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WORLD

Total, Vitol Fined For Corruption Related To UN's Oil-For-Food Program In Iraq

BY AVANEESH PANDEY ON 02/26/16 AT 6:25 AM



A view shows the Total Tower, French oil giant Total's headquarters, near Paris, France, Feb. 25, 2016. A Paris court fined \$825,000 on Feb. 26, 2016 for corrupting foreign officials, overturning an earlier acquittal over the French oil giant's role in the United Nations' Iraqi oil-for-food program. Photo: REUTERS/Jacky Naegelen

French oil giant Total was ordered to pay 750,000 euros, and Switzerland-based Dutch oil group Vitol was fined 300,000 euros for corruption linked to the United Nations' oil-for-

food program in Iraq. The program allowed Saddam Hussein's regime to sell crude oil from 1996 to 2003 to obtain food and medicine that were in short supply as the country was then under crippling international sanctions.

Total and Vitol are among over a dozen individuals and companies that were cleared of corruption in 2013 after an eight-year investigation into the scandal, wherein the Iraqi government solicited hidden surcharges from oil purchasers.

The fine levied Friday on Total was the maximum possible at the time of the wrongdoing, Agence France-Presse reported. Vitol, meanwhile, had already pleaded guilty to grand larceny in 2007 and agreed to a \$17.5 million fine for paying kickbacks to the Iraqi regime. These kickbacks were paid as "surcharges," and were never disclosed to the U.N.

In 2005, an inquiry led by the former U.S. Federal Reserve Chairman Paul Volcker found a huge amount of evidence regarding manipulation of the \$60 billion oil-for-food program by Saddam Hussein's regime with the complicity of more than 2,200 companies in 66 countries.

According to report detailing the findings of the inquiry, these companies paid almost \$1.8 billion to win contracts. Additionally, Hussein also forced foreign companies involved in the program to pay a 10 percent surcharge in the form of "transport costs" or "after-sales service" — funds that were allegedly used to fill the regime's coffers.

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