Press clips and references to Trafigura world-wide, from various sources.

Compiled by La'o Hamutuk from the global media. In reverse chronological order

See also https://en.wikipedia.org/wiki/Puma_Energy

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http://www.foreignpolicy.com/articles/2014/02/12/the_750_million_dollar_man_trafigura_angola_general_dino

The 750 Million Dollar Man: How a Swiss commodities giant used shell companies to make an Angolan general three-quarters of a billion dollars richer.

By Michael Weiss Foreign Policy February 13, 2014

Revolutionary communist regimes have a strange habit of transforming themselves into corrupt crony capitalist ones and Angola -- with its massive oil reserves and budding crop of billionaires -- has proved no exception.

In 2010, Trafigura, the world's third-largest private oil and metals trader based in Switzerland, sold an 18.75-percent stake in one of its major energy subsidiaries to a high-ranking and influential Angolan general, Foreign Policy has discovered. The sale, which amounted to $213 million, appears on the 2012 audit of the annual financial statements of a Singapore-registered company, which is wholly owned by Gen. Leopoldino Fragoso do Nascimento. Details of the sale and purchaser are also buried within a prospectus document of the sold company which was uploaded to the Luxembourg Stock Exchange within the last week. "General Dino," as he's more commonly called in Angola, purchased the 18.75 percent stake not in any minor bauble, but in a $5 billion multinational oil company called Puma Energy International. By 2011, his shares were diluted to 15 percent; but that's still quite a hefty prize: his stake in the company is today valued at around $750 million.

The sale illuminates not only a growing and little-scrutinized relationship between Trafigura, which earned nearly $1 billion in profits in 2012, and the autocratic regime of 71-year-old Angolan President Jose Eduardo dos Santos, who has been in power since 1979 -- but also the role that Western enterprise continues to play in the Third World.

Despite a boom in its oil revenue over the last few decades, and dos Santos's own declared zero-tolerance campaign against corruption, Angola has yet to implement any meaningful development programs for a citizenry of 14 million, many of whom still live in poverty. "Angola is incredibly compelling from a human rights point of view partly because of the corruption and the fact that this is a government that has the resources to respond to the needs of its people and to fulfill the huge economic and social and cultural rights and yet is not doing so," said Leslie Lefkow, the deputy director for Human Rights Watch's Africa Division.

Meanwhile, Trafigura has spent the last several years cultivating lucrative commercial interests in Angola and buying up shares in at least seven different companies, ranging from real estate to cargo shipping. Unsurprisingly, it has assiduously pursued investment in Angola's oil sector, according to Marc Gueniat, the senior researcher at the Berne Declaration, a Swiss NGO that monitors corporate transparency. (The group is named for the 1968 accord signed by scholars and intellectuals calling for more equitable business practices in an increasingly globalized economy.) "I am not aware of any other country where one company has such a dominance on the oil imports as Trafigura has in Angola," Gueniat said.

"It effectively has a monopoly to supply petroleum products in the country. What sense does this make from an Angolan perspective?"

Gueniat has extensively documented the curious arrangement between Trafigura and the dos Santos regime, including deals that directly involve General Dino, whose actual legal ownership of former Trafigura assets was previously unsubstantiated although suspected. In a February 2013 Berne Declaration report titled "Trafigura's Business in Angola," Gueniat found that the commodities trader, which is the third-largest company in Switzerland in terms of money brought in "seems to have committed itself to agreements in which the risk is high that the distinction between public and private interests becomes confused."

Most of Trafigura's investments in Angola have been managed through a Singapore-registered company called DTS Holdings, also known as the DT Group. The two directors of this entity are General Dino and Claude Dauphin, a French billionaire who helped found Trafigura and is today its chief executive officer. As the Berne Declaration noted: "While DTS Holdings is involved infrastructure, logistics and real estate, it is oil where the majority of its revenues are generated. The group is party to a swap contract, which may be one of the largest in the world. They export unknown quantities of Angolan crude and in return, since 2009, have been supplying Angola with all of the oil-derivative products required to meet domestic demand." ...

This article is too long to include here – the above is just the first few paragraphs.

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http://www.guardian.co.uk/world/2013/may/23/glencore-trafigura-iran-nuclear

Glencore and Trafigura 'may have supplied Iran's nuclear programme'

UN report says that if links with Iranian company are confirmed they could form breach of international sanctions

Rupert Neate, The Guardian (UK), 23 May 2013

The UN has warned that trades by the commodity companies Glencore and Trafigura could have breached international sanctions by supplying a company linked to Iran's nuclear programme.

The Guardian reported in April that Glencore had traded $659m (£430m) of goods, including aluminium oxide, with Iran last year.

Glencore, which is run by the multi-billionaire Ivan Glasenberg, has admitted that some of its aluminium oxide ended up in the hands of the Iranian Aluminium Company (Iralco), which has provided aluminium to the Atomic Energy Organisation of Iran (AEOI).

A confidential UN panel of experts report on Iran, seen by Reuters, states: "If confirmed, such transactions may reflect an avenue for procurement of a raw material in a manner that circumvents sanctions."

The report, which was compiled by a panel of international experts and distributed to some members of the UN security council but which has not been published, says: "Iran continues to seek items for its prohibited activities abroad by using multiple and increasingly complex procurement methods, including front companies, intermediaries, false documents and new routes."

The panel listed 11 violations of sanctions since June 2012 and said it was investigating at least six possible sanction violations; one of those is thought to be Glencore's dealings.

The report calls on member states to show additional vigilance in order to "identify suspicious transactions".

Kodjo Menan, the Togolese ambassador to the UN and deputy chairman of the security council's committee on sanctions, confirmed to the Guardian that members were concerned about the reports of Glencore and Trafigura's dealings with Iran.

A spokeswoman for the British mission to the UN expressed concern that the report, or elements of it, might never be made publicly available if some members of the security council vetoed its publication.

Trafigura, which hit the headlines for dumping toxic oil waste in the Ivory Coast in 2006, has also admitted trading aluminium oxide (also known as alumina) with Iralco.

Dealing with AEOI has been banned by UN sanctions since 2006. Iralco has been subject to sanctions since December 2012. Both Glencore and Trafigura said their deals with Iralco were completed before sanctions came into force.

