

## Weir Group plc

**Case ID:**

ARW-208

**Jurisdiction of Origin of Public Official or Entity Allegedly Involved:**

United Kingdom

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

NA

**Jurisdiction of Asset Recovery:**

Iraq [Development Fund for Iraq]

**Asset Recovery Start:**

2010

**Asset Recovery End:**

2011

**UNCAC Offenses Implicated:**

Art.16

**Legal Basis for Asset Recovery:**

Criminal Prosecution

**Intl.Cooperation: MLAT/Letter of Request?:**

Unknown

**Basis for Intl Cooperation:**

Unknown

**Contributing Factors in Asset Recovery:**

In announcing the return of some of the confiscated proceeds of crime, Scottish Culture and External Affairs

**Status of Asset Recovery :**

Completed

**Stage in Asset Recovery Chain:**

Assets Returned to Victim or Requesting Jurisdiction

**Assets Frozen or Seized (USD):**

\$0

**Assets Adjudicated, Not Yet Returned - Description:**

\$0

**Assets Returned (USD) - Description:**

\$2,375,790

**Agreement for Returned Assets:**

Yes

**Agreement for Returned Assets - Description:**

United Nations Development Assistance Framework for Environmental Management initiatives; Scottish NGO for work in Iraq; Iraqi Youth Orchestra

**Case Summary:**

According to the Crown Office and Procurator Fiscal Service news release dated December 15, 2010, "The Crown Office has secured £13.9 million under Proceeds of Crime legislation after a Scottish engineering company pled guilty to paying ?kickbacks? in return for contracts from Saddam Hussein?s government. The confiscation order, made against Glasgow-based Weir Group Plc, is the biggest ever made by a Scottish court. At the High Court in Edinburgh

today, the company was also fined £3 million after pleading guilty to paying more than £3m in 'kickbacks', in contravention of UN sanctions against Iraq, through a Swiss bank account. The Weir Group also admitted facilitating the payment of kickbacks by paying a fee of more than £1.4 m to their agent, an Iraqi national, to the same Swiss bank account. The agent made the payments to the Iraqi government on behalf of Weir. The kickbacks were paid to the Iraqi Government from funds in the UN's Oil for Food Programme, which should have been used for humanitarian purposes. An Independent Inquiry Committee set up by the UN has estimated that, in total, about US \$1.5 billion that could have been used to ease the suffering of the Iraqi people was paid as kickbacks to Saddam Hussein's government. The Lord Advocate, the Right Honourable Elish Angiolini QC, said: 'This case represents the biggest single confiscation order made so far in Scotland using the Proceeds of Crime legislation. It is the result of a highly successful collaboration between National Casework Division of the Crown Office and Procurator Fiscal Service, Strathclyde Police and the Serious Fraud Office. In this year alone we have recovered over £24 million, a record amount under the Proceeds of Crime legislation.'" The news release added that in notes to editors: "Weir Group companies secured 16 contracts for which they were paid £34,340,204 by paying kickbacks of £3,104,527. The confiscation order has been granted for £13,945,962." This includes Weir's gross profit of £9, 414,283 from the contracts - plus the kickback of £3,104,527 and the fee of £1,427,152 paid to Weir's agent in Iraq.(Source: The Crown Office and Procurator Fiscal Service news release, "CROWN SECURES RECORD £13.9M AS WEIR GROUP CONVICTED OF PAYING KICKBACKS FOR IRAQ CONTRACTS," December 15, 2010.) According to a February 13, 2011 press statement by the Government of Scotland, GBP1.5 million of the GBP 13.9 million seized under the Proceeds of Crime Act will support water development in Iraq and humanitarian programmes in Iraq and Afghanistan. Specifically, GBP1.4 million were to go towards projects in Iraq and GBP 100,000 to a Scottish charity for humanitarian work in Afghanistan. The remainder, GBP 12.4 million "will be used to fund community projects in Scotland." (Source: The Scottish Government, "Seized cash returned to Iraq," February 13, 2011.)According to the Crown Office and Procurator Fiscal Service news release dated December 15, 2010, "The Crown Office has secured £13.9 million under Proceeds of Crime legislation after a Scottish engineering company pled guilty to paying 'kickbacks' in return for contracts from Saddam Hussein's government. The confiscation order, made against Glasgow-based Weir Group Plc, is the biggest ever made by a Scottish court. At the High Court in Edinburgh today, the company was also fined £3 million after pleading guilty to paying more than £3m in 'kickbacks', in contravention of UN sanctions against Iraq, through a Swiss bank account. The Weir Group also admitted facilitating the payment of kickbacks by paying a fee of more than £1.4 m to their agent, an Iraqi national, to the same Swiss bank account. The agent made the payments to the Iraqi government on behalf of Weir. The kickbacks were paid to the Iraqi Government from funds in the UN's Oil for Food Programme, which should have been used for humanitarian purposes. An Independent Inquiry Committee set up by the UN has estimated that, in total, about US \$1.5 billion that could have been used to ease the suffering of the Iraqi people was paid as kickbacks to Saddam Hussein's government. The Lord Advocate, the Right Honourable Elish Angiolini QC, said: 'This case represents the biggest single confiscation order made so far in Scotland using the Proceeds of Crime legislation. It is the result of a highly successful collaboration between National Casework Division of the Crown Office and Procurator Fiscal Service, Strathclyde Police and the Serious Fraud Office. In this year alone we have recovered over £24 million, a record amount under the Proceeds of Crime legislation.'" The news release added that in notes to editors: "Weir Group companies secured 16 contracts for which they were paid £34,340,204 by paying kickbacks of £3,104,527. The confiscation order has been granted for £13,945,962." This includes Weir's gross profit of £9, 414,283 from the contracts - plus the kickback of £3,104,527 and the fee of

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**Disposition of Criminal Case(s):**

According to the Crown Prosecution and Procurator Fiscal Service, in 2010 the Weir Group pleaded guilty to charges of paying kick-backs to secure Iraqi contracts. (Source: Crown Prosecution and Procurator Fiscal Service News Release, "Crown Secures record £13.9 million as Weir Group convicted of paying kick-backs for Iraq contracts," December 15, 2010.)

**Jurisdiction of Origin: Investigative Agency:**

Serious Fraud Office (Scotland)

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

Crown Office and Procurator Fiscal Service

**Jurisdiction of Origin: Courts Involved:**

High Court (Edinburgh)

**Documents:**

<b>Attachment</b>	<b>Size</b>
 Weir_Group_COPFS_Settlement_Dec_15_2010.pdf	144.89 KB
 Scotland_Crown_Office_POCA_Record_News_Release_June_2011.pdf	176.57 KB

**Other Sources:**

Crown Office and Procurator Fiscal Service Press Release, "Crown Secures record £13.9 million as Weir Group convicted of paying kickbacks for Iraq contracts," December 15, 2010, accessed at <http://www.copfs.gov.uk/News/Releases/2010/12/Crown-Secures-record-%C2%A...> The Scottish Government, "Seized cash returned to Iraq," February 13, 2011, at <http://www.scotland.gov.uk/News/Releases/2011/02/14085030>.