

Transcript

"Gripen - the secret agreements"

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Participants

In order of appearance:

Leni Björklund, then Swedish minister of Defence
Karel Kühnl, then minister of defence Czech Republic
Carl Herbertsson, Swedish Defence attaché, Czech Republic
Petr Mikulénka, Czech Air Force station commander
Robert Johannesson, Swedish support group
Erik Belfrage, advisor for the Wallenberg family, board member Saab
Johan Lehander, Managing director of Gripen International AB
Erik Belfrage, member of the board of Saab Company:
Roine Carlsson, Swedish Minister of Defence at that time
Peter Gardiner, informant
John Neilson, BAE's chief of information
David Leigh, The Guardian
David Jones, spokesman, Serious Fraud Office
Arne Hedén, FMV (Swedish Defence Material Authority)
Åke Svensson, managing director, Saab
David Ondracka, Transparency International, Czech Republic
Richard Hava, chairman Omnipol

Otto Jelinek. Former Czech Canadian minister
Steve Mead, BAE systems Czech Republic
Per Andersson, Saab's campaign leader in Czech Republic
Lars Göran Fasth, ex. marketing manager, Gripen/Saab
Jitka Sietlova, senator
Premysl Sobotka president of the Senate

Part 1 Start

Pic: Gripen in the air

Graphics:

18th of April 2005

The six first JAS 39 Gripen are delivered to the Czech Republic

Pix: Inauguration ceremony, Swedish defence minister Leni Björklund arrives and is received by Czech counterpart, etc.

Live: Leni Björklund, then Swedish minister of Defence

- It is the very first delivery of Gripen outside Sweden // I wish all the best, take good care of the aircraft use it as much as you need // Thank you.

Live: Karel Kühnl, dåvarande försvarsminister Tjeckien (Translation from Czwch)

In Czech memory are firmly lodged concepts like Swedish steel, Swedish hockey, Swedish film.

And today we have a new concept, Swedish aircraft. Gripen, welcome to Czech skies!

Pic: Champagne is poured on a plane's nose

SPEAKER: These pictures are from April 2005.

But for us, this story started earlier, when we made contact with a person who worked in

the campaign to sell Jas 39 Gripen abroad. The man had important things to tell.

But he was worried, and very hesitant to sit down and tell.

We, three reporters, set out to verify this man's information. Joachim Dyfvermark to

Vienna, Fredrik Laurin to London and Sven Bergman to Prague.

This is a story about

A telephone booth in a square next to a parliament building

A board with pictures of politicians in a manager's room

And a long wait at a hotelroom..."

Live: (hidden camera (Test, translation from English)

(going to and fro in a hotel room)

J: I think they are coming

R: I am quite nervous!

J: So am I!

(Telephone rings)

Part 2 Gripen today

Pic: Close-up of insignia on a uniform

Live:

"Så, då är vi på väg in till basen här"

SPEAKER: The Swedish Defence attaché Carl Herbertsson is the highest-ranking Swedish military officer in the Czech Republic.

Today, he is visiting the air base where the 14 Gripen planes the Czech Republic leases from Sweden are based.

The latest information is that the Swedish defence forces only need half of the 204 Jas 39 Gripen the Swedish state has bought. So it's a welcome thing for Sweden that the Czech Republic now leases some of these expensive planes...

VO / Live: Carl Herbertsson greets Petr Mikulénka, Czech Air Force station commander

"Good morning, Peter"

"Good morning, sir, how are you"

"Super"

"Very nice"

"I just came from Stockholm on Friday"

"Now you are back again in correct dress"

"Fortunately, (laughter)"

Synk: Petr Mikulénka:

-We have acquired the Gripen planes to defend the Czech airspace within the Nato air defence framework. And I am proud of what we have achieved.

Live: Carl Herbertsson and Robert Johannesson, Swedish support group:

-Are things going well, Robbie?

-Yes, today things are going fine...

SPEAKER: The Czech-Swedish agreement includes a support group of some ten men from the Swedish Air Force.

Synk: Robert Johannesson:

-We are pilots, technicians and engineers, and our main task is to be advisers. I feel that the Czechs are very positive to Gripen.

SPEAKER: The Czech Republic is the first country outside Sweden that has put the Gripen into service, and is therefore very important to the whole JAS project, and the possibilities to export the plane to other countries.

Synk: Carl Herbertsson, Swedish Defence Attaché to the Czech Republic:

-It goes without saying that it's good for the Gripen project to show the neighbourhood, so to speak, that didn't believe so much in the project, that it works in a Nato context. It's the best advertisement we can have for Gripen.

SPEAKER: Soon, also Hungary will have the 14 planes the country has bought in the air, and in a year South Africa will have the first of its 28 Gripens. And the manufacturer, Saab, now works hard to sell Gripen to many other countries, such as for instance India, Norway, Denmark, Roumania and Bulgaria...

Synk: Johan Lehander, Managing director of Gripen International, a subsidiary to Saab:

- We think that we may sell at least 200 to 250 planes.

Question: -On export?

L: - On export, yes. I am very optimistic about our export chances in the future...

SPEAKER: The future for the Jas project looks bright - it hasn't always ...

Part 3 Gripen history

Picture: The Swedish parliament's voting board

Graphic text:

4th of June 1982

Swedish Parliament gives the Jas project the go-ahead.

The Jas project is not only one of Sweden's biggest industrial enterprises - but also one of the most controversial.

Synk: Erik Belfrage, member of the board of Saab Company:

-You didn't know, at the moment of decision, that, yes, this will work.

-Something like when the Americans launched their program to put a man on the Moon. It's a bit like that for a small country like Sweden to engage in this sort of project.

Graphic text.