Glencore said it ceased transactions with Iralco immediately when it learned of its links to Iran's nuclear programme, and the last trade was in October 2012.

"Glencore complies with applicable laws and regulations, including applicable sanctions," a spokesman said.

Trafigura said: "No deliveries have been made or exports received since new EU sanctions were published in December 2012. Trafigura Group companies are compliant with national and international law where applicable."

The UN experts' report comes days after Gary Fegel, Glencore's head of aluminium, told friends that he planned to leave the company.

Fegel, 39, is the ninth-largest shareholder in Glencore, holding a stake in the company worth $800m. He was named as the world's 22nd youngest billionaire by Forbes magazine this year.

Galsenberg has begun a three-month review of Glencore's aluminium business. A company spokesman said that Fegel's exit from the firm and Glasenberg's review were unrelated to the possible sanctions breach allegations.

http://www.timesofmalta.com/articles/view/20130208/opinion/Trafigura-s-toxic-history.456710

Trafigura's toxic history

Friday, February 8, 2013 by Arnold Cassola

Frank Sammut, better known as Karola by his teammates during his time in the 1970s as a discreet goalkeeper for Exiles waterpolo club, is facing accusations that he took commission from the Trafigura oil company registered in Holland in relation to oil procurement.

It is alleged this was paid through a Swiss bank account whose beneficiary was a Gibraltar company owned by Sammut.

It is also alleged that businessman George Farrugia played a pivotal role in Enemalta's oil procurement decisions, while oil commodities companies Total and Trafigura worked closely with Enemalta's top officials, the former MOBC chief Sammut and Farrugia himself.

In recently revealed correspondence, Trafigura's Naeem Ahmed, the employee based in UK, appears to tell Farrugia: "As promised I have tried to increase the commission rates, I have been unsuccessful, so for all business for 2004 commissions it must remain 10 per cent and will only increase to 15 per cent for all new business for 2005".

These sums were allegedly deposited in Farrugia's Swiss bank account in the Banque Privée Edmond de Rotschild in Geneva.

Who are Trafigura? The oil procurement case in Malta is not the first scandal they have been involved in.

They are involved in the Probo Koala case, where Trafigura dumped toxic waste in Ivory Coast.

In 2010, they were fined €1 million in The Netherlands for the illegal export of the waste through Amsterdam. Claude Dauphin, who is in charge of Trafigura, avoided a personal court case through a settlement in which he agreed to pay a €67,000 fine. Greenpeace NL and Amnesty International wrote an extensive report about the Proko Koala scandal: http://issuu.com/greenpeaceinternational/docs/the-toxic-truth/1.

Malta is mentioned as well in this scandal, since part of the generation of the toxic waste on board the ship in 2006 seems to have taken place in Maltese waters.

In fact, between April and June 2006 three shipments of coker naphtha were washed aboard the ship Probo Koala in different parts of the Mediterranean.

In April of 2006 Trafigura tried to offload the waste in Malta, without success, thanks also to the responsibility of the officials at the Malta shipyards who told Trafigura: "Sorry not even Malta shipyards can accept these slops due to chemical content". At the end the toxic waste was offloaded in Abidjan, Ivory Coast. Trafigura Beheer BV is officially registered in the Netherlands. But in reality Trafigura is a complicated corporate structure. Trafigura Beheer BV in Amsterdam/Amstelveen is mainly a fiscal address. Trafigura's centres of operations are in London and Switzerland. Co-founder Dauphin is chairman of Trafigura Beheer BV and CEO of the London subsidiary, Trafigura Ltd.

The Dutch public prosecutor is investigating bribery claims in relation to Dauphin in Jamaica, but the probe is progressing very slowly.

In Jamaica, Trafigura is accused of bribing the Prime Minister, Portia Simpson Miller, PNP chairman Robert Pickersgill, Energy Minister Phillip Paulwell, former Information Minister Colin Campbell and businessman Norton Hinds. The ruling PNP party had said the money was a donation but Trafigura claimed it was payment on a commercial agreement. In the meantime, Campbell resigned his post as minister and general secretary of the PNP when the Trafigura scandal broke in 2006.

How much has Trafigura interfered in Maltese politics? We do not know.

Malta Today has now claimed that the Maltese tent rental company MFCC has been giving hundreds of thousands of euros in services to the Nationalist Party. Both the PN and the MFCC have refuted these allegations.

And in a Sunday Times interview, former PL Deputy Leader Anġlu Farrugia stated that Muscat's Labour Party is close to big business interests.

Interestingly, however, Maltese parliamentarians recently unanimously agreed to remove a €1.2 million guarantee imposed on the MFCC tent company run by PN stalwart Nazzareno Vassallo, and on another prominent company. Labour's Karmenu Vella was chairman of one of the subsidiaries of this company.

Why is Parliament depriving the Maltese people of such guarantees?

These questions will never be answered unless Alternattiva Demokratika is voted into Parliament. AD is needed in Parliament not only because of our credibility and consistency, our responsible and doable proposals, but also because we are the only ones who can check the arrogance of the two parties who have institutionalised the 'winner takes all' mentality for the past 50 years. You know where we stand with us.

Arnold Cassola is Alternattiva Demokratika spokesman on EU and international affairs, arnoldcassola@gmail.com http://www.maltastar.com/dart/20130122-trafigura-embroiled-in-toxic-waste-scandals

Trafigura embroiled Malta in toxic waste scandal

Malta Star, 22 Jan 2013

The Dutch company which was at the centre of the Enemalta commission scandals, Trafigura, already have a shady history with the Maltese after a toxic waste scandal in 2006.

Back in 2006, Trafigura used Maltese-flagged ships to dump toxic waste in the Ivory Coast which ended up with thousands of people being hospitalized and some even died.

At the time a number of Maltese ships were involved inthe scandal as it aided transportation of the toxic waste, including the vessel Probo Koala.

The Probo Koala, the ship which dumped the waste in the Ivory Coast, was in Maltese waters four times during that period.

Trafigura had made a series of payments in relation to the case without admitting liability. In 2007, it paid an estimated $160m to the Ivorian government in compensation. Two years later it also agreed to pay $45m to individual claimants in an out-of-court settlement before the case came to trial in London - after a group of British lawyers, Leigh Day and Co, organised a class action involving 30,000 Ivorians.

