

Head of Total Italy arrested in graft probe

DECEMBER 16, 2008 by: Guy Dinmore in Rome

Italian police on Tuesday arrested three employees of Total, the French energy group, and several Italian politicians named in a corruption probe involving an oil concession in the southern region of Basilicata.

A Total spokeswoman in Paris confirmed reports that Lionel Levha, its French head of operations in Italy, was in police custody in Rome, as well as two Italian employees.

Total Italia's offices in Rome and Potenza were searched, and an arrest warrant was also issued for Jean Paul Juguet, former head of the Tempa Rossa concession, she said.

Italian media reported that at least 11 local Italian officials and businessmen were either arrested or under investigation.

Salvatore Margiotta, a Basilicata member of parliament for the opposition Democratic party, was among those served with an arrest warrant. He was quoted as rejecting accusations of accepting bribes from a businessman contracted to Total.

The arrests were carried out at the request of Henry John Woodcock, the investigating magistrate in Potenza.

Total said it had complied fully with requests from the investigators for information on its Tempa Rossa concession. It declined to give details of the probe.

According to Italian media reports, quoting sources in the judiciary, Total's Italian subsidiary was under investigation for the alleged corruption of local politicians who secured land in the concession at below market prices. The alleged scam was valued at 15m euros.

Basilicata has Europe's largest onshore oil field. Total is the operator of the Tempa Rossa contract which it signed in 2006, holding a 50 per cent interest. Italian subsidiaries of Exxon Mobil and Shell each have 25 per cent.

The field is targeted to produce 50,000 barrels of oil a day by 2011. The consortium also plans to build an oil centre that separates oil from gas.
