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Global Witness exposes conflict of interest in oil major Eni's Congo permits

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Global Witness today reveals strong evidence of high-level corruption relating to four of Italian oil giant Eni's licences in Republic of Congo. The news comes as Eni faces official corruption probes into its business in multiple countries worldwide and just weeks after its CEO and his wife are reported to be under investigation relating to the company's business in Congo.

In a stark conflict of interest, an appointee of Congolese President Denis Sassou Nguesso headed the committee that awarded the company he founded and reportedly controls valuable interests in four of Eni's oil licences, Congo's official journal and Eni's latest shareholder disclosures reveal. That company, Africa Oil and Gas Corporation (AOGC), had a public record of fraud, payments to companies owned by the president's son and ties to three politically-exposed persons. The arrangement sparked an internal controversy at Eni, which contributed to the resignation of one of its board members.

The revelations come just months after President Sassou Nguesso awarded personal orders of merit to three senior Eni executives, including CEO Claudio Descalzi, we further reveal.

The story provides the most detailed public account to date of the deals at the heart of a Milan corruption probe into Eni's business and choice of local partners in Congo, in which the story's key protagonists are all under investigation.

In September 2019, Eni announced that its CEO is also under investigation for a conflict of interest relating to the company's business in Congo. His wife was further named as the latest target of the Congo corruption probe, according to media reports. The two probes are separate but linked, a person with direct knowledge of the investigations confirmed.

Republic of Congo is Sub-Saharan Africa's third biggest oil producer, but one of the most unequal societies in the world, according to the IMF. The country has suffered from widespread corruption and mismanagement of the country's oil revenue, and the presidential family has been the subject of numerous corruption probes and scandals. Earlier this year we revealed how the president's son and daughter appear to have laundered up to \$70m in stolen state funds.

"The story reveals a stark conflict of interest among the highest echelons of power in Congo and raises serious questions about Eni's role in these questionable deals," said Natasha White from Global Witness. "It casts strong doubt on Eni's due diligence systems, which appear either to have been disregarded or are simply not fit for purpose. The deals we recount merit full and thorough investigation by authorities in Italy, Congo and other relevant jurisdictions."



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Eni partnered with AOGC as part of the renewal process for its expiring Djambala, Foukanda, Kitina and Mwafi oil licences. AOGC's founder and reported controller Denis Gokana was oil advisor to the president and head of Congo's national oil company at the time. He sat as president of the committee that awarded AOGC – and only AOGC – the stakes in Eni's oil licenses.

We reveal that Eni signed agreements with AOGC in 2013, up to a year earlier than previously reported and just months after AOGC brokered a deal in another oil block for World Natural Resources (WNR), an unknown shell company whose three representatives at the time had close ties to Eni and its senior executives, [as first reported by L'Espresso](#).

The curious correlation of the timing and parties to these deals may be a coincidence, but we consider this unlikely. Rather, it shows signs of a *quid pro quo*: did Eni executives sign off on AOGC's participation in its four licences – despite the dilution of Eni's interests and the major corruption risk associated with AOGC – in return for the deal that AOGC brokered for WNR, a potential front for Eni executives or their immediate family members?

“The story sheds light on the operations of Big Oil and the lengths to which multinational companies will go to secure access to resources overseas,” said White. “It provides a scathing account of the management of Congo's oil wealth, which for five decades has failed to translate into prosperity for its people.”

“These problems are endemic and enduring. In the past year alone, we have exposed [corruption in Congo's oil sector](#), [hidden debt](#) and [alleged money laundering by members of the presidential family](#),” added White. “This reporting has added to the mounting body of evidence showing how Congo's senior public officials acquire, launder and spend public money, and highlights the central role of international companies and businessmen therein.”

Eni asserts that it behaved “correctly” and “strongly reaffirms” the strength of its governance systems. AOGC said that the deals were transparent, in accordance with the law and that any allegations of corruption are “entirely groundless.” WNR and Gokana declined to comment.

Ends.