In 2010, Trafigura was fined heavily for illegally exporting toxic waste and dumping it into open air.

http://www.maltastar.com/dart/20130121-police-probe-oil-corruption-scandal-at-enemalta

Police probe oil corruption scandal at Enemalta

Malta Star, 21 Jan 2013

Police have started investigating Frank Sammut who used to be a member in Enemalta's Fuel Procurement Committee who used to receive a commission on the fuel purchased by Enemalta. Police sources told maltastar.com that police officers have already spoken to Sammut.

MaltaToday managing editor Saviour Balzan is ready to cooperate with the police in their investigations following his newspaper's report that the multinational company that sold oil to Enemalta used to pay Sammut in an HSBC account in Lugano, Switzerland.

Prime Minister Lawrence Gonzi told the police to investigate the Malta Today story. On Sunday, Opposition leader Joseph Muscat said that the police had a duty to investigate and did not need any politician to tell them what to do.

Muscat also asked the Prime Minister whether he knew of corruption in the purchase of oil by Enemalta and failed to act. Top Enemalta officials and people very close to the PN leadership were not surprised with the details published by Malta Today on Sunday.

Three years ago former PN President Dr Frank Portelli said that top Enemalta people who had since left the energy corporation made a lot of personal gain out of public contracts. He said he was ready to name these persons when the government enacts the Public Disclosures Act and the Whistleblower's Act that protect those who reveal information about corruption.

On Sunday, 'Malta Today' published documents that showed that on 6th February 2004 Trafigura, the multinational commodities trading company, invoiced Enemalta for the amount of US$4.4 million for 26 thousand metric tonnes of low sulphur fuel oil. On 25th March 2004 Trafigura was invoiced for US$19,402 by a company called 'Energy & Environment Consultants Ltd.' registered at 28, Irish Town, Gibraltar holding an account at the HSBC branch in Piazza Manzoni in Lugano, Switzerland.

Investigations carried out in Gibraltar unearthed evidence that the director of this company was Frank Sammut, the man sitting on the Fuel Procurement Committee of Enemalta and the General Manager of the Government owned Mediterranean Offshore Bunkering Company Ltd. (MOBC) that also fell under the ministerial responsibility of Austin Gatt.

Last Friday, John Pace, who was responsible for the generation of electricity under the Fenech Adami administrations between 1999 and 2005, wrote in the Times about the changes Austin Gatt introduced at Enemalta when he was made Minister responsible for energy and investments in 2003:

"Gatt immediately made administrative changes in Enemalta, including a change in how fuel was procured. This resulted in the formation of a powerful lobby by the fuel oil importers who would stand to lose millions of euros if the power stations converted to gas."

http://www.thisismoney.co.uk/money/markets/article-2249104/Scandal-hit-firm-Trafigura-eyeing-London-Stock-Exchange-float.html

Scandal-hit firm Trafigura eyeing London Stock Exchange float

By Daily Mail Reporter

PUBLISHED: 22:00 GMT, 16 December 2012 | **UPDATED:** 22:00 GMT, 16 December 2012

A Swiss oil trading giant caught up in a toxic waste scandal could become the latest controversial foreign company to join the London Stock Exchange.

Trafigura is said to be eyeing a £3billion floatation of its Puma Energy subsidiary, which owns petrol stations, ports and refineries in more than 30 countries across the world.

This would make it one of the biggest in London since the £6.2billion listing of rival Glencore last year – arguably providing a much needed boost for the City of London.

Scandal-hit: Trafigura is said to be eyeing a £3billion floatation of its Puma Energy subsidiary

But it is also likely to be highly sensitive, with the Geneva-based firm caught up in a string of scandals since its creation in 1993.

The most notorious of these came in 2006 when it was accused of dumping toxic waste in the Ivory Coast in Africa.

Claude Dauphin, the co-founder and still thought to be the biggest shareholder with a 20 per cent holding, was jailed for five months but released without charge. He is now set for a huge windfall.

The firm denied claims that the waste had made local people ill and said the fault lay with a local dumping company. Despite this it paid around £120million to settle the case. Money from a float would be used to fuel Puma's expansion.

It has been on the acquisition trail, snapping up divisions of Exxon Mobil across South America this year.

Concerns have already been raised about the listing of a string of foreign companies on the stock exchange.

This prompted City watchdog the Financial Authority to publish proposals in September to tighten up controls for firms wanting a London listing.

A Puma Energy spokesman said last night: 'An IPO could be one of various options at some point in the future.'

http://jamaica-gleaner.com/gleaner/20121205/lead/lead9.html

Jamaica Gleaner Online

Trafigura caught in another scandal

Published: Wednesday | December 5, 2012

Colin Campbell resigned as minister of information and development and PNP general secretary.

Trafigura Beheer, the multinational commodities trading company which is at the centre of a scandal in Jamaica, is embroiled in an investigation into a Zambian government minister.

The **Guardian** newspaper has reported that the minister is accused of taking bribes over a US$500-million fuel contract.

Zambia's justice minister, Wynter Kabimba, was on Monday called in front of the country's anti-corruption commission to respond to allegations that Trafigura paid his company, Midland Energy Zambia, to secure a petrol- and diesel-supply deal.

The hearing was suspended amid chaotic scenes and protests from the minister's supporters.

Kabimba, who is also secretary general of the ruling PF party, has consistently denied the allegations and says he will resign as minister if the anti-corruption commission finds evidence proving he influenced the deal or received any kickbacks from Trafigura.

He has urged the anti-corruption commission to pursue its investigations vigorously and tell Zambians the truth about "any wrongdoing".

Trafigura said it had never made any payments to Midland Energy, a company in which Kabimba is a director.

Meanwhile, with the Trafigura issue still unsettled in Jamaica after six years, Trevor Munroe, executive director of the National Integrity Action, said he was concerned about the the pace at which the case involving the Jamaican Government and Trafigura is making its way through the local court.

The governing People's National Party (PNP) had accepted $35 million from Dutch firm Trafigura, which was contracted to trade Nigerian oil on the country's behalf.

