

Testimony to the Senate Subcommittee on Investigations

Hearing on Human Rights Abuses Related to Saudi Arabia's Public Investment Fund

Good morning, Chairman Blumenthal, Ranking Member Johnson, and distinguished Members of the Subcommittee. Thank you for convening this hearing on Saudi Arabia's Public Investment Fund (PIF). My name is Joey Shea and I am Human Rights Watch's Saudi Arabia researcher. I will focus my remarks on the PIF's links with human rights abuses.

Human Rights Watch is an independent nongovernmental organization tracking and monitoring human rights issues in over 100 countries around the world. We have been monitoring and documenting human rights abuses in Saudi Arabia since 1997 and the broader Middle East since 1989. Human Rights Watch has been at the forefront of human rights reporting on Saudi Arabia, particularly with regard to the male guardianship system and migrant worker abuses. HRW has both regional and thematic experts dedicated to documenting a range of abuses in Saudi Arabia.

Saudi Arabia under Crown Prince Mohammed bin Salman

Since 2017, Human Rights Watch has documented the deepening repression in Saudi Arabia following Crown Prince Mohammed bin Salman's sudden rise to power. He is now the country's de facto ruler.

Under Crown Prince Mohammed bin Salman, Saudi Arabia has undergone one of the worst periods for human rights in the country's modern history. Mohammed bin Salman has overseen a historic and unprecedented crackdown on expression, using a range of repressive tactics. Detaining citizens for peaceful criticism and other abuses is not new in Saudi Arabia, but what has made the post-Mohammed bin Salman arrest waves notable is the sheer number and range of people targeted over a short period and alongside a raft of new repressive practices. Saudi authorities have failed to hold high-level officials accountable for the murder of journalist Jamal Khashoggi in 2018.

Despite landmark reforms for Saudi women and youth, ongoing abuses demonstrate that the rule of law in Saudi Arabia remains weak and can be undermined at will by the country's political leadership.

As defense minister, Mohammed bin Salman, or MBS as he is commonly referred as, also oversees all Saudi military forces. He served as the commander of the international coalition that, since 2015 has carried out scores of indiscriminate and disproportionate airstrikes on civilians and civilian objects in Yemen, hitting homes, schools, hospitals, markets, and mosques. Human Rights Watch has found that many of these violations of international humanitarian law may amount to war crimes. Some of them were carried out using US weapons, including an attack in January 2022 on a detention facility in Saada [involving](#) a Raytheon-made laser-guided missile kit.

Human Rights Watch has reported extensively on the Crown Prince's consolidation of political and security power over the last few years in Saudi Arabia, and the dire implications on human rights. In tandem, the Crown Prince has consolidated economic power in the Kingdom, notably under Saudi Arabia's sovereign wealth fund, the Public

Investment Fund (PIF) which has approximately US\$700 billion in assets under management. This raises serious concerns for American businesses and any possible links to abuses in Saudi Arabia, particularly as the Fund expands its investments in the United States in key sectors of the American economy, including technology, sports, entertainment, and finance.

Just last month, Human Rights Watch documented the mass killing of Ethiopian migrants and asylum seekers by Saudi border guards, which, if committed as part of a Saudi government policy to murder migrants, would be a crime against humanity.

Public Investment Fund and US Investment

Sovereign wealth funds (SWFs) are not unusual in themselves and are used by many governments to invest the wealth of a nation for current and future generations and government activities. However, in some contexts, scholars, including Stephen Roll and Edwin M. Turman, have examined the role of SWFs in centralizing and entrenching the power of authoritarian political regimes as these funds help to consolidate political and economic power in the hands of undemocratic leaders. While some SWFs are structurally separate and less susceptible to political pressure or control, many SWFs, like the PIF, operate with little transparency or independence.¹ Critics, including Alex Katsomitros, contend that ruling elites in abusive governments have used SWFs to accumulate vast pools of capital, consolidate power, facilitate abuse, launder their images, and extend their reach abroad.²

This dynamic is exacerbated in countries heavily reliant on natural resource revenues. For more than two decades, Human Rights Watch has documented corruption and mismanagement in resource-rich economies and the impact it has on rights. Based on that work in a number of countries, Human Rights Watch believes that a country's substantial reliance on natural resource revenues can have a negative impact on human rights unless measures are taken to ensure that they are managed and spent transparently. In such an economy, especially under undemocratic or autocratic governments, those who rule the state have unique opportunities for self-enrichment and corruption. Because achieving political power often becomes the primary avenue for achieving wealth, the incentive to seize power and hold onto it indefinitely is great. This dynamic has a corrosive effect on governance and ultimately, respect for human rights.

