisse International, GLG Partners Asset Management Limited, Frontier Investment Management Partners Limited, Walid Mohamed Ali Al-Giahmi, and Lands Company Limited*, High Court of Justice: Business and Property Courts Commercial Court (QBD), CL-2019-000691, September 25, 2020.
- 130 *Libyan Investment Authority vs. Credit Suisse International, GLG Partners Asset Management Limited, Frontier Investment Management Partners Limited, Walid Mohamed Ali Al-Giahmi, and Lands Company Limited*, High Court of Justice: Business and Property Courts Commercial Court (QBD), CL-2019-000691, September 25, 2020.
- 131 The Sentry interview with a financial investigator who reviewed a 2007 report that emanated from the anti-corruption inquiry led by Judge Khalifa Issa Khalifa, April 2024.
- 132 In December 2009, Fettah Tamince, a Turkish magnate at the helm of Sembol İnşaat and the Rixos hotel chain, was overseeing the construction of the Rixos al-Nasr Hotel in Tripoli. Despite the project's swift execution, Tamince encountered obstacles in securing the necessary approvals for additional contracts in Libya, owing to the Dabaiba family's insistence on securing substantial bribes. As a result, Tamince approached Seif al-Islam to voice his grievances regarding the Dabaibas' excessive demands. Seif al-Islam responded by asking parts of the regime to scrutinize the ODAC chief. See:
- The Sentry interview with a Libyan intelligence officer stationed in Tripoli, April 2024.
- The Sentry interview with a former member of the Libyan attorney general's team involved in investigating ODAC corruption, October 2023.
- Albayan, "Rixos Hotels Showcases its Growing Portfolio of Hospitality Properties," May 4, 2010, available at: <https://www.albayan.ae/economy/2010-05-04-1.241340?ot=ot.AMPPageLayout>
- Craig Shaw and Zeynep Şentek, "The Football Leaks Family 2: Hidden Partnerships, the Family Mafia and a Future U.S. President," *The Black Sea*, December 20, 2016, available at: <https://theblacksea.eu/stories/football-leaks/the-football-leaks-family-2-hidden-partnerships-the-family-mafia-and-a-future-u-s-president/>
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- 133 Yaşar Özkan, "Background of Turkish Contracting in Libya," Ankara: İntes / Türkiye İnşaat Sanayicileri İşveren Sendikası, 2015, p. 108,



available at: https://intes.org.tr/wp-content/uploads/2020/07/yasar_ozkan.pdf

- 134 Benoît Faucon and Jared Malsin, “Behind Libya’s Dam Catastrophe Lies a Long Trail of Conflict and Corruption,” *The Wall Street Journal*, September 24, 2023, available at: <https://www.wsj.com/world/behind-libyas-dam-catastrophe-lies-a-long-trail-of-conflict-and-corruption-fa58c57>
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The Sentry interview with a former Western diplomat who was stationed in Tripoli before the 2011 uprisings, May 2024.
The Sentry interview with a former high-ranking official in Libya’s Intelligence Services, May 2024.
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Sami Zaptia, “Libya Successfully Defends \$69 Million Arbitration Compensation Claim Against Turkish Company, and a Case in UAE,” *African Arbitration Association*, January 10, 2021, available at: <https://afaa.ngo/page-18346>
Sami Zaptia, “Paris Court of Appeal Rejects Turkish Company *Guris* Case – Requires It to Pay Legal Expenses,” *Libya Herald*, January 17, 2024, available at: <https://libyaherald.com/2024/01/paris-court-of-appeal-rejects-turkish-company-guris-case-requires-it-to-pay-legal-expenses/>
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- 143 Dominic Rushe, “US Treasury Blocks Record \$30bn of Libya Assets,” *The Guardian*, February 28, 2011, available at: <https://www.theguardian.com/world/2011/feb/28/us-treasury-blocks-libya-assets>
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Libya Monitor, "HIB and ODAC on List of Entities to Be Investigated," May 20, 2012, available at: <https://www.libyamonitor.com/news/real-estate-construction/hib-and-odac-list-entities-be-investigated>
Al-Arabiya, "The Former Libyan Prosecutor Was Shot Dead in Derna," February 9, 2014.
Al-Quds, "The Public Prosecutor of the Hassi Government: I Was Not Kidnapped," March 8, 2015, available at: <https://www.alquds.co.uk/%D8%A7%D9%84%D9%86%D8%A7%D8%A6%D8%A8-%D8%A7%D9%84%D8%B9%D8%A7%D9%85-%D8%A8%D8%AD%D9%83%D9%88%D9%85%D8%A9-%D8%A7%D9%84%D8%AD%D8%A7%D8%B3%D9%8A-%D9%84%D9%85-%D8%A3%D8%AA%D8%B9%D8%B1%D8%B6-%D9%84%D9%84/>
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Crown Office & Procurator Fiscal Service, "Response to Freedom-of-Information Inquiry Regarding the Ali al-Dabaiba Investigation," Scotland's Prosecution Service, December 22, 2023.
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and several others. Interpol complied with the appeal because it was made a few months after the outbreak of civil war and the establishment of an eastern-Libyan government. The latter was, at that point in time, recognized by the UN as the legitimate authority of Libya. See:

Wast al-Bilad, Facebook post, April 16, 2015, available at: <https://www.facebook.com/downtownlibya/photos/%D9%88%D8%B2%D9%8A%D8%B1-%D8%A7%D9%84%D8%B9%D8%AF%D9%84-%D8%A8%D8%AD%D9%83%D9%88%D9%85%D8%A9-%D8%A7%D9%84%D8%AB%D9%86%D9%8A-%D8%A7%D9%84%D9%85%D8%A8%D8%B1%D9%88%D9%83-%D9%82%D8%B1%D9%8A%D8%B1%D8%A9-%D9%8A%D9%80%D8%B7%D9%84%D8%A8-%D9%85%D9%86-%D8%A7%D9%84%D8%B4%D8%B1%D8%B7%D8%A9-%D8%A7%D9%84%D8%AF%D9%88%D9%84%D9%8A%D8%A9-%D8%A7%D9%84%D8%AC%D9%86%D8%A7%D8%A6%D9%8A%D8%A9-%D8%A7%D9%84%D8%A5%D9%86%D9%80%D8%AA%D8%B1%D8%A8%D9%88/804681376254025/>

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occasionally receiving financial support from the Central Bank in Tripoli while functioning independently from the Dabaiba government. See:

The Sentry interview with an advisor of the Haftar-aligned government led by Prime Minister Usama Hammad, based in Benghazi, March 2024.

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The Sentry interview with a Libyan businessman who worked for the Libyan treasury department in the 1990s under Qadhafi, March 2024.

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Stephanie Glinski, "Eastern Libya's Rulers Crack Down on Protests—Not Shoddy Infrastructure," Foreign Policy, September 29, 2023, available at: <https://foreignpolicy.com/2023/09/29/derna-floods-libya-ina-protests-journalists-recovery-efforts/>

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Lawyers for Justice in Libya and Libya Crimes Watch, "11 Stories From 11 September: One Year After the Derna Tragedy, Survivors Tell Their Stories," September 11, 2024, pp. 27-28, available at: <https://www.libyanjustice.org/news/one-year-after-storm-daniel-survivor-stories-expose-ongoing-human-rights-violations-and-government-failures-in-libya>

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Wolfram Lacher, “Libya’s Struggles Empower a Clan,” New Lines Magazine, August 16, 2024, available at: <https://newlinesmag.com/spotlight/libyas-struggles-empower-clan/>
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Tim Eaton, “The Libyan Arab Armed Forces: A Network Analysis of Haftar’s Military Alliance,” Chatham House, June 2021, available at: <https://www.chathamhouse.org/sites/default/files/2021-05/2021-05-28-libyan-arab-armed-forces-eaton.pdf>
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The Sentry interview with an Ajdabiya native familiar with the Haftar family’s local activities, September 2024.
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likely connections between illicit schemes and infrastructure projects in eastern Libya. The National Development Apparatus did not respond to a request for comment. See:

The Sentry interview with a senior security official based in Benghazi, July 2024.

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The Sentry interview with an executive overseeing Libya for a European infrastructure firm, October 2024.
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- 234 The Sentry interview with an advisor of the Haftar-aligned government led by Prime Minister Usama Hammad, based in Benghazi, March 2024.
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The Sentry interview with a Benghazi landowner familiar with his city’s business scene, April 2024.
The Sentry interview with an eastern Libyan oil executive knowledgeable about the business scene in Benghazi, April 2024.
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The Sentry interview with a Benghazi professor involved in his city’s reconstruction planning, April 2024.
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Mada Masr, "The Argany Peninsula," February 13, 2024, available at: <https://www.madamasr.com/en/2024/02/13/feature/politics/the-argany-peninsula/>

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The Sentry interview with a Sirte resident familiar with the project, November 2024.

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