AFTER FALLOUT, PNP MUM

The scandal was brought to the fore in October 2006 by then Opposition Leader Bruce Golding. It led to the resignation of Colin Campbell as minister of information and development and PNP general secretary, but the PNP has maintained it was a donation and not a kickback.

It is illegal for Dutch companies to donate to political parties.

Prime Minister Portia Simpson Miller and Cabinet ministers Phillip Paulwell and Robert Pickersgill, as well as Campbell and businessman Norton Hinds, are before the Constitutional Court challenging an *ex parte* order, obtained by the director of public prosecutions, representing the central authority for them to answer questions in court.

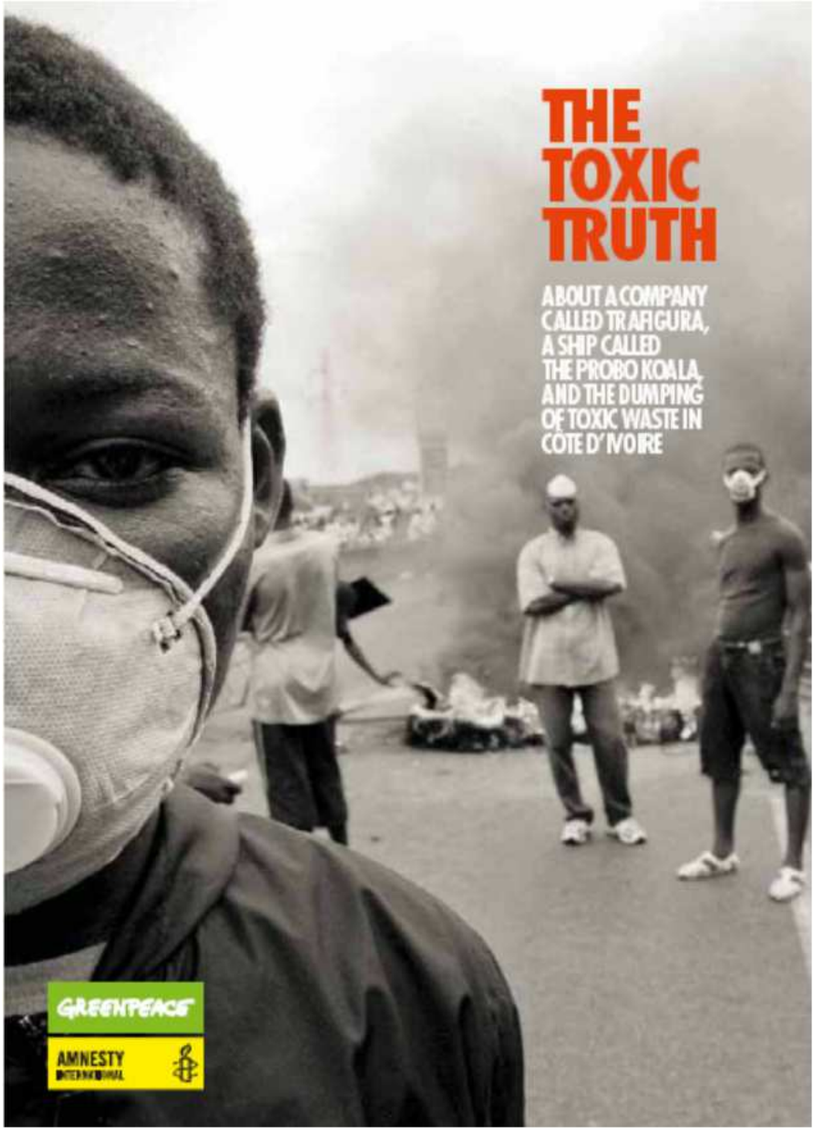
The Dutch authorities want answers from Simpson Miller, Pickersgill, Paulwell, Campbell, and Hinds to in order to bring a case against Trafigura.

Full report at http://www.amnesty.org/en/library/info/AFR31/002/2012

September 2012 , 232-page report by Greenpeace and Amnesty International

THE TOXIC TRUTH

About a company called Trafigura, a ship called the Probo Koala, and the dumping of toxic waste in Côte d'Ivoire



On the morning of 20 August, 2006 the people of Abidjan, Côte d'Ivoire, woke up to find that foul-smelling, toxic waste had been dumped in numerous places around their city. Tens of thousands of people suffered from nausea, headaches, breathing difficulties, stinging eyes and burning skin. They did not know what was happening; there was wide-spread panic. Health centres and hospitals were soon overwhelmed. International agencies were drafted in to help overstretched local medical staff. More than 100,000 people were treated, according to official records, but it is likely that the number affected was higher as records are incomplete.

The waste that was dumped in Abidjan in August 2006 belonged to an oil trading company called Trafigura. It arrived in the country on board a cargo ship, the Probo Koala, chartered by Trafigura. The waste originated in Europe and, under international law, should not have been permitted to arrive in Côte d'Ivoire. This report is the culmination of a three-year investigation by Amnesty International and Greenpeace Netherlands into the dumping, the events that led to it, and the action taken in response to the dumping. It is a story of corporate crime, human rights abuses and the failures of multiple governments to act to protect people and the environment from companies bent on making profit with scant regard for the human or environmental costs. This case shows how national systems for enforcement of international law have failed to keep up with companies that operate trans-nationally.

It exposes how failures by the Netherlands and decisions made by a private company in the United Kingdom contributed to the disaster that unfolded in Côte d'Ivoire. It calls for far more robust action by governments to investigate, punish and redress corporate crimes that lead to human rights abuses and environmental damage. The report lays out a clear case for the legal responsibilities of governments beyond their own borders and demonstrates how the exercise of extra-territorial jurisdiction in specific cases and contexts is vital to ensure that human rights are protected and those responsible for criminal acts are held to account.

The report argues for stronger action to hold Trafigura to account for the dumping of the waste in Abidjan, and for the full realization of the human right to an effective remedy for the victims of the toxic waste dumping.

http://www.nigeriaoilandgasintelligence.com/trafigura-loses-2-case-over-ship-detained-in-port-harcourt/

Trafigura loses $2m case over ship detained in Port Harcourt

Posted by NOGi , July 2012

UK law firm, Andrew Jackson, has won a $2m case in the Commercial Court in London on behalf of Great Elephant Corporation ("the shipowners") against Trafigura Beheer BV ("Trafigura"), the charterers of Crudesky, one of Great Elephant's vessels, for demurrage in a $2 million judgment.

