

Transcript Gripen – The Hungarian deal

2007-06-05

SVT "Uppdrag Granskning"

Please note that this is a rough translation that should no be quoted
verbatim.

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The Hungarian deal

Participants

Ian McNamee, Gripen International

Carina Lundberg Markow

Manager, Folksam insurance company, represents Folksam as shareholder in Saab

Annika Nordgren Christensen (Swedish Green Party, miljöpartiet)

Member of Swedish Defence Committee, a government-parliament committee on
defence questions.

Jan Kavan

Foreign Minister, Czech Republic 1998 - 2002

Petros Michopoulos

PR consultant, worked with Steve Mead

On telephone:

Steve Mead
Ex-manager of Gripen campaign in the Czech Republic

Anonymous source/man in the Gripen campaign

Johan Lehander (program Uppdrag Granskning `Mission Scrutiny` 20th of
February 2007)
Managing Director Gripen International, Saab

Margaretha Olsson
Shareholder, Saab

Carina Lundberg Markow
Manager, Folksam

David Jones
Spokesman, Serious Fraud Office, SFO

David Leigh
Journalist, The Guardian

(Speech at Saab's shareholders' meeting, from Saab's home page
Åke Svensson
Managing Director, Saab

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Managing Director, Saab

Johan Lehander (program Uppdrag Granskning, `Mission Scrutiny`, 20th of
February 2007)
Managing Director, Gripen International, Saab

Carina Lundberg Markow
Manager, Folksam

Anders Sjöborg
Chief legal counsel, Swedish Defence Materiel Administration, FMV

Telephone
Joseph Bernecker
Former Commander of Austrian Air Force

Reconstructed dialogue between members of Austrian Parliament 1995

Telephone (English)
MPA, Count Alfons Mensdorff's company

Åke Svensson
Managing Director, Saab

Telephone:
David Jones
Spokesman, Serious Fraud Office, SFO

Telephone:

Peter Larsson
Press secretary, Saab

Peter Eriksson (Miljöpartiet)
Party spokesman

Annika Nordgren Christensen (Miljöpartiet)
Member of Swedish Defence Committee.

David Leigh
Journalist, The Guardian

Carina Lundberg Markow
Manager, Folksam

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Still pictures:

Arne Valen, Norway
Profil, Austria

Opening

Picture s: Reconstruction, loading platform, men loading a safe into van

TG:

"Reconstruction"

Speak :

1997, Farnborough south of London, head office of BAE Systems, Swedish Saab's partner in the JAS 39 Gripen project.

A van is loaded with a safe and archive boxes.

The contents are extremely sensitive material.
Only a few initiated know about the transport
The horus of driving väntar. Destination: Switzerland

This secret operation may be of decisive importance for a Swedish prosecutor who today, ten years later, is investigating whether Swedish Jas Gripen aircraft has been sold abroad with the aid of bribes in the multimillion bracket.

TG:

Linköping, November 2004

Picture s: Roll out ceremony, first Jas plane to the Czech Republic.

Live: Jojk (song from Lapland) by female singer

Speak :

Celebration. A historical business deal. With the Czech Republic. Which has today turned into a bribery scandal.

TG:

Linköping January 2005

Picture s: Roll out ceremony for the first Jas plane to Hungary.

Live: Jojk

Speak :

Same singer, same song., three months later. An equally impressive ceremony in Linköping, now for a new government-to-government deal with the Jas Gripen, with Hungary this time.

Live: Ian McNamee Gripen International:

-This is a very proud day for Saab.

Picture s: Sweden's and Hungary's defence ministers tie bands in front of the Gripen.

Speak :

But what had foregone that day, when the Swedish defence minister proudly tied bands for Gripen with his Hungarian counterpart? Is there an unknown, hidden side, of the Hungarian deal too?

.

Carina Lundberg Markow - Folksam

VO:

Carina Lundberg Markow

Manager, Folksam

-In this case, Saab themselves seem to have found it hard to be candid, and have sooner wanted to put the lid on, than

to put the cards on the table, so to speak.

