

Gripen - under cover

Uppdrag Granskning Swedish Television, SVT

Aired by SVT 2007-02-27

Uppdrag Granskning
Swedish Television
www.svt.se

The programme can be viewed on:
http://svt.se/svt/jsp/Crosslink.jsp?d=2232&lid=Uppdrag_granskning&from=menu

Table:

Table:	1
Contacts	1
TG	2
SCRIPT	3
Jan Kavan Comment in SVT 20070227	13
Picture rights footage and stills	13

Contacts

Reporters:

Sven Bergman
sb@trojkan.se
+46 70 688 25 25

Joachim Dyfvermark
jd@trojkan.se
+46 70 622 75 75

Fredrik Laurin
fl@trojkan.se
+46 708 32 62 02

Editor:

Ulrica Larshamre
ulrica.larshamre@svt.se
+46 708 10 25 39

Editor in Chief (legally responsible)
Nils Hansson
nils.hansson@svt.se
+46 703 83 70 10

TG

Rob Evans
Journalist, The Guardian

Source within the Gripen campaign

Reconstruction

Former high official

Tph
Jan Kavan
Former Minister of Foreign Affairs

Live (hidden camera)
Jan Kavan
Former Minister of Foreign Affairs

David Ondracka
Transparency International Czech Republic

Live (hidden camera)
Man involved in the Gripen campaign

Tph
Steve Mead
Former chief of Gripen campaign, Czech Republic

Statement BAE Systems

Cred:
Reporters:
Sven Bergman
Joachim Dyfvermark
Fredrik Laurin

Producer:
Ulrica Larshamre

Editing:
Tomas Forssander

Photo:
Ove Thews
Ceska Televize

Still pictures:
Arne Valen, Norway
Profil, Austria

Graphics:

Thorbjörn Söderlind

SCRIPT

Pix: roofs in Prague

Graphics:
2006-12-08

Live:

- We have got a target list of ppl to go after. Who, whos on that list?
- The targetlist, is, is based on the information we have from the other sources and the detailed contracts. The politicians are mainly ...former members of the government. And the the info we have from the other sources, say that they were deeply involved...
- Yeah.
- ...in the negotiations. With the kick-backs.
- yeah
- ...or have information about the kick-backs.

Speak:

On location in Prague, our team goes through the set-up once again. We have brought with us Rob Evans, reporter at the British daily The Guardian. What we are about to do is controversial, and not without risks...

With a hidden camera, we are going to see a number of people, and - under cover - try to make them talk about what nobody speaks openly about - bribes in the campaign to sell s the Swedish Military aircraft Gripen...

Speak:

As our cover, we have chosen to become part of the weapons industry...

We create a company that we give the name ESID, European Security Intelligence Defence.

This company exists only on paper, but we give ESID a credible framework, with home page, visiting cards, a telephone number, and an address in the business area in London.

Under our cover of our phony company ESID, we will say that we work for a British client whith an interest in the Gripen deal in the Czech Republic.

Live:

- You never know how people react if you ring and say... we got to meet today..

Speak:

Without lying, we want to make the people we see believe that our client is the British defence material group BAE, and that our mission is to make an internal investigation about the bribes... to be prepared to handle a scandal, if anything leaks to the the police or media.

Live:

- Do you see any cables

- No.
- No
- you are looking very good.
- Thank u.
- You are looking the bar

Live:**Rob Evans****journalist The Guardian**

- If you are gonna do something like this, u ve got to de it for two reasons. One: that you cant get the info any other way.
- yeah.
- And two: theres a clear public interest, theres a solid justification for the public knowing this information. And what were talking about here is corruption. That's a crime.
- Hmm

Pix: Goes out and door slams shut

Pix : Going by car through Prague

VO**Source within the Gripen campaign**

- 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.

Speak:

For us, this story started when we came into contact with a man who worked within the Gripen campaign.

He was long hesitant, but finally chose to sit down and tell, as you could see in last week's Uppdrag Granskning (Mission Scrutiny).

Because of his position, he wanted to remain an anonymous source, and not come forward with name, picture or voice. We made and recorded several long interviews with him. All you hear is word by word what he said, but read by another person.

