



THE SENTRY

# The Metamorphosis of Ali Khalil Merhi

How a One-Time Fugitive Found Fortune in South Sudan

April 2021

## SUMMARY

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The Sentry's latest investigative report shows how a one-time fugitive from justice with suspected links to terror financing has become one of South Sudan's most powerful foreign investors. The report charts the journey of Ali Khalil Merhi, a Lebanese businessman who disappeared from his home in Paraguay before he could stand trial for piracy. At the time of his flight, Argentinian prosecutors also wanted to question him about a deadly terrorist attack that had left 86 dead in Buenos Aires in 1994.

Years later, Merhi reappeared as Ali Khalil Myree with a new passport and a new network of powerful government contacts—all in the world's newest nation. The Sentry found that the government of South Sudan has supported Merhi for more than a decade, granting him citizenship, lucrative contracts, and even the title of honorary consul. Along the way, he has registered more than a dozen companies, received public accolades, partnered with politically exposed persons, and engaged in questionable transactions, including depositing thousands of dollars into the personal bank account of a general who has since been placed under sanctions by the UN, US, and EU.

The challenge, however, involves more than a single suspected bad actor. This report exposes how systemic weaknesses have made South Sudan an attractive refuge for suspected criminals, corrupt businessmen, and predatory networks. It underscores that kleptocracy is more than just a humanitarian concern—it is an international security imperative. Local agencies, foreign governments, and financial institutions must take swift action to prevent South Sudan from becoming a breeding ground for those who rely on corruption and violence to do business.

## SUMMARY OF RECOMMENDATIONS

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- Financial institutions should conduct enhanced due diligence and transaction reviews of accounts held by Myree's network, including known associates and family members. US, UK, and EU banks that maintain correspondent banking relationships with financial institutions in South Sudan and its neighboring countries, especially Kenya, should encourage respondent partners to strengthen their AML/CFT frameworks.
- The government of South Sudan should take steps to operationalize its AML/CFT statutes. It should also take steps to establish a FATF-adherent corporate registry and operationalize the Public Procurement Act's mechanisms on due diligence and transparency.
- The US should continue its engagement with South Sudan to build strong corporate transparency, oversight, and accountability mechanisms. Additionally, the US Treasury Department should investigate Myree's activities in South Sudan and, if appropriate, designate him, alongside key individuals and entities in his network, under Executive Order 13818 (Global Magnitsky).

Read the report: <https://thesentry.org/reports/MetamorphosisOfMerhi>



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