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France demands extradition of Iraqi friend of UK politicians

Mark Hollingsworth
Wednesday April 2, 2003
[The Guardian](#)

An Iraqi billionaire with controversial past links to Saddam Hussein's regime has been arrested in London on a French extradition warrant after apparently being kept under British protection for two years.

Nadhmi Auchi - who has put a number of British politicians on the boards of his companies, including the former Foreign Office minister Keith Vaz - was arrested on Monday. Scotland Yard says he has been bailed to appear at Bow Street magistrates court on April 8 on three counts of conspiracy to defraud.

He was believed to have been advising British ministers on Iraq and to have sought a role in postwar Iraqi politics. He has also attended meetings of an intelligence-linked group Le Cercle, described as CIA-backed by the late Alan Clark, a participant and former Conservative minister.

Attempts by a French investigating magistrate to have Mr Auchi arrested during corruption inquiries had been blocked by Britain since July 2001.

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firm TotalFinaElf has just begun in Paris. It is expected next month to involve testimony about Mr Auchi's alleged role in channelling a £28m commission from the French oil company to buy an oil refinery from its Kuwaiti owners.

Mr Auchi, who has a house in Kingston, south-west London, was a Ba'ath party activist in Iraq. When Saddam Hussein came to power he moved to London and made millions of pounds in commission on the sale of Italian warships to the Iraqi regime in 1980, before sanctions were imposed.

Members of his family were subsequently involved in a lucrative deal involving Italian companies building a pipeline to Saudi Arabia. But in a dispute his brother Nazir, an Iraqi oil minister, and a number of other participants in the deal were executed by President Saddam. Mr Auchi was reported to have transferred \$3m to the Iraqi leader in a vain attempt to stop the executions.

Mr Auchi's business empire, which has assets worth more than £1bn, is held offshore in structures whose ownership is difficult to penetrate.

His holding firm, General Mediterranean Holdings SA, is registered in Luxembourg, and the Luxembourg and EU politician Jacques Santer is on one of his boards.

British politicians on Mr Auchi's payroll have included the former Tory chancellor Norman Lamont and the former Tory health minister Gerry Malone.

A former Conservative Home Office minister, Tom Sackville, resigned from the board of one of the banks Mr Auchi bought into, BCN of Germany.

Mr Auchi's attempt to control another bank, BCL of Luxembourg, led to controversy. Asked by Paris Match earlier this year about allegations that he was close to Saddam Hussein and had sheltered funds in the Luxembourg bank belonging to politicians, he said: "All this is false. I have never met Saddam. And if I had, I would simply be one amongst the majority of heads of state or Arab businessmen who wished to have relations with Saddam, particularly in the 1980s."

Mr Auchi's business empire is also at the centre of a £27m lawsuit by the National Health Service, which is claiming that a pharmaceuticals firm controlled by him was among those which colluded to overcharge the NHS

for the drug warfarin.

Mr Auchi was granted British nationality in the 1980s, some years after he took up residence here. He says he is in danger in Iraq since his fall-out with the regime.

The ambiguity of his relations with the UK is demonstrated by one of his mementos, hanging in pride of place in his office - a portrait of the houses of parliament which 130 MPs of all parties have signed.

It was presented to him by the science minister, Lord Sainsbury, "on behalf of Tony Blair" at the 20th anniversary ceremony of his GMH company.

His Le Cercle meetings - originally a cold war group of businessmen and politicians - have brought him into contact with political figures such as Lord Lamont and the Tory MP Alan Duncan, and with intelligence officers such as the former MI6 officer Anthony Cavendish and the former head of MI6's Middle East division, Geoffrey Tantom.

Mr Auchi, whom French police have been seeking to question for more than five years, does not dispute that he received more than £28m in commission from the French oil company to obtain Ertoil, a Spanish refinery, from its Kuwaiti owners in 1990.

But he says the explanation is innocent. "The Gulf war had just started and Kuwaitis in exile needed a lot of new money urgently _ the problem was the French company had to wait for the approval of the anti-trust authorities in Brussels, that could have taken months," he told Paris Match.

So he agreed to buy the refinery with his own funds, "warehouse" it and eventually resell it to Total. He denied that any of the commission was kicked back to Total executives in France.

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