Trafigura chartered the Crudesky from the shipowners to lift a cargo of oil from Akpo FPSO Terminal located offshore of Port Harcourt. When the vessel arrived at the Total terminal, the Department of Petroleum Resources (DPR) official was absent. Total's lifting supervisor apparently contacted the DPR office in Port Harcourt to ask for directions and was told to begin loading even without the DPR official being present. As a result, Total cut the lock securing the meter for measuring the amount of crude oil being loaded and proceeded to load the vessel.

After the completion of loading, the DPR revoked the clearance and the navy prevented the vessel from leaving for 44 days accusing Total of "economic crimes". Total was ordered to pay $12 million in fines. After the fine was paid, the Crudesky was allowed to sail back to the Akpo terminal, where cargo documents were put on board on October 16 – more than 44 days after the three hours allowed in the charter agreement had expired.

Andrew Jackson, on behalf of its client, claimed against Trafigura for demurrage. David Hall of Andrew Jackson said:" We claimed demurrage. Trafigura denied that the vessel was awaiting cargo documents, and said that this was a "Restraint of Princes", which cut the demurrage rate by half pursuant to clause 21 of the charterparty."

He added: "The case provides an extreme example of how long a vessel can be "awaiting cargo documents"; in this case three hours was allowed by the charter party for the paperwork to be completed, but it took over six weeks.

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http://www.andrewjackson.co.uk/aj-news-details.php?article=44&archive=latest

Andrew Jackson's shipping team secures victory in $2 million case

24 July 2012

The shipping and transport department at Andrew Jackson is delighted to announce that it has won a significant case, worth almost $2million, in the Commercial Court in London on behalf of its client, Great Elephant Corporation ("the shipowners") against Trafigura Beheer BV ("Trafigura"), the charterers of CRUDESKY, one of its vessels, for demurrage and other sums.

"The representative from the Nigerian Department of Petroleum Resources ("the DPR") who was on board the Akpo FPSO Terminal offshore of Port Harcourt in Nigeria, left the terminal after the "CRUDESKY" arrived, but failed to inform the operators or his office," explains Dominic Ward, head of the shipping and transport department. "Total's lifting supervisor – the terminal operators are a Total subsidiary - arrived at the FPSO to find the "CRUDESKY" ready to load, but no-one from the DPR to unlock the meter which recorded the quantity delivered. The Total supervisor contacted the DPR office in Port Harcourt, and spoke to the head of operations, who said that loading could begin without the DPR's representative, even though this would require the padlock securing the meter to be cut."

After loading was completed, and hoses disconnected on 1 September 2009, the DPR in Lagos revoked the clearance it had granted earlier, and prevented any further liftings from the terminal.

Six days later, on 7 September 2009, the DPR wrote to Total, stating that loading had started prematurely, without DPR supervision, and that Total had broken the lock. The DPR accused Total of "Economic Crime" and demanded an explanation within 24 hours. At the same time the DPR requested assistance from the Nigerian Navy to prevent the "CRUDESKY" from sailing away.

On 9 October 2009, the DPR wrote to Total ordering them to pay USD 12 million and to severely discipline the operations team on board the Akpo "who perpetrated the dastardly act".

After the fine was paid, the "CRUDESKY" was allowed to sail back to the Akpo terminal where cargo documents were put on board at 0954 on 16 October 2009, over 44 days after the 3 hours allowed in the charterparty had expired.

Dominic said: - "On behalf of our clients we claimed demurrage. Trafigura denied that the vessel was awaiting cargo documents, and said that this was a "restraint of princes", which cut the demurrage rate by half pursuant to clause 21 of the charterparty.

"Marine insurance policies including cover for "restraint of princes" were being underwritten as early as the 16th century, and the case demonstrates how the law is still relevant over four hundred years later."

"The case provides an extreme example of how long a vessel can be "awaiting cargo documents"; in this case three hours was allowed, by the contract, for the paperwork to be completed, but it took over six weeks.

"It also demonstrates the quality of international work which we are bringing to Hull."

http://www.elcomercio.com/negocios/litigio-millonario-Trafigura-flopec-Panama-Ecuador_0_716928383.html

A millionaire with Trafigura litigation

11 June 2012

The conflict between Dutch Flopec and Trafigura continues in at least two courts, but could be solved on a mediation. In November 2009, the two companies signed a contract for the supply of 1.3 million tonnes of Liquefied Petroleum Gas (LPG) for Ecuador, plus a margin of 20%, according to Flopec needs. However, in January 2011, when the military company called the additional requirement that 20%, Trafigura said it could not fulfill the order due to a sharp increase in the price of LPG. Against this, Flopec terminated the contract for default and charged USD 6 million contract warranty. In addition, as a supplier told Trafigura breached. Immediately afterwards, Flopec Trafigura sued in the Court of Pichincha Litigation for $ 100 million in arguing that the termination was illegal and that the company had military obligations to pay for $ 75 million. In response, Flopec daily fined Trafigura of USD 50 000 until the volume of gas delivered was missing. The manager Flopec (e), Captain (sp) Sergio Rea, said that between claims and counterclaims, the amount totals about USD 400 million. However, sources close to Trafigura revealed that the subject is a process of mediation at the Attorney for the two parties reach a settlement. Rea declined to give more details about it.