11th of February 1986

The first full scale model of Jas is presented

Live: (Roine Carlsson , Swedish Minister of Defence at that time)

-What do you say, will this be a good plane?

-This will be an excellent plane.

-Do you think so too, Consul?

-Absolutely

-It's a bit late to put that question!

SPEAKER: But - the optimism gets a real blow already during the sixth test flight.

Graphics:

2d of February 1989

Test flight in Linköping

Live:

-Oh, damn, damn, damn..

SPEAKER: The JAS project is delayed, has become more expensive, is impeached. On top of all this, Finland turns JAS 39 Gripen down, and instead buys American F18s.

Then... at an air show during the Stockholm Water Festival, before tens of thousands of spectators... it happens again...

Graphics:

8th of August

Air show in Stockholm

Live: archive:

-Damn, damn

Synk archive:

Spectator woman with a baby:

-I can only say thanks that I am alive. I didn't think I have ever been so happy to live as I am right now.

Synk: Erik Belfrage

-It sounds cruel to say it...er... and maybe a little bit awful. But, er, without wanting to pride myself in any way, er, but I knew then right when it happened that this was, unfortunately, a natural link in a development

process. If you look at all the world's aircraft projects that have been developed, they have had considerably more crashes than we have had with the Gripen.

Live, archive, unknown spectator watching the crash and yelling:

-Damn, skip the Jas won't you, skip this damn Jas, This plane is a goner, it's just a goner this damn plane...

SPEAKER: Gripen could hardly have had worse publicity.

And to export the Gripen is seen as necessary - to have other countries contribute to the enormous costs for the development of the plane.

The solution to the export problem comes from a westerly direction.

In 1995, Saab and the British arms industry giant BAE, earlier British Aerospace, embark upon a cooperation to market and sell Swedish Gripen.

Synk: Johan Lehander:

Saab actually didn't have a very great experience of exporting ... er, combat aircraft on the export market. Er.. we needed their know-how, their support...er... they are a broad organization. They are all over the world.

Synk: Erik Belfrage:

-Well, every time you embark upon a campaign you have to learn how the country in question works, eh.

-And it's people of flesh and blood who sit and will take the decisions eventually, and buy your system, eh. And therefore the experience of how country X and country Y, how they work, are so enormously important, eh?

Q: -And there, BAE has...

-Yes, BAE... a long experience. A long, long experience.

SPEAKER: Then who are BAE. Which are to sell Swedish Gripen abroad?

SPEAKER: We go to London... to try and have an answer to the secrets behind BAE:s successes.

Part 4 BAE

Pic: a Rolls Royce

VO: Peter Gardiner

- Well it's been customized, chromium plated wheels, hide covered radio surround, fully taxed, PAL system video DVDs, something in the region of 170 000 pounds.

- We were involved in the purchase of a RR for princess Nuur. Prince Turki's wife.

Question: And who picked up the bill?

Synk: Peter Gardiner

- Well, we invoiced British Aerospace in the usual way.

SPEAKER: Peter Gardiner had an unusual travel agency with an unusual customer: Prince Turki. Son-in-law to Saudi Arabia's crown prince, and responsible for the biggest arms deal in history, the one between BAE and Saudi Arabia.

For twelve years, Peter Gardiner and his 20 employees arranged a luxury living for Prince Turki and his entourage. Travel, exclusive shopping, weddings, whole landings in the best hotels. Everything - all over the world.

Synk: Peter Gardiner

- When they were in LA, we did charter a freighter, /.../ with the cargo ... was a Rolls Royce, and various items of furniture.

Q: who picked up the bill for that?

- Well that would have been invoiced to British aerospace.

Q: What kind of sums were involved here?

Synk Peter Gardiner

- Well up to 7 million pounds a month.. a year, so I think over all, I think it was calculated that total expenditure program involving us existed, there was some 60 million pounds.

SPEAKER: There was a middle-man between Peter Gardiner and BAE. A Wing Commander Tony Winship, BAE-employee, and a personal friend of Prince Turki's .

Synk: Peter Gardiner

- We had a system, where by we would meet with the wing commander, and we would bring with us every single original invoice that had been paid for that month. And he would go through every single item of it, and when he was satisfied he would sign off the invoice, and he would leave all the original documents with us. And he would retain the master invoice addressed to British Aerospace which he would then send off to them.

SPEAKER: Many such OK'eyed invoices became one single one. With the comment "OK to PAY", sanctioned by one person in BAE:s management. These activities of Peter Gardiner's went on for twelve years, until Great Britain in 2002 got a new and tougher legislation against corruption. Then he went to the police with the company's all accounts.

Synk: Peter Gardiner

- There was 400 boxes, bankers boxes, of every transaction, every invoice, every receipt, every single item that the company had done during the 12 yrs.

Q: -Why did you go to the authorities?

- Because I was sure at some stage they would come knocking on my door.

SPEAKER: We try to get an interview with BAE:s chief of information , John Neilson:

TFN: John Neilson, Spokesman, BAE Systems

- I am just in a meeting at the moment, actually

Q: OK

- I'll call as soon as I get out of this meeting ...

Q: Thank you

SPEAKER: The next day, we try again

TFN: John Neilson, spokesman BAE

- John Nielson speaking

- This is Fredrik Laurin from SVT

- Hi there, Can I call you back, cause I am in my car now...

- Ok

- I call you when I get into the office, I all be there in 10 minutes or so...

SPEAKER: Ten minutes become days and weeks, all the time new promises from Neilson, who never calls back

Live: David Leigh on his way to a radio interview

-Hello David

-We'll go for it

SPEAKER: The journalist David Leigh at The Guardian is one of England's most prominent investigative journalists. Here on his way to one of many interviews about BAE. A company he has scrutinized for a long time. And where his articles have shaken not only the company but also the British government.

