

# BAE SETTLES US AND BRITISH ANTI-FRAUD INVESTIGATIONS

Speaking of improper influence in defense contracting, BAE just settled the British and American fraud investigations against it.

BAE Systems will admit two criminal charges and pay fines of £286m to settle US and UK probes into the firm.

It will hand over more than £250m to the US, which accused BAE of “wilfully misleading” it over payments made as the firm tried to win contracts.

Perhaps not surprisingly, we don’t get the details about what role particular individuals—like Bandar bin Sultan—played in the influence peddlings.

In a deal with the US Department of Justice (DoJ), BAE admitted a charge of conspiring to make false statements to the US government.

A charge filed in a District of Columbia court contains details of substantial secret payments by BAE to an unnamed person who helped the UK firm sell plane leases to the Hungarian and Czech governments.

The DoJ also details services such as holidays provided to an unnamed Saudi public official and cash transfers to a Swiss bank account that it says were linked to the £40bn Al-Yamamah contract to supply military equipment to Saudi Arabia.

The DoJ gave a damning condemnation of BAE which it said had accepted “intentionally failing to put appropriate, anti-bribery preventative

measures in place”, despite telling the US government that these steps had been taken.

It then “made hundreds of millions of dollars in payments to third parties, while knowing of a high probability that money would be passed on to foreign government decision-makers to favour BAE in the award of defence contracts”, the DoJ said.

But at least they’re going to have to pay far more than Scooter Libby paid for his false statements.