In this context, a key indicator of the quality of governance is whether a government is committed to transparency, accountability, the rule of law, and human rights. When a ruler or a governing elite is undemocratic or otherwise unaccountable to its citizens, poor management, poor economic decision-making, corruption, and human rights abuses thrive. Instead of improving the overall situation, the existence of a centrally controlled stream of revenue—such as oil revenue—can serve to reinforce or exacerbate an undemocratic or otherwise unaccountable ruler's or governing elite's worst tendencies by providing the financial wherewithal to entrench and enrich itself without any corresponding accountability. These problems are clearly present in Saudi Arabia.

The Public Investment Fund has, in a very short period, amassed approximately US\$700 billion, which has made the PIF one of the largest sovereign wealth funds in the world.³ In April 2016, Mohammad bin Salman

¹ Stephan Roll, 'A Sovereign Wealth Fund for the Prince,' *German Institute for International and Security Affairs*, July 2019, supra note 11 at 10. See also Our mission and core responsibilities, Norges Bank, <https://www.norges-bank.no/en/topics/about/Mission-core-responsibilities>; Kyle Hatton and Katharina Pistor, "Maximizing Autonomy in the Shadow of Great Powers: The Political Economy of Sovereign Wealth Funds", *Columbia Journal of Transnational Law* 50, no. 1 (2012), p. 3.

² Katsomitros, supra note 2; Victorino J. Tejera, *The U.S. Law Regime of Sovereign Immunity and the Sovereign Wealth Funds*, 25 U. Miami Bus. L. Rev. 1 (2016); Katsomitros, supra note 2; Rabah Arezki, Adnan Mazarei & Ananthakrishnan Prasad, *Sovereign Wealth Funds in the New Era of Oil*, IMF Blog (Oct. 26, 2015), <https://blogs.imf.org/2015/10/26/sovereign-wealth-funds-in-the-new-era-of-oil/>; Julien Maire, Adnan Mazarei and Edwin M. Turman, *Sovereign Wealth Funds Are Growing More Slowly, and Governance Issues Remain*, February 2021, Peterson Institute for International Economics, <https://www.piie.com/sites/default/files/documents/pb21-3.pdf>, Appendix 1: Defining Sovereign Wealth Funds

³ Currently, the world's largest SWFs belong to Norway, China, Kuwait, Abu Dhabi, Hong Kong, and Saudi Arabia. *Top 100 Largest Sovereign Wealth Fund Rankings by Total Assets*, Sovereign Wealth Fund Institute, <https://www.swfinstitute.org/fund-rankings/sovereign-wealth-fund> (accessed on Mar. 18, 2022).

announced the country's signature economic reform plan, Vision 2030, aimed at diversifying the economy and creating a "global investment powerhouse."⁴ The PIF is a central to the execution of Vision 2030.⁵ Vision 2030 foresees the PIF becoming the largest sovereign wealth fund in the world."⁶ The Crown Prince has repeatedly claimed the PIF will control more than \$2 trillion of assets by 2030.⁷

Crown Prince Mohammed is the chairman of the PIF and effectively has control over a nearly trillion-dollar fund that is built on the state's oil wealth. Since he took control of the PIF in 2015, Saudi government investment decisions have been dominated by the PIF, making the bulk of Saudi investments. The Crown Prince has also consolidated the Saudi government's international investments into the PIF. Before 2015, a number of ministries and other State institutions maintained their own funds for foreign investments. Now, the PIF is the kingdom's "sole state investor internationally," according to a report on the PIF by the German Institute for International and Social Affairs.⁸ The PIF describes itself as "the Kingdom's main investment arm," with a focus on "achieving attractive financial returns and long-term value for Saudi Arabia."⁹ The PIF's profits are meant to serve as the "engine driving the transformation of Saudi Arabia's economy."¹⁰ By any measure, the Saudi state, the Crown Prince and the PIF are inextricably intertwined.

