

IT STARTS WITH: “HELLO. I AM A PROSECUTOR IN NIGERIA ...

[Ed. note: Mary provides some background on what may be up with Nigeria's announced plan to charge Dick Cheney.]

... ready to sue your Vice President. Please send 130 Million Dollars by reply mail to ...”

After the news about charges against Dick Cheney relating to the Nigerian bribery scandal it may be worthwhile to sip some coffee and swap clues on what the heck might (or might not) be going on. Let's start with a little background on one sliver of a very complicated matter.

In 1995-2004, KBR was involved in a joint venture in Nigeria that included KBR/Halliburton; a Dutch subsidiary *Snamprogetti Netherlands B.V./Italian parent ENI S.p.A.* (aka *Snamprogetti, ENI*), a Paris-based oilfield engineering company *Technip S.A.*, and a Japanese company, *JGC*. The joint venture set up some special purpose corporations (not that unusual when companies joint venture) in Portugal (okay, maybe they don't always use Portugal). The business entities and structures are pretty much oversimplified here, but since these pretty much track the pleas deals the Department of Justice worked out, let's not make it more complicated.

This joint venture wanted to split up some liquefied natural gas (LNG) contracts in Nigeria that were going to be worth around \$6 billion to them. Those kinds of big contract almost always get split up, for various (and some actually pretty darn good) reasons. When the “TSKJ” group was trying to get the liquefied natural gas (LNG) contracts, their bidding rival was another consortium, BCSA (Bechtel, Chiyoda, Spibat, Ansaldo).

Not to jump around, but for context, you need to know how the Nigeria scandal (arrangements to bribe Nigerian officials to get the LNG contract) was "exposed." A former "Director General" of Technip, Georges Krammer, was accused of wrongdoing in a different deal (involving France's Elf) and argued that he was just following company policy. Supposedly, Technip hung him out to dry and he decided to return the favor by offering up info against Technip, regarding deals that included the Nigerian LNG bribes. .

When the French began investigating, the Swiss and US and Nigeria also started investigations. If, by investigation, you mean the thing that happens when you throw a hunk of raw meat into a pen of well fed dogs and see which one grabs it and growls loudest, whether it plans on doing anything much with it or not.

At this point you get into a lot of finger pointing as to who authorized or pressured for what. The end result is that the TSKJ group ended up "hiring" a company called Tri-Star Investments, Ltd. that was being used by a UK-based lawyer, Jeffrey Tesler. Money meant for bribes to Nigerian officials went to Tesler and Tri-Star (about \$180 million). They tried to paper over this arrangement as being something in the nature of PR payments to Tri-Star to help with their image in Nigeria. Another UK citizen, Wojciech Chodan, was an employee or consultant of Halliburton/KBR entities involved in the Nigerian deal and worked extensively with the Nigerian joint venture, reporting to a Halliburton/KBR guy named Jack Stanley who was in Houston, Texas.

You followed that? Really? Great.

So the U.S. has muscle, a statute (the Foreign Corrupt Practices Act), a person (Jack Stanley, located in Houston, TX), a market all the TSKJ group need, and a vice president who is implicated. Guess which well-fed dog growls loudest?

A great blog, the FCPA blog, has a series of articles summarizing the deferred prosecution and plea deals that the U.S. cut with the companies involved. This article has links to articles in the series that discuss the U.S. guilty plea of KBR in February 2009 (\$402 million fine) and Halliburton (\$177 million disgorgement); and deals made by Snamprogetti, ENI (\$365mill) and Technip (\$338 million). Those deals all came after a deal made by KBR's former CEO, Jack Stanley.

Back in September of 2008, Stanley entered into a plea agreement (pdf) that laid out some interesting details. Not only was Stanley setting up bribes, he had received a \$10.8 million kickback himself. And in September of this year, the DOJ had to go to court to explain why they wanted to keep Stanley free for now, despite his two-year old plea. At that time, it came out that the \$182 million that the consortium had kicked in for bribes to Nigerian officials – well, it seems as if \$130 million may not have made it into Nigerian hands after all. It might be sitting in a Swiss bank account the U.S. has managed to have frozen.

Nigerian watchers were pretty interested in that. The Nigerian story provides the hints on what might be going on with the decision to file charges against Cheney, since there is a \$130 million account at stake.

A highly-placed source, who was central to the investigation, said: "During the trial of the ex-CEO of Halliburton, the US government traced about \$130million to Tesler's account. It means that the \$180 million was not wholly disbursed.

"After the conviction of the former Halliburton boss, the US Department of Justice succeeded in convincing the Swiss authorities to freeze access to the bribe sum by Tesler.

"That is why the Commissioner of Police, Presidential Panel of Investigation,

Amodu Ali and his team recommended the trial of the 15 suspects.

“Nigeria can only have the \$130 million repatriated, if only the bribe beneficiaries in Nigeria are tried and justice meted out.”

The story discusses some of the tension between the U.S. and Nigeria in their efforts to get extradition of Tesler (and presumably Chodan, the UK-based employee-then-consultant). So, from a timeline standpoint, you have Nigeria finding out in September of this year that there's \$130 million just sitting in an account (when the DOJ made it's pitch for Stanley, despite his plea deal back in 2008, to continue to stay free until at least January, 2011).

Earlier this year, in March and April respectively, Tesler and Chodan had lost initial rounds in UK courts fighting against extradition. But for some unknown reason, on November 8, Chodan gives up his fight against extradition. And a recent (Dec 1) Guardian article (I can't get the link to work – I get server messages – the title should be Retired UK businessman faces extradition to the U.S.) says he'll be here within 10 days. With the distinct implication that Tesler is coming right behind him. Competing with that story is the Nigerian roundups of various oil industry officials and the release that in addition to the 15 individuals and companies formerly indicted in Nigeria – it's adding Cheney to the list.

In the midst of all this, with the \$130 million beckoning and Dick Cheney making his all too familiar gesture as well, off goes Eric Holder to Zurich with the ~~cover~~ story that he's there to bolster our pitch to get the World Cup (in 2022, which will be 6-10 years after Holder and Obama are long gone) by demonstrating in all kinds of ways that Bill Clinton (also on the delegation) can't, that the US will be able to “safely” host the World Cup without terrorism threats. In addition to Holder, nothing says

SC0000000000000000RE like Bill Clinton.

The Gods of Irony love this so much that they make sure it comes a) at the same time leaked U.S. cables call Qatar “the worst” on counterterrorism in the Middle East, and b) it’s followed by the award of the World Cup to ... you got it – Qatar.

Obama expects the press to buy the story that Holder is in Zurich to hit hard on that all important 2022 counterterrorism safety issue at the same time Qatar is walking off with the award. And no one bothers to ask Holder if he’ll be talking to officials in Zurich about the \$130 million in the frozen Tesler account, especially now that Nigeria is indicting Cheney.

Obamaco is beginning to have the same elements of farce found in the Robert Ludlum “Road to” novels.

Apparently the Road to Obamaha leads through Zurich.