

Total SA, France (Oil and Gas Sector)
TI Progress Report 2007 – Foreign bribery cases

A case involving Total SA, France's biggest oil and gas group, was opened in 2002, after the French anti-money-laundering unit Tracfin noticed money being transferred from a Total subsidiary to a Swiss company, Telliac. In 2004 Tracfin investigated whether Telliac in turn funnelled cash to officials in Iraq, Russia, and Tanzania, where Total was pursuing business. Four Total executives were put under formal investigation.

In December 2006, French financial police launched an investigation into allegations that Total SA had paid bribes to win a contract on an Iranian natural gas field a decade ago. The case was triggered by their discovery of approximately US \$78 million in the Swiss bank account of an intermediary. Total had signed a US \$2 billion contract for the first phase of the project in September 1997, winning the biggest deal with Iran since the Islamic Revolution.

In March 2007, French judicial officials announced that the new CEO of Total, as well as other unit heads were being questioned as part of the investigation into the 1997 deal. The CEO was informed that he was under formal investigation on suspicions of "corruption of foreign public agents and misuse of corporate assets". Six months before he had already been questioned as part of an investigation into suspected corruption linked to the United Nations Oil-for-Food Programme. Total has denied any wrongdoing on the Iran gas deal or in Iraq.

At the same time, the US Securities and Exchange Commission as well as the US Department of Justice have summoned Total SA to explain the group's activities in Iran. The SEC has requested Total SA to disclose documents pertaining to transactions in Iran.

Sources: AFP "Total boss says unaware of any US corruption probe" (6 April 2007); Reuters "France: Total CEO summoned by SEC on Iran deal" (3 April 2007); European Business "Cracking Down on Corporate Bribery" (6 Dec 2004).