Statement of Neal Baddin
Before the
Permanent Subcommittee on Investigations
Senate Committee on Homeland Security and Government Affairs

February 4, 2010

Mr. Chairman and Members of the Subcommittee, I appear today to answer your questions about my role as real estate agent for Mr. Teodoro Nguema Obiang in the 2006 purchase of a $30 million property in Malibu, California. I have assisted the Subcommittee in its review of this matter since being contacted by its staff in 2008 and I am here today to answer any further questions you may have beyond those I have already answered in my 2008 interview with the staff and in written submissions. My statement today addresses questions raised in the Subcommittee's letter of invitation dated January 21, 2010.

I am an independent contractor associated with Coldwell Banker Residential Brokerage in the Los Angeles area. I represented Mr. Nguema in this purchase over a period of 15 months. I prepared offers and counter offers on his behalf; communicated these offers to the broker who represented the owner and seller of the property; arranged for access to the property in order for Mr. Obiang and his staff and other professionals to view and inspect the property; ensured that required inspections, reports, certifications and compliance with various government requirements concerning the property were obtained for closing; requested and obtained information concerning the property from the broker who represented the seller and other sources as the transaction proceeded; and otherwise acted as Mr. Nguema's real estate agent in the purchase of the property.

The final terms and conditions for the sale of the property were contained in a written purchase agreement. An escrow was opened to consummate the purchase. The sale was consummated without obtaining a mortgage. I was aware of the initial deposit of funds into an escrow account, but I was not involved in handling or transferring any of the funds needed to close the transaction, and I did not know the source of any of Mr. Nguema's funds and was not involved in identifying or verifying the source of Mr. Nguema's funds.

I know the Subcommittee is concerned with the problem of scrutinizing the activities, especially financial transactions, of Politically Exposed Persons. I was and remain largely unfamiliar with this term. I am neither knowledgeable nor trained in how to handle matters involving such persons, and I believe this is the case for most real estate agents. I do not believe that I was under an obligation either in 2006, nor am I under an obligation today, to assume such a responsibility. I understand that the Subcommittee accepts this but wants to change the rules.

I understand the importance of anti-money laundering programs. However, this is not an area in which I have any expertise or knowledge. I believe I would need guidance on what to look for, what to do, and how to do it.