Live:

- Last month the government shocked people by saying it was going to stop a major corruption inquiry to arms sold to Saudi Arabia. It forced the serious fraud office to halt its tracks in the biggest investigation into huge secret commission payments that BAE have been making to Saudi.

Synk: David Leigh, journalist The Guardian

- For many years now, there have been persistent allegations of bribery against BAE, and these allegations have come all over the world.

SPEAKER: A few examples: A frigate business with Roumania - 90 million SEK from BAE are found in a secret account on Guernsey. The account is in the name of BAE's agent.

Chile's former dictator Augusto Pinochet gets 12 million SEK, via several of BAE's secret bank accounts.

A big arms business with South Africa, where 28 Gripens are involved - agents near to ANC get money from BAE's secret subsidiaries.

Arms deals with Saudi Arabia - there are suspicions that as much as 8 billion SEK may have been paid to Saudian accounts in Switzerland.

These revelations are primarily a result of the British authority against economic crime, The Serious Fraud Office (SFO) having started to investigate BAE's business methods.

SFO's special investigators have seized thousands of documents, conducted house searches at BAE and several of BAE's agents.

SYNK: 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 Romania.

Synk: David Leigh, journalist, The Guardian

- A characteristic way in which BAE operates, is that they will have an agreement with an agent, to use the agent's influence to sell arms for them. But they won't just have one agreement, they'll have two parallel agreements, and one will be overt. And the second will be covert.

SPEAKER: The agent's official agreement with BAE gives normal remunerations, but the other, covert, agreement, can give enormous commissions, sometimes hundreds of million SEK.

Money that doesn't come directly from BAE, but via so-called offshore companies, with very little insight from the outside.

Synk: David Leigh, journalist The Guardian

- BAE has a secret subsidiary company called red diamond. Its registered in the British Virgin islands, off-shore, and where its registered, the ownership is anonymous. So nobody is supposed to know that BAE owns this company.

Graphics:

It's from the office in Farnborough just outside London, that everything 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.

Synk: David Leigh, journalist The Guardian

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

Part 5 Czech history

Live: Airshow in Brno(said by John Neilson!)

- I would like to introduce you to Steve Mead, our campaign director here in the Czech Republic

Graphics:

June 1997

JAS 39 Gripen is presented at the Air Exhibition in Brno, Czech Republic

SPEAKER: Saab and BAE, now partners in selling Gripen, in -97 start working to convince the Czech government to choose the Swedish plane. The campaign is led by an Englishman, Steve Mead..

Synk: Erik Belfrage:

-Steve Mead was his name, a person who had, if I remember right, a long experience of the Czech Republic, spoke the language, ...er..., seemed to be a competent and knowledgeable person.

SPEAKER: The prevalent view at this time is that the Americans, with their F18s or F16s, will win the deal. But when the Social Democrats win the Czech elections in the summer of 1998 the wind turns for the Gripen campaign. And the owners of Saab, with the head of the so-called Wallenberg sphere, Peter Wallenberg in the lead, are courting president Vaclav Havel and the most important members of the Czech government, with a big industrial delegation in the spring of -99.

Synk: Erik Belfrage:

-It's so enormously important that your counterpart knows who you are, eh, and has confidence in ... that it's not just that you will deliver a plane to him, but that you will stand by him, for 30 years. That's why all these trips (to Prague) were enormously important.

SPEAKER: The Swedish prime minister also tries to convince his Czech colleague Milos Zeman to choose Gripen, during an official visit to Prague. But the competition is tough, this is about the biggest business deal in Czech history. Rumours about bribery start appearing. USA accuses the purchasing procedure of being "non-transparent" and rigged to Gripen's advantage. All Gripen's competitors quit the race in protest.

Synk Erik Belfrage:

-Yes, it... people ususally act that way.

Question: -Was there any substance in that?

-No., no.

SPEAKER: And so in December 2001 The Czech government decides to buy 24 Gripens from Saab/BAE.

But, the government decision encounters opposition in parliament..

ARCHIVE Speaker in the Czech House of Commons

-I herewith acknowledge that this proposed bill of legislation has not been approved...

SPEAKER: Both the Czech Senate and then the House of Commons vote down the purchase of Gripen.

The same summer, Central Europe is hit by costly inundations, and the Czech government pulls out of the deal...

Graphics:

14th of June 2004

Swedish defence minister Leni Björklund in Prague

SPEAKER: A couple of years later, JAS Gripen gets another chance with the Czech Republic. But this time, the Czechs don't want to buy planes, but lease them. From another country.

Synk Carl Herbertsson, Swedish Defence Attaché to the Czech Republic:

-It was in the summer of 2003 that Sweden, together with most other countries, was invited to submit a bid for an interim solution, a five or ten year one, to meet the Czech air defence needs.

Synk Arne Hedén, FMV (Swedish Defence Material Authority)

-We had a gov to gov negotiation. FMV acted on a mandate from the Swedish state.

-It makes you happy when you have carried such negotiations through in a professional way. So of course, we were very happy at that time.

SPEAKER: 14 Gripens for ten years.

Very good for Sweden, which has too many planes

And very good for Saab/BAE, which establishes the Gripen outside Sweden.

LIVE ARCHIVE: Arne Hedén

- I say, actually, we today have a historical milestone, not only in the Gripen for the Czech Republic, but for the Gripen programme as a whole...

Part 6 Delivery to the Czech Republic

SPEAKER: So, at last, nearly ten years after the first campaign was launched in the Czech Republic, the first Gripens are delivered outside Sweden...

Synk Johan Lehander:

What does this mean for the Gripen project today?

-Very, very important, this is our first actual delivery on the export market. We do have a contract with South Africa, and with Hungary too, but those deliveries will follow later. But to establish Gripen in the world and get it inside the Nato is very important for us.

