

FOREIGN INVESTIGATIONS OF WRONGDOING

1. The British Serious Fraud Office (SFO) in London is investigating allegations that BAE used bribes to secure contracts in several countries, including: South Africa, Rumania, Chile, Czech Republic, Qatar and Tanzania.
  
2. The Organization for Economic Cooperation and Development has reprimanded the British government for its failure to meet its international obligations on corruption, and its lax attitudes to such malpractices.
  
3. A former British Secretary for Trade and Industry, Patricia Hewitt, admitted before the British Parliament in June 2003 that BAE had paid commissions (for which read bribes) to secure its South African contracts, yet pleaded these payments were “within acceptable limits.”
  
4. Investigative journalists in Britain have since ascertained that BAE had intended to pay bribes of £200 million to secure these contracts, and that after British government pressure they were reduced to only £115 million.
  
5. Resulting from SFO investigations, the United States Congress and the Department of Justice are also investigating how BAE, with collusion of the British Department of Defence, paid bribes in excess of £1 billion to Saudi Prince Bandar. Several BAE executives (including

the deputy chairman of Barclays Bank) have recently been detained by the FBI for questioning about how these and other payments were laundered through the American banking system.

6. BAE's Al Yamamah transactions with Saudi Arabia negotiated between Prime Minister Margaret Thatcher and Prince Bandar in 1985 were investigated by the British National Audit Office. Its report of 1993 remains suppressed from British parliamentarians even in 2008 because of extreme political sensitivity. It is noteworthy that Thatcher family involvements also feature in South Africa.

7. Prince Bandar – nephew of the king of Saudi Arabia and son of the Crown Prince -- has been exposed as a “bagman” for both BAE and the CIA. Quite extraordinarily, Margaret Thatcher, Nelson Mandela, George W Bush and Thabo Mbeki all count him as “their best friend”. He is now in charge of Saudi security, and in 2006 threatened there would be “blood on the streets of London” if the SFO investigation was not called off.

8. Prince Bandar used to be a frequent visitor to South Africa, and on several occasions made his private Airbus available for use by either Mr Mandela or Mr Mbeki. He was Saudi ambassador in Washington for 22 years, and so extremely close to the Bush family that he and an entourage of over 100 people were inexplicably allowed to leave the United States the day after the 9/11 attacks when all US airports were still closed.

9. A network of BAE front companies incorporated in the British Virgin Islands were evidently the vehicles for these transactions, albeit that their financial records were held in

Switzerland. Accordingly, the Swiss authorities – against rigorous BAE legal objections – have in December 2008 prevailed upon Swiss banks to disclose these transactions to the SFO.

10. Resultant from widespread international media attention, authorities in Sweden, Czech Republic and Tanzania are also reported to be investigating BAE transactions.

11. As early as 1998, and before the contracts were signed, there had been allegations during the South African Defence Review conducted in Parliament that Tony Yengeni was a recipient of a £1 million “first success fee” from BAE.

12. In December 1998, shop stewards at NUMSA alleged that another R35 million was being laundered by BAE via two Swedish trade unions as bribes to ANC politicians.

13. Through Campaign Against Arms Trade (CAAT) in London, the British government was asked to investigate, and the London Metropolitan Police were appointed to the task by the then Secretary for Trade and Industry, Mr Stephen Byers.

14. Investigations by the British police proved extremely desultory. The eventual response was that it was not illegal under British law to bribe foreigners, and therefore there was no crime to investigate. That apparently was the case until after the 9/11 attacks when the United States government pressured the British government to pass enabling legislation to implement the 1997 OECD Conventions Against Bribery Of Foreign Officials.

15. Independently of the BAE allegations, there have also been allegations in the German media of bribes paid by Thyssen Krupp of DM35 million paid to secure the frigate contracts

with South Africa. The company reportedly doesn't even deny that it made what it terms "useful expenditures", pleading that it was then not illegal in Germany to make such payments. It has been implied by Der Spiegel that Mr Mbeki was the recipient of this bribe, paid into an account in Geneva, Switzerland

16. In addition, the Sunday Times in August 2008 reported that Ferrostaal had paid R30 million to Mr Mbeki to secure the submarine contracts and that he, in turn, had paid R2 million to Mr Zuma and R28 million to the ANC.

17. German prosecuting authorities in Dusseldorf and Munich have reportedly complained about a lack of cooperation from their South African counterparts.

18. Documents in the trial of Schabir Shaik confirm that Mr Mbeki irregularly met executives of the French company Thomson CSF in November 1998 to discuss the "political guarantees" for Thomson's sub-contracting work with the German Frigate Consortium.

19. The South African company CCII-- which supplies the United States Navy but was deemed incapable of supplying the SA Navy with requisite combat suite software for the German-built frigates – alleges that it was excluded from these contracts because of Mr Mbeki's irregular intervention.

20. Thomson CSF (since renamed Thales) has a long history as an instrument through which successive French governments have deliberately destabilized democracy in Africa and Asia. A scandal in Taiwan over the purchase of six Thales frigates eclipses even the South African

arms deals scandal. It has been alleged that the bribes in that transaction were laundered through Standard Bank, Cape Town.

21. Futuristic Business Solutions (FBS) and African Defence Systems (ADS) were vehicles established by Schabir Shaik as “political guarantees.”

22. Bell Helicopter (Canada) reported to Mnet’s Carte Blanche programme in April 2001 that it withdrew from tendering for the utility helicopter contracts that were awarded to Agusta because Chippy Shaik had insisted that FBS be included in irregular payments.