MAN IN THE EYE

ALAN DUNCAN

THE funding of Tory shadow energy minister Alan Duncan's office has caused some headaches for party leader David Cameron.

Duncan and his office received tens of thousands of pounds linked to international oil firm Vitol, which did not appear in the register of MPs' interests. Vitol boss Ian Taylor gave the Tories £160,000, much of which went into Duncan's office. But because the money came through the party rather than directly to the shadow minister, it was originally registered as a Conservative donation, not a Duncan payment.

Duncan, a former Vitol consultant who knows Taylor well, says he was unaware his office cash came from Taylor. In April, Duncan also became a director of Arawak, an oil firm part-owned by Vitol. His office told the Commons registrar about this job, but the message failed to get through. After a flurry of press reports, both the Ian Taylor and Vitol money now appear in an amended register. The registrar is happy that Duncan's declarations are in order and he has followed the rules, so end of story.

Or is it? The biggest question isn't about what donations were recorded on which forms, it is why Duncan should still want to be associated with Vitol given its record.

In 2001 the *Observer* established that the firm had paid Serbian warlord Arkan to help with an oil dispute in Serbia in 1995. And last year it confessed to "grand larceny" and was fined $17m for paying $13m in illegal "surcharges" to Saddam Hussein's government to help facilitate oil deals.

Last year it was also in court over deals it did in the Republic of Congo, aka Congo-Brazzaville, where it was accused of bribery and corruption linked to the purchase of 950,000 barrels of oil. Vitol and a finance house called Kensington became locked in a dispute over who should profit from the African nation. Kensington, having bought Congolese debt, expected to be repaid from oil sales and accused Vitol of helping the republic sell oil through a secret route to avoid its debt repayments.

Vitol bought its oil from a firm called Sphynx which was based in Bermuda. However, Sphynx was controlled by Denis Gokwana, head of the Congolese State Oil Company and an adviser to the Congolese president. The president's son was also involved in the sale. Sphynx was getting its oil from the Congo cheaply before selling it to Vitol.

Last November the judge in the case said Vitol had been told to disclose information about bribes apparently paid in Hong Kong to employees or representatives of the Congo. Instead of denying the bribery accusation outright, Vitol tried to "claim privilege against self-incrimination in relation to the disclosure of the information".

Before the case was settled out of court, the British judges thought the evidence against Vitol formidable. They said: "In various proceedings judges of the Commercial Court have found that the Congo has been taking elaborate steps to conceal its oil trading activities in order to prevent Kensington from identifying any resulting assets that might be seized in execution. They have also found that it is strongly arguable that Vitol SA and companies within the Vitol group have co-operated with the Congo in order to assist it."

Other judges pointed to the use of front companies to disguise the true identity of those doing the oil deals.

Alan Duncan's office told *Private Eye* that as he has never received money from Vitol it was not his responsibility to answer questions about the firm's behaviour. It seems that cash from Vitol's president doesn't count. Vitol declined to comment on the Kensington case.

LONDON CALLING

LAST WEEK London's new Tory mayor Boris Johnson said it was "marvellous" for Londoners that Transport for London had finally bought out the 99-year Tramtrack PFI concession in Croydon (*Eye* 1208).

"It puts an end to the unbelievable scenario of millions of pounds of their taxes being used to pay Tramtrack to keep fares down," he said.

In fact the "unbelievable" PFI concession was devised by John Major's Tory government and the "marvellous" decision to scrap it was taken by Labour's Ken Livingstone.

A LEAKED report on working practices among drivers on the Piccadilly Line of the London Underground makes unnerving reading for travellers.

The unpublished report for the trains functional council, a joint management-union body, was prepared by two senior officials of the RMT and Aslef unions. It says "serious safety questions" are raised by the fact that the records of shifts worked by 281 drivers working out of Bollo House, a major Tube depot at Acton Town, are in many cases works of fiction.

Shift records were not "properly recorded", often being "manipulated". Some "employees are receiving overtime payments for spurious reasons" while others "are working six days a week and are failing to record what they are doing".

The doctored records, as well as enabling pay and time-off fiddles, make it impossible to establish if drivers are taking proper rest periods before transporting thousands of commuters. Tube drivers are not allowed to drive trains for stretches longer than 4 hours and 15 minutes at a time. The report suggests this rule may regularly be flouted.

A spokesperson for Transport for London told the *Eye* the report made "a number of recommendations… these included a programme of audits to ensure compliance across the system". TfL would not confirm whether the top recommendation – that one "syndicate leader" [lead driver] responsible for many of the irregular rotas be removed from a position of responsibility – was ever taken up. Sources at the depot say no, so the drivers will no doubt continue to take the piss. Mind the doors!

BORIS ON GAY MARCH

Down on the Farm

AMONG those celebrating when Gordon Brown recently announced his "£100bn green energy" package, including plans to build 3,000 more wind turbines across Britain's countryside, were hundreds of farmers whose eyes lit up at the thought of sharing in the bonanza.

The wind companies have already been besieging landowners whose property might provide suitable sites for these lucrative monsters. The fact that the government is now taking new powers to railroad them through the planning process regardless of local objections only makes the prospect more alluring.

Just how attractive a proposition leasing out land can be to a cash-strapped farmer can be seen from a letter recently sent out to farmers by Scottish Power Renewables, promising them "the chance to make millions". For each two megawatt turbine the company will pay £10,500 a year for 25 years, so the reward for allowing a 10-turbine wind farm on your land could work out at £2.6m – all for no work other than putting your signature on the contract.

Elsewhere landowners have been offered as much as £17,000 a year for having just one turbine on their premises, equating to an income over 25 years of £425,000. What the wind merchants are careful *not* to tell the farmers, however, is how much they themselves can hope to earn from these turbines.

Although a two megawatt turbine, up to 350ft high, generates on average only a quarter of its capacity – due to the variability of the wind – thanks to the government's subsidy system this will earn its owner some £450,000 a year. At current prices, £230,000 will come from selling the electricity to the grid. But the developer also receives a further £218,000 from the government's "renewables obligation", which compels our electricity suppliers to buy all the power generated from wind, paying that much on top of its normal price, which is then passed on to the rest of us when we pay our electricity bills.

This is the secret which the wind companies are anxious not to reveal to the farmers whose land their machines stand on. It means that for each turbine, the developer will be making considerably more money each year than the landowner can hope to make in a quarter of a century. By the time a farmer who has a two megawatt turbine in his fields has made his £425,000, the wind company will have been able to put £11m in the bank – in return for an initial outlay of some £2m, plus yearly maintenance costs, all of course tax deductible.

And the benefit for the taxpayer who is funding all this? Last year the 2,000 wind turbines already built in Britain generated between them less electricity than a single gas-fired power plant, and much less than a nuclear power station. Even the 7,000 additional turbines Brown boasts of building (including those offshore) will produce less electricity than the Drax coal-fired power station in Yorkshire.

For any wide-eyed farmer who thinks of cashing in on the wind bonanza, meanwhile, another factor to bear in mind is that he is not likely to win the affection of many of his neighbours. When a windfarm scheme in Norfolk last year tore the local community apart, one unfortunate farmer involved became so depressed by the bitterness it aroused he was found dead in a ditch. It's a heavy price to pay for helping to save the planet.

'Muckspreader'

THE company featured on Page 12 of Tuesday's The Business was called Shopfitting Solutions, not Shoplifting Solutions, which appeared in some editions. We apologise for any embarrassment caused.

Leicester Mercury