SPEAKER: And all accusations of irregularities are dismissed as evil rumours...

Synk: Åke Svensson, managing director, Saab

-We don't pay bribes, we don't engage in that. I think that that is very important, that we don't start stumbling into that kind of business. We don't want to do that, and we won't do it.

Synk Johan Lehander:

-Totally, and globally, I'm sure there can be funny business too. But we are absolutely not mixed up in any such dealings.

Synk Erik Belfrage:

Q:-Have bribes been used in the selling of Gripen?

-No, no.

Synk Harald Fält, then Swedish ambassador to the Czech republic:

-There's no one here who has been able to show or even make likely that there have been any bribery in connection with this deal.

Part 7 The source

SPEAKER: "No record or proof whatever of bribery."

But is that right?

We have charted both deals with the Czech republic:

First, the Gripen campaign with Saab/BAE as a seller.

Second, the lease deal with the Swedish state as contractor and supplier.

SYNK: The source:

- Everyone wanted to achieve so much, the project was so important, we just got carried away... But after I stopped going to corrupt Prague I realized it was all wrong,, very wrong.

SPEAKER: The man who has worked with the Gripen campaign is hesitant, but at last chooses to sit down and tell us what he has experienced.

Due to his position, he wants to be an anonymous source, not come forward with name, picture or voice.

We meet with him several times, and make long interviews which we record on tape. All you hear is word by word what he said, but read by another person. The source tells us about Steve Mead, head of the Gripen campaign in the Czech Republic.

Pic: Studio photos of Steve Mead and of "the board"

Source:

The Gripen campaign had a huge exclusive office on the heights of Prague, with a view over the whole town. Steve Mead's room was in the inner part of the office. Simply furnished. There was a desk, a couple of chairs and on the wall a board. Steve Mead surveyed Czech politicians. On the board there was something like 50 to 100 pictures. Photos of members of the government, key people in the parliament, senators, members of the opposition, and other important people, for example from the Ministry of Defence. There were names and positions and handwritten details of each person, and most of them were marked; green, amber or red - for, in between, or against the Gripen.

Pix: Outside the BAE office in Prague

SPEAKER: We go to Prague. A stone's throw from the presidential palace is the stately building from which the campaign for Gripen was conducted...

We learn that the exclusive office is now for hire.

SPEAKER: We say that we are interested in hiring, and ask permission to film during the demonstration.

LIVE: The proprietor climbs the stairs, opens the door:

"This part of house was built in the Renaissance.."

LIVE: "Beautiful"

The proprietor remembers the last tenant well..

LIVE: Jiri Gut, proprietor

"...the last company, has here, director was here in this room

F: What company was that?

BAE

F: British Aerospace

Hmmm

F: And the director had this beautiful room?

Hmm Steve Mead was here,

LIVE: (opens window)

So, from here, you can see the old town, the Charles bridge

Q: Here nearby is the castle ? With the President?

-With the president./

-And the Ministry of Czech Foreign Affairs and the Parliament

SYNK: Jiri Gut

- It is good for representation I must say...

SPEAKER: And then, the proprietor tells something we've heard before, from our source, about the campaign chief, Steve Mead...

LIVE:

- - In this room, He has boards, with... eeh, pictures, with of all members of Government and eeh, tjeckiska - Government and ehh tjeckiska house of Deputies. Because it was the biggest business in new Czech history.

SPEAKER: In Steve Mead's room was a board which shows what politicians and high-ranking officials who are for and who are against (Gripen) - and which are undecided.

The first instance that must be convinced is the Czech Social Democrat government, which was in 1998 was elected to govern the country.

Sync: The Source

- - The most important object was Ivo Svoboda, who at that time, was the finance minister. Mead also spoke of the importance of taking care of the opposition in the same way. They worked on key people, who were to enrol the other party members later.

SPEAKER: The Czech Minister of Finance, Ivo Svoboda, is forced to resign in -99 after a fraud scandal, which has nothing to do with the purchase of military aircraft. Svoboda is sentenced to five years prison.

Synk: The Source:

- When Svoboda went to prison, Mead was forced to rearrange the deal and the contacts were then handled by another member of the government.

SPEAKER: According to our source, Steve Mead was on several occasions quite clear on the issue that it was about bribes...

SYNK The source:

-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.

- The Austrian contact could distribute the money to those in the government who were not already "onboard", and also to those who were already on our side. It was enough to focus on a few key people in the government to get the governments approval to pass the decision.

Part 8 Agents

Pic: Inzoom Saab Linköping

SPEAKER:

Home in Sweden we go to Saab in Linköping to ask in what agents or "advisers", as Saab prefers to call them, have been used during the Gripen campaign in the Czech republic.

Synk Johan Lehander, Managing director Gripen International

- In all countries we work in, you must have a local representation. One who knows the country, knows the culture... er... knows how to contact the Air force, politicians, etc. In the right way

Synk:

Q: Is this open or secret, who they are?

-No, it isn't secret, but we want to protect that for reasons of competition. Er..., so we don't go and tell with whom we work, no we don't.

Q: You cant't tell i t to me?

- No, I don't

SPEAKER: So, these agents are secret.

The weapons business turns over enormous sums, but the insight in it is minimal.

At last we succeed - after many failures - to take part of secret documents who give us a unique insight into the hidden side of the Gripen campaign.

Pic: Studio photo of count Mensdorff

One of the documents - which is to be found within the Czech judicial system - shows that the Austrian Alfons Mensdorff-Pouilly worked as a a secret agent for the Gripen campaign.

Picture: Document

A contract from BAE, dated 5th of November -99.

