

Watchdogs allege Shell knew about Nigeria oil kickbacks

LAGOS, Nigeria: Corruption watchdogs alleged on Monday that Shell executives knew that money earmarked for a controversial oil deal was being used to bribe senior Nigerian officials, a claim rebuffed by the petroleum giant.



An employee at the Shell Agbada 2 flow station looks at the station from behind a gate in Port Harcourt on September 30, 2015.
[AFP Photo / Florian Plancher](#)

The allegations by Global Witness and Finance Uncovered refer to the 2011 purchase by oil giants Shell and Eni of OPL245, an offshore oil block estimated to hold 9 billion barrels of crude, for \$1.3 billion.

The deal saw the Nigerian government act as an intermediary between the oil majors and Malabu Oil and Gas, a Nigerian company allegedly controlled by former petroleum minister Dan Etete.

Allegations of corruption and bribery have mounted in the years since the deal was signed, forcing Shell and Eni to repeatedly maintain that they acquired the rights to the lucrative block in line with Nigerian law.

But email exchanges between Shell management cited in the Global Witness report and seen by AFP suggest that Shell was aware that the OPL245 money was likely going to be funnelled to individuals, including Etete and then president Goodluck Jonathan.

"Shell executives knew the money would go to Malabu and Etete, and was then likely to flow to some of the most powerful people in the country," the Global Witness report said.

"Senior Shell officials were also briefed that funds could flow on to then President Goodluck Jonathan.

No basis to prosecute

"The leaked emails come as Shell and Eni are facing intense scrutiny in connection with the deal.

They are charged with corruption in Nigeria and are being investigated by Italian prosecutors in connection with the deal.

"Etete can smell the money," said one Shell executive in a 2010 email published in the Global Witness report. "I think he knows it's his for the taking."

In another email, a Shell advisor said "the president (Jonathan) is motivated to see 245 closed quickly driven by expectations about the proceeds that Malabu will receive and political contributions that will flow as a consequences".

Nigeria's anti-graft agency filed corruption charges against Shell and Eni in March, accusing 11 defendants, including Etete, of "official corruption" in connection with the oil block deal.

Jonathan has denied receiving kickbacks, saying in January that he has not been "accused, indicted or charged for corruptly collecting monies" linked to the deal.

A Shell spokesperson said the company believes there are no grounds for prosecution but said it was "fully co-operating" with the relevant authorities.

"We are not aware of any evidence to support a case against any former or current Shell employee," the spokesperson said, adding that if any improper payments were made "none of those payments were made with its knowledge, authorisation or on its behalf."

"Shell attaches the greatest importance to business integrity. It's one of our core values," the spokesperson concluded.

Years of legal wrangling

Eni Claudio Descalzi told the Financial Times in February that his company "did not do anything wrong".

"At every stage, we have acted in compliance with all applicable law Eni and Shell paid the government of Nigeria, and were not involved with the government decision on how to use such money."

The OPL245 oil block has been a source of contention for almost two decades.

In 1998, the block was awarded by then-petroleum minister Dan Etete to Malabu Oil and Gas.

Years of legal wrangling between Malabu, the Nigerian government and Shell ensued, with Shell ultimately winning rights to the block in a partnership with Eni.

Nigerian President Muhammadu Buhari has promised to fight corruption in Nigeria's oil sector.

He campaigned on a platform to target rampant graft and has said "mind-boggling" sums have been stolen from the public purse.

His government has arrested a series of high-ranking officials from Jonathan's administration on corruption charges but

few have been convicted.

Source: AFP

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