

The "Albatross Affair" centers around a series of embezzlement-laden shadowy deals that cost Cameroon's national airline, CAMAIR, upwards of \$37 million to purchase an ageing Boeing 767 in 2004 to use as Paul Biya's presidential plane and through aircraft leases.

Cameroonian media and gossip circuits have been abuzz with speculation that dozens of high-level officials and prominent Cameroonians, including Prime Minister Ephraim Inoni, will be arrested for their role in what looks to become the biggest corruption scandal in Cameroon's history. Inoni insists he proved his innocence to Biya, but he is increasingly perceived as doomed to be dismissed in an imminent cabinet shuffle. This case has proved especially interesting to American law enforcement agencies as documents available clearly show that American citizens and American companies were involved in the corrupt deal.

#### There is More Than One Scandal

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The Government of Cameroon (GRC) is investigating a series of suspicious deals that were motivated by President Biya's determination to upgrade former President Ahidjo's 1978 aircraft (nicknamed "the Pelican") to a newer presidential aircraft. The "Albatross" was the nickname given to an ageing Boeing 767 that Biya flew once in 2004 before mechanical failures on Biya's first trip caused him to abandon it. GRC officials are investigating the origin of the Albatross deal (which was portrayed by many as an attempt to assassinate Biya in a plane crash) as well as the disappearance of about \$31 million paid to a U.S. company for the purchase of a new Boeing business jet and a series of dubious leasing deals entered into by CAMAIR executives.

#### GIA International

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As early as 1999, then-Secretary General at the Presidency (and the Minister of Territorial Administration, MINAT) Hamidou Yaya Marafa met with Boeing officials to discuss the purchase of a new 737 Boeing Business Jet (BBJ) for President Biya and a 767 for CAMAIR. In that meeting, attended by US Embassy officials, the Boeing official told Marafa that financing for the 737-BBJ would be difficult to obtain and that international financial institutions would not look kindly upon a specific GRC budget line for a presidential aircraft. Since Cameroon was supposed to be abiding by an IMF program for debt relief, the Presidency determined it would be unseemly to spend tens of

millions of dollars outright for a presidential aircraft. Instead, according to press reports, US Embassy contacts and documents obtained by Post in recent weeks, Biya approved the transfer of about \$29 million from the accounts of the National Hydrocarbons Company (SNH) through the Ministry of Finance to CAMAIR (in transactions disguised as the GRC repaying debts to CAMAIR), which in August 2001 transferred the funds to the Bank of America accounts of Oregon-based GIA International. Documents provided by a GRC source in late May indicate that GIA International had acted as an intermediary with Boeing to obtain the 737-BBJ. An additional \$2 million was transferred to the Commercial Bank of Cameroon (CBC), owned by the family of then-CAMAIR General Manager Yves Michel Fotso, reportedly to repay a \$2 million advance that CBC had paid to GIA International.

According to open source information, when Marafa was transferred to MINAT in August 2002 and replaced at the Presidency by Jean Marie Atangana Mebara, the latter convinced Biya to abandon the plan for a new plane and instead purchase a cheaper, second-hand aircraft (the "Albatross"). Post does not possess information indicating how much money was actually transferred from GIA to Boeing, but Cameroonian press reports indicate that Boeing returned whatever funds it had received to GIA, minus a penalty fee as specified in the contract. GIA was subsequently declared bankrupt after Indian Airlines sued them in New York court for fraud. In his sworn statement in that case (quoted in press reports, but not obtained by Post), GIA President Russell Meek testifies in some detail about the handling of the GRC's funds. Post has not yet been contacted by Boeing regarding this issue and is not aware of any allegations that Boeing engaged in any inappropriate behavior.

#### The Albatross Affair

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Then-Secretary General Mebara continued ahead with his own plans to purchase a second-hand aircraft for Biya. Fotso was replaced at the CAMAIR helm by Thomas Dakayi Kamga, who sought to lease two Boeing aircraft. According to copies of GRC documents obtained by Post in recent weeks, SNH General Manager Adolphe Moudiki, in May 2003, transferred \$5 million from SNH accounts at a French bank (the Societe Generale La Defense Enterprises) to Boeing's account with JP Morgan Chase (ATTN: Maria Chavez). Having been inspected and certified by Cameroonian officials, the aircraft was used to ferry Paul Biya and his family from Douala to Geneva in 2004. The plane reportedly experienced technical problems mid-flight, leaving the first family shaken, Biya enraged, and observers speculating that someone had wanted to murder

Biya. Although Post is unaware of any substantiation of this conspiracy theory, Biya never flew in the Albatross again.

#### CAMAIR's Contracts

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\_ We believe GRC officials are also investigating leases that CAMAIR undertook under the leadership of then-CAMAIR General Manager Yves Michel Fotso, Chairman of the Commercial Bank of Cameroon and son of Cameroonian billionaire Victor Fotso, and Thomas Dakayi Kamga, his replacement. According to GRC sources, including the then Minister of Finance Essimi Menye (who is now overseeing the liquidation of CAMAIR), CAMAIR's lease arrangements were highly unfavorable to CAMAIR, and media reports have speculated that Fotso surreptitiously leased CAMAIR planes from companies that he owned.