Graphics:

"In strict confidence"

SPEAKER: The title goes:

"Proposal appointment of advisor"

SPEAKER: And what country the agreement concerns:

" Territory: Czech republic"

" Products to be included in the agreement: Gripen"

SPEAKER: And who will be the agent:

"Name of advisor: Alfons Mensdorff Pouilly"

"Address of advisor: MPA Vienna"

SPEAKER: Who is the man in this agreement? We don't know it if it is the Austrian which the head of the Gripen campaign, Steve Mead , has talked about, according to our source.

We go to Austria. On an exclusive address in central Vienna, we find the company, MPA, which is denoted in the secret agreement.

Live: Vienna :
Rings the doorbell:

- Hello? Hello, Swedish Television, we like to speak to Alfons Mensdorff-Pouilly

- Sorry! He is not in. He is in Scotland.

- Oh, is he?

- Hmm. Can I help you?

- Yes we would like to

SPEAKER: to him?

- Sorry, tomorrow you can come once again.

EV:

SPEAKER: .

We will learn that Alfons Mensdorff-Pouilly is not keen on answering questions.

Mensdorff, who is often called by his nickname "Ali" belongs to an Austrian elite. He calls himself a count, owns a castle near the Hungarian border, and his wife until recently held a seat in the Austrian government...
But Mensdorff has also been first page stuff in less flattering circumstances..

Graphics:

Austrian parliament , 1995

Dialogue:

Marizzi:

/.../

A few hundred million for the transport machine and a few billions for the helicopters.

What is the payoff - roughly?

Kraft: A few percent. 2%

SPEAKER: This dialogue - stemming from a secret tape recording in Parliament - became a scandal in

Austria in 1995. The conservative MP Herman Kraft tries to persuade a fellow MP, Social Democrat

Peter Marizzi, to choose BAE for a big order of helicopters and a government plane. By saying

yes to BAE, the respective parties would share 70 million schilling, equivalent to 46 million SEK:

Dialogue:

Marizzi: So you say 2%. Of 3 billion.

Kraft: 3.8 billion.

Marizzi: Two percent is 70 million. // How is this 70 million split up?

Kraft: We will divide that up between ourselves.

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 ...

//

Marizzi: Mensdorff, so he's the representative for the English.
Kraft: Yes, a consultant...
Marizzi: /.../ I still don't understand how the 70 million are supposed to get to Austria.
Kraft: The English will arrange that.

SPEAKER: The bribery attempt leads to a legal procedure that attracted much public attention. The one politician, Herman Kraft, is sentenced. But count Mensdorff is acquitted, the proof is not considered sufficient. Both BAE and Mensdorff deny all involvement in the bribery scandal.

Synk Johan Lehander, Managing Director Gripen International

Q: How much may an adviser cost? Do they get a fixed fee or commissions?

- Usually, it's fixed fees, in... in exceptional cases there can be some commission... yes.

Q: How big can these commissions be?

- Well, they are... not gigantic, but to get... to get the right adviser, of course some of them cost money.

But it's not gigantic sums, it isn't.

Q: Can an adviser get 1.5 or 10 million in provision?

- No, 10 million, then we are

SPEAKER: ...ing of very high figures, which, er... we... more down at the first figures you mentioned there.

Q: One or a few million?

- Yes.

SPEAKER: One or a few million, Saab says.

But according to the secret agreement, the commission that was promised to count Mensdorff for the Gripen campaign was far bigger than that.

GRAPHICS: Text, read by

"Strict confidence, commercial and secret".

SPEAKER:

In the secret agreement, the value of the Gripen deal is estimated:

"Estimated value of the contract: up to 1 bn pounds"

SPEAKER:

And the commission is stated:

"4 %"

Picture: Mensdorff

Graphics:

Mensdorff 540 000 000 kr

SPEAKER: We calculate: 4 % of the deal would give up to enormous 540 million SEK to count Mensdorff, if the Czech Republic bought the planes.

VO/ **Synk** David Leigh

- This is an absolutely extraordinary document. The idea that he should be used in this deal is very suspicious and very surprising, and it leads one to ask what it was that they wanted Alfons Mensdorff-Puilly to do for them in the Czech rep, to sell these gripens. What was it? And it's something that is worth millions of pds, 4% of this deal is millions and millions of pounds.

Telephone, MPA (Translation from German)

- MPA Wien
- I spoke to the count, he will not give you an interview
- Can he give me a written comment?
- No, he will not give anything.
- Nothing?
- No nothing.

SPEAKER:

We can't ask Mensdorff about his role as an agent in the Gripen campaign. But, at the bottom of his contract, it says...

GRAPHIC TEXT:

"Details of other representations in the same territory: Hava"

SPEAKER:

So, according to this document, there are more secret agents!
Bild: Foto Hava vänds upp (musik, bluesen, tonas in)

Live: Blues music on the Karl's bridge in Prague (first time a blues band, whose music will be a recurring featurer several times)

Graphics: Prague

SPEAKER:

Tucked in between the old stone facades in a back street in central Prague lies a modern complex in steel and glass. Many say that it's from here - the private enterprise Ompol - that big parts of the Czech defence material industry is managed ...

VO / Synk David Ondracka, Transparency International

- Mr Hava, the chairman of Ompol, very well known for his contacts in the Czech political elite, which allowed him very close access to public defence contracts.

Speak: In the middle of the 90's, BAE and Ompol announced an open cooperation - Ompol became one of the Gripen campaign's tools to reach the decisionmakers in Prague

Synk: David Ondracka

-Ompol were seen by the foreign investors, the foreign companies, like in the Gripen case, as someone who is able to fix things and to arrange things basically.