Speak :

We meet Carina Lundberg at the insurance company Folksam, one of Saab's owners.

She has met the same silence from Saab's management as we have, and all other media, after our revealments about the Czech Jas deal.

But Carina Lundberg represents thousands of share investors, who have put 183 billion Swedish crowns in Folksam's pension funds - and therefore, she turned to the public, in a debate article, and demanded that Saab's management answer a number of questions around the allegations about bribes, secret agents and billion-class commissions.

Synch:

Carina Lundberg Markow
Manager, Folksam

-We wanted to give Saab a chance to explain how things were, to actually show that they are the honest Swedish enterprise we rather want them to be.

F: Do you think Saab took that chance?

-No, I didn't think so (silence).

Speak :

Saab's shareholders' meeting begins in an hour - Carina Lundberg and her colleague expect that Saab's managing director will at last break the silence. We go along, hoping that Saab now will put the cards on the table. After all, it's a heavy-weight owner representative who demands an answer.

Live: On the Underground platform:

"Alvik, five minutes, that's the one we take!"

VO:

Carina Lundberg Markow
Manager, Folksam

-We and I represent all our thousands of clients who have chosen to invest their pensions savings with us, they are not just savers, they are also tax-payers in Sweden and are financing this weapons production.

-It would be appropriate in face of so grave accusations, that the managing director enters the debate, that's what you've got a managing director for.

Live: In Underground carriage:

"Pling plong - next stop Alvik, change for Nockeby branch - this is where we get off."

Annika Nordgren Christensen , politician

Picture s: Annika in the train

Speak :

With another train, the Defence politician Annika Nordgren from Falköping arrives in the capital

VO:

-If we are to begin saying "Well, there's always corruption - has always been", that is to give up, and we can't have that. There has to be some order, even in this domain.

Live: Train's loudspeaker calling:

"This train is now arriving at the terminal, Stockholm Central".

Speak :

Annika Nordgren is now on her way to a meeting in Parliament house. And she too, is worried about the silence, the political silence, surrounding the Jas deal.

Sync:

Annika Nordgren Christensen (miljöpartiet), member of Swedish Defence committee:

-Sten Andersson (former Social Democrat foreign minister) said after the Bofors deal with India the winged words that " We must wash our laundry". I think that was quite right then , and I think that it's quite right now.

Speak :

Then, in the 80's the Bofors deal. Now, 20 years later, the Jas deal.

Speak :

The Defence committee's meeting is about to begin. Annika Nordgren is part of a hand-picked group of politicians with responsibility for the longterm strategic direction of Sweden's defence.

Live:

Greetings and kisses on cheeks. Defence committee.

Sync:

Annika Nordgren Christensen (miljöpartiet), member of the Defence committee.

-As long as ministers travel around the world and sell JAS, and as long as the taxpayers pay a 100 billion SEK for Jas, and as long as we are to continue to back this system, and particularly the export version, and hope for new orders, it's definitely a national concern how this business is conducted.

Review

Picture : Portrait picture of Count Mensdorff studio/secret agreement

Speak :

An Austrian count, with the nickname Ali. Secret agent contracts. Billion-sized commissions.

It sounds like something out of Tintin's adventures. But they are ingredients in the the struggle to sell Swedish Jas Gripen to the Czech republic, as we reported in a program earlier this year.

Picture : Hidden camera

Live. (Hidden camera)

-Mr Kavan? Hi, James Kershaw!

Picture: Portrait picture of Jan Kavan Studio

Speak :

The former Foreign minister Jan Kavan told us, in front of our hidden camera, that highly placed politicians, in the big political Czech parties, were bought for the Swedish-British campaign for JAS Gripen.

Sync: (hidden camera)

Jan Kavan

Foreign minister , Czech Republic 1998-2002

-The fact that money changed hands was, in the parliament at least, a pretty well-known secret, shared by a large number of people.

-(Question): Because we are talking about both ODS and...

-The Social Democrats ...

-Yes.

-It went across the political spectrum.

Speak :

A few weeks later, we met the former Foreign Minister Jan Kavan again - in London - and this time he brought a man, one of the leading PR consultants in the Czech Republic, who worked close to the manager of the Gripen campaign, Steve Mead.