The PIF has made big purchases in tech and gaming according to media reports. Some of the PIF's highest-profile international investments include the \$3.5 billion stake it took in American transportation conglomerate Uber and its \$45 billion invested in Softbank's Vision Fund.¹⁵ As of late 2022, other high-profile PIF investments included stakes in Alibaba, Paypal, Take-Two Interactive, and META Platforms.¹⁶ Under MBS, the PIF has greatly expanded its investments in the United States. In April 2020, the PIF purchased a 5.7% share in Live Nation, the entertainment ticket sales and distribution company in the United States that is the parent of Ticketmaster, for \$500 million.¹¹ The PIF also purchased \$370 worth of stocks in the American cruise line Carnival Corp., an 8% stake, in the same month.¹²

Mohammed bin Salman's Control of and Decision-Making inside the PIF

Crown Prince Mohammed bin Salman wields significant control over the PIF and exercises unilateral decision-making with little transparency or accountability over the sovereign wealth fund's decisions.

Governance

King Salman made major changes to the government after assuming the throne in 2015, including consolidating several existing council and advisory bodies into two new Saudi Council of Ministers' subcommittees – one for economic matters and the other for security and political matters. Mohammed bin Salman has chaired both subcommittees since 2017, putting him in charge of political, security, and economic affairs for the past 6 years.¹³ The economic council, officially the Council of Economic and

⁴ Vision 2030, available at: <https://vision2030.gov.sa/en> (accessed August 29, 2019).

⁵ *Vision 2030 – Kingdom of Saudi Arabia*, April 2016, https://vision2030.gov.sa/sites/default/files/report/Saudi_Vision2030_EN_2017.pdf >.

⁶ In April 2016, according to a PIF press release: "Saudi Arabia's Crown Prince Mohammed bin Salman announced "Vision 2030" on Monday, a comprehensive 84-page reform plan designed to free the Kingdom from its dependence on oil exports...At the centre of the Kingdom's efforts to diversify revenue from oil is the plan to expand its sovereign wealth fund – the Public Investment Fund (PIF) – **by privatising less than 5 per cent of Saudi Aramco and transferring its shares to PIF**. The sovereign wealth fund will become the **largest of its kind in the world** with assets of close to \$3 trillion, creating new economic opportunities and transforming Saudi Arabia into a global investment power." Available at: [PIF April 2016 release with MBS announcing Vision 2030 and role of the PIF](#). An Atlantic Council report on Vision 2030 found that to "finance many of Vision 2030's most ambitious projects, the government is relying on the revitalized Public Investment Fund (PIF)." The same report contends that the PIF "goes above and beyond other funds in the region in terms of the aggressiveness of its domestic and international investment strategies." Stephen Grand & Katherine Wolff, *Assessing Saudi Vision 2030: A 2020 Review*, Atlantic Council (2020) at 32-22, <https://www.istor.org/stable/pdf/resrep29468.8.pdf>.

⁷ *MBS Wants Saudi Arabia Fund to Reach \$2 Trillion in Assets*, Chief Investment Officer (Apr. 12, 2021), <https://www.ai-cio.com/news/mbs-wants-saudi-arabia-fund-reach-2-trillion-assets/>

⁸ Roll, *supra* note 11 at 23.

⁹ *Our Investments*, Public Investment Fund, <https://www.pif.gov.sa/en/Pages/OurInvestments.aspx>, (accessed July 11, 2022).

¹⁰ *About*, Public Investment Fund <https://www.pif.gov.sa/en/Pages/AboutPIF.aspx>

¹¹ Alex Weprin, *Saudi Arabia Purchases \$500 Million Stake in Live Nation*, Billboard Pro (Apr. 27, 2020), <https://www.billboard.com/pro/saudi-arabia-500-million-stake-live-nation-ticketmaster/>.

¹² Jonathan Levin, *Saudi Arabia has bought 8% stake in world's biggest cruise operator Carnival for bargain basement price*, Financial Post (Apr. 6, 2020), <https://financialpost.com/investing/saudi-arabia-has-bought-8-stake-in-worlds-biggest-cruise-operator-carnival-for-bargain-basement-price>.