SPEAKER: But apart from the Gripen campaign's open agreement with Ompol, we can reveal another agreement. In a document marked:

GRAPHICAL TEXT:

"Commercial and secret"

SPEAK: You can read:

"Region: Czech republic"

"Concerns: Gripen programme"

SPEAK: The agent is:
"Richard Hava"
"c/o Legal Advisor Remo Teroni"
"Geneva"

SPEAK: But the address doesn't lead you to Omnipol, but to Switzerland.

Telephone Richard Hava
1.45 "Its very nice to hear it, but its definitely not correct, it's not right and I am only smiling of all this speculation

SPEAKER: The agreement continues:
"Estimated value of likely contracts: 1.5 billion Pounds."

And the commission:
"2 %"

Bild: Hava foto i studio

SPEAKER: We figure : 2% would give Hava 400 million SEK if the Czech Republic bought JAS 39 Gripen.

Graphics: Hava bild
400 000 000 kronor

Tfn: Richard Hava, chairman Omnipol
- I have to say that I'm not a secret agent, not now, not before and I'm definitely not interested in being interviewed.
- Are you sure about that?
- I'm very sure about that.

SPEAKER: Also in Hava's contract, there is a note at the bottom:
" Details when known of representation in the same territory: Jelinek"
Pix: Studio photos of Jelinek, or film sequences from CZTV

SPEAKER:
Otto Jelinek. Former Canadian minister. After his return to the home country a central profile in Czech commercial and industrial life.
A very known, successful and respected businessman.
And an agent in the Gripen campaign.

Telephone: Otto Jelinek, businessman
- My official comment is that British Aerospace was one of numerous clients that I had. I won't make any comments on any of these issues..

SPEAKER: (Pictures of Raiffeisen Bank in Prague and people in street)
Several documents show how the Gripen campaign and Jelinek have used a number of so-called offshore companies to transfer money from BAE to Jelinek's accounts or enterprises.

Graphics: Globe
It is, among other things, about transactions that have gone via BAE accounts to the companies Jelinek International and Dubovy Mlyn. Companies controlled by Jelinek.
But also about transfers via the notorious company Red Diamond, which BAE has used for covert payments, among others to Chile's ex-dictator Augusto Pinochet, and to secret agents in South Africa.

Via Red Diamond's account in Harris bank in New York, money has been siphoned to Nassau in the Bahamas and the enterprise Fidra, well-known among investigators of economic crime in the United States and Canada - and further on to another offshore company, also with its base in the Bahamas, a company that Jelinek is said to represent.

Synk David Leigh:

- Any payment that they make through red diamond is automatically suspect. It's a concealed payment.
- These documents involving off-shore companies in the Bahamas tell u that Otto Jelinek is very anxious that none of this money should be traced back to him. Of course, one then must ask the question why.

Telephone: Otto Jelinek

- I am not going to comment on any of the matters related to any clients that I had...
- How much were you paid?
- That's none of your business, or anybody else's for that matter.

Studio picture:

Otto Jelinek, Richard Hava, Alfons Mensdorff-Pouilly .
Three agents, three secret contracts, promised commissions at a worth of a total of a billion SEK. In the campaign to sell Jas 39 Gripen

SPEAKER:

How does Saab in Linköping explain this?

Synk: Johan Lehander, managing director Gripen International Saab

-I don't recognise these agreements . If these agreements exist, it was nothing that led up to a deal.

Question: -But these are still offers of commissions in the magnitude of half a billion SEK?

-Well, the agreements we close when we export Gripen are about very large sums when it comes to a sale. And accordingly, the provisions ...I suppose it was estimated at that time, supposing these exist, that it was worth it to have these advisers for these sums, I don't know.

KLIPP Wipe

...In the Czech case, it was BAE who led that campaign.

-Question : So this type of agreement we are talking about, is it BAE that is behind it?

- I suppose it must have been like that, yes...

Pic: Fredrik Laurin enters BAE:s head office

SPEAKER: We make a new trip to London to make a last attempt to have an interview with BAE:s spokesman John Neilson.

We want to ask about the secret agents, the enormous commissions, about the investigation by British SFO, and about what our source within the Gripen campaign has told us about (BAE:s) Steve Mead and bribes in the Czech Republic...

Live:

- Good morning, my name is Fredrik Laurin, I am from Swedish Television, we are here to see Corporate Communications.

Live:

-Fredrik: -Calls are not being returned, promises are not being held, we need to talk to John. We have important questions!

Live:

F: -Why don't you ask him
- I have, I have spoken to him...

SPEAKER: We must content ourselves with BAE:s written statement:

Grafik Alpha

John Neilson, spokesman for BAE Systems:

"BAE Systems continues to reject the allegations being made against it"
"However, while the SFO Inquiry continues, the law prevents us from defending ourselves"
"No BAE Systems employee is available for interview on this subject"

TFN: Steve Mead, ex head of the Gripen campaign Czech Republic.

- Hello!
- Steve Mead?
- Who is calling?
- This is Fredrik Laurin, calling from Sweden, Swedish Te...
(hangs up)

Part 9 Saab

Synk The source:

-The Swedes, Per Andersson among others, were also talking about bribes, but they were less specific.

Pic: From Swedish delegation's trip to Prague

SPEAKER: Per Andersson, head of Saabs campaign for Gripen in the Czech Republic, here standing next to Peter Wallenberg during the Swedish delegation's trip to Prague in the spring of -99.

According to our source in the Gripen campaign, there were several within Saab who heard Steve Mead openly describe how politicians were bribed...

Synk: The source

-Steve Mead spoke openly about it with quite a few people. Both Swedish and British people heard it, because Steve was pretty dictatorial, and he wanted to enrol all of us.

Pic: Mead's board in studio

-Per Andersson, Saab's campaign leader, was a part of the inner circle that discussed the whole arrangement - which political contacts were on "our" side, which were on the "other" side and which members were in the "middle" - marked with amber on Steve's board - they needed to be approached and persuaded.