Picture : Portrait Steve Mead, studio

Sync: (Hidden camera)

Petros Michopoulos

PR consultant, worked with Steve Mead

- (Petros M) With us, Steve was always very frank (translation Czech)

- (Petros M) But he didn't tell every week whom he bribed and didn't bribe. (Transl Czech).

- (Petros M) His main activities was towards the ODS and the Social Democrats (transl. Czech).

- (Question) In terms of paying kickbacks? (English)

- (Kavan) Yes, that's what he is talking about. (English)

- (Petros asks Kavan) When it comes to names, I don't know how far to go. (Transl. Czech)

(Kavan to Petros) -They needn't know everything at once (transl. Czech)

- (Petros) No, OK. And goes on: -What concerns the other group he communicated with economically I am sure that

they were civil servants, not just politicians. (Transl Czech)

Telephone:

Steve Mead

Former manager of Gripen campaign in the Czech Republic.

-Hello!

-Steve Mead?

-Who is calling?

-This is Fredrik Laurin, calling from Sweden Swedish Te... (Hangs up)

Speak :

Another man, who worked with the Gripen campaign for many years, chose to sit down and tell us.

Because of his position , the man wanted to remain an anonymous source. All you hear is word by word what he said - but read by another person. The man testified that the manager of the Gripen campaign, Steve Mead, repeated times had told about how politicians were bribed.

Synch:

Source in the Gripen campaign:

-Steve Mead spoke of the contact in Austria that took care of the payments for the Czech government.

-He was responsible for the payments, paying the bribes.

Speak :

The source in the Gripen campaign thus described to us how a go-between, an Austrian, handled the bribing.

But the source didn't know his name.

Speak :

Bribing of course is done covertly - one way can be that companies use external so-called agents or advisers, as go-betweens, for covert payments.

Flash

Picture s: Jumbled pictures, a person goes down a flight of stairs.

Speak :

We managed to take part of secret documents that showed that the Gripen campaign used three agents - with enormous commissions - all together over one billion SEK.

Picture : Portrait Mensdorff, studio

An Austrian - Alfons Mensdorff Pouilly - was one of the agents. Mensdorff is often called by his nickname

Ali, sports the title of Count, and belongs to an Austrian élite.

Mensdorff would alone pocket more than half a billion SEK in commission if the Czech Republic bought Jas Gripen.

Graphics: 540 000 Swedish crowns (on portarit of Mensdorff)

Speak :

Infinitely much more than what Saab earlier had said was possible...

Sync (from program Mission Scrutiny, Swedish Television 20th of February 2007)

Johan Lehander

Managing Director Gripen International, Saab

-Question: An approximate estimate - can an adviser get a commission of one, five or ten million, are there such big sums involved?

-No, ten million, then we are talking about very high figures, which, eh, we... more down on the first figures you named there.

-Question: one or a few million?
-Yes.

Picture : agent contract, signed L G Fasth

Speak :

But the secret agreement , of more than 500 million, had a signature...

Graphics:

"I approve the terms of this appointment on behalf of Saab"

Speak : Signed Lars Göran Fasth - then one of Saab's top managers in the Gripen projects, who today won't give any comment.

Carina Lundberg at Folksam to shareholders' meeting

Picture s: Carina entering Saab's yearly shareholders' meeting

VO:

Carina Lundberg Markow

Manager, Folksam

-Well, I expect some straightforward answers from the meeting. Most of all that the managing director gurarantees that he KNOWS that there has been no kind of graft involved.

Speak :

Carina Lundberg from Folksam now wants Saab's management to put all cards concerning the alleged bribes in the JAS campaign on the table - a request she is rather alone to come forward with at Saab's shareholders' meeting...

Sync:

Margaretha Olsson

Shareholder, Saab

-Question: What's your comment on this talk about bribery suspicions and Saab?

-Well, there are always rumours, I don't believe in them, I don't WANT to believe in them.

-Question : You trust Saab?

-Yes, I do!