¹³ Publishing of Royal Decrees, SPA, January 29, 2015, www.spa.gov.sa (spa.gov.sa)

Development Affairs (CEDA) oversees is responsible for implementing Vision 2030. Mohammed bin Salman has been the chairman of CEDA since it was formed in 2015.¹⁴

The PIF was established by royal decree in 1971.¹⁵ Between 1971 and 2015, the PIF was housed under and reported to the Ministry of Finance.¹⁶ In March 2015, the Council of Ministers issued Decree 270, which moved the PIF oversight from the Ministry of Finance to the newly formed CEDA. Since 2015, the Crown Prince has been chairman of the PIF board as well as chairman of its oversight body, the CEDA.¹⁷ In that respect, he has had overall control of the PIF since March 2015.

Saudi Arabia's state finances have long been characterized by a lack of transparency and oversight,¹⁸ but the restructuring and dramatic expansion of the PIF has consolidated – to an unprecedented degree – vast economic power in Saudi Arabia under the Crown Prince alone.

Unilateral Decision-Making

The PIF's 2021–2025 program strategy ostensibly lays out a robust governance and operations framework. According to the strategy, the PIF's governance and operating model “builds on global best practices” and “ensures transparency.”¹⁹ The Investment Committee of the Board of Directors “reviews and endorses PIF's investment activities.” There are five committees at the management level that “review strategic and operation activities, and evaluate investment and non-investment proposals before filing them to the Board.”

However, recent media reports of actions by the PIF suggest that these institutional safeguards can be circumvented by the Crown Prince.

For example, a 2022 *New York Times* report alleged that the PIF Board approved a \$2 billion investment deal for a close ally of the Crown Prince after the PIF Board of Directors, chaired by MBS, overruled a panel that screens investments and objected to the deal panel.²⁰

In another instance, Mohammed bin Salman wanted the PIF to buy specific stocks in early 2020 as the markets plummeted during the onset of the global pandemic, according to PIF Governor Yasir Rumayyan. In an interview for a documentary on MBC, Rumayyan said that the PIF Board of Directors voted against the move. According to Rumayyan, MBS “took the matter to the King” and the King “issued a royal decree allowing us to avoid existing PIF governance rules and follow the opinion of the Chairman (MBS).” “The PIF Board could not be persuaded of a specific opinion, so we worked outside the outlines of governance,” he said.

¹⁴ Publishing of Royal Decrees, SPA, January 29, 2015, [أوامر ملكية وكالة الأنباء السعودية \(spa.gov.sa\)](https://spa.gov.sa). According to the 2015 Royal Decree, CEDA was to be chaired by Mohammed bin Salman and made up of 20 other high-level officials, all members of the Council of Ministers. The order, in describing the composition of CEDA as of 2015, named a number of government positions (for example: the Minister of Finance) and in two cases specifically named individuals, both ministers of state, including Mohammed Al Sheikh, who is a member of the PIF board. Since 2015, additional members have been appointed to CEDA.

¹⁵ *Our History*, Public Investment Fund, <https://www.pif.gov.sa/en/Pages/About-Timeline.aspx>, citing Royal Decree No. (M/24) of 1971, which is available at: [Royal Decree / 24 of 25/6/1391H - Public Investment Fund - Datasets - ResourceData](https://www.pif.gov.sa/en/Pages/About-Timeline.aspx).

¹⁶ Stephan Roll, ‘A Sovereign Wealth Fund for the Prince,’ *German Institute for International and Security Affairs*, July 2019 at 10; Public Investment Fund Program 2021-2025, Kingdom of Saudi Arabia, p. 9, 15.

¹⁷ After assuming the throne in 2015, King Salman made major changes to government, including replacing several existing council and advisory bodies with two new ones, including CEDA. CEDA is a policy advisory body that oversees the Kingdom's domestic affairs and is responsible for implementing Saudi Vision 2030, a plan for the renewal and modernization of the Saudi economy. *Our History*, Public Investment Fund, <https://www.pif.gov.sa/en/Pages/About-Timeline.aspx> (accessed July 11, 2022); *Governance and Investment Decisions*, Public Investment Fund, <https://www.pif.gov.sa/en/Pages/About-Governance.aspx> (accessed July 11, 2022).