This source told about Steve Mead, the head of the Gripen campaign in the Czech Republic, and the big board with photos that Mead had in his office room.

Pix: Steve Mead studio photo

Pix: "The board", studio photo

TG "Reconstruction"

Interview**Source within the Gripen campaign**

- 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.

Speak:

The first instance that was to be convinced was the Czech Social Democrat government, which in 1998 had been elected to lead the country.

Interview**Source within the Gripen campaign**

- 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.

Speak

The Minister of Finance Ivo Svoboda was forced to resign in 1999, after a fraud scandal which had nothing to do with the purchase of combat aircraft. Svoboda was sentenced to five years jail.

Interview**Source within the Gripen campaign**

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

Speak:

According to our source within the campaign, Mead was on several occasions quite clear on the issue that bribes were involved..

Interview**Source within 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:

We have earlier revealed the contents of documents which give a unique insight into the hidden side of the Gripen campaign.

Pix: Studio photo of Mensdorff

Under a secret agreement, signed by both BAE and Saab, the Austrian count Alfons Mensdorf -Pouilly worked as an agent for the Gripen campaign, with a commission of more than half a billion Swedish crowns promised to him if the Czech Republic bought the Jas 39 Gripen.

Graphic picture: 540 000 000 SEK**Live:**

- Two blocks down, and then we are going up to the right. I'll show you the way.

Speak:

We are on our way to a previously highly placed person in the Czech bureaucracy. Via different sources, we have learnt that this person works for the Austrian weapons industry agent, count Mensdorff.

Live: Hidden camera: (Rings the door telephone)

- Hello, hello!
- Hello! My name is James Kershaw from the ESID in the UK, I'd like to speak to you please.
- Yes

Pic: Hidden camera. We enter a doorway
(present our cards)
- Thanks

- We are from a British company called ESID, and our clients have sent us here to speak to you.

- OK

Speak: (hidden camera when we follow the man in)

We are invited to come with the man in, and we ask him to tell us about the contacts at the end of the 90's between count Mensdorff and the then Minister of Finance Ivo Svoboda...

Live: (hidden camera)

Former official

- I came to Svoboda to Mensdorff. I bring Svoboda to Mensdorff, I introduced him.

Speak:

This man thus confirms that he brought the finance minister and the weapons industry agent Mensdorff together. But he says that he has not heard about bribes, and that he today works for BAE with offset deals.

Live: (hidden camera)

Former official

- I don't know who is your client. I don't want to know it. My contractor is Mensdorff - I can speak only with Mensdorff...

- Thank you for your time
(shakes hands and walks away)

Speak:

We meet another couple of persons on our list. They claim not to know of the weapons agents, or that there would have been bribery involved in the Gripen campaign.

Pix: Morning in Prague... Garbage truck

GRAPHICS:

2006-12-09

Sound: Tph beep

Speak:

Early morning the next day
We know that the chance that anyone will speak about bribes is negligible. The next person on our list is the former Foreign minister, Jan Kavan.

Tph

Jan Kavan

former Minister of Foreign Affairs

- Hello!

- Mr Kavan?

- Yes!

- Hello, my name is James Kershaw, I am sorry to call you at this unpleasant hour but, I am in Prague at the moment. I work for a British company called ESID, and I have been sent to you by my client and I really need to see you. As soon as possible.

- Hmm. And who is your client?

- My client is British and involved in the the Gripen Aircraft, but I prefer...

- Aha!

- ...not to speak about the details over the phone.

- Yes, yes, yes. And when do you want to meet.

Pix: Hilton

Speak:

A few hours later, we meet him in a hotel in central Prague. What we don't know is that the information we are about to get means that we will have to leave the Czech Republic the very next day..

Live: (Hidden camera)

- Mr Kavan? Hi, James Kershaw!
- This is my colleague
- Hi!
- Can we talk about why we are here?
- Yes please.

Speak:

By using information from our sources about people and companies which only the already initiated can know about, we succeed in making our cover credible, and win the ex-minister's trust...