Speak :

But Carina Lundberg has discovered something odd in the policy against bribes that Saab has now published:

It does not concern the agents who have been contracted via Saab's British partner BAE, which since 1995 has been a partner in selling Gripen.

VO / **Sync**

Carina Lundberg Markow

Manager, Folksam

- by doing like this, you say: Bribing is not allowed, we have a policy, but we don't apply it because all

agents are contracted by BAE Systems. And for them applies BAE's policy, which we don't know anything about, and which we don't have access to.

Speak :

The yearly meeting is about to begin. Things are not going to happen as Carina Lundberg has anticipated...

Live:

"Welcome to Saab's yearly shareholders' meeting"

Van Novelmight

Picture s: Formgrepp?, van traveling in darkness

Speak :

Ten years earlier, a van is under great secrecy under way from Saab's partner BAE to in England to Switzerland.

The cargo is hot stuff: safes loaded with the most sensitive documents about a number of weapons deals.

Proof that is now to be hidden away...

This operation will in future make it more difficult for the police to investigate whether the bribery affair in the Czech Republic is an exception, or if other deals concerning JAS Gripen...

Picture : Roll out ceremony, Hungary

Speak :

... like that with Hungary, also has a hidden side.

Agents and David Leigh

Picture s: London

Speak :

BAE is now suspected of having paid bribes in a number of big weapons deals. The British authority for dealing with economical crimes, Serious Fraud Office, SFO, has seized hundreds of thousands of documents, and made house searches at BAE and several of BAE's agents.

Sync:

David Jones

Spokesman, SFO

- The SFO was set up to focus on the major cases of suspected fraud, cases that are very much in the public interest to investigate, where large sums of money are involved. In relation to BAE Systems, there has been a case in relation to the Saudi defence contracts. There is a contract in South Africa, Tanzania, Czech Republic and Roumania.

Live: from the editorial office, The Guardian...

"The SFO, Britain are doing its explanation to OECD this afternoon in Paris, there might be something coming out of that."

Speak :

David Leigh - one of Britain's leading investigative journalists - has been scrutinizing BAE for several years.

Sync:

David Leigh

Journalist, The Guardian

-BAE has a secret subsidiary company called Red Diamond. It's registered in the British Virgin Islands, off-shore, and where it's registered, the ownership is anonymous. So nobody is supposed to know that BAE owns this company.

Graphics: (Earth globe 1)

It's from BAE's office in Farnborough just outside London that all this is managed. Via Red Diamond in the British Virgin Islands, BAE uses a complicated network of companies and accounts in countries like for instance the Bahamas and Switzerland, to guide the covert payments to BAE's agents in the buyer countries.

Sync:

David Leigh

Journalist, The Guardian

-There is only one reason why such an elaborate secret arrangement takes place. And it's because something needs to be concealed. And the thing that needs to be concealed is normally bribes.

Saab shareholders' meeting Carina Lundberg Folksam

Picture s : Saab's policy against bribes

Speak :

In Saab's own policy against bribes, the company writes:

Graphics:

From Saab's policy

"Payments to advisers can unfortunately be used, for instance, as a covert channel for bribes..."

Picture s: Saab's shareholders' meeting

Speak :

But that is nothing that's mentioned here at Saab's meeting.

On the contrary, when Saab's top management now for the first time comes forward and gives a statement on the

Jas deal, the message is a powerful one:

Saab's business deals are clean, Saab's rules for agents are crystal clear, Saab has full control over what the agents are doing...

We can only film before and after the meeting itself, but the managing directors' speech is laid out on Saab's home

page on the net.

Sync: (the managing director's speech at Saab's meeting, from Saab's home page)

Åke Svensson

Managing director, Saab

-It's our definite view that our business is conducted by legal methods.

Bribes have never been allowed at Saab.

-We cooperate fully with the Chief prosecutor.

-And again: we act according to the rules, and that we actually do so is followed up by our internal and external revision.

Speak :

But when we - after the meeting - have a chance to put questions to managing director Åke Svensson, it proves that Saab's grand words and assurances do NOT apply to Saab's partner in the Saab Gripen project, British BAE...

