
Serious Fraud Office Dahdaleh Trial Collapses

2013-12-10

On December 10, 2013, the Serious Fraud Office (SFO) offered no evidence in its case against Victor Dahdaleh in relation to allegations of bribery and corruption. With the SFO not presenting any evidence, the judge at Southwark Crown Court in London instructed the jury to return verdicts of not guilty on all eight charges. The jury was then discharged.

The SFO had alleged that between 2001 and 2005, Mr. Dahdaleh had made payments of bribes to officials of Aluminium Bahrain B.S.C. (Alba), a majority state-owned smelting company in Bahrain. These payments were made in connection with contracts with a US company, Alcoa Inc., for supplies of alumina shipped to Bahrain from Australia. Further payments were also alleged to have been made in connection with contracts to supply goods and services to Alba.

According to the SFO, two developments during the course of the trial resulted in the prospect of a conviction deteriorating. First, Bruce Hall, an alleged conspirator and significant witness for the SFO, significantly changed his evidence from that contained in his witness statement. Mr. Hall had previously pleaded guilty to similar charges to those faced by Mr. Dahdaleh.

Second, two witnesses based in the United States decided that they were

unwilling to attend court and face cross-examination. In a statement read to the court, the SFO said that since last Thursday, “*further contact has taken place with Akin Gump, the lawyers for Aluminium Bahrain, or 'Alba', to secure the attendance of these two American witnesses, Mark MacDougall and Randy Teslik who are both partners in that firm. As you will see from the correspondence, they have attempted to place limits on the extent to which they can be cross-examined. The Serious Fraud Office does not believe it would be appropriate to attempt to persuade the court to agree to such limits nor...that they should appear via video-link.*”

In addition, during the proceedings the defense had raised issues about Akin Gump’s role in the provision of assistance to the SFO, both in relation to the relevance of the information it was providing and its motives for providing it. The SFO had previously proceeded on the basis that the attendance of the two American witnesses would have allowed these issues to be presented to the jury, but their non-attendance raised a serious risk of unfairness.

The SFO has stated that “*in seeking to secure the attendance of these two witnesses—who have previously attended court on every other occasion when their attendance has been required—the Serious Fraud Office has taken every available step, including a direct telephone conversation between the Director of the Serious Fraud Office and the chair of Akin Gump.*”

In the opinion of the SFO, these two developments impacted both the fairness of the trial as well as the prospects of conviction, and therefore the SFO decided to abandon the case against Mr. Dahdaleh.

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