Un litigio millonario con Trafigura

Lunes 11/06/2012

El conflicto entre Flopec y la holandesa Trafigura continúa en al menos dos instancias judiciales, pero podría resolverse en una mediación. En noviembre del 2009, ambas empresas firmaron un contrato para la provisión de 1,3 millones de toneladas de Gas Licuado de Petróleo (GLP) para el Ecuador, más un margen del 20%, según necesidades de Flopec. Sin embargo, en enero del 2011, cuando la empresa militar pidió el requerimiento adicional de ese 20%, Trafigura indicó que no podía cumplir con el pedido debido a un fuerte incremento en el precio del GLP. Frente a ello, Flopec dio por terminado el contrato por incumplimiento y cobró USD 6 millones de la garantía del contrato. Además, declaró a Trafigura como proveedor incumplido. A renglón seguido, Trafigura demandó a Flopec en el Tribunal de lo Contencioso de Pichincha por USD 100 millones al aducir que la terminación del contrato fue ilegal y que la empresa militar tenía obligaciones por pagarle por USD 75 millones. En respuesta, Flopec impuso una multa diaria a Trafigura de USD 50 000 hasta que entregue el volumen de gas que faltaba. El gerente de Flopec (e), capitán (sp) Sergio Rea, indicó que entre demandas y contrademandas, el monto asciende a cerca de USD 400 millones. Sin embargo, fuentes cercanas a Trafigura revelaron que el tema sigue un proceso de mediación en la Procuraduría para que ambas partes lleguen a un arreglo. Rea no quiso dar mayores detalles respecto a ello.

http://www.ogj.com/articles/print/vol-110/issue-2c/general-interest/watching-the-world-trafigura.html

Watching The World: Trafigura in hot water

27 February 2012

By Eric Watkins, Oil Diplomacy Editor, *Oil and Gas Journal*

Trafigura Beheer BV was in hot water last week after buying a cargo of Nile Blend crude aboard the MT Ratna Shradha, which was poised to offload at Japan's Kiire terminal, owned by JX Nippon Oil & Energy.

"This is stolen oil and our legal experts are pursuing whoever buys it," said South Sudan's Information Minister Barnaba Benjamin after the country took legal measures to track down several vessels carrying the stolen oil across the globe.

South Sudanese authorities said the MT Ratna Shradha, owned by India Steamship, a unit of Chambal Fertilizers & Chemicals Ltd., was loaded with 600,000 bbl of oil provided by Khartoum-based oil producer Greater Nile Petroleum Operating Co. between Jan. 19-20.

GNPOC is owned by China National Petroleum Corp., Malaysia's Petronas, India's ONGC Videsh Ltd., and Sudan's Sudapet.

'Sudan steals oil'

Altogether, South Sudan has accused Sudan of stealing more than $815 million of its crude, and halted its oil production in late January amid an escalating dispute over oil-transit fees.

Benjamin said his country is further investigating some unnamed Chinese companies for their alleged role in helping Sudan steal its oil. Juba also has accused Chinese firms of under declaring oil wells as well as colluding with Sudan to block shipments through pipelines in December and January.

The accusations are said to be threatening South Sudan's relations with China, the largest buyer of its oil. Several Chinese-owned enterprises are currently engaged in circuitous talks with South Sudan over their oil production licenses.

Until January, landlocked South Sudan, which voted for independence from Sudan last summer, had been relying on pipelines and ports in Sudan to ship about 350,000 b/d of oil to export markets, mainly in Asia and Europe.

'Transit fees owed'

While Sudan has insisted that South Sudan pays up to $32/bbl for crude shipped through its pipeline and export facilities, Juba insists it will pay around $1/bbl. As a result, Khartoum confiscated vessels carrying Juba's crude as compensation for transit fees owed.

That's where Trafigura comes in, saying that it had bought oil from South Sudan in the past, but denying that it had knowingly bought any stolen oil—a statement it repeated long and loud.

In an effort to offload the oil in Japan, Trafigura last week said an English court would allow delivery of the MT Ratna Shrada's cargo, but would hold the proceeds related to the cargo until the court establishes the ownership.

"We can confirm that the English court has ordered that delivery can be made, and that the court will hold all proceeds related to the cargo until ownership is legally established," Trafigura said.

http://www.businessdayonline.com/NG/index.php?option=com_content&view=article&id=17093:condemnation-trails-secret-oil-pact-with-trafigura-sir&catid=76:hot-topic&Itemid=564

Condemnation trails secret oil pact with Trafigura, SIR

BusinessDay, Nigeria, 4 January 2011

•Analysts query pricing mechanism •Wonder why bid was not advertised

Nigerian analysts have condemned the secrecy surrounding the crude oil for refined products deals recently signed between the Federal Government and controversial oil trading giant, Trafigura, as well as the Ivoirien refinery, SIR.

Till date, details of the deals are known only to top officials of two ministries - finance and petroleum, according to *BusinessDay* investigations.

Trafigura is the Amsterdam-based minerals conglomerate which moves about 2.5 million barrels of physical oil daily and operates in 67 offices across the globe but was mentioned last year in a waste dump scandal in Cote D'Ivoire.

Under the agreement with the Nigerian government, Trafigura is expected to pick up Nigerian crude oil and in return, supply her with refined products; but it is unclear why the firm, which has supplied refined products to Nigeria in the last 12 years, was favoured for the deal.

Trafigura agreed to an annual contract with the Nigerian National Petroleum Corporation (NNPC) on the basis of taking 60,000 barrels of crude oil per day in exchange for refined products such as gasoline and gas oil of equivalent value estimated at around $3 billion a year.

A Reuters report said Trafigura's deliveries are likely to amount to around five to six standard size gasoline cargoes a month, or around 200,000 tonnes; while the deal with the 60,000 barrels a day Ivoirien refinery allows the French-run plant to take in about 30,000 barrels of Nigerian crude daily and in return, supply Nigeria with refined products.

However, analysts interviewed by BusinessDay wonder why bids for the deal were not publicly advertised. They also question the pricing mechanism adopted for the oil exchange agreement.

According to the analysts, deals of this nature are often flawed by mispricing, creating discrepancies in pricing which are then capitalised on by government officials to further line their pockets.

Confirming this line of thought, the president of the Trade Union Congress of Nigeria (TUCN), Peter Esele, who described NNPC as the "cash cow" of the government, said the move implies that the government has not only lost hope in the refineries, it has also run out of ideas. He added that the decision also underscores government's lack of foresight, especially on the infrastructural reforms and huge jobs the mis-step would create for Europe to the detriment of the home front.

"Processing crude oil could yield about 200 derivatives and is capable of creating a very huge petrochemical market if the deal being arranged could be effectively done in the country," an analyst declared.

Querying the terms of negotiation, an oil and gas watcher asked: "Is it Premium Motor Spirit (PMS), Automotive Gas Oil (AGO), or Dual Purpose Kerosine (DPK) that the NNPC wants to get from the deal; and if these are all it wants to get, then what happens to other derivatives from the crude?"