We then ask him what would happen if the police would start an investigation in the Czech Republic to investigate about bribes in connection with the Gripen campaign.

Live: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (K) Pooh (sigh) That could be quite disastrous.
- Sorry?
- (K) That could be quite disastrous.
- Oh you mean so?
- (K) If Steve Mead would tell the police everything that he knows, and he was himself involved in. That could involve a large number of important people here. Yes.

Speak:

This is a break-through.

Jan Kavan says that he has himself not accepted money, but that other high-ranking politicians were bought in the Swedish-British campaign for Gripen, led by Steve Mead.

Live: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (K) I was never part of any discussions, approached about the kick backs. Because they (both) knew I was basically so pro British. They were much more interested in the people in the middle. Who had no views or had to persuaded or bought. But the fact that money changed hands was in the parliament at least was pretty well known secret shared by a large number of people.
- (Question): Because we are talking about both ODS and..
- (K) the Social democrats..
- Yes.
- (K) It went across the political spectrum. And also Christian democrats
- Yes.
- (K) We are talking about all three..

Pic: Studio photo of Kavan

Speak:

Then who is this man Jan Kavan, who now testifies that several politicians in high places, in all the three big parties in the Czech Republic, accepted money to say yes to Jas 39 Gripen?

In 1998 the Social Democrats won the elections in the Czech Republic.

Prime minister Milos Zeman, here in the middle, in a grey suit, appointed his close friend, Jan Kavan, Foreign minister, and later also deputy Prime minister.

Kavan's political career has been fringed by affairs which produced much sensation, among other things, when a large sum of money was found in his office...

But he sat the entire election period, four years, as head here, in the huge Foreign Office in Prague.

From 2002 till 2003, Jan Kavan worked here in the UN building in New York.

As president of the UN general Assembly

Live: (knocks with mallet on table) "Ladies and Gentlemen, may I invite you to be seated..."

Speak:

One of the most important posts under the then general secretary Kofi Annan.

Speak:

It's thus a man who has long belonged to the political top layer who now sits before us and tells us about bribery in the Swedish/British campaign for Gripen.

Who tells about Steve Mead, but also about Mead's boss at BAE, Julian Scopes.

Pic: Studio photo Steve Mead

Live: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (K) Julian Scopes was also involved but he was more careful, Mead was everywhere.

- Yes.

- (K) Julian was kind of overseeing, but Julian Scopes also have the information. I have secretly met both of them but Mead was the one who did the nitty gritty work on the ground, yes.

Pic: Studio picture of Scopes

Speak:

Julian Scopes was then BAE's manager for Eastern Europe, today he is a chief lobbyist at BAE, with good contacts within the British government.

Speak:

It proves that Kavan also knows the Panama-registered company Valurex. Valurex, which under a secret BAE agreement has provided the agent count Mensdorff in the later, state-to-state leasingdeal between Sweden and the Czech Republic.

Kavan gets noticeably worried when we tell him that the police have seized BAE's agreement with Valurex...

Live: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (K) They received this form the Austrian or from Switzerland?

- Don't know for certain, they are very good.
- (K) So they would have all that?
- Yes!
- (K) (Big sigh)
- (Question) How many know of the Valurex?
- (K) I have no idea, but not few.
- Sorry?
- (K) It will not be just few.
- (Question) It could be widespread?
- (K) (Nods)

Live: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- If they investigate thoroughly the Pre-Gripen negotiations led by Steve Mead primarily, it will send shivers down the spine of many... My hunch is that it will involve dozens.

Speak:

Kavan finally offers to call a few friends, centrally placed politicians, to find out more. But we ask him to hold on for a bit.

Live:

- We do appreciate your guidance.
- Thank you very much!
- Thank you very much!
- I talk to you later.

Speak:

Kavan also says that he, via his contacts, might try to delay a possible police investigation into the Gripen campaign in the Czech Republic...

We ask him not to act...

In the evening we call him again to have his controversial word on tape...

Tph: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (Question) Would it be possible to have an effect on the police investigation?
- (K) Aah, I would think that that is not out of the question, but let's discuss that directly and not necessarily on the phone ...
- (Question) But it could be possible?
- (K) I think so yes!