Pic: Per Andersson, studio

Telephone: Per Andersson

Formerly Saab-Gripen campaign chief in the Czech Republic

- No, this is nothing I have any knowledge of whatsoever.

Question: -Can I have an interview with you where we can ask you about this?

-No, no , you can't . I have left Saab, and I don't work with this at all anymore. I have no comments to make or anything to say about this, other than that it's nonsense, preposterous.

Synk: The source:

-Decisions like this are not made at Per Anderssons level. They are made higher up and then one has to assume that the details were discussed one level up from Per Andersson, but the information was less detailed when reaching further up in the organisation. But it is my firm conviction that the highest levels of management were fully aware of the situation.

SPEAKER: Do you remember count Mensdorff: And the secret agreement where a calcule showed that he could receive more then half a billion SEK. One of the agreements the management of Gripen, Saab, claim they have never heard about...

Pic: Zoom on the signature

SPEAKER:

At the bottom of the contract, you can read:

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

SPEAKER: Signed, Lars Göran Fasth, vice president export, 5th of November 1999

Pic: Studio photo of Fasth

Telephone: Lars Göran Fasth, ex. marketing manager, Gripen Saab

-I have no idea what you are talking about.

Question: -I sit here with your signature in front of me. Was it you who took decisions like this yourself?

(Long pause)

-No, I must say that I ... don't have... the picture you describe clear to me.

Q: I would very much like you to agree to an interview. It's very important that you have an opportunity to comment on this, that we have a possibility to put questions around this information.

-I can understand your journalistic ambition in this , but I don't want to do it.

Synk Johan Lehander, managing director Gripen International Saab:

-Well, if it's correct what you are saying, he must have had an insight into this, then

(Silence)

Q: -But this is about commissions of half a billion SEK?

-Well, probably, if your information is correct, then... Then it has been considered that it was reasonable for this deal.

Part 10 Senators Corruption in Czech Republic

Pix: Rainy street scenes , tramcars, official buildings

VO / Synk : David Ondracka

- Basically, every single large contract which was signed in this country is suspected of being corrupt. The corruption in the Defence procurement is enormous, and we have no clear signs it would change.

Pix: The Senate, exterior and interior

SPEAKER: And highly placed politicians now choose to give us interviews, and tell how they, in the days before the decisive vote on Gripen in the Senate, at the end of May 2002, were offered bribes to say yes to the Gripen deal.

VO: Jitka Sietlova, senator (Translation from Czech):

-I was contacted by an acquaintance who told me that it would be possible to have certain advantages if I voted for the purchase of Gripen.

Synk: Jitka Sietlova, senator (Translation from Czech):

-I reacted adversely, you can't do like that, I was even taken aback on the personal level, that someone thought one could do that sort of thing.

Pix: Interior of Senate

Synk: Premysl Sobotka (Translation from Czech), president (

SPEAKER: er?) of the Senate

-It was a short meeting, where I was addressed by unknown people in the street, who said that if I voted for, they were willing to make certain investments in my region.

-I refused to

SPEAKER: with them, I don't like such things.

Pic: The board, studio

SPEAKER: Seitlova and Sobotka were leading senators in two opposition parties who threatened to topple the government's decision to buy 24 JAS 39 Gripen when it came to the vote in the Senate.

A third important senator, Michael Zantovsky, also had an offer, per telephone. An offer of about 10 million SEK to the party cash-box if he and the other seven senators in the party, ODA, he was group leader for, not voted against Gripen...

Pix: Square and telephone booth

Instead Zantovsky went, upset, to the police. The police traced the call Zantovsky had received to the telephone booth just outside Government house, a stone's throw from the Senate. The police investigation concluded that a crime had been committed, but the case was closed after six months. The telephone caller couldn't be identified.

VO / Synk : David Ondracka:

-Investigation of politicians does not work in this country. The police is not efficient enough, and under very tough pressure from the political spheres not to investigate political corruption. 02.36

SPEAKER:

This is confirmed by a source within the Czech police we meet.

The policeman even warns us not to

SPEAKER: openly wot the police's anti-corruption unit. It is, he says, corrupt...

VO / Synk David Ondracka

-People is not afraid that they will be punished for these activities, and decisionmakers, politicians, they make fun basically of enforcement agencies, and if you feel untouchable, you can do whatever you want...

Part 11 Leasedeal

Pic: Plane on Pardubice

Live: Carl Herbertsson och Petr Mikulenka shake hands:

PM "Once again..."

CH "says something like Merry Christmas in Czech"

PM "Very nice, how to say it in Swedish?"

CH "God Jul och Gott Nytt År"

SPEAKER: Then what about the leasing deal, an agreement between two states , the one that actually came about?

Wherein the Czech Republic for 6.5 billion SEK leases Gripen planes from Sweden for a period of ten years.

Synk Arne Hedén, FMV:

Question:-This is a business between two states, Sweden and the Czech Republic. Have agents been contracted for big commissions to win this leasing deal?

-That is a very simple question to answer, no acc... no agents at all have been contracted, so that doesn't happen, and it's very important and very good that you bring this question up, because when the state does business, that kind of thing doesn't occur, when others do business, that I can't comment on, because that I don't know, but it simply doesn't occur.

Synk: Carl Herbertsson, Defence attaché to Czech Republic:

-From the state's point of view, when we were invited to submit an offer, then we don't have to conduct any campaign.

Question: You have no knowledge of that kind of agents?

-No.

Q: With commissions?

-Not at all.

Q: -Would it be strange if that were so?

-I think that would be strange, yes.

Pix: The airbase

SPEAKER: We have taken part of the contents of contracts, invoices and payments that show another picture.

In a secret agreement from 2003, you can read.

