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Third arrest over SA arms deal

Millions were spent on arms not healthcare

A third arrest has been made by police as part of investigations into allegations of corruption regarding a multi-billion dollar arms deal.

This follows a long-awaited inquiry into these allegations which cleared the South African Government of unlawful conduct.

It is evident that the perception of widespread corruption within the government is without justification

Bulelani Ngcuka National Prosecutor

On Friday, the elite Scorpions police unit arrested businessman Shabir Shaik, who is the brother of the government's chief of defence acquisitions, according to a police spokesman.

He is the third person to be arrested in connection with the 1999 \$5bn arms deal. Former ANC chief whip Tony Yengeni and businessman Michael Woerfel have already been charged with corruption.

A police spokesman said Shabir Shaik was found to be in possession of classified documents related to arms procurement.

He and his brother, Chippy, were named on Thursday in the report by law enforcement agencies, which found a series of irregularities in the awarding of contracts to European firms.

The police spokesman said the documents gave Mr Shaik's company an advantage over other bidders.

Mr Shaik has denied any wrongdoing and he was granted bail when he appeared at a court in Durban.

Charge unfair

The arms deal, the biggest in South Africa's history, has been under intense scrutiny for more than a year.

Police to continue probe into people linked to arms deal

The South African Government has been criticised for spending billions of dollars on weapons instead of addressing chronic social problems.

President Thabo Mbeki's government will feel largely vindicated by the report's overall findings.

At a news conference shortly after its release, four government ministers were in bullish mood.

The national director of public prosecutions, who helped write the report, said that the perception of widespread corruption within the government was not justified.

The arms deal included new fighter planes, helicopters, ships and submarines.

<http://news.bbc.co.uk/1/hi/world/africa/1659872.stm>