Sync

Åke Svensson

Managing director, Saab

-We do not follow up BAE Systems, that is an industry that is followed up by its own auditors and its internal programs, and eh, I can't believe anything else than that they are as rigorous in their following-up as we are.

-F: When it comes to your assurances before the meeting, does that concern both Saab and your partners?

-What I can vouch for is what Saab does.

Speak :

So:

Neither Saab's policy against bribes, nor Saab's control system and revisions concern the agents who have been contracted through BAE.

This in spite of that Saab, according to the secret documents we have taken part of, has had insight in and has approved contracts with agents, and has shared the costs.

Sync

Åke Svensson

Managing director, Saab

-Question: Finally, Åke Svensson: Can you guarantee that the Gripen campaign with BAE, Saab, and the agents that have been employed, are totally free from bribes?

-I can't guarantee anything, and you know that too, nobody can guarantee that all who are involved in any activity have not done anything wrong at all.

Sync

Carina Lundberg Markow

Manager, Folksam

-Well, that's not good, I think that a managing director should be able to give guarantees, after all we are talking about a systematic criminal activity. If the managing director doesn't know, who is to control it then?

Picture s: Frozen black-and-white picture of Carina in the crowd

Speak :

But Carina Lundberg's critical attitude isn't popular here. We can't film the meeting itself - but we are there when she puts her questions about the Jas deal to Saab's management. And we are surprised, to say the least, over the reactions in the hall: Carina Lundberg, representative of Folksam, one of Saab's big owners, is booed at and heckled

...

Sync

Carina Lundberg Markow
Manager, Folksam

-You don't make yourself popular when you put awkward questions, but this is no popularity contest, so I'll have to try and live with that.

Picture s: Carin L walks in Old Town, Stockholm

VO:

Carina Lundberg Markow
Manager, Folksam

-The question of graft is high on the agenda, it isn't just that it's in some business branches or some countries that the work against graft must be effective and hard-hitting, that must apply in all trades and all countries, and for Swedish companies too.

Live: Carina greets
"Hello, hello, hello"

Live:

-Welcome to the last ethics discussions this spring. Today, we have a very distinguished visitor, Carina Lundberg of Folksam.

"I have often met people who now come up to me and say - 'the armament business, don't you have to pay bribes there? That's just the way it is.' And it seems to be so widespread, people you'd never think would be so permissive.

Live: Carina L in discussion with participants

- (Man) : If Saab doesn't bribe, it costs 15 000 jobs in Linköping!?
- (CL) : Are we prepared to pay that price?
- (Man) : Yes, are we prepared to pay that price?
- (CL): I think there, that the principle is terribly important.
- (CL): If we accept things like this from armament producers, why shouldn't we accept it everywhere else? Why shouldn't you bribe yourself to a better job, a better education, better sick care...

Sync:

Carina Lundberg Markow
Manager, Folksam

-That is an important democracy issue, that you can't buy yourself advantages, neither politically or economically or

in business, on the whole. Because then there is really only one result, that is that the great majority loses, and a small minority wins.

Picture s: Hungarian delegation at demonstration of Gripen in Linköping

Speak :

Both Hungary and the Czech Republic were very important countries to Saab and BAE.

The Czech deal was valued at 20 billion SEK - an equal number of planes, 24?, were on offer to Hungary.

But above all, a deal would mean that the the door to the Nato market opened at last for Jas Gripen.

Saab and BAE conducted intensive campaigns in both countries.

We have already told about the Czech Republic: Secret agents, enormous commissions. The Czech deal is now investigated by police in four countries.

Picture s: Model of Gripen in studio

Speak :

We can tonight reveal the contents of secret documents from within BAE:s sales organization, which show that the Czech republic is not an exemption to the rule. In a document with the headline:

Graphics:

"Strictly confidential"
"Gripen Europe"

Speak :

are Saab's and BAE's agents for Jas Gripen in the different markets in Europe listed:

Graphics:

"Czech Republic"
"Austria"
"Poland"
"Roumania"
"Hungary"

Speak :

For all the countries mentioned are stated percentages for what the agent, or the agents, are to have.