¹⁸ Transparency International, February 12, 2020, *Authoritarianism and corruption in Saudi Arabia*, <https://www.transparency.org/en/blog/authoritarianism-and-corruption-in-saudi-arabia>

¹⁹ *Public Investment Fund Program 2012-2015*, Public Investment Fund <https://www.pif.gov.sa/VRP%202025%20Downloadables%20EN/PIFStrategy2021-2025-EN.pdf> page 56

²⁰ David D. Kirkpatrick and Kate Kelly, *Before Giving Billions to Jared Kushner, Saudi Investment Fund Had Big Doubts*, *The New York Times* (10 April 2022), <https://www.nytimes.com/2022/04/10/us/jared-kushner-saudi-investment-fund.html>

It also appears that Yasir Al-Rumayyan, who is the PIF's Governor, acts on behalf of MBS when making PIF investments, sits on the PIF board and is the Chairman of Newcastle United, as well as the new PGA entity. He was appointed to the Saudi Aramco board in 2016. Rumayyan has been described as "one of the crown prince's closest personal confidants" by a report by the German Institute for International and Security Affairs (GIIA). He has been dispatched by the Crown Prince to unilaterally broker PIF deals on his behalf, according to the GIIA, including what they state is beyond what is permitted under PIF's internal investment procedures and reviews.²¹

In 2018, the PIF expressed interest in buying a large stake in an American multinational car company. In court documents obtained by Human Rights Watch, when the American CEO of the company asked "Mr. Al-Rumayyan whether there were other decisionmakers who would need to be involved, Mr. Al-Rumayyan said "no" and stated that he was the decision maker.

Transparency and Accountability

While some sovereign wealth funds are structurally separate and distinct from a government's chief executive,²² many sovereign wealth funds, like the PIF, operate with little transparency or apparent protections to regulate how government officials use the funds.²³

The Peterson Institute for International Economics (PIIE) assesses SWFs across the globe on transparency, governance, and accountability metrics. In 2019, the PIIE scoreboard, which is based on publicly available information, gave the Public Investment Fund a score of 39 out of 100. The Saudi PIF was ranked 56 out of 64 funds analyzed, coming in right ahead of the Russian Direct Investment Fund, with which the Saudi PIF partners.²⁴ PIIE ranked Saudi Arabia's PIF as amongst the least transparent, least accountable, and with the least credible governance structures in the world.²⁵

The PIF operates within a state lacking a strong, rules-based or independent judiciary and there are no legal avenues for Saudi citizens to provide critical feedback to government officials or hold them accountable for failed policies, mismanagement, or corruption. The lack of basic freedoms and rights in Saudi Arabia, paired with the government's refusal to allow the existence of an independent civil society capable of monitoring and challenging government action, makes it impossible for Saudi citizens to seek information on or involvement in PIF decision-making, or to critique or seek accountability for abuses related to the PIF.

The PIF has facilitated and benefitted from rights abuses

The PIF under MBS has facilitated and benefitted from human rights abuses directly linked to the Crown Prince, including the 2017 "anti-corruption" crackdown that involved arbitrary detentions, abusive treatment, and the extortion of property from former and current government officials, prominent businessmen, and rivals within the royal family, as well as the 2018 murder of Saudi journalist Jamal Khashoggi.

Human Rights Watch reported extensively on the November 2017 [corruption crackdown](#), which included detaining dozens of people and pressuring them to hand over financial or personal assets in exchange for

²¹ Roll, *supra* note 11 at 11.

²² Roll, *supra* note 11 at 10. See also *Our mission and core responsibilities*, Norges Bank, <https://www.norges-bank.no/en/topics/about/Mission-core-responsibilities>.

²³ Kyle Hatton and Katharina Pistor, "Maximizing Autonomy in the Shadow of Great Powers: The Political Economy of Sovereign Wealth Funds", *Columbia Journal of Transnational Law* 50, no. 1 (2012), p. 3.

²⁴ The scoreboard assesses funds based on their structure (for example: that the use of fund earnings is stated), governance (for example: investment decisions are made by managers), transparency and accountability (for example: the fund discloses returns on investments and publishes quarterly reports) and behavior (for example: the fund discloses policy on adjusting portfolios). Julien Maire, Adnan Mazarei and Edwin M. Turman, *Sovereign Wealth Funds Are Growing More Slowly, and Governance Issues Remain*, February 2021, Peterson Institute for International Economics, <https://www.piie.com/sites/default/files/documents/pb21-3.pdf>, p. 4-6

²⁵ Julien Maire, Adnan Mazarei and Edwin M. Turman, *Sovereign Wealth Funds Are Growing More Slowly, and Governance Issues Remain*, February 2021, Peterson Institute for International Economics, <https://www.piie.com/sites/default/files/documents/pb21-3.pdf>, p. 1

their release outside of any recognizable legal process. Initially, many were held at the Ritz-Carlton hotel in Riyadh. Today, some of them remain in detention without charge, others have not been heard from, raising serious concerns about their well-being.

