

**Secret Pinochet payments linked to BAE  
United Kingdom  
18 December 2004**

British arms firm BAE on Friday refused to comment on documents showing mysterious payments linked to United Kingdom weapons purchases by General Augusto Pinochet.

Sums of up to \$5-million are listed in Pinochet's bank records obtained by a Senate investigation in Washington.

Some appear to be linked to arms purchases he agreed to make from Royal Ordnance, a BAE subsidiary.

At one point, Pinochet obtained £1-million, which was deposited for him in London at a branch of Washington-based Riggs Bank.

The Senate subcommittee on investigations has been inquiring into unexplained wealth of up to \$12-million acquired by Pinochet. The money was handled by Riggs, itself under investigation for possible money-laundering.

When asked for an explanation for the payments to Pinochet, the arms firm said: "BAE Systems decline to comment on this occasion."

Last week, Pinochet was placed under house arrest in Chile after being charged with human rights violations, the third time he has been indicted for such crimes. He is accused of kidnapping and murdering 10 people as part of Operation Condor, a plan to abduct dissidents across South America in the 1970s.

The key document, a copy of which has been obtained by The Guardian, appears to have been proffered by Pinochet to Riggs while it was operating his secret accounts as partial explanation of the source of his wealth. The bank was under pressure to conduct "know your client" checks.

At the time, Pinochet had stepped down as president, but remained head of the armed forces.

Throughout the 1990s, he visited Britain as a guest of BAE, who persuaded him to buy and build under licence a Royal Ordnance-designed cluster bomb and rocket system called Rayo.

The document, on Chilean Defence Ministry paper, lists what it terms "Comisiones de Servicio al extranjero realizada por el sr Augusto Pinochet Ugarte". This is translated in the Senate committee report as "Certain travel and commissions allegedly owed to Mr Pinochet".

The wording is ambiguous, but the Chilean government last week denied one explanation, that it recorded genuine "travel expenses" paid by the Chilean Defence Ministry.

"The document could end up being a forgery," the Chilean Undersecretary of War, Gabriel Gaspar, was quoted as saying by news agencies.

The document lists a series of foreign trips by Pinochet. Included is an entry dated September 21 1995, which records the sum of \$3-million with reference to a trip to the UK to visit foreign companies, as well as visits to Malaysia and Brazil. This was the point at which Chile signed the Rayo deal.

A second entry is dated September 25 1997. It records a visit to China and a hitherto unknown visit to the UK by Pinochet after Labour took power, listed as "Invitacion industria Royal Ordnance". Appended to it is the figure "\$2,5-million".

US Senate investigators found that Riggs also set up two offshore companies in the Bahamas, Ashburton and Althorp, into which Pinochet placed nearly \$8-million. At the time, his official income was \$90 000 a year.

The Senate investigation has harshly criticised Riggs officials for handling Pinochet's money without proper checks on accusations of corruption, torture and murder that had been made against him.

The document they recovered was part of a file compiled by a Riggs executive when outside investigators began demanding details of the Pinochet accounts in 2002. --  
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