In the column for Hungary, it says:

Graphics:

"3%"
"Ali M"

Picture : Portrait of Alfons Mensdorff, studio

Speak :

Ali M. The Austrian Alfons "Ali" Mensdorff-Pouilly.

Mensdorff, whom we have earlier told about in connection with the Czech deal, was also an agent for the Gripen campaign in Hungary.

He is to have 3% - the equivalent of 600 million SEK - if Hungary buys Jas Gripen.

Graphics: (Earth globe 2)

Speak :

From the document it's apparent that count Mensdorff gets a yearly fixed remuneration from BAE, plus expenses, for his Austrian company, MPA. BUT, that the enormous commission is to take another path, via an offshore company in the British Virgin Islands - Prefinor International.

A revealing lease

Picture s: Sweden and Hungary sign agreement, Swedish Television archives

Speak :

In November 2001, the deal is a fact. Björn von Sydow, then Swedish Defence minister, signs the agreement. Because, the outcome is that Hungary doesn't buy planes directly from Saab/BAE - but instead - from the Swedish state.

Picture s roll out ceremony for Hungary, from Gripen Int.

Speak :

A few years later, in January 2005, the first of the 14 Jas planes for Hungary - is exhibited during an impressive ceremony at Saab in Linköping - with the two countries' Defence ministers present.

As this is a business between two governments, it is supposed to be free from agents -the whole aircraft deal is handled by Swedish Defence Materiel Administration, FMV.

Sync:

Anders Sjöborg

Chief legal counsel, FMV

-Question: in the second business deal, the one with Hungary, have agents been employed there?

-Not what I know of.

-Question: Have you asked Saab about that?

-Not what I know of.

- Question: You haven't asked Saab if they use have employed agents also in the deal with Hungary?

-Not what I know of.

Picture s: studio pictures

Speak :

But, we can reveal that count Mensdorff acted in the wings also in this government-to-government deal, with Hungary

In a secret agreement, of March 2002, three months after Sweden signed the agreement with Hungary, it says:

Graphics:

"Last payment"
"Payment for 8 years of services to the Gripen project"
"3 million US dollars"
"2 million US dollars"
"2 million US dollars"
"1 million US dollars"

Graphics:

80 000 000 Swedish crowns

Speak :

The sum was then equivalent to 80 million Swedish crowns

Graphics: (Earth globe 3)

Speak :

The documents refer to the Hungarian deal. And the money is to be paid via BAE's notorious offshore company, Red Diamond, which is pointed out in a number of other bribery investigations. On to another offshore company - Prefinor International - and Count Mensdorff in Austria.

Picture s: Count Mensdorff in a Parliament corridor

Mensdorff doesn't want to be interviewed. Via a spokesman, he comments the allegations like this:

Graphics:

Spokesman for Alfons Mensdorff-Pouilly

"Alfons Mensdorff-Pouilly or any one of his companies have never received any commission from BAE or Saab."

"...neither Alfons Mensdorff-Pouilly, nor one of his companies were contracted by BAE or Saab as agent to promote the sale of Gripen."

Picture : Studio picture Bernecker

Speak :

But this is what one of the Count's closest associates, former Austrian Air Force commander Josef Bernecker, said earlier this year, when we asked him about Mensdorff's work with the Jas deal in the Czech Republic:

Telephone:

Josef Bernecker
Former Air Force Commander, Austria
- He was doing some political or social lobbying...
- For...?
- Yes, for the deal...
- Was that on behalf of BAE and Saab?

- Yes, I think so yes. Yes, I think so, yes... or at least they knew about it.
- Saab?
- Yes, yes!
- Alright because...
- ...or Gripen International.

Picture s: Austrian parliament

Speak :

Mensdorff has been in the public eye in less flattering circumstances before
- in a publicly noted legal process
1995, about attempted bribery in an armament deal

Picture s: Tape recorders

TG:

"Reconstructed dialogue between MP:s in the Austrian parliament 1995"

Sound recording: (German)

- (Marizzi) : Well, who gets the money? You have to consider that.
- (Kraft) : Our count
- (Marizzi) : Which count? What is the count's name?
- (Kraft) : Mensdorff...