GRAPHIC TEXT:

"Gripen aircraft interim five year deal/lease"

"Government or contracted authority: Czech Republic"

SPEAKER: The sender is BAE and the recipient is:

GRAPHIC TEXT

" Advisor:

Valurex International SA

succursale de Genève"

Graphcis: Globe

SPEAKER: But Valurex International in Geneva is just a subsidiary. The traces lead to the mother company in Panama. A so-called offshore company, with limited insight, which makes it difficult to survey their flow of money.

SPEAKER:

In the document the sums are revealed:

GRAPHIC TEXT:

5.33 million Euro
1 million US \$
2 million £
81 000, 000 SEK

SPEAKER:

In total, 81 million Swedish crowns

SPEAKER:

So, what happend with the promised 81 millions?

From the comments expires:

Graphics

"The fee scheduled in part B will be paid in instalments as detailed."

"1,125 M Euros 31/8	2004	PAID"
"1,125 M Euros 31/12	2004	PAID"
"1,125 M Euros 31/7	2005	PAID"
"1 M US \$	31/8	2005"
"1,2 M £	31/8	2005"
"800 000 £ on delivery of the final 8 aircraft".		
"1,125 M Euros 31/12	2006"	

SPEAKER: And so it goes on , several payments, more than 10 million SEK each time, have actually taken place, according to these documents.

SPEAKER:

Then who is the agent...

Graphics:

"Count Alfons Mensdorff-Pouilly is the primary contact for provision of the services under the terms of this agreement."

Bild: Foto Studio Mensdorff

SPEAKER: Count Mensdorff, the same person who was BAE&Saab's secret agent in the first Gripen campaign, has thus been employed in the deal where the state of Sweden won the leasing contract with the Czech Republic.

Synk Johan Lehander, Managing director, Gripen International:

-I have a very good check on what advisers we have agreements with, and we don't have it with any such adviser.

Question: So, Alfons Mensdorff-Pouilly has not acted as an adviser in the Gripen campaign?

-I now answer for what I know, and Gripen International has no such agreement as you refer to, no.

Question: Valurex International?

- Never heard of.

Synk: Arne Hedén, director Air & Space dep, FMV (Swedish Defence Material authority)

-My comment is that this is totally unacceptable, that there are this kind of deals, and we definitely dissociate ourselves from it, if it would prove to be true.

Q: - Can agents be engaged at all in a state-to-state transaction like this one?

-That mustn't happen, and, as I said, we really dissociate ourselves from this, and we really look very seriously upon it.

-I will contact Saab and hear what is their view on this, and if Saab has been involved in it or not.

Part 12 End

Pic: Delivery in April 2005

Synk: David Leigh, Journalist, The Guardian (Head of the department for investigative journalism)

-It seems that although the arms company, Saab and BAE, have protested over the years, that they have done nothing wrong, and they have made no secret payments, what you have discovered is the exact opposite.

-I should think that the disclosure of these documents ought to have seismic effects in Sweden, because I should think that the Swedish people would be astonished to discover how dirty, how secret, these deals have been to sell their Gripen planes.

THE END

Credits

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Picture rights

Start

10.00.00.00 - 10.00.24.11 TV4
10.00.24.12 - 10.00.26.11 SVT Leni Björklund kliver ut ur plan
10.00.26.11 - 10.00.32.19 TV4
10.00.32.19 - 10.00.35.02 SVT flaggor
10.00.35.02 - 10.00.37.09 TV4
10.00.37.10 - 10.00.38.15 SVT 2 Gripenplan i luften
10.00.38.16 - 10.00.55.23 TV4
10.00.55.24 - 10.00.58.22 SVT Leni Björklund fotar med mobiltn
10.00.58.23 - 10.01.42.08 TV4
10.01.42.09 - 10.01.52.02 SVT håller champagne på planets nos

Gripen history Czech Republic

10.16.47.13 - 10.17.04.02 Czech TV flygmässa Brno 1997 med JAS 39 Gripen
10.17.04.03 - 10.17.10.15 stills Arne Valen
10.17.15.23 - 10.17.22.11 stills Arne Valen
10.17.22.12 - 10.17.39.04 Czech TV regeringen 1998 med president Vaclav Havel
10.17.39.05 - 10.17.54.13 stills Arne Valen
10.18.04.05 - 10.18.10.12 stills Arne Valen
10.18.10.13 - 10.18.39.05 Czech TV Persson statsbesök Zeman, F18-plan, Gripenplan
10.18.47.16 - 10.19.12.08 Parlamentet Tjeckien säger nej
10.19.22.04 - 10.19.38.21 Czech TV Leni Björklund i Prag juni 2004
10.19.53.19 - 10.20.01.23 Czech TV Leni Björklund i Prag juni 2004
10.20.09.02 - 10.20.38.19 Czech TV Leni Björklund i Prag juni 2004, överlämning Gripen

Delivery April 2005

10.20.38.20 - 10.20.41.16 SVT flaggor
10.20.41.17 - 10.20.43.22 TV4 Leni ur planet
10.20.43.23 - 10.20.45.22 SVT Leni ur planet fotat från höger
10.20.45.23 - 10.21.13.22 Leni blommor, mskor på flygbas etc, TV4 synk Johan Lehander
10.21.34.11 - 10.21.42.13 TV4 Gripenplan + synk Harald Fält
10.21.42.14 - 10.21.47.06 SVT Leni Björklund fotar

The Source

10.26.16.22 - 10.26.29.01 Czech TV finansministern Ivo Svoboda döms

The end

10.52.56.22 - 10.53.02.06 Czech TV Gripenplan på asfalt, inne i hangar
10.53.02.07 - 10.53.03.23 SVT håller champagne
10.53.03.24 - 10.53.05.20 TV4 tjeckiske försvarsministern skålar och dricker

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