Interview

David Ondracka

Transparency International Czech Republic

- 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.

Speak:

This is also confirmed by a source within the Czech police that we meet. This policeman even warns us not to speak openly with the police's anti-graft unit, because it is, he says, corrupt...

Interview

David Ondracka

Transparency International Czech Republic

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

Tph: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (Question) Would it be possible to have an effect on the police investigation?

- (K) I think so yes!

Speak:

What the former Foreign minister has said is enormously sensitive. He has told us that highly placed politicians were bribed, and he has offered to try to delay a possible police investigation of the Gripen campaign. In spite of having more meetings booked in Prague, with other high-up politicians, we decide to call it all off. Our contacts now say that we now shouldn't stay in the country. We also know that a high-ranking official in the Foreign office now serves a long jail sentence for having ordered a murder of an investigative journalist. Already the next day, we leave the Czech Republic.

Pix: Stockholm

Speak:

Back in Sweden, we keep a sporadic contact with Jan Kavan via our bogus company ESID:s home page.

Every time, we expect Jan Kavan to have looked through our cover.

But to our astonishment Kavan wants to go on To help our client, whom he still believes is BAE.

Tph: (hidden camera)

Jan Kavan

former Minister of Foreign Affairs

- (K) Since you left I made some primarily inquiries from my close friends, most of these questions can be fairly easily answered by a friend of ours who runs a consulting firm which had a contract, but not a signed one, but an informal contract with Steven. And cooperated with him for quite a long time.

- (Question) Based in Prague?

- (K) Based in Prague and who has a fair amount of the information. We could meet anywhere, London, Paris...what ever. No problem.

Pix: Aircraft lands Heathrow

Graphics:

2007-01-17

Speak:

It's the middle of January, just outside London.

We have hired a hotel room and wait for Jan Kavan and the man Kavan wants us to cooperate with. They have themselves offered to come - we have paid their fares.

Live: (hidden camera) (very low sound)

- I don't think they are coming!

- I think they are coming

- I am a bit nervous!

- So am I!

(It rings)

- Here we go!

- Kershaw. Yes please! Hello! Yes it is! I'm coming down to pick you up...

Pic: Kavan and associates come into the room

Speak:

The former Foreign minister brings one of his earlier collaborators in the Foreign office, plus the person who is said to have worked close to the campaign chief Steve Mead.

Live (hidden camera)

Man involved in the Gripen campaign:

- With us, Steve Mead was always very open (translation from Czech language)
- But he didn't tell week by week whom he bribed and not bribed. But we were in contact with him daily, we saw each other about three times a week. In some cases he told us like it was, in some cases you could tell from people's changed attitude. (translation from Czech language)
- His main activities was against the ODS and the social democrats
- (Question) In terms of paying kick-backs?
- (Kavan) Yes, that's what he is talking about.
- What concerns the other group he communicated with economically, I'm sure they were civil servants, not only politicians. Above all people from the Department of Defence and the Defence Command. The Department of Industry, of Trade, ... and of Finance. (translation from Czech language)

Speak:

This man maintains that he never took part in the bribing himself, and, with a few exceptions, doesn't know in detail how they were distributed..

Live (hidden camera)

Man involved in the Gripen campaign

- Steve was a central figure in this whole deal. (translation from Czech language)
- (Kavan) Nothing was done without Steve knowing about it
- To judge from what I heard or can guess he did it rather intelligently. (translation from Czech language)
- It's like that, that the corrupt person always will have someone at his side, be it a physical person, a company or an institution, Who does business with someone else, and from that deal the will finance this bribe. I don't think that you can find one instant where the money goes directly to some politician's, statesman's or official's account. (translation from Czech language)

Tph:

Steve Mead,

Former chief of the Gripen campaign in the Czech Republic

- (Mead) Hello!
- Steve Mead?
- (Mead) Who is calling?
- This is Fredrik Laurin, calling from Sweden, Swedish Te..
(The receiver is put down)

Speak:

Steve Mead hangs up on us, and BAE informs us that neither Steve Mead nor Julian Scopes can answer our questions - BAE makes statements in writing only.