Speak :

This stealth-recorded conversation between two leading politicians in parliament led to that one of them was convicted.

Count Mensdorff was acquitted - the recording was not enough for a "guilty" sentence against him.

Picture s: Parliamentary inquiry, May 2007, Mensdorff

Live: Photo flashes when Mensdorff walks in

Speak : And just a week or so ago, the count was called before a committee hearing in the Austrian parliament about his relations to Saab/BAE and the work with Gripen.

We have also taken part of a host of secret documents that bind Mensdorff to the Gripen campaigns.

Sound: Telephone beep

Speak :

But, as we already said, count Mensdorff won't give an interview.

Telephone:

MPA, Alfons Mensdorff's company

-MPA, Vienna.

-I spoke to the count, he will not give you an interview.

-He will not give me an interview?

-No! Sorry! He doesn't want to speak to you., that's all. (Hangs up)

Sync:

Anders Sjöborg

Chief legal counsel, FMV

- (Question) : Our information - that Ali Mensdorff was hired and was promised millions of Swedish crowns, and was also paid millions. How do you look upon that?
- Well, it's the same thing there, if that has happened with the aim to bring about an inappropriate influence, that is totally unacceptable. And if it has happened parallelly with us being the principal in the deal, and outside our knowledge, it's very inappropriate.
- We will pay attention to this in our internal investigation, and widen the perspective.

BAE and Saab, reactions

Picture s: On our way in to BAE

Speak :

Ever since last autumn, we have, even on location in London, tried to make Saab's partner BAE answer our questions.

BAE has declined, and has made it clear that no BAE employees can be interviewed.

Before this program, BAE has left a statement in writing:

Graphic text:

John Neilson, spokesman BAE Systems

"BAE Systems continues to cooperate fully with the ongoing SFO inquiry"

"BAE Systems continues to reject the allegations being made."

"BAE Systems is committed to complying with all laws..."

Picture s: A medley of hidden camera, Mensdorff , secret agreement

Speak :

There are a number of important questions we have wanted to put to Saab:

About commissions in the billion bracket

About count Mensdorff

About Red Diamond

About why Offshore companies are used to transfer hidden payments to agents in the Gripen campaigns, like the

one in Hungary. But during the whole spring , Saab has said that they cannot

answer. Because of the police

investigations now going in in Sweden and in Britain.

Sync:

Åke Svensson

Managing director, Saab

-I cannot comment on individual contracts, as you know, because it's under investigation by a prosecutor.

-...and you know that BAE Systems are being investigated by Serious Fraud Office, and British legislation is such

that they MUSTN'T make statements, and that means that neither can I make any comment in questions

concerning BAE Systems, and I know that you know that!

Speak :

But is that right, what Saab's managing director says - we call Serious Fraud Office in London.

Telephone

David Jones

Serious Fraud Office

-Well, I am not sure exactly what he means there. We do not place any restrictions on suspects, they are free to make any public comment they think are appropriate for them.

- (Question) : So BAE Systems or Saab are absolutely free to say whatever they want about the investigations or the focus of the investigations, the alleged bribes?

-There is no restriction on them. It's a matter of their choice.

Speak :

And now- after we spoke to the SFO - Saab has changed their explanation. It is not prosecutors or British law that kept Saab from answering our questions.

Telephone:

Peter Larsson

Press secretary, Saab

-All things together, we choose to do so ourselves, and that is not because SFO or a Swedish prosecutor has so to speak imposed that upon us, but it's the judgment we've come to.

Political Commission

Picture s : Annika N goes to the Swedish Environment Party, miljöpartiet

VO:

Annika Nordgren Christensen (miljöpartiet)

Member of the Swedish Defence Committee

-I think there are many at Saab who feel that they are in a deep mess

Live: Annika N meets party spokesman Peter Eriksson

"Hello, hello (hug eachother)"

Speak :

Not just the Czech Republic. Now also Hungary

Live: Hello, hello can we go and have a talk...

