

State tries to gag us over 'arms secrets'

PAUL KIRK, Durban | Friday

INTELLIGENCE agencies and the state attorney this week sought to stop the Mail & Guardian from publishing information about documents that expose serious irregularities in the R50-billion arms deal.

Shortly after the M&G, asked Minister of Trade and Industry Alec Erwin to comment on the documents, Pretoria state attorney Caroline Dreyer contacted the newspaper to say a formal probe was under way into how it had obtained "classified documents". Two similar calls from people purporting to be from Military Intelligence and the National Intelligence Agency followed.

The state attorney said she was acting in terms of the (apartheid-era) Defence Act, which prevents the media from publishing almost anything related to the military or to the defence of South Africa.

Later on Wednesday she told M&G editor Howard Barrell that she planned to obtain a high court interdict suppressing publication. When Barrell said she should put her legal authority for this in writing, she responded: "I will bring my order then. Thank you." Dreyer then slammed down the telephone.

The documents in question include minutes of a meeting of the arms package Project Control Board at which the acquisition of the four Corvettes was discussed.

They broach one of the most explosive issues in the arms deal saga - whether the defence secretariat's chief of acquisitions, Chippy Shaik, was involved in decisions and discussions over subcontracts that benefited companies associated with his brother, Schabir.

The documents give no indication that they are in any way secret or classified. They suggest that Chippy Shaik did not step back from discussions about combat suites for the ships that resulted in a contract for French company Detexis. Detexis is a sister company of African Defence Systems, a South African company of which Schabir Shaik is a shareholder and director.

Chippy Shaik told Parliament's standing committee on public accounts (Scopa) that he recused himself from all deliberations involving a possible conflict of interest.

The Project Control Board meeting took place on August 24 1999. The minutes show Chippy Shaik, as arms acquisition chief, actively participating in - and even chairing - discussions regarding Detexis.

The minutes contradict a Department of Defence document submitted to the public accounts committee claiming the meeting was chaired by the chief of the navy - after Chippy Shaik recused himself.

The Department of Defence and Shaik effectively told Parliament that Shaik had recused himself and handed over chairmanship of the Project Control Board session, which selected the Detexis product, to the chief of the navy.

In its testimony to Scopa the Department of Defence said: "The project team presented a recommendation to the Project Control Board on August 24 1999 for the Detexis [Information Management System] as proposed by the main contractor and supported by the project team. The Project Control Board, chaired by the chief of the navy in terms of the chief of acquisition's recusal during Corvette combat suite decisions, ratified this recommendation, which was supported by the CEO of Armscor."

However, the minutes of that session seemingly contradict the defence department's assurance. The minutes - entitled Minutes of the Project Control Board Meeting Held In the Zipper Conference Room at Armscor on 24 August 99 at 11h00 to Review Project Sitron and Wills - present no evidence of Shaik recusing himself at that point or handing over to the chief of the navy. They also show that Shaik actively participated in the debate over the use of his brother's company.

The minutes show Chippy Shaik discussing the use of Cape Town firm C2I2's combat suite in the Corvettes - and the financial risk of using their products. In the end, C2I2 lost out to Detexis.

Meanwhile, the M&G has also obtained new documents undermining the government's repeated claim that it had nothing to do with the selection of sub-contractors.

The documents show Armscor forced the German Frigate Consortium to use a sub-contractor the Germans did not wish to use, making them buy gearboxes they had earlier rejected on technical grounds.

A letter from the Germans to Mr J van Dyk of Armscor, dated August 28 1999, refers to an Armscor request that the Germans change from gearbox makers Maag to rival company Renk. Despite knowing that Renk was offering greater industrial offsets, the Germans still decided to chose the Maag gearbox - for "technical reasons".

The Germans' letter to Armscor reads: "After your request we convinced Maag to improve their DIP and NIP [their industrial participation offsets inside South Africa]" - and then explains what improvements in their offset offer Maag had made. But even with the improvements to Maag's industrial offset offer, the Germans still eventually dropped Maag in favour of Renk. Asked to comment on the documents -and how they showed government interference in sub-contracts -Erwin's representative Edwin Smith said he could not comment as the documents were classified.

Asked why they were not marked as such, Smith said he presumed "someone" had removed the "Top Secret" markings on the documents.

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http://www.lawlibrary.co.za/notice/updates/2001/addenda/add_mg_2001_08_10_3.htm