

Login or register | Free email services

Search For in Search options Sunday 7 December 2003Telegraph Network

telegraph.co.uk

News home

Business news

Christmas appeal

Crossword Society

Factfiles

Feedback

Law reports

Matt cartoon

Obituaries

Opinion

Picture Galleries

Weather

Week at a glance

About us

Contact us

Elf executives are jailed over £210m 'black box' fraud

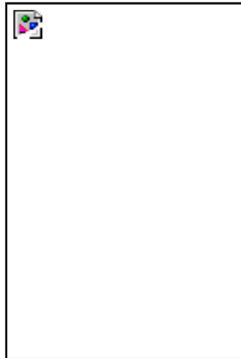
By Philip Delves Broughton

(Filed: 13/11/2003)

France's [longest-running political and corporate corruption scandal](#) ended yesterday with prison sentences and fines for 23 former executives at the Elf oil company and their associates.

Loik le Floch-Prigent, 57, Elf's chief executive between 1989 and 1993, authorised the embezzlement of £210 million while Elf was state-owned. The money went on bribes for politicians and middlemen and lavish lifestyles for senior Elf executives.

He was jailed for five years and fined £260,000.



Loik le Floch-Prigent

Nadhmi Auchi, a British billionaire, was given a two-year suspended prison sentence and fined £1.4 million. Auchi, who fled his native Iraq under Saddam Hussein, was found guilty of accepting illegal commissions from Elf worth £50 million.

He turned himself in to French authorities in May after Britain refused to extradite him for the trial.

In their ruling, the judges said: "At the time, Elf was a public company, owned by all French citizens, who can indirectly consider themselves victims of the offences."

Elf was created by General de Gaulle as a rival to British and US oil companies overseas. He allowed it to have a "black box" of secret funds, enabling the company to pay bribes for contracts.

But political parties came to see the black box as an excellent means of funding.

In the trial, Le Floch-Prigent said he approached President Mitterrand in 1989, anxious about the legality of the £3.5

External links

► [Affaire Elf : trois anciens responsables condamnés des peines de prison \[12 Nov '03\] - Le Monde](#)

► [TotalFinaElf](#)

million paid each year from the black box to political parties. Mitterrand told him: "Let's carry on with what General de Gaulle set up."

When Mitterrand's golfing partner was forced to sell his house near the course where they played each Monday, the president had Elf buy it for its property portfolio and then pay all the bills while his friend continued to live there.

Le-Floch Prigent embezzled £11 million during his tenure, paying for his divorce, with Mitterrand's approval, and buying himself a £6 million flat and a chateau. His ex-wife, Fatima Belaid, received a £700,000 fine and a three-year suspended sentence.

Alfred Sirven, 76, a former number two at Elf, bought a chateau and a villa with Elf money. He was sentenced to five years in prison and fined £700,000. Andre Tarallo, 76, once in charge of Elf's African arm, embezzled £30 million and was jailed for four years.

- ▶ [19 June 2003: Paris court blocks book exposing corruption](#)
- ▶ [15 May 2003: Trial unravels Elf corruption web](#)
- ▶ [30 January 2003: Ex-minister cleared of taking bribes from mistress](#)

© Copyright of Telegraph Group Limited 2003. [Terms & Conditions](#) of reading.
[Commercial information](#). [Privacy Policy](#).