

Mabey & Johnson (Iraq)

Case ID:

ARW-118

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

United Kingdom

Position of Public Official(s) (yrs in office):

Saddam Hussein (President, 1979-2003)

Jurisdiction of Asset Recovery:

Iraq [Development Fund for Iraq]

Asset Recovery Start:

2007

Asset Recovery End:

Unknown

UNCAC Offenses Implicated:

Art.16

Legal Basis for Asset Recovery:

Criminal Prosecution; Criminal Restitution

Intl.Cooperation: MLAT/Letter of Request?:

Unknown

Basis for Intl Cooperation:

Restitution was paid to the Development Fund for Iraq.

Contributing Factors in Asset Recovery:

The Serious Fraud Office cited Mabey and Johnson's guilty plea and cooperation. (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd sentencing," September 25, 2009.) The SFO also noted that "A Development Fund for Iraq was set up internationally and payments in Oil for Food cases are made to that fund. There is therefore an international mechanism for compensation." (Source: UK House of Commons International Development, Financial Crime and Development, Eleventh Report of Session 2010-12 (15 November 2011), Volume 1, at Ev38.)

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Agreement for Returned Assets:

Yes

Agreement for Returned Assets - Description:

Restitution was paid to the Development Fund for Iraq, which was established for payments in Oil for Food cases.

Case Summary:

According to information presented by the Serious Fraud Office to the UK Parliamentary Committee on International Development, the sums ordered against Mabey and Johnson were returned to Iraq through the Development Fund for Iraq. (Source: UK House of Commons International Development, Financial Crime and Development, Eleventh Report of Session 2010-12, Volume 1, at Ev38.) On September 25, 2009, Mabey and Johnson was ordered to pay in reparations of GBP 618,000 to Iraq, for its activities in contravention of

United Nations sanctions against Iraq. (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd sentencing," September 25, 2009, and Prosecution Opening Notes.) In February 2011, the Serious Fraud Office announced the conviction of two former directors of Mabey & Johnson, and included mention that the company had paid GBP 618,000 to the Iraq Reconstruction Fund [also known as the Development Fund for Iraq.]. (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson directors made illegal payments to Saddam Hussein's Iraq to gain contract," February 10, 2011.) On February 23, 2011, Richard Charles Edward Forsyth, former managing director, was ordered to pay prosecution costs of GBP75,000 (US\$121,241) and David Mabey, former sales director, was ordered to pay prosecution costs of GBP125,000 (US\$202,069). No monetary penalty was assessed against a third executive, Richard Gledhill, former sales manager. (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd: Former executives jailed for helping finance Saddam Hussein's government," February 23, 2011.)

Disposition of Criminal Case(s):

Unknown as to Iraqi Public Officials. According to a September 25, 2009 press release by the UK's Serious Fraud Office, Mabey & Johnson appeared before the Southwark Crown Court that day to be sentenced for admitted offences of overseas corruption offences and breaching UN sanctions. (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd sentencing," September 25, 2009.) The Serious Fraud Office also issued a press release on February 11, 2011, announcing the conviction of two former Mabey & Johnson directors in the case. (Source: UK Serious Fraud Office Press Release, "Mabey & Johnson directors made illegal payments to Saddam Hussein's Iraq to gain contract," February 10, 2011.)

Jurisdiction of Origin: Investigative Agency:

UK Serious Fraud Office

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

Crown Prosecution Service

Jurisdiction of Origin: Courts Involved:

Southwark Crown Court

Documents:

Mabey_Johnson_UK_Fmr_Directors_Sentenced_SFO_PR_Feb_23_2011.pdf

Mabey_Johnson_UK_Sentencing_Prosecution_Opening_Note.pdf

Mabey_Johnson_UK_SFO_Press_Release_Sentencing_Sep_25_2009.pdf

Documents Links:

http://www1.worldbank.org/finance/star_site/documents/arw/Mabey_Johnson_...

http://www1.worldbank.org/finance/star_site/documents/arw/Mabey_Johnson_...

http://www1.worldbank.org/finance/star_site/documents/arw/Mabey_Johnson_...

Other Sources:

UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd sentencing," September 25, 2009, and Prosecution Opening Notes, posted at <http://www.sfo.gov.uk/press-room/latest-press-releases/press-releases-20...> UK Serious Fraud Office Press Release, "Mabey & Johnson directors made illegal payments to Saddam Hussein's Iraq to gain contract," February 10, 2011 and UK Serious Fraud Office Press Release, "Mabey & Johnson Ltd: Former executives jailed for helping finance Saddam Hussein's government," February 23, 2011; UK House of Commons International Development, Financial Crime and Development, Eleventh Report of Session 2010-12 (15 November 2011), Volume 1, at Ev38, accessed at <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmintdev/847/...>