

Diezani Alison-Madueke

Case ID:

ARW-255

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Nigeria

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

Minister of Petroleum (2010-2015)

Jurisdiction of Asset Recovery:

United States

Jurisdiction of Asset Recovery ? Description:

(1) Jurisdiction initiated legal action to recover assets (2) Jurisdiction of Asset Location /
Alleged Asset Location

Asset Recovery Start:

2017

Asset Recovery End:

Ongoing

UNCAC Offenses Implicated:

Art.16

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Actions Initiated by Foreign Jurisdictions

Status of Asset Recovery :

Ongoing

Assets Frozen or Seized (USD):

\$114,000,000 (not confirmed)

Case Summary:

In a 2017 civil forfeiture complaint, the U.S. DOJ alleges that from 2011 to 2015, Nigerian businessmen Kolawole Akanni Aluko and Olajide Omokore conspired with others to pay bribes to Nigeria's former Minister for Petroleum Resources, Diezani Alison-Madueke, who oversaw Nigeria's state-owned oil company. Diezani Alison-Madueke, a former President of OPEC, allegedly used her influence to steer lucrative oil contracts to two Nigerian shell companies set up and controlled by Aluko and Omokore.

The U.S. Department of Justice seeks recovery of \$144 million in assets connected to Diezani Alison-Madueke, Kolawole Aluko, and Olajide Omokore, which it says are the proceeds of corruption in Nigeria. The assets subject to forfeiture include a \$50 million condominium in One57 - 157 W. 57th Street - one of Manhattan's most expensive buildings, and an \$80 million yacht, known as Galactica Star.

The U.S. government further alleges that Aluko, Omokore and others funded a lavish lifestyle for Alison-Madueke, conspiring to purchase millions of dollars in real estate in and around London for Alison-Madueke and her family members, then renovated and furnished these homes with millions of dollars in furniture, artwork and other luxury items purchased at two

Houston-area furniture stores at Alison-Madueke's direction. Aluko and Omokore also laundered proceeds into and through the U.S, and used it to purchase U.S. real estate. During the period from March 2012 through January 2015, Aluko purchased more than \$87 million dollars' worth of real property in the United States and an \$82 million luxury yacht, according to the DOJ complaint.

Disposition of Criminal Case(s):

According to the U.S. DOJ's civil forfeiture complaint, in return for the bribes, Alison-Madueke allegedly used her influence as Petroleum Minister to direct a subsidiary of the Nigerian National Petroleum Corporation to award contracts to two shell companies created by Aluko and Omokore: Atlantic Energy Drilling Concepts Nigeria Ltd. and Atlantic Energy Brass Development Ltd, in 2011 and 2012. The companies were incorporated in Nigeria in 2010 and 2013 respectively, and were both owned by holding companies incorporated in the British Virgin Islands, beneficially owned by Aluko and Omokore. Omokore acted as a registered director of both Nigerian companies.

Under the contracts, the two companies were required to finance the exploration and production operations of eight on-shore oil and gas blocks. However, according to the DOJ complaint, the companies provided only a fraction of the agreed upon financing or, in some instances, failed entirely to provide it. The companies also failed to meet other contractual obligations, including the payment of a \$120 million entry fee. Nevertheless, the companies were allegedly permitted to lift and sell more than \$1.5 billion worth of Nigerian crude oil.

A February 2014 report prepared by the then-governor of the Central Bank of Nigeria determined that Atlantic Energy Drilling Concepts Nigeria Ltd 'had neither the technical expertise nor the capital to develop the joint venture, but [was] none-the-less able to lift crude and retain the proceeds . . . up to 70% of the profit of the Joint Venture.' The report concluded that the arrangement was set up 'for the purpose of acquiring assets belonging to the [Federal Republic of Nigeria] and transferring the income to private hands.'

Atlantic Energy Brass Development Ltd allegedly sold \$811 million worth of crude oil over the course of one year to a UK subsidiary of Glencore, 'despite failing to meet any obligations' under its contract with the Nigerian state-owned oil company, according to the DOJ.

In addition to the Nigerian companies and its BVI holding companies, the conspirators also set up a number of other BVI-registered companies and at least three companies incorporated in the Seychelles that were used by Aluko and Omokore to purchase real estate in the United Kingdom, allegedly for the benefit of Alison-Madueke. The \$82 million yacht was bought by a company incorporated in the British Virgin Islands that was controlled and beneficially owned by Kolawore Aluko; the sale was brokered by a financial and corporate services company based in Guernsey. At least three companies incorporated in U.S. states ' Nevada, Delaware, and California ' were used by conspirators to spend corrupt funds at a furniture store in Houston, pay for transportation services, and purchase a property in Santa Barbara, California.

Alison-Madueke is also under investigation by the National Crime Agency in the U.K., where she currently resides, for corruption and money laundering. In Nigeria, the former Petroleum minister is under investigation by the Economic and Financial Crimes Commission (EFCC) for diverting money from the Nigerian National Petroleum Corporation, (NNPC), but as of September 2017, no charges had been filed against her related to this case. She has been charged for money laundering in connection to a separate election-bribery case. Local Nigerian media reports say that EFCC recently blocked her application to travel to Nigeria and join the trial against her associate Omokore as a defendant, arguing that it was a ploy to

escape prosecution in the U.K.

Jurisdiction of Origin: Investigative Agency:

Economic and Financial Crimes Commission (EFCC). According to media reports, the Central Bank of Nigeria announced in May 2016 that it was participating in the investigation into corruption targeting the former oil minister.

Jurisdiction of Asset Recovery: Investigative Agency:

FBI's International Corruption Squads in Washington, D.C. and Los Angeles and the IRS-CI

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

U.S. DOJ Criminal Division's Money Laundering and Asset Recovery Section

Jurisdiction of Asset Recovery: Courts Involved:

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

Documents:

Attachment	Size
 DOJ Galactica Complaint X	2.47 MB
 DOJ Press Release - Alison-Madueke - 14 July 2017.pdf	108 KB
 U.S. Seeks \$144 Million in Laundered Nigerian Oil Funds - Risk & Compliance Journal.pdf	153.76 KB

Documents Links:

Other Sources:

U.S. DOJ Press Release, 14 July 2017 <https://www.justice.gov/opa/pr/departments-justice-seeks-recover-over-100...>