PIF-Owned Assets Facilitate Murder

Human Rights Watch has significant concerns about the role of the investment fund itself in facilitating human rights abuses. Human Rights Watch wrote to the fund's governor, Yasir al-Rumayyan, who, according to [a LinkedIn page attributed to al-Rumayyan](#) and various [media reports](#), was managing director of the fund between 2015 and 2019, on December 21, 2021, [and again on March 15, 2022](#), requesting his response to allegations of serious human rights violations associated with the fund. He has not responded.

Human Rights Watch has reviewed internal Saudi government documents submitted to a Canadian court as part of [an ongoing legal claim](#) filed by a group of Saudi companies against a former intelligence official. The documents showed that in 2017, one of Mohammed bin Salman's advisers ordered al-Rumayyan, then the fund's "supervisor," to transfer 20 companies that were captured as part of the "anti-corruption campaign" directly into the fund. There is a risk that these companies were "transferred" from their owners without due process.

The Saudi documents also [indicated](#) that one of the companies transferred was Sky Prime Aviation, a charter jet company that owned the two planes used in 2018 by Saudi agents to travel to Istanbul, where they murdered the prominent journalist Jamal Khashoggi. In February 2021, the [CIA released a report](#) assessing that Mohammed bin Salman had approved the operation. A June 2019 UN [report](#) by its then-special rapporteur on extrajudicial killings, Agnes Callamard, stated that the planes were indeed owned by Sky Prime Aviation, based on flight records from the European Organization for the Safety of Air Navigation.

Arbitrary Detention and Expropriation of Property

During the 2017 crackdown, some of those detained were apparently able to "buy" their freedom by transferring part of their assets to the Saudi government.²⁶ According to media reporting and sources that spoke with Human Rights Watch, many of those detained—imprisoned, at risk of abuse, and seeking their freedom—eventually agreed to hand over land, money, and shares of their companies to the Saudi government.²⁷

There has been no transparency regarding the asset seizure process. Some of the assets seized during the crackdown appear, according to *The Guardian*, to have been transferred to a holding company that is wholly-owned by the PIF, apparently on the orders of Mohammed bin Salman.²⁸ Other assets were reportedly transferred to a different government-controlled holding company managed by the Ministry of Finance. It is not clear who ultimately took ownership of the other assets.

Key individuals involved in the anti-corruption crackdown also held key positions on the PIF. According to the documents submitted to the Canadian court, in addition to the Crown Prince, two other current PIF board members played a role in ensuring that some of the assets seized during the crackdown ended up

²⁶ According to the *New York Times*, "Relatives of some of the detainees said they were deprived of sleep, roughed up and interrogated with their heads covered while the government pressured them to sign over large assets." According to the *New York Times*, which conducted extensive interviews with Saudi officials, members of the royal family, and relatives, advisers and associates of the detainees, Saudi authorities used physical abuse to coerce detainees to hand over assets, stating that at least 17 detainees had required hospitalization and one later died in custody, "with a neck that appeared twisted [and] a badly swollen body and other signs of abuse." The report cited a person who saw the body, which in addition to a twisted neck, had burns that appeared to be from electric shocks. [Saudis Said to Use Coercion and Abuse to Seize Billions - The New York Times \(nytimes.com\)](#); [Saudi Arabia: Clarify Status of 'Corruption' Detainees | Human Rights Watch \(hrw.org\)](#). "Whatever pressure was applied in the Ritz, the goal was to get detainees to sign over assets. In some cases, the government brought in prominent international firms to help."

²⁷ [Saudi billionaire Prince Alwaleed released as corruption probe winds down | Reuters](#)

²⁸ Stephanie Kirchgaessner, *Revealed: Newcastle chairman's links to Saudi 'anti-corruption' drive*, *The Guardian* (16 October 2021), <https://www.theguardian.com/world/2021/oct/16/revealed-newcastle-chairmans-links-to-saudi-anti-corruption-drive>.

were transferred to the PIF. At least one other PIF board member, worked with the anti-corruption committee. Another PIF board member, Yassir Al-Rumayyan, implemented orders to transfer companies seized during the crackdown to PIF ownership.