Graphics: (BAE statement):

"BAE Systems continues to reject all allegations made against it"

"However, while the SFO (British authority Serious Fraud Office) inquiry continues, the law prevents us from defending ourselves."

"No BAE Systems employee is available for interview on this subject."

Speak:

But, the man in the hotel room in London tells us that the Gripen campaign had big sums at their disposal to influence Czech decision makers..

Live (hidden camera)

Man involved in the Gripen campaign:

- BAE gave out much more money on these things than what Steve actually spent. (translation from Czech language)

- (Kavan) The amount of money allocated by BAE for kick-backs, the volume of expenditure in the Czech republic in connection with this project was larger than the amount of money actually spent by Steve Mead.

Speak:

It will be some time yet before Jan Kavan discovers that we are not those we have presented ourselves to be.

Live: (hidden camera)

-Alright, you have to... Thank you very much!

-Thank you very much!

Speak:

On that day we say goodbye to an ex-foreign minister who still, more than five weeks after our first meeting, thinks that he is helping BAE.

The End

Jan Kavan Comment in SVT 20070227

Telephone: Jan Kavan, former Minister of Foreign Affairs

- When in fact I aquired the suspicion, not the suspicion that they were journalists, but suspicion that this is about corruption and that they are involved in something which I consider illegal I went to the czech police and informed them about this and gave the names Mr Kershaw and Mr Miller and the namne of this organisation and described in detail my suspicion that they actually want us to circumvent or slow down police investigation of corruption.

SPEAK:

Jan Kavan claims he went to the the Czech police in early January, but no police have so far contacted Swedish Television

If Kavans claim is correct, he still waited one month before contacting the police, after our first meeting 9 December, where he himself said that he through his contacts could try to circumvent or slow down a possible Czech police investigation into bribes in the campaign for Gripen.

His explanation for continung talking to us, and also travelling to a second meeting in London, is the following:

Telephone: Jan Kavan, former Minister of Foreign Affairs

- I had contacts with the journalists even after we had the suspicion and informed the police because I was hoping that we could aquire from the conversation more information.

- (Question) Mr Kavan, the camera does not lie, and you are heard on the tapes saying that money changed hands, that this will send chills down the spine of many important people, that a number of people were bribed, that BAE:s manager in Prag was handling the kick backs. Now you are saying something else.

Are you taking a responsible position here, Are you upright about this?

- Im absolutely honest and straightforward. Im saying that I was sharing with them what I described as rumours and speculation that abounded in the parliamentary corridors of the parliament about certain kicka backs that might have taken place.

- Im not denying that that those speculations were heard and that I passed them on to those two genetlemen. Im saying that I personaly cant prove it, I have no evidence that any such `corruption has taken place.

- (Question) Soyou were passing on speculation to what you thought was BAE consultatns?

- Yes because they were asking me about it.

Picture rights footage and stills

SVT (General copyright holder)

Ceska Televize (Czech Television Prague)

All footage of Jan Kavan (except those taken with hidden camera)

Still picture of Jan Kavan

Footage of Ivo Svoboda

Still picture of Julian Scopes

Profil, Austria

Still picture of Alfons Mensdorff is

Arne Valen, Norway

Still picture of Steve Mead

Copyright Contacts:

SVT (General copyright holder)

Ulrica Larshamre

Tel: +46 8 7848720

ulrica.larshamre@svt.se

Czech TV (Various stills (Jan Kavan, Ivo Svoboda, Scopes etc)

Jakob Knezu Czech TV

0042 0 736 531 276

0042 0 261 135 084

Jakub.knezu@ceskatelevize.cz

Profil (Picture of Alfons Mensdorff Pouilly)

Martin Staudinger

Hainburgerstraße 33

A-1030 Wien

Tel: +43.1.534.70.3561

Fax: +43.1.534.70.3520

Mob: +43.699.1551.3561

staudinger.martin@profil.at

Arne Valen (Still of Steve Mead)

arnval@online.no

Tel: +47 474 01 474