

Sani Abacha/Ajaokuta Steel Plant debt buy-back case

Case ID:

ARW-169

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Nigeria

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

President (1993-1998)

Jurisdiction of Asset Recovery:

United Kingdom

Jurisdiction of Asset Recovery ? Description:

Location of Recovery Effort, Asset Location / Alleged Asset Location

Asset Recovery Start:

1999

Asset Recovery End:

2003

UNCAC Offenses Implicated:

Art.16

Art.17

Art.19

Art.20

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Private Civil Action

Intl.Cooperation: MLAT/Letter of Request?:

No

Basis for Intl Cooperation:

N/A

Contributing Factors in Asset Recovery:

Private civil action

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Agreement for Returned Assets:

No

Agreement for Returned Assets - Description:

N/A

Case Summary:

According to Attorneys Tim Daniel and James Maton, Russian debt had financed the construction of the massive Ajaokuta Steel Plant in Nigeria's Kogi State: "Construction, mainly by Russian contractors, took place at substantial cost over a period of fifteen years but, by 1998, few products had been manufactured by the plant...In an effort to cut their losses, the Russians started selling off the debt...through the use of a British Virgin Islands company

called Mecosta that was beneficially owned by Mohammed Abacha and Abubakar Bagudu. Mecosta (indirectly) acquired the debt from the Russians and sold it to the Nigerian government for twice the sum it had paid, taking payment partly in cash and partly in Nigerian par bonds. The Abachas' profit was approximately DM 500 million (GBP 166 million), and was held by the London branch of a major bank." In 1999, Nigeria brought civil proceedings against a number of parties. In 2001, Mr. Justice Rix ordered the Abachas to pay DM332,818,786.94 to Nigeria. This was paid from the frozen proceeds of the sale. In 2003, Mr. Justice Rix's judgment was upheld by the Court of Appeals and permission was refused to apply to the House of Lords. (Source: Tim Daniel and James Maton, "General Sani Abacha - a nation's thief," in Mark Pieth, ed., *Recovering Stolen Assets* [Peter Lang, 2008]) and *Compagnie Noga D'importation Et D'exportation SA v Abacha & Ors* [2003] EWCA Civ 1100 (23 July 2003) and related decisions.)

Disposition of Criminal Case(s):

According to a 2008 article by Attorney Enrico Monfrini, an appeal was pending before the Nigerian Supreme Court in the criminal cases arising from charges filed in 2000 and 2001 against Mr. Abacha's sons and associate. (Source: Enrico Monfrini, "The Abacha Case," in Mark Pieth, ed., *Recovering Stolen Assets* (Peter Lang, 2008), accessed at http://www.mcswisslaw.com/pages_e/2008%20Monfrini%20-%20The%20Abacha%20C...

Jurisdiction of Origin: Investigative Agency:

Special Panel established to investigate Abacha looting

Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

Kendall Freeman solicitors (Mr David Railton QC; Mr Andrew Mitchell) for the Federal Government of Nigeria; Harwood Stephenson solicitors (Mr Steven Gee QC, Miss Vasanti Selvaratnam QC) for *Compagnie Noga D'importation S.A.*

Jurisdiction of Asset Recovery: Courts Involved:

Court of Appeals (Civil Division); High Court, Queen's Bench Division (Commercial Court)

Documents:

[abacha_Switzerland_127_II_198_Jun_5_2001.pdf](#)

[Abacha_Switzerland_Accounts_Frozen_Federal_Office_Justice_PR_Oct_14_1999.pdf](#)

[Abacha_Switzerland_Anti-Corruption_Newsletter_Nov_2009.pdf](#)

[Abacha_Switzerland_Assets_Handed_Over_Federal_Office_Justice_Feb_16_2005.pdf](#)

[Abacha_Switzerland_Monfrini_Art_2008.pdf](#)

Documents Links:

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

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

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

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

Other Sources:

Compagnie Noga D'importation Et D'exportation SA v Abacha & Ors [2003] EWCA Civ 1100 (23 July 2003) and related decisions accessed at

<http://www.bailii.org/ew/cases/EWCA/Civ/2003/1100.html>;

Tim Daniel and James Maton, "General Sani Abacha - a nation's thief," in Mark Pieth, ed., *Recovering Stolen Assets* [Peter Lang, 2008]) and an earlier version of the article accessed at <http://www.adb.org/Documents/Books/Asset-Recovery/Asset-Recovery.pdf>.