



Colombian oil dispute leads to US racketeering suit

by Stephen Flanagan Jackson

BOGOTA, COLOMBIA --- Already facing civil charges in the murders of three of its Colombian employees, the Drummond Coal Co. now must contend with a lawsuit alleging racketeering in a scheme involving the president of Colombia to illegally divert oil concessions to Drummond.

Drummond Coal Company, based in Birmingham, Alabama, operates a lucrative coal mining operation in northeast Colombia which exports coal all over the world, including to Mobile, Alabama, where one of its largest customers is The Southern Company and subsidiary, Alabama Power, and coal-generating electric companies in Georgia, Mississippi, and Florida.

The Dutch owners of Llanos Oil Exploration Ltd. charge Drummond with racketeering in the latest civil complaint against the privately-held company which sprang out of the hardscrabble, coal-laden hills of Walker County in rural Alabama some 70 years ago.

Albert van Bilderbeek, a majority owner and executive of Llanos in Colombia along with his brother Hendrik, says Garry N. Drummond, the coal giant's CEO, was involved with Colombia's president, his top aide, and Ecopetrol, the Colombian's government agency that oversees and administers mineral rights, in a fraudulent scheme to steal Llanos's oil rights --- and vast, untapped oil reserves potentially

worth billions of dollars --- in Las Nieves(The Snows) block near Drummond's La Loma, Colombia coal mines. Las Nieves is in the Cesar department of northeast Colombia near oil-rich and unstable Venezuela. Llanos officials compare the oil deposits to the La Paz and La Mara oil fields of Venezuela --- the major oil fields that make that Hugo Chavez-led country the world's eighth largest oil producer.

"The litigation has no merit whatsoever," responds Drummond's attorney in the civil action, George Menico, Jr. of the Miami law firm Holland & Knight. Officials for the Uribe administration and for Ecopetrol tell Bogota media no wrongdoing transpired and that Llanos defaulted on its concession through its own mismanagement and problems.

Garry Drummond is a powerful behind-the-scenes power broker in Alabama and a major contributor to political candidates and to the president of the Alabama Public Service Commission which regulates the utility industry. He was recently inducted into the University of Alabama business school hall of fame and is a trustee emeritus of UA.

The suit was filed in April in federal court in Orlando, Fla. where Llanos has an office in addition to its Colombia operations. The complaint charges Colombia President Alvaro Uribe, his closest advisor Fabio Echeverri, and several officials of Ecopetrol with corruption, abuse of power, intimidation, and threats in order "to steal" oil rights from Llanos and award them to Drummond. The Llanos action is being brought in the US District Court under RICO, the Racketeer Influenced and Corrupt Organizations Act, and Florida common law. Van Bilderbeek says the defendants control Colombia law, Colombia law enforcement, and the Colombia judiciary in that civil war-wracked South American country and, therefore, the case should be heard in the US.

The murders --- or wrongful deaths --- civil lawsuit facing Drummond is also being heard in the US --- in federal court in Birmingham under the gavel of judge Karon O. Bowdre who recently presided over the acquittal of Richard Scrushy, the fired Health South Corp. CEO recently acquitted of orchestrating a \$2.7 million fraud. Drummond is alleged to have been complicit in the assassinations of three of its Colombia employees --- all union leaders. Attorneys for the slain Colombians' families and labor union say that particular case is at least six months away from a jury trial --- if it ever reaches that stage. Depositions in the case are due to be taken soon from Garry Drummond at his plush Beacon Parkway offices in Birmingham and from Augusto Jiminez, Drummond's general manager in Colombia.

In the Llanos case, van Bilderbeek alleges that Drummond is in a "symbiotic and cooperative" relationship with both the regular Colombian military and the paramilitaries at Drummond's huge open pit coal mine in Colombia. "Drummond pays the paramilitary out of a slush fund account," maintains the Llanos lawsuit.

In Colombia both the right-wing paramilitary and the left-wing communist guerrillas --- along with the Colombia drug dealers --- are labeled terrorists by the US. Colombia's interminable civil war often targets innocent civilians for violent atrocities, often for the purpose of removing them from the land. Both extremist groups profit from the illicit drug trade and other illegal activities. The US has recently dispatched some \$3 billion to Colombia under Plan Colombia --- 80 percent military aid --- in a futile effort in the

so-called drug war and to defeat the last remaining leftist insurgency in Latin America. President Bush reportedly discussed US military aid and anti-drug efforts in Colombia when he met with Colombia president Uribe at Crawford, Texas August 4. Plan Colombia restricts the numbers of US military in Colombia to 800 with the defined purpose of providing "logistic and training support" to the Colombian military. The US restrictions also call for a cap of 600 US citizens as US government contractors in Colombia and, in fact, many of these are recently-retired US military.

The Llanos Oil suit, according to van Bilderbeek, focuses on the "theft of our mineral rights and a turnkey oil production project --- not the paramilitaries." Van Bilderbeek says the paramilitaries --- specifically the AUC --- the Spanish acronym for United Self-Defense Forces of Colombia --- came into the picture when, Echeverri, an aide of Colombia's president falsely advised the DEA ((the US Drug Enforcement Agency) that Llanos Oil was in cahoots with the AUC "to launder drug proceeds."

"This absolutely false allegation was designed to pressure Llanos Oil to give up its mineral rights so that they could be taken over by the Ecopetrol principals," alleges the suit, which 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 coal 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 tells me. The van Bilderbeek brothers --- also US citizens --- are also taking their situation in front of the parliament in Holland.

The head of Ecopetrol, according to the lawsuit, is Fabio Echeverri, also named as a defendant. Echeverri is President 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." Echeverri denies any wrongdoing and tells Bogota media that Llanos defaulted on its lease through its own mismanagement and that the suit is sour grapes.

Van Bilderbeek says once Ecopetrol terminated the concession to Llanos the awarding of the contract to Drummond in December 2003 was perpetrated in record time of 18 days. "This process normally takes a year or more," says van Bilderbeek.

We do not know if Drummond wanted this petroleum deposit --- which could potentially become the most important oil deposit worldwide in years --- for the extraordinary crude potential of light or for the strategic location near its coal mine --- or for both reasons, according to Harrison Slaughter, Llanos's Orlando attorney. Slaughter charges in the suit that "part of the planning of the scheme occurred in the offices of the Drummond companies in the US."

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