The downstream oil and gas sector analyst thus readily advised government to hands off NNPC and allow it to operate like its counterparts Petro Brass and Statoil so that it can become a big enterprise.

Another analyst who does not want his name in print said the issue was not whether the process of sealing the $3 billion (N450 billion) deal with Trafigura by NNPC was transparent or not, rather, it was about whether transparency had been a norm to start with.

He concluded that such a process, normally, should have gone through an open tender with the pricing mechanism made public, since NNPC is a public company. His concern, he noted, was whether the NNPC has always had the culture of doing such transactions openly.

Also, a former general manager of the Warri Refinery, Babajide Soyede, said just $1 billion of the amount would have put the four refineries in proper shape.

He enlightened that even if only for security reasons, the deal was not good enough for the country, insisting that the government has the opportunity to put the refineries in order if it so desired.

Another downstream operator who spoke with BusinessDay described the situation as "disgraceful." According to him, the action merely portrayed the level of rot within the Nigerian system. He added that the concern of government, currently seems to be just to make fuel available at all cost without considering the cost implications.

He assured that even if the refineries are sold at their present situation, they would still have done well.

Efforts to get the NNPC side of the story failed because the Levi Ajuonumo, the group general manager of the Corporation would neither pick his calls nor reply the text messages sent to him on the issue.

http://www.ethical-junction.org/blogs/2009/10/07/the-trafigura-scandal-is-just-one-of-thousands-of-cases-of-the-rich-worlds-fly-tipping/

Ethical Pulse - from the Ethical Junction membership

The Trafigura scandal is just one of thousands of cases of the rich world's fly-tipping

By George Monbiot. Published in *the Guardian* (UK), 22nd September 2009, www.monbiot.com

It was revolting, monstrous, inhumane – and scarcely different from what happens in Africa almost every day. The oil trading company Trafigura has just agreed to pay compensation to 31,000 people in Cote d'Ivoire, after the Guardian and the BBC's Newsnight obtained emails sent by its traders(1). They reveal that Trafigura knew that the oil slops it sent there in 2006 were contaminated with toxic waste(2). But the Ivorian contractor it employed to pump out the hold of its tanker dumped them around inhabited areas in the capital city and the countryside. Tens of thousands of people fell ill and 15 died(3). It is one of the world's worst cases of chemical exposure since the gas leak at the Union Carbide factory in Bhopal. But in all other respects the Trafigura case is unremarkable. It's just another instance of the rich world's global fly-tipping.

On the day that the Guardian published the company's emails, it also carried a story about a shipwreck discovered in 480 metres of water off the Italian coast(4). Detectives found the ship after a tip-off from a mafioso. It appears to have been carrying drums of nuclear waste when the mafia used explosives to scuttle it. The informant, Francesco Fonti, said that his clan had been paid £100,000 to get rid of it. What makes this story interesting is that the waste appears to be Norwegian. Norway is famous for its tough environmental laws, but a shipload of nuclear waste doesn't go missing without someone high up looking the other way.

Italian prosecutors are investigating the scuttling of a further 41 ships. But most of them weren't sunk, like Fonti's vessel, off the coast of Italy; they were lost off the coast of Somalia. When the great tsunami of 2004 struck the Somali coast, it dumped and smashed open thousands of barrels on the beaches and in villages up to 10km inland(5). According to the United Nations, they contained clinical waste from western hospitals, heavy metals, other chemical junk and nuclear waste. People started suffering from unusual skin infections, bleeding at the mouth, acute respiratory infections and abdominal haemorrhages(5a). The barrels had been dumped in the sea, a UN spokesman said, for one obvious reason: it cost European companies around $2.50 a tonne to dispose of the waste this way, while dealing with them properly would have cost "something like $1000 a tonne."(6) On the seabed off Somalia lies Europe's picture of Dorian Grey: the skeleton in the closet of the languid new world we have made.

The only people who have sought physically to stop this dumping are Somali pirates. Most of them take to the seas only for blood and booty; but some have formed coastal patrols to stop over-fishing and illegal dumping by foreign fleets(7,8,9). Some of the vessels being protected from pirates by Combined Task Force 151 – the rich world's policing operation in the Gulf of Aden – have come to fish illegally or dump toxic waste. The warships make no attempt to stop them.

The law couldn't be clearer: the Basel convention, supported by European directives, forbids EU or OECD nations from dumping hazardous wastes in poorer countries(10,11,12). But without enforcement the law is useless. So, for example, while all our dead electronic equipment is supposed to be recycled by licensed companies at home, according to Consumers International around 6.6 million tonnes of it leaves the European Union illegally every year(13).

Much of it lands in West Africa. An investigation by the Mail on Sunday found computers which once belonged to the National Health Service being broken up and burnt by children on Ghanaian rubbish dumps(14). They were trying to extract copper and aluminium by burning off the plastics, with the result that they were inhaling lead, cadmium, dioxins, furans and brominated flame retardants(15). Tests in another of the world's great flytips – Guiyu in China – show that 80% of the children of that city have dangerous levels of lead in their blood(16).

In February, working with Sky News and the Independent, Greenpeace placed a satellite tracking device in a dead television and left it at a recycling centre in Basingstoke run by Hampshire County Council(17,18). It passed through the hands of the council's recycling company, then found its way first to Tilbury docks then to Lagos, where the journalists bought it back from a street market. Under EU law, used electronic equipment can be exported only if it's still working, but Greenpeace had made sure the TV was unusable. A black market run by criminal gangs is dumping our electronic waste on the poor, but since the European directive banning this practice was incorporated into British law in January 2007, the Environment Agency hasn't made a single prosecution(19). Dump your telly over a hedge and you can expect big trouble. Dump 10,000 in Nigeria and you can expect to get away with it.

If the mafia were to establish itself as an effective force in this country, it would do so by way of the waste disposal industry. All over the world the cosa nostra, yakuza, triads, bratva and the rest make much of their fortune by disposing of our uncomfortable truths. It suits all the rich nations – even, it seems, the government of Norway - not to ask too many questions, as long as the waste goes to faraway countries of which we know little. Only when the mobs make the mistake of dumping it off their own coasts does the state start to get huffy.

