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The politics of sleaze

Nick Cohen
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[The Observer](#)

Allow me to introduce you to Nadhmi Auchi. He was charged in the 1950s with being an accomplice of Saddam Hussein, when the future tyrant was acquiring his taste for blood. He was investigated in the 1980s for his part in alleged bribes to the fabulously corrupt leaders of post-war Italy. In the 1990s, the Belgium Ambassador to Luxembourg claimed that Auchi's bank held money Saddam and Colonel Gaddafi had stolen from their luckless peoples. In 2002, officers from the Serious Fraud Squad raided the offices of one of Auchi's drug companies as part of an investigation of what is alleged to be the biggest swindle ever of the NHS. With allegations, albeit unproven, like these hanging over him, wouldn't you think that British MPs would have the sense to stay away?

Perhaps you would, but I forgot to add a final fact about Mr Auchi: he is the thirteenth-richest man in Britain, and he has been able to collect British politicians the way other people collect stamps. After wrecking the economy, Norman Lamont retired from government to a seat on the board of the financial arm of General Mediterranean Holding, which runs Auchi's many businesses. Lord Steel, the former leader of the Liberal Democrats and the current presiding officer of the Scottish Parliament, is also on the board. Lady Falkender, Harold Wilson's former secretary, has worked for Auchi, as has Gerald Malone, a former Tory Minister you've probably forgotten about. Keith Vaz, the former New Labour Foreign Office

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Minister once accepted a directorship from Auchi.

Auchi's political friendships extended far beyond the boardroom. There were indirect links to MI6, and he made a donation to a political party. (We don't know which one.) Many of the threads in his web of influence were on show when a touching scene was enacted on the evening of 23 April 1999. Lord Sainsbury joined 600 guests in the Grand Ballroom of the Park Lane Hotel. The Science Minister announced that he was deputising for the Prime Minister. To show the goodwill that politicians from all parties felt towards Auchi, he presented him with a print of the Houses of Parliament signed by Tony Blair, William Hague, Charles Kennedy and 132 other Ministers and backbenchers.

My colleagues Martin Bright and Antony Barnett have been pursuing the Auchi story for two years now. They have asked politicians why they take jobs from him or applaud his contribution to the business world. The answer from David Steel and others is always the same. A man is innocent until proved guilty. The allegations about his dealings in Italy and Luxembourg and with the NHS haven't been substantiated. Auchi has stoutly declared his innocence. Nothing has been proved against him. Until last week, that is, when Auchi was convicted of illicit profiteering by the Paris Criminal Court and received a 15-month suspended sentence.

You may be surprised that you haven't heard about this. After Ecclestone, the Hindujas and Mittal, the Auchi case confirms that the political class is attracted to the sleaziest characters in capitalism. Auchi's conviction was a part of the gigantic investigation into the corruption of the Elf oil company, the biggest fraud inquiry in Europe since the Second World War. Elf became a private bank for its executives who spent £200 million on political favours, mistresses, jewellery, fine art, villas and apartments. By any definition, this was news.

It was only due to the persistence of the French investigating magistrates that Auchi got to Paris. They issued an international arrest warrant in 2000. For three years, the Home Office refused to deport him. Two MPs, Vaz and an unnamed politician, made inquiries. Renaud van Ruymbeke, the French magistrate leading the investigation into the Elf scandal, all but accused Britain of sheltering fugitives. Only after his protests, and pressure from this newspaper did the Home Office relent. Then there were Auchi's relations with Iraq which have a certain topicality.

One reason why journalists have shied away from Auchi is that he has expensive lawyers. They have always denied that their client had met Saddam. No one has been able to contradict them, but we do know that Auchi was charged with being a plotter for the Baath Party as it prepared to seize power. In October 1959 he stood trial for conspiring to assassinate the Iraqi Prime Minister, Abdul Karim Qasim. The attempted murder became a revered part of Saddam's cult of personality.

Once he was dictator, books and films told the heroic story of how he escaped after the assassination failed. Saddam is shot in the leg by Qasim's guards, but he still manages to elude them. He is sheltered by Bedouin tribesmen. He doesn't flinch when the bullet is removed. He outwits his buffoonish pursuers and makes it across the border. In 1959 Auchi admitted to playing a minor part in the drama. The conspirators had collected a machine gun from his house before the attack, he said, but he had not used the weapon and knew nothing of what was being planned.

Auchi prospered when the Baath Party seized control of the state. When Saddam assumed total power he moved to Britain. It was a wise decision. Saddam's Iraq appeared to be a genuinely fascist state. The Baath Party was founded by admirers of Hitler. Saddam gave Iraq the *Führerprinzip*, the fanatically loyal party, the slaughter of 'impure' racial minorities and wars for loot and territorial aggrandisement. But in one respect, he was far closer to Stalin and Mao: by and large Hitler and Mussolini left their underlings in peace, but Stalin, Mao and Saddam murdered them in droves pour encourager les autres.

In 1979, Auchi was heading to London. Meanwhile in Iraq, Saddam called the leaders of the Baath Party to a conference in Baghdad. He kept a film of the day's business for his amusement, which is a terrifying record of the totalitarianism in action. Saddam reads out a list of 66 real or imagined rivals. They are seized in turn and dragged out of the hall. You can see the panic on the faces of the 'traitors' and the realisation on the faces of the survivors that the one-party state is becoming a one-man state. They shout fervent declarations of love. They say that if the Great Leader has a fault it is that he is too merciful for his own good and that more traitors must be unmasked. In a neat touch, they agree to take on the job of shooting the enemies of the people. It was Baath version of collective Cabinet responsibility. Saddam made them complicit in his crimes: his guilt was

their guilt.

Auchi's brother was among the many Baathists killed by Saddam, but the execution did not inhibit Auchi's business dealings with Iraq which, he says, didn't stop until the Gulf war of 1991. His first coup in the West was to broker a deal to sell Italian frigates to the Iraqi Defence Ministry, for which he received \$17m in commission. Italian investigators claimed that a Panamanian company owned by Auchi was used to funnel allegedly illegal payments. Auchi denied he had done anything wrong.

In the mid-1980s he got to know Pierfrancesco Pacini Battaglia, a man whose role in directing money to politicians led Italians to call him 'the one below God'. Saddam Hussein had ordered the construction of a pipeline from Iraq to Saudi Arabia. Battaglia and Auchi secured the contract for a Franco-Italian consortium. In a statement to New York lawyers Battaglia alleged he knew how. 'To acquire the contract it was necessary, as is usual, especially in Middle Eastern countries, to pay commission to characters close to the Iraqi government... In this case, the international intermediary who dealt with this matter was the Iraqi, Nadhmi Auchi.' Auchi has denied any wrong-doing.

The scandals unearthed by the 'Clean Hands' investigating magistrates destroyed a generation of corrupt Italian politicians. But they didn't affect Auchi. He carried on receiving the compliments of Labour, Tory and Liberal Democrat leaders, a tasteful water colour from Lord Sainsbury and sober advice from the presiding officer of the Scottish Parliament.

There is a rumour that MI6 liked to have him around because he understood the Iraqi regime. I can't substantiate it, and it may be nonsense. All I can do is point to a strange coincidence. Britain handed Auchi to France in the spring when the overthrow of Saddam's regime became inevitable and knowledge of that regime was no longer a unique selling point. The flight of Saddam should provide a happy ending of sorts, were it not for a small problem. When the Coalition handed out contracts to set-up mobile phone networks in liberated Iraq, one went to a firm called Orascom. And who's backing Orascom?

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