

# Al-Yamamah “The Dove”



by Artist Steve Bell

The sale of weapons by the British government, with BAE (formerly British Aerospace) as the primary contractor, to Saudi Arabia through a series of arms deals called “al-Yamamah” (“The Dove”) was Britain’s largest export deal.<sup>[1]</sup> Beginning in the 1980’s the deal was hailed as “the world’s biggest ever arms deal” and remains the centre piece of the British-Saudi economic union.<sup>[2]</sup> Under these contracts Saudi Arabia receives a variety of military products including aircraft and corresponding facilities in return for oil. This deal however is widely criticized as having been accomplished through bribes and payment of commissions.<sup>[3]</sup>

Why is this important? Through unfair dealings and procurement of the contract, BAE (4<sup>th</sup> largest defence contractor in the world<sup>[4]</sup>) has maintained a dominate foothold in the global arms trade with no signs of losing ground. This multi-billion dollar deal is founded on corrupt practices and denies other competitors such as France, the ability to bid for such contracts under the internationally agreed upon legal framework. As other countries such as France and Japan are actively trying to curry favour with Saudi Arabia in order to get a stake in their economy, this gives Saudis a sizable amount of leverage from their large orders of military weapons and equipment, to effectively exert political influence upon countries bidding for these lucrative contracts.<sup>[5]</sup> This political influence has translated into the British government abstaining from criticizing the Saudis’ human rights abuses and is said to be, by the Campaign Against the Arms Trade, as “endorsement of a country with a history of brutal repression.”<sup>[6]</sup>

Knowing that such large contracts need rules and regulations, the Organization for Economic Co-operation and Development (OECD) member countries and five non-member countries agreed on November 21, 1997 to adopt a Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. This convention states:

*Article 1 – The Offence of Bribery of Foreign Public Officials:*

*1. Each Party shall take such measure as may be necessary to establish that it is a criminal offence under its law for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, **in order to obtain or retain business or other improper advantage in the conduct of international business.***

*2. Each Party shall take any measures necessary to establish that complicity in, including incitement, aiding and abetting, or authorisation of an act of bribery of a foreign public official shall be a criminal offence. Attempt and conspiracy to bribe a foreign public official shall be criminal offences to the same extent as attempt and conspiracy to bribe a public official of that Party.*

*Article 5 – Enforcement*

*Investigation and prosecution of the bribery of a foreign official shall be subject to the applicable rules and principles of each Party. **They shall not be influenced by considerations of national economic interest, the potential effect upon relations with another State or the identity of the natural or legal persons involved.***[\[7\]](#)  
(Emphasis added)

While Saudi Arabia is not a member of OECD, the UK is and therefore the laws outlined above are applicable and should be enforced. In 2006 however, the Serious Fraud Office (SFO) dropped an investigation relating to accusations that bribes had been used to secure the al-Yamamah deal.[\[8\]](#) The official reason, according to Tony Blair was that the investigation was dropped in the interest of national security as Saudi Arabia was a key ally in the War on Terror.[\[9\]](#)



Prince Bandar bin Sultan seen here played a pivotal role in the al-Yamamah arms deal

According to Article 5 of the OECD Convention on this issue, such considerations of relations with another State should not influence the enforcement of the rules which stated such bribes are illegal. Lord Goldsmith, Attorney General, stated that the decision had been taken to drop the investigation after balancing the wider public interest with the rule of law.[\[10\]](#) David Heath MP, Lib Dem Shadow Leader of the House, said during a debate: “[dropping the al-Yamamah investigation] is the last nail in the coffin of the so-called ethical foreign policy.”[\[11\]](#) If not the

last nail in the coffin, the coffin is certainly being sealed up quickly as the decision to drop the investigation followed reports made that Saudi Arabia was considering backing out of a deal to purchase Eurofighter jets from BAE.[12] Indeed Saudi officials were in talks with French officials and were reportedly angered by the SFO investigation of a slush fund for the Saudi royal family.[13] Although criticism has been heated since 2006, and in fact there was a court ruling stating the director of SFO did not exercise independent judgement, on July 30, 2008 The House of Lords ruled unanimously that the SFO acted lawfully in stopping an inquiry into bribery allegations.

Although it may not be a surprise to some that a country such as Saudi Arabia can exert enough political pressure to drop a serious investigation within a sovereign country, it should at least be a concern.

### **The Bribes**

The evidence of corrupt practices date back to 1985 shortly after the deal was negotiated. The first action which raised suspicion was the £600 million increase in the cost of the contract from the original asking price. Many believed that this was done in order to hide the commissions paid to the Saudi Royal Family and middlemen in London.[14]

On behalf of BAE, Peter Gardiner, was responsible for longer than a decade to appease Prince Turki and his entourage. In 2004 he spoke out about his experience with a BAE slush fund used to keep the Saudis returning to BAE. Through a small travel agency he owned £7m was channelled each year on behalf of BAE to pay for 5 star accommodation, chartered aircrafts (including a Boeing 747 cargo plane), luxury limousines, personal security and exotic holidays.[15] These included items such as a £170,000 Rolls-Royce for the wife's birthday, a £99,000 skiing trip to Colorado, and a £200,000 video of the Prince's daughters wedding.

### **Final Note**

SFO continues to investigate claims against BAE and developing countries including: Tanzania, South Africa, Romania, Chile, the Czech Republic, Qatar, Bosnia, Nigeria, Zambia, Costa Rica, and Egypt.[16]

*by Andrew Milroy*

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[1] Unknown, "Background: Al Yamamah", Corruption is a Crime, url: [www.corruptionisacrime.com](http://www.corruptionisacrime.com) Accessed: May 22, 2009 (NB: This website is dedicated to exposing the corrupt practices of BAE)

[2] Unknown, "Al-Yamamah Scandal", Saudhouse, url: [www.geocities/saudhouse\\_p/al-yamam.htm](http://www.geocities/saudhouse_p/al-yamam.htm) Accessed: May 22, 2009

[3] The payment of commissions through these contracts was so lucrative that there was competition among the Saudis for the same contract leading to internal disputes. (Source: Unknown, "Al-Yamamah Scandal")

[4] Leigh, David and Rob Evans, "BAE Systems", The Guardian: June 7, 2007 url: [www.guardian.co.uk/world/2007/jun/07/bae.baesystemsbusiness](http://www.guardian.co.uk/world/2007/jun/07/bae.baesystemsbusiness) Accessed: May 22, 2009

[5] Unknown, "Al-Yamamah Scandal"

[6] Leigh, David and Rob Evans, "The al-Yamamah deal", The Guardian: June 7, 2007 url: <http://www.guardian.co.uk/world/2007/jun/07/bae15> Accessed: May 22, 2009

[7] Lambsdorff, Johann Graf, "Case Study: BAE-Systems and the Rule of Law" Case Study of the University of Passau. July 2008, pg. 15

[8] Unknown, "Corruption is a Crime"

[9] *ibid*

[10] Lambsdorff, 2008. Pg.3

[11] Unknown, "Corruption is a Crime"

[12] Lambsdorff, 2008. pg.3

[13] *ibid*

[14] Schubert, Siri, "More on the Al-Yamamah Arms Deal", PBS, April 7, 2009 url: [www.pbs.org/frontlineworld/stories/bribe/2009/04/al-yamamah.html](http://www.pbs.org/frontlineworld/stories/bribe/2009/04/al-yamamah.html) Accessed: May 22, 2009

[15] Lambsdorff, 2008. Pg.1

[16] Unknown, "Corruption is a Crime"