The Trafigura story is a metaphor for corporate capitalism. The effort of all enterprises is to keep the profits and dump the costs on someone else. Price risks are dumped on farmers, health and safety risks are dumped on sub-contractors, insolvency risks are dumped on creditors, social and economic risks are dumped on the state, toxic waste is dumped on the poor, greenhouse gases are dumped on everyone.

Another story that broke on the same day was the shifting, by Barclays, of £7bn of residential mortgage assets and collateralised debt obligations to a fund in the Cayman Islands(20). These were universally described by the media as toxic assets. Some traders also call them toxic waste. Everyone understands the metaphor even if they haven’t thought it through: the banks seek to dump their liabilities while clinging onto their assets. Perhaps it comes as no surprise to find that Trafigura also runs a hedge fund, or that Lord Strathclyde, leader of the Conservatives in the House of Lords, is a director(21).

That party, like New Labour, advocates the continuing deregulation of business. The Trafigura case, like the financial crisis, suggests that in business there are people ruthless enough to shut their eyes to almost anything if they think they can make money. Business without regulation is scarcely distinguishable from organised crime. Regulation without strict enforcement is an open invitation to mess with people’s lives. Tedious directives, state power and bureaucratic snooping – the interference that everyone professes to hate – are all that stand between civilisation and corporate hell.

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From Ecuador

EL CONTRATO DE GAS SIGUE CON TRAFIGURA

El Comercio, 26 jun. 2009, p. 7

Una de las adjudicaciones más importantes en el campo petrolero se realizó ayer por la vía virtual. La licitación para la provisión de 1,3 millones de toneladas métricas de Gas Licuado de Petróleo (GLP) se llevó a cabo a través del portal de Compras Públicas. La Flota Petrolera Ecuatoriana (Flopec) llamó a un concurso internacional, donde cuatro empresas presentaron su documentación, pero solo dos fueron calificadas: Trafigura Beheer BV y Citizens Resources LLC. La licitación comenzó a las 11:00 de ayer. Las autoridades de Flopec siguieron el proceso a través de la pantalla de un computador en las oficinas del Instituto de Compras Públicas (Incop), en la zona norte de Quito. Luego de 59 minutos de puja, la holandesa Trafigura resultó ganadora, al ofertar un precio de USD 73 por tonelada de GLP. El gerente de la Flopec, el contralmirante (r) Galo Padilla, señaló que el país se ahorró USD 7,8 millones en esta licitación, debido a que "se venía pagando USD 79 con el contrato vigente. Hubo una reducción real de USD 6".

GAS CONTRACT STILL WITH TRAFIGURA

One of the most important awards in the oil field was made yesterday by the virtual path. The tender for the supply of 1.3 million metric tons of Liquefied Petroleum Gas (LPG) was conducted through the Public Procurement portal. Ecuadorian Oil Fleet (Flopec) called for an international competition, where four companies submitted their documentation, but only two were rated: Trafigura Beheer BV and Citizens Resources LLC. The bidding started at 11:00 yesterday. Flopec authorities followed the process through a computer screen at the offices of the Institute of Public Procurement (Incop), in the north of Quito. After 59 minutes of an auction, the Dutch company Trafigura was the winner, by offering a price of USD 73 per tonne of LPG. The manager Flopec, Rear Admiral (r) Galo Padilla, said the country saved USD 7.8 million in this tender, because "was being paid $ 79 with the existing contract. There was a real reduction USD 6 ".

http://www.nationmultimedia.com/home/Trafigura-not-new-to-scandal-6865.html

Trafigura not new to Scandal

The Nation (Thailand), 19 February 2002

Trafigura, which is now at the centre of a controversy over an oil trading deal with PTT Plc, is no stranger to scandal. The company is also embroiled in a dispute with the US government over oil allegedly smuggled out of Iraq.

Established in 1993, Trafigura has reportedly flourished in the complex world of commodities and oil trading to the extent that its turnover has jumped 40 per cent a year. Trafigura's main business is in the trade of crude oil, petroleum products, natural gas, metals, minerals, electricity and other commodities, its website says. Worth about US$9 billion (Bt340 billion), the Financial Times has called Trafigura one of Europe's biggest commodity traders. Trafigura has 34 trading offices in 30 countries.

However, its name was unknown to most people in Thailand until the disclosure last week that the Customs Department had seized an oil tanker chartered by Trafigura to deliver oil to PTT at the state oil company's terminal in Sri Racha. Customs officials filed a complaint to the police last Friday against PTT executives alleging that they had falsified documents in order to import oil tax-free and to stock oil products different from those of local specifications.

Meanwhile, the company has said it is threatened by bankruptcy because of a dispute with the US government over Iraqi oil. The Financial Times reported on February 8 that the US Treasury and Trafigura appeared to be close to a compromise over crude oil the US believes was smuggled from Iraq. The agreement could end a four-month odyssey for Trafigura, the Financial Times said. The company claims it is at risk of bankruptcy because a tanker it chartered in August has been forced to circle Curacao in the Caribbean, unable to dock or offload its oil, since US authorities intervened in October. US authorities have also frozen several million dollars of Trafigura's future proceeds from the disputed oil, according to the news report.

The story emerged last September when Chiladakis Theofanis, captain of the Essex oil tanker chartered by Trafigura to bring oil from Iraq, wrote a letter to the United Nations claiming the tanker had been involved in two cases of sanctions-busting, the Financial Times reported. Most of the oil was bought legally under the terms of the UN oil-for-food deal that allows companies to buy oil from Iraq as long as the funds are sent to a UN-controlled account. But twice, once in May and once in August, extra crude oil was added to the boat without the approval of UN inspectors, Theofanis claimed, alerting US authorities, who then intercepted the tanker in Curacao.

Trafigura's lawyers say a UN inspector was aware of the extra oil and that the company had no way of knowing the money it paid for the oil was not destined for the UN account, according to the Financial Times.

Trafigura's parent company Trafigura Beheer BV is based in Holland but headquartered in Lucerne, Switzerland. Its Singapore company, Trafigura Pte, runs the group's oil trading in the Asia, including Thailand, where Tissanu Ratanarak, a cousin of former PTT head Thongchat Hongladaromp, is the local representative.

Despite similarities to Enron, Trafigura says its trading philosophy is customer driven, not speculative.

Pichaya Changsorn THE NATION

Also:

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