

NIGERIA/BRITAIN

## The ripples of OPL 245

**Police and regulators are still investigating the consequences of Chief Dan Etete awarding himself an oil licence**

The Metropolitan Police's Proceeds of Corruption Unit (POCU) in London has confirmed to *Africa Confidential* that it is investigating allegations of money laundering through Britain linked to Nigeria's Oil Prospecting Licence 245 (AC Vol 55 No 7). Subsidiaries of Royal Dutch

Shell and Italy's ENI (*Ente Nazionale Idrocarburi*) bought OPL 245 from the Nigerian government for US\$1.09 billion, which passed most of it to Malabu Oil and Gas. This is a shell company controlled by Chief Dan Etete, aka **Dauzia Loya Etete**, the Oil Minister under General Sani

Abacha, who ruled in 1993-98. The funds paid to Malabu were quickly transferred to other shadowy companies whose beneficial owners are unknown.

The State Prosecutors' office in Milan, Italy, has launched its own inquiry, which is likely to increase in scope since one of ENI's negotiators with Etete, **Claudio Descalzi**, has recently been named Chief Executive of the oil major. The international advocacy group Global Witness has called on him to explain his role in the OPL 245 deal. ENI refused to comment on any ongoing investigations. Etete met Descalzi at a dinner on 4 February 2010 at Milan's Hotel Principe di Savoia when Shell and

ENI were negotiating to buy OPL 245 from Etete. Descalzi was then the Chief Operating Officer of ENI's Exploration and Production Division. ENI has been exploring successfully in the OPL 245 area. In February, it declared that one of its main exploration successes for 2013 came about 'with the appraisal of the oil field in Zabazaba in OPL 245 Block (ENI operator with a 50% interest)'.

The POCU wouldn't confirm or deny if it's investigating any companies, financial institutions or individuals connected to the OPL 245 transaction, or if the Unit has received any request for help from Nigerian, United States' or Italian regulators. Britain's Serious Fraud Office and its Financial Conduct Authority also had nothing to say. After Shell and ENI paid the Abuja government in the April 2011 deal brokered by Attorney General **Bello Adoke**, a New York escrow account at JP Morgan Chase transferred \$801.45 million into Nigerian bank accounts controlled by Etete. First Bank Nigeria and Keystone Bank invoices signed by Etete, which we have obtained, show that he emptied \$401.54 mn. and \$400 mn. out of the accounts and thence into oblivion.

### ROCKY TOP

A report from Nigeria's Economic and Financial Crimes Commission says that \$336.5 mn. of the \$400 mn. wired into Malabu's Keystone Bank account went to Rocky Top Resources Limited, \$60 mn. was transferred to another account for 'forex trading', leaving a zero balance in Malabu's Keystone Bank account. The \$401.54 mn. wired to Malabu's First Bank of Nigeria account went into four accounts: A Group Construction Company Ltd. (\$157 mn.), Megatech Engineering Co. Ltd (\$180 mn.), Imperial Union Ltd. (\$34 mn.) and Novel Property Development Ltd. (\$30 mn.). On 28 February 2012, after those transfers, the balance of Malabu's First Bank account was \$143,500. All these companies are believed to be fronts for Etete or financial vehicles owned by people who were owed fees for having helped in the original enterprise.

A French court convicted Etete of money-laundering in 2007 and sentenced him *in absentia* to three years in gaol and a fine of 250,000 euros (\$343,000). A series of news reports in Nigeria claims that France had pardoned him. In fact, an appeal against his conviction succeeded on a technicality: receiving bribes from oil companies, the charge on which he was convicted in 2007, was not illegal at the time that they were allegedly received, between 1996 and 1999. His prison sentence was therefore rescinded but the fine was increased to €8 mn. (\$11 mn.). Nigerian media only reported his supposed pardon and ignored the