#### The French (and Swiss) Connection

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\_ Swiss judicial authorities have reportedly been involved in questioning Fotso and other Cameroonians after filing a formal Letters Rogatory alleging that French national Francois de Seroux-Fouquet (residing in Little Rock, Arkansas) engaged in money laundering, criminal activity and other crimes while doing business with CAMAIR. Press reports indicate that Seroux-Fouquet conspired with Fotso to structure CAMAIR's airplane leases--at exorbitant prices--through companies the two controlled. From press and GRC contacts, Post understands that CAMAIR has, at various times, undertaken leases with companies including GIA International, Societe General Avipro Finance Ltd., Aircraft Portfolio Management, and Ansett Worldwide Air Services.

#### Who Is Implicated

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\_ The following individuals feature prominently in the Albatross affair:

-- Ephraim Inoni, then-Assistant Secretary General at the

Presidency; current Prime Minister. Inoni told the Ambassador Garvey that he has provided convincing evidence to Biya that he was not involved in the Albatross shenanigans. An Inoni family member told Poloff May 29 that GRC-insiders know Mebara hated Inoni (his deputy) and never would have included him in such a sensitive dossier. Despite sensational headlines suggesting that Inoni will be caught up in the Albatross investigation, Inoni seems confident he will emerge unscathed and Post is not aware of any credible information

indicating Inoni's involvement.

-- Adolphe Moudiki, General Manager of National Oil Company (SNH). Moudiki would have ordered the transfer of payments from SNH accounts. According to press reports and a GRC contact, the transfers reportedly attracted the attention of US financial authorities, who held up the transfers until Moudiki assured them they were legitimate.

-- Michel Meva'a Eboutou, former Minister of Finance. Eboutou had authority over the SNH transfer to CAMAIR and other financial transfers.

-- Yves Michel Fotso, former Director of CAMAIR. Fotso was engaged in negotiations for the 737-BBJ, the purchase of the Albatross, and the negotiations of CAMAIR's leases.

-- Edgard Alain Mebe Ngo'o, then-Chief of Staff at the Presidency, currently the General Delegate for National Security (DGSN, or head of the National Police). Mebe Ngo'o would have been involved in overseeing the plans for the new aircraft and allegedly benefited from kickbacks obtained from over-billing the Presidency for use of CAMAIR assets.

-- Jerome Mendouga, former Cameroonian Ambassador to the United States. As the GRC's contact with the American entities, Mendouga was the conduit for some payments within the US, according to information provided by USG sources.

-- Marafa Hamidou Yaya, then-Secretary General at the Presidency and concurrently Chairman of the SNH Board, currently Minister of State for Territorial Administration. Marafa was personally engaged in initial discussions with Boeing starting in 1999 and would have overseen the transfer of funds from SNH.

-- Russell Meek, AMCIT President of GIA International, registered in Grants Pass, Oregon; mentioned in media reports and in copies of GRC documents obtained by Post.

-- Fernando Gomez Mazuera, AMCIT (COB: Colombia) Vice President of GIA International; mentioned in media reports and in copies of GRC documents obtained by Post.

-- Kevin Walls, British citizen, Director of Aircraft Portfolio Management (APM), company registered in British Virgin Islands that is allegedly involved in some of CAMAIR's suspect leasing arrangements; mentioned in media reports.

-- Jean-Marie Assene Nkou, President of National Airways of

Cameroon, former Member of Parliament. Assene Nkou was the link between GIA and Fotso (through Ms. Gwett, now with Fotso's Cameroonian company Air Leasing); Assene Nkou allegedly received 500 million CFA.

#### Conclusions

\_\_\_ The GRC's zealous pursuit of these files is no doubt colored by politics. Many of those implicated are also believed to be part of the "Upstarts" who we believe seek to replace Biya on their own terms and who the Biya regime wishes to weaken. The recent renewed press coverage of the Albatross story comes in the wake of a series of apparently unrelated corruption-related arrests, including the former Ministers of Finance and Health, the General Manager of the Cameroon Shipyard, and others implicated in "Operation Sparrowhawk." As Albratoss plays out, it could lead to the arrest of a series of powerful Cameroonians, including Marafa, Moudiki, Fotso and others, and may also direct more attention to the American element of these corrupt deals.

#### US Law Enforcement Interest

\_ Although the US Embassy not been officially contacted about Albatross, media reports suggest GRC investigators will begin researching the U.S. angle to this story in the coming weeks. U.S. law enforcement officials considering the American component of these scandals may be interested to obtain some of the detailed banking information (including account names and numbers, transfer amounts and dates) that Post has obtained from press and other sources.