The second board member, a minister focusing on economic issues, sits on CEDA and is a member of the PIF board.²⁹ An official letter, signed by him and submitted in Canadian court proceedings, states that the Crown Prince named him³⁰ “General Supervisor of the Work of Teams and Units” under the corruption committee and delegated him “full powers” to execute some of the corruption committee’s work.”³¹

In addition, the court documents revealed the fate of New Dawn Contracting company, a construction company, which was also transferred into the PIF. The company was created in 2016 and jointly owned by Mohammed al Jabri, Saad Al Jabri’s son, and Salem al-Muzaini, whose wife alleged in an affidavit submitted in the Canadian court proceedings he was tortured in detention in Saudi Arabia. Al-Muzaini was arbitrarily detained in Saudi Arabia in September 2017, released in late 2018, and then detained and disappeared again in 2022. Each held fifty percent of the shares. Although Mohammed was based abroad during the corruption crackdown and had never agreed to transfer his shares, his brother said, the PIF-owned Tahakom nevertheless managed to secure ownership of the company.

Human Rights Watch examined the deed of transfer, which the PIF-owned companies presented in court filings. It is on Saudi Ministry of Commerce and Investment letterhead, dated April 12, 2018, and purports to show both Salem and Mohammed agreeing to turn over their entire stakes in the company to Tahakom. According to the document, the transfer followed an audit undertaken by the Ministry of Commerce and Investment in January 2018, while many, including Salem, were still detained at the Ritz. There are no signatures on the document—despite spaces left for both Mohammed and Salem to sign—but the document is stamped by a Ministry of Justice notary.

The PIF is used for Saudi Government Image Laundering

Over the last several years, the Saudi government has embarked on a vast campaign to rehabilitate its image and deflect from global perception of the Saudi state as a severe and persistent human rights violator, particularly under the de facto leadership of Crown Prince Mohammed bin Salman.

Human Rights Watch has reported on the government’s billion-dollar campaign to host entertainment, cultural, and sporting events to gain public favor, including by hosting a range of media celebrities, golf tournaments, wrestling matches, and the Formula 1 Grand Prix.³² The Saudi government has recognized that hosting global celebrities and hosting major entertainment and sporting events and companies is a powerful means to launder its reputation and convince international investors to invest in the country despite pervasive human rights violations.

The PIF has invested significantly in sportswashing, an effort to rebrand the country and distract from serious human rights abuses by hosting or sponsoring events that celebrate human achievement, like major sporting events. The PIF is a central component of Vision 2030, which had explicitly laid out the role of sports in enhancing the image of Saudi Arabia abroad. One of the 13 programs developed to help realize Vision 2030 lists multiple leisure and recreational initiatives, in part aimed at creating a “positive image of the kingdom internationally.” The delivery plan has also referenced “enhancing the image of Saudi Arabia

²⁹ Under the terms of the royal decree, the Crown Prince had the authority to create sub-committees and to delegate authority to others.

³⁰ Ontario Superior Court of Justice (*Sakab et al. v. Jabri et al.*), Court File No. CV-21-00655418-00CL, affidavit of Neil David Hargreaves (on file); Ontario Superior Court of Justice (*Sakab et al. v. Jabri et al.*), Court File No. CV-21-00655418-00CL, ‘Articles of Association of Tahakom Investment Company,’ pp. 214-219 of affidavit of Neil David Hargreaves and ‘Registration Certificate of Tahakom Investment Company,’ p. 269 of affidavit of Neil David Hargreaves (on file)

³¹ Letter December 22, 2017, on file with HRW.

³² Saudi Arabia: Image Laundering Conceals Abuses, Human Rights Watch, 2020, <https://www.hrw.org/news/2020/10/02/saudi-arabia-image-laundering-conceals-abuses>.

through the use of sports diplomacy, according to a version of the Vision viewed by Human Rights Watch in 2020.”³³

As of January 2023, the PIF owned a reported 93 percent controlling share in LIV Golf, raising serious concerns about the role the league may be playing to burnish Saudi Arabia’s image to “sportswash” ongoing abuses committed by Saudi authorities. Human Rights Watch wrote to LIV Golf in August 2022, urging the league to develop a strategy to mitigate the risk of laundering the reputation of the Saudi government. LIV Golf did not respond to HRW’s letter, nor indicate that they sought to develop such a strategy.

