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Senior Defence Official in Arms Corruption Scandal

A senior defence acquisitions official is the subject of intense behind-the-scenes investigations following serious allegations of corrupt practices related to a multi-billion rand arms procurement package.

The official allegedly stood to gain about US\$18 million. A government official said if this proved true it amounted to "treason".

The Heath investigative unit is waiting for the auditor-general to examine complex paper work relating to the controversial multibillion rand arms procurement package before requesting permission for a formal probe.

Meanwhile, at least two ministers have been alerted to the allegations and are conducting hush-hush investigations into claims that the senior defence official engaged in corrupt practices.

Documents relating to these and other allegations of irregularities in the procurement process are in the possession of the Heath Unit. City Press understands under-wraps inquiries are being conducted by several senior officials in the ministry of defence and public enterprises ministry into claims of serious irregularities in a R2,4 billion deal to provide technology for the new corvette craft to be purchased for the new SA Navy - corvette suite architecture.

The Ministry of Defence could not be contacted.

The Department of Defence official, whose name is known to City Press, allegedly brokered a range of deals to the benefit of a French

company, and it is claimed that in many cases these deals involved inferior and over-priced technology.

It is alleged that several of these deals flew in the face of recommendations by technical advice committees. Claims under scrutiny include that :

- * A senior politician intervened to reopen negotiations for the contract to provide the corvette defence suite after which French outfit Thomson, together with a local empowerment group, African Defence Systems, were declared the preferred bidder.

- * This was after a different local company received indications that it was the preferred bidder.

- * City Press understands that the technology on offer is outdated, over-priced and could jeopardise the lives of South African personnel facing a combat situation.

- * The official has undeclared interests in one of the companies which make up the so-called empowerment component of the bid.

- * The government was not informed that local bidders had in fact been taken over by French interests.

- * Technical documents and pricing information from one of the bidders was allegedly leaked to rivals, and no proper risk assessment was performed.

- * The official received an array of gifts from hopeful bidders, including a sizeable chunk of shares in one of the companies that won the bid, and that these shares were put in the name of relatives and nominees.

City Press understands the allegations are being taken extremely seriously by government, as well as by investigators from the Office for Serious Economic Offences and the Heath Unit. Adding to government anxiety is the close links between the official and a range of influential figures.

The probe into the corvette technology is the latest twist in an ongoing row over the R30 billion arms package announced by government last year.

PAC MP Patricia de Lille triggered a huge row last year when she asked government to appoint an independent commission of inquiry to examine allegations of widespread corruption related to the defence procurement.

With acknowledgements to Chiara Carter and City Press.

Disclaimer

I claim no credit for this article or any involvement whatsoever in its compilation. I don't know and have never met nor spoken to Ms Chiara Carter.

I did, however, report to several senior officials of the ministries of defence and public enterprises the serious irregularities in the then R2,6 billion (now about R4,5 billion) deal to provide combat suites for the new corvette for the new SA Navy.

But it was jolly good work of Ms Carter for February 2000.

One wonders where she got the information for her story or why she never wrote another article about it?

Richard Young

http://www.armsdeal-vpo.co.za/articles02/senior_defence_official.html