

THE SUNDAY TIMES

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THE DEFINITIVE ACCOUNT NEWS REVIEW



David Leppard government is facing a initially explosive decision whether to block a final investigation into a bribes scandal. Dominic Grieve, the money-general, will have to decide whether to intervene in an inquiry concerning the of millions of pounds egged bribes from a British face firm to the Saudi royal

family. He is to consider whether the investigation by the Serious Fraud Office (SFO) into a £2 billion contract to provide communications and cyberwarfare capability to Saudi Arabia is in the public interest. Grieve has been briefed on the case after officials at the SFO traced secret payments from the defence firm into a bank account in Switzerland controlled by a member of the

gating allegations that millions of pounds had been paid to a Saudi prince to help BAE clinch a £40 billion contract to sell jets to the kingdom. Downing Street killed off the investigation after the Saudis threatened to ditch the contract and stop all co-operation on counterterrorism. The latest SFO investigations centre on a £2 billion contract awarded by the Ministry of Defence to GPT, a British

subsidiary of EADS, Europe's biggest aerospace defence company. The contract will modernise the satellite, radio and intranet systems of the Saudi royal palaces and National Guard, a force of tens of thousands that in May helped the Bahraini royal family crush a popular uprising. The SFO's inquiry began after a whistleblower told them that £11.5m was sent by the firm to two offshore companies

in the Cayman Islands, and then to a Swiss bank account. A second whistleblower warned EADS bosses as early as 2008 that the payments "may be illegal... I am flagging up to you a possible illegal transaction and seeking your guidance", he wrote. A colleague told him in a separate email that he should keep silent about his allegations for fear the company would lose a \$35 billion contract for 179 air

£2bn UK-Saudi bribe scandal

tankers with the US Air Force. I would understand if you did choose to let everything out of the bag and you certainly have lots in the bag to let out, but to do this is very much a nuclear option," the whistleblower was told. "As you point out, BAE had its share of troubles with the Saudis and that was only closed down very publicly with the then PM Tony Blair claiming a

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