Speak :

Annika Nordgren and her party leadership demand an independent commission, with a deeper and broader focus

than the police investigation, so that the whole truth about the campaigns for Swedish Jas Gripen can be brought to light.

Live: Dialogue

Peter Eriksson (miljöpartiet)

Party spokesman

-(PE) The key question is to create a pressure so strong that the government will want to be in on this commission.

-(AN): I think it ought to be in everybody's interest, to bring about this, the set of rules, nationally, and sweep

before your own door. Then in the long run to really get away from the problem, it must be international, have people convicted, so that there will be a shock wave through the whole system!

Sync:

Annika Nordgren Christensen (miljöpartiet)

Member of the Swedish Defence Committee

-You can't wait for the police investigation and sit still in the boat and wait to see where it takes you.

How can this happen in Sweden, what loopholes are there? How can they be stopped up? What has happened that made this possible?

The Novelmight story

Picture s: reconstruction, van arriving at dawn

Speak :

Do you remember the van, which in a secret operation drove safes full of sensitive documents from BAE in England to Switzerland?

Picture s: Exterior stills Novelmight in Geneva

Speak :

The van arrives here, to the address Route des Acacias, in Geneva. On the 6th floor a company by the name of Novelmight has leased an office. Company documents show that behind Novelmight is - BAE. The security Company Securitas in Geneva has been hired to manage video surveillance and automatic alarms.

Picture s: reconstruction, men carrying lockers in corridor

Speak :

One source describes how the office has been modelled to be unmanned, with rigorous security arrangements - and that managers of BAE regularly come here with new sensitive documents.

Sync:

David Leigh

Journalist, The Guardian

-And behind the locked doors of that office, they keep all secret agreements they have made with agents. To pay millions of Pounds into Swiss bank accounts.

-And they did this to conceal the truth about these agent agreements.

Picture s. From the The Guardian's editorial office

Speak :

It was David Leigh and his colleagues in The Guardian who disclosed the existence of Novelmight .

Sync Daivid leigh

Journalist, The Guardian

-There was a point where BAE became quite worried that the documents they had in their Farnborough

headquarters were insecure, that they were unsafe. And of course, the British police can now get access to them.
Extraordinary way from a respectable company to behave.

Speak :

And the British authority against economic crime, SFO, writes in a PM:

Graphics

From SFO document:

"There are suppressed documents , which we assume that BAE keeps stored in Switzerland."

Speak : This, SFO writes, adds to the suspicion that

Graphics:

From SFO document

"...these documents that regulate payments can't stand up to scrutiny."

Speak

Ever since the first transport in the van, sensitive documents, for instance agreements with agents, have been placed in Switzerland.
Also documents concerning Gripen.
We have taken part of an internal BAE log over BAE's negotiations with one of the secret agents involved in the Gripen campaign in the Czech Republic.
The documents are deposited in Switzerland.

Graphics:

"8/11 1999: Document signed and deposited in Geneva"

Speak :

The question is: why decisive documents about the covert sides in the Gripen campaigns are hidden away in Switzerland

At Saab's shareholders' meeting, we asked the managing director.

Sync:

Åke Svensson

Managing director, Saab

-We have contracts for representatives for Gripen, if they are in a lawyer's office in Geneva, that I can't say.

- (Question) : Is it that you don't know or won't say?

- I don't know.

Conclusion

Picture s. Stockholm under an overcast sky

Sync:

Carina Lundberg Markow

Manager, Folksam

- Question: Do we not have to accept that this happens, if Jas Gripen is at all to win any export orders on the

international market?

- No, we can never accept that. You can't accept bribes or graft at any time, if you do that in one place, you have to do it everywhere, and what kind of society do we get then? Where you can buy government contracts, where you can bribe your way to advantages in society, that knocks democracy off its feet altogether, not just in developing countries, but also for us here in Sweden.

Picture s: Carina looks out from panorama window.

THE END

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Copyright Contacts:

Gripen International, Saab
Live pictures of "Roll Out Ceremony" for Hungary and the Czech Republic. Visit by Hungarian delegation to wintery airfield in Linköping.
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