MONEY LAUNDERING

Baldry's bar bill

A COURT decision in Dubai last week could prove embarrassing for a senior Tory backbencher, Britain's international development fund CDC and any number of British banks.

After a long legal battle, the Dubai court of first instance ruled that the former governor of Nigeria's oil-rich Delta state, James Ibori, should be extradited to Britain to face charges of laundering millions of pounds – allegedly stolen from his government in the years up to 2007 – through London. Earlier this year Ibori's sister and mistress were convicted of similar offences and are serving five-year prison sentences.

The extradition comes despite the efforts of Tony Baldry, Tory MP for Banbury and, until 2005, chair of the international development select committee. Last year Baldry wrote to the foreign secretary and attorney-general on behalf of Ibori – in his capacity as a barrister, he insists.

The Foreign Office refuses to release Baldry's letter, but when a blogger reported the intervention, libel solicitors Olswang jumped in, denying that Baldry was "seeking any course of action that would benefit Mr Ibori". All Olswang would say about the letter was that it indicates that "perhaps after the outcome of the criminal proceedings is known, relevant agencies might want to reflect on lessons learned".

Baldry was acting on instructions from Ibori's solicitors Zaiwalla & Co, who paid Baldry £37,000 last year. The relationship goes back: in 2000 Baldry was forced to apologise to the Commons for failing to declare a personal loan of £5,000 from Sarosh Zaiwalla made just before the MP provided a reference supporting Zaiwalla's nomination for a CBE.

CDC, meanwhile, has supposedly been investigating its Nigerian investments alongside Ibori associates through US private equity fund manager ECP for at least the eight months since the *Eye* pointed them out. So far it has done precisely nothing.

HEP C SCANDAL

Milton schemes

IN THE scramble to decide which section of society is worst hit by the public spending cuts, one long-neglected group has been completely overlooked: the haemophiliacs who were sentenced to protracted illness and death from contaminated blood products in the 1970s and 1980s.

Eye readers will recall that in April the surviving infected haemophiliacs – one in three of the 4,700 originally infected has since died of liver cancer, cirrhosis or HIV – won a judicial review of the last government's decision not to increase its miserly payments. The Archer inquiry into the blood scandal had recommended that payments should be at least the same as those to sufferers in the Republic of Ireland.

Last Thursday, they learnt that health minister Anne Milton – so sympathetic to their plight when in opposition – was not going to increase the payments either. She estimated it would cost £3bn, adding: "Every country must make its own decisions on financial support for those affected, taking account of its own particular circumstances and affordability."

That means the level of payment to those with HIV and their dependants remains £12,800 a year. Although Milton acknowledges that she had heard "first hand" about the hardships the sufferers had to face on a daily basis because of their health problems, she offered only a "review" to look at the lower level of payments to those with hepatitis C, and also at prescription charges and access to nursing and care services – other matters raised by Archer.

As Carol Grayson, a tireless campaigner who partner died a long and painful death after being infected, said: "Justice is supposed to be justice, whatever the economic position of the country."

TAX AVOIDANCE

The Budenberg Affair

"WE want the banks to pay not just by the letter of the tax law, but by its spirit," said George Osborne last week, announcing a renewed commitment to stop tax avoidance.

So he might not be too pleased when he hears that the man responsible for the taxpayer's stakes in RBS, Lloyds Banking group and others as chief executive of the UK Financial Investments arm of the Treasury, Robin Budenberg, is a fully signed up, big time tax avoider!

Back in 2003 Budenberg was a managing director of Swiss bank UBS when it hatched an audacious fiscal Great Escape, only now exposed in a tax tribunal, in which its 426 top bonus-earners in London would tunnel out of tax and national insurance bills on £100m worth of bonuses through a complex offshore arrangement.

The scheme – known within the bank as NECAP and planned with the help of tax avoidance specialists Ernst & Young – involved routing bonuses for bankers who were entitled to more than £20,000 for 2003 through Jersey trustees and an offshore nominee company, Lively Ltd, into another Jersey company called ESIP Ltd. Even UBS's own officials admitted to the tribunal that it was "a tax avoidance scheme".

As a managing director Budenberg was almost certainly entitled to a much higher bonus than the average £235,000 or so. He was described in a recent book by welfare minister and ex-UBS banker Lord (David) Freud, *Freud in the City*, as "the most respected mainstream financier in the bank". And Freud also reported that "for the senior bankers, hovering below managing director level, the [bonus] figures moved up from $1m to $1.6m [by 2000]… Certainly nothing I saw over the years made these figures look unrealistic". (Freud retired from UBS in December 2003 and told the *Eye* he was unaware of the scheme).

A UKFI spokesman, having spoken to Budenberg, defended the arrangement to the *Eye* on the grounds that it applied to hundreds of UBS bankers and claimed that Budenberg's involvement was a "personal issue". When the *Eye's* hack suggested he could draw his own conclusion from that, the spokesman agreed: "Indeed." The personal saving to Budenberg is likely to have run into six figures.

Which puts Budenberg in a tight spot. When the *Eye* exposed former UKFI chairman Glen Moreno last year (*Eye 1228*) as a trustee of the Liechtenstein Global Trust, home to many a tax dodger's secret stash, the then shadow chancellor George Osborne pounced. "It was an error of judgement to have appointed someone who advised an offshore tax haven to look after the taxpayer's stake in our banking system," he pointed out. Moreno, who at least hadn't avoided his own tax bill, stepped down. What hope then for Budenberg, one of whose jobs is to enforce the clampdown on banking tax avoidance?

LEVELLING THE PLAYING FIELDS

Ongoing situations

AFTER many fine words in opposition about promoting competitive sport and protecting playing fields, what is the coalition actually doing?

According to the September update from Department for Culture Media and Sport, the current state of play is: "Determine appropriate steps to protect playing fields: work ongoing."

While they're trying to make their minds up…

- In **Bristol**, tennis courts, playing fields and open spaces are all listed among 62 "low value" or underused sites earmarked for sale to raise £90m for the city's parks budget. The sites include Wellington Hill playing field, currently used for outdoor activities by the Scouts, Guides, Brownies, Rainbows and so on, as well as by plenty of footballers.
- Gates to a football field in **Barnet, north London**, has been chained and padlocked while the council decides what to do with it. Plans to sell Stanley Road playing field for housing have been much discussed but never happened, while the fencing, floodlights and goalposts are rusty and in disrepair. Plans for a sports complex were recently mooted, but even if funding could be found there would be a long planning process. The council says the gates were locked to prevent fly-tipping, but the move has halted all sports and community activities.
- The playing fields of the former Milldown Primary School in **Blandford, Dorset**, look likely to be sold soon. The neighbouring site is already luxury housing and the county council fancies selling the fields to developers now that the primary has been relocated to the grounds of the local secondary school. Campaigners say there's already a shortage of space for organised sport in the town, but the council claims the land is too sloped to make a good pitch.

TELE-HEALTH

Cockayne habit

EARLIER this year the NHS North Yorkshire and York Primary Care Trust (NYYPCT) spent £3.2m on 2,000 hi-tech home monitors for patients with chronic illnesses.

The tele-health systems, from a company called Tunstall Telecoms, allow those with long-term conditions, such as chronic obstructive pulmonary disease, to have monitors installed in their homes to send readings of their blood pressure, oxygen levels and other vital signs to a monitoring centre. The system relieves the need for constant trips to a GP's surgery for tests and professional help can be sent if readings give cause for concern.

That all sounds very good; but months on from the deal, only 135 of the 2,000 units bought by NYYPCT are so far in use, and local doctors have questioned whether the PCT, which already has a £23m deficit, should be spending money on a pricey system that is still being trialled. Dr Brian McGregor, vice-chair of the local medical committee, predicted last week in the *York Press* that the system would create extra workload for hard-pressed community nurses.

In a press release in June, David Cockayne (pictured), then director of strategy at NYYPCT, waxed lyrical about the trust's significant investment in the "revolutionary technology", adding: "We recognise tele-health as being a key enabler to us achieving our aspirations."

Mr Cockayne was such a fan of the system, in fact, that after leaving NYYPCT in August he started work as healthcare strategy director for Tunstall on Monday 10 October.

A spokeswoman for Tunstall insisted the company won its trust bid after a robust tendering process, adding: "The tele-health market is small and specialised and inevitably, when talented people become available, there is a strong demand for their skills and expertise… Tunstall believes there is no potential conflict of interest."

The recruitment pool must be very small indeed. In 2008 Tunstall hired David Kelly as its managing director (Scotland and Ireland). His previous job at West Lothian Community Health and Care Partnership included overseeing a £1m trial of what was at that time the biggest tele-health scheme in Europe, using systems from… Tunstall.