

The Right Hon Jeremy Wright QC MP
Attorney General
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13th October 2017

Dear Attorney General

Respect for Article 5 of the OECD Convention in foreign bribery investigations

We are writing to you with regard to the investigation into Airbus's UK subsidiary GPT Special Project Management. It is nearly seven years since a whistleblower brought allegations of wrongdoing to the Serious Fraud Office. Given that the average length of a SFO investigation is 4-6 years, it appears likely that this investigation, announced in August 2012, may be drawing to some form of conclusion.

As the OECD noted in its review of the UK in March 2017, there are striking similarities between this investigation and the one that the Serious Fraud Office had into allegations of wrongdoing by BAE Systems in relation to the Al Yamamah contract. Both involve alleged wrongdoing in Saudi Arabia in relation to government to government defence contracts. The decision to drop the investigation into the allegations relating to BAE in 2006 did untold damage to the UK's reputation as a country that trades with integrity and seriously undermined the OECD's Anti-Bribery Convention.

The OECD found in its 2017 review that the UK had still not implemented recommendations made in 2012 about ensuring that Article 5 of its Convention, which prohibits consideration of the national economic interest and the potential effect on relations with another state in foreign bribery investigations and prosecutions, is binding in the UK. It reiterated that the UK must ensure that Article 5 is "*clearly binding*" on investigators, prosecutors, and yourself as Attorney General, and that all parts of government are "*fully aware of their duty to respect the principles in Article 5.*"

In April this year, the Prime Minister stated that the UK's relationship with Saudi Arabia is important to the UK in terms of security, defence and trade. Additionally, the UK has entered into a six-month strategic dialogue with Saudi Arabia to lay the ground for a post-Brexit trade deal and a new Military and Security Cooperation agreement with Saudi Arabia.

In this context, we have serious concerns that Article 5 considerations may be taken into account when decisions relating to how to conclude the Airbus case are made. We are writing to urge you to make a public statement to Parliament that all parts of government, the Law Officers, and investigators and prosecutors will respect Article 5 in the GPT case as in all ongoing and future investigations and prosecutions of foreign bribery. We also urge you to take immediate steps to ensure that Article 5 is fully binding in the UK.

As the allegations in this case relate to a government to government contract, in which officials from the Ministry of Defence were involved in at least some oversight of the project budget, we believe it is essential that lessons about government oversight of such projects must be properly learned. This is the second government to government contract relating to Saudi Arabia in the defence sector on which serious allegations of wrongdoing have emerged. We urge you to ensure that a full review is undertaken by the government and made public about any potential failings on the part of government that allowed such alleged wrongdoing to happen, and to take measures to ensure that it cannot happen again.

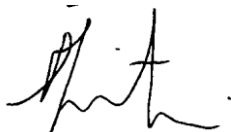
If the UK is to establish itself post-Brexit as a nation that is determined to trade with integrity, and that respects the international norms that underlie international trade, it cannot afford to be seen to be putting national economic interest before international obligations on fighting corruption. Corruption distorts trade and competition. It prevents inclusive economic growth, diverts aid, and weakens governance. Ultimately, it undermines the UK's national security, by creating inherently unstable states that run the risk of conflict and violent regime change. The UK's long-term interest lies in upholding not undermining international anti-corruption instruments.

We look forward to your timely attention to our concerns.

With kind regards,
Yours sincerely



Robert Barrington
Executive Director
Transparency International UK



Andrew Feinstein
Executive Director
Corruption Watch