On June 6, 2023, the PGA Tour announced an agreement combining PIF’s golf-related commercial businesses and rights, including LIV Golf, with the PGA Tour and DP World Tour into “a new, collectively owned, for-profit entity.” Human Rights Watch expressed serious concerns that the agreement has effectively enabled the Saudi government to “sportswash” its egregious human rights record, in part because the merger places the Saudi government in an unprecedented position of ownership, influence, and control over an entire professional sports league.

Human Rights Watch wrote to the PGA Tour’s Policy Board on June 22 detailing our concerns about the implications of the PIF effectively obtaining a monopoly over professional golf while it is also complicit in human rights abuses. Unlike the sponsorship of an event or ownership of a team, control over an entire sector of professional sports raises the possibility of pressuring players, sponsors, and media to stay silent on Saudi Arabia’s abuses, and raises concerns about what measures will be taken within the league to undermine human rights. We urged the Board to adopt a clear human rights policy and develop a strategy to mitigate the risk of laundering the reputation of the Saudi government and the Crown Prince. The PGA Tour’s new agreement with the Saudi sovereign wealth fund risks helping to obscure widespread human rights violations committed by the Saudi government.

Human Rights Watch does not support the purchase or merger of any league by a serious abuser like the Saudi government through the PIF, without clear human rights safeguards in place for its operations, along with safeguards to ensure that the Saudi government’s human rights record is not burnished, or criticism of human rights is not censored by virtue of its control over an entire professional sports league. There should also be safeguards to ensure that women are not discriminated against in the operations or management of the new entity, in light of systematic government-sponsored discrimination against women in Saudi Arabia. As of August 2023, Human Rights Watch has not received a response from the PGA Tour Policy Board, nor are there indications that the Tour has sought to develop a human rights strategy.

Prior to its efforts in professional golf, the PIF had been active in other professional sports. Beginning in January 2020, the PIF purchased the English Premier League football club Newcastle United F.C. The Premier League’s approval of the sale of Newcastle United to a business consortium led by the PIF was conducted in an opaque manner and without any human rights policy in place. The PIF now owns 80% of the English soccer club.³⁴ The October 2021, Premier League statement [announcing](#) the sale said that the league had “received legally binding assurances that the Kingdom of Saudi Arabia will not control Newcastle United Football Club.” The league did not disclose what these assurances were, nor explain how they would be legally binding.³⁵ Instead, the Premier League appears to have acquiesced to the notion that the Public Investment Fund is separate from the Saudi state, despite that the PIF is, observably and clearly, a Saudi state organ.

³³ Saudi Arabia: Image Laundering Conceals Abuses, Human Rights Watch, 2020, <https://www.hrw.org/news/2020/10/02/saudi-arabia-image-laundering-conceals-abuses>.

³⁴ Hadeel Al Sayegh and Saeed Azhar, *Focus: The Saudi investment king who no longer rules alone*, Reuters, (June 15, 2022), <https://www.reuters.com/markets/europe/saudi-investment-king-who-no-longer-rules-alone-2022-06-15/>

³⁵ For the official statement from FAPL, see: *Premier league statement*, Premier League Football News, Fixtures, Scores & Results (Oct. 7, 2021), <https://www.premierleague.com/news/2283712> (last visited May 14, 2022).

Recommendations to the United States Congress and Biden Administration (Or to the US government)

- The US should investigate the Public Investment Fund's activities, including:
 - Whether any assets seized or transferred to the PIF involved the US banking system or touched on entities or activities under the jurisdiction of the US government.
- Investigate the risks of sovereign wealth funds, including the PIF, to have participated in or facilitated money laundering, corruption, or other illegal activity in relation to institutions or entities that fall under US government jurisdiction
- Examine what human rights standards should apply to government acquisitions of major US businesses, such as the PGA Tour.
- Adopt legislation or regulations to increase scrutiny of foreign acquisition of US businesses, particularly to identify any corruption or human rights risks, prior to acquisition of those entities.