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Suit says Drummond stole rights to an oil concession

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For The Birmingham News

Birmingham-based Drummond Co. is charged in a civil lawsuit with "stealing" the rights to a lucrative oil concession in Colombia worth billions of dollars - a charge denied by a lawyer for Drummond.

Llanos Oil Exploration Ltd. of Orlando and Bogota filed the suit in U.S. District Court in Orlando against Drummond, which also faces in Birmingham federal court stemming from the slayings of three of its Colombian employees at its South American coal mines.

Albert van Bilderbeek, a majority owner and executive of Llanos along with his brother Hendrik, allege "racketeering in a scheme" in which the president of Colombia to illegally divert the oil rights to Drummond, which obtained the concession in December 2003.

The van Bilderbeek brothers charge in the suit that Garry N. Drummond, the coal giant's chief executive, was involved with Colombia President Alvaro Uribe, Uribe's top aide, and Ecopetrol, the Colombian mineral-rights agency, in a plot to steal Llanos' oil rights in Las Nieves (The Snows) region. This area stretches for 250,000 acres surrounding Drummond's Colombia coal mines near the border of oil-rich Venezuela.

RICO Act used:

The Llanos action, filed in April, is being brought under the Racketeer Influenced and Corrupt Organizations Act and Florida common law.

George Menico Jr. of the Miami law firm Holland & Knight, which represents Drummond, said the suit "has no merit whatsoever."

Officials for the Uribe administration and for Ecopetrol have told Spanish-language media no wrongdoing transpired and that Llanos defaulted on the concession it received in 1997. Ecopetrol's chairman has described the Llanos suit as sour grapes.

Albert van Bilderbeek's suit says the case should be heard in the United States because the defendants dominate the legal system in Colombia, which has been wracked by a long-running civil war. The suit alleges that Drummond has a "symbiotic and cooperative" relationship with both the Colombian military and right-wing paramilitaries at the company's \$500 million mine.

Drummond officials have vehemently denied claims the company pays paramilitary troops in Colombia. The claims are also made in court cases pending in U.S. District Court in Birmingham.

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Laundering allegation:

In the Llanos suit, according to Albert van Bilderbeek, the paramilitaries - specifically the AUC, the Spanish acronym for United Self-Defense Forces of Colombia - came into the picture when an aide of Colombia's president falsely advised the U.S. Drug Enforcement Agency that Llanos was in cahoots with the AUC "to launder drug proceeds."

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"This absolutely false allegation was designed to pressure Llanos Oil to give up its mineral rights so they could be taken over by the Ecopetrol principals," the suit alleges. It further claims Ecopetrol itself "was widely suspected of operating a drug organization protected by the Colombian army in the Cesar area," the state in which Drummond operates its La Loma mine.

"Right now my brother Hendrik, the president of Llanos, is being held in La Modela prison in Bogota on suspicion of drug money laundering," van Bilderbeek says.

Echeverri named:

Ecopetrol's Chairman Fabio Echeverri, who has denied wrongdoing, also is named as a defendant. Echeverri is Uribe's chief of staff and "also an agent of Drummond and it was Echeverri who had initiated the corrupt scheme to divert the mineral rights originally leased to Llanos," says the suit.

The suit claims "part of the planning of the scheme occurred in the offices of the Drummond companies in the U.S."

In its suit, Llanos says it hoped to take as much as 1 billion barrels of crude from the Colombia oil field, generating billions of dollars in revenue. Llanos says it had invested \$10 million in Las Nieves project. Stephen Flanagan Jackson is an editor and writer for The Latin American Post, Bogota, and a journalism professor at Stillman College in Tuscaloosa.

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