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Ministry of Defence

MSU/2/9/1

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4 January 2007

Dear Ms Beckford

In your e-mail of 4 December you asked to receive "any documents relating to the meeting(s) between Sir Kevin Tebbit and the US Assistant Secretary of State for Economic and Business Affairs, E Anthony Wayne, in July 2002. This includes but is not limited to any records or minutes of the meeting(s), and any briefing papers prepared prior to the meeting(s)".

I have identified 5 documents relating to the meeting. No minutes of, or briefing papers for, the meeting have been found on the record.

In line with normal practice, the main record of the meeting was in the form of diplomatic reporting. Peter Gooderham, Counsellor, Political-Military Affairs in the British Embassy Washington, wrote a letter, classified Confidential, to Sir Kevin Tebbit, Permanent Under Secretary at the Ministry of Defence, dated 19 July 2002.

The letter is headed: 'GRIPEN: ALLEGATIONS AGAINST BAE SYSTEMS'. The first paragraph of the letter contains no information about the meeting, but sets the context for the following paragraphs by referring to previous correspondence. It includes the statement that the US "had promised to produce a report that offered hard evidence to back US allegations of corrupt practice by BAE Systems in the Czech Republic".

The next paragraph states that "the US Administration was still not able to provide you with any written evidence during your visit to Washington on 18-19 July."

The third and fourth paragraphs are as follows:

“Instead, you were invited to discuss the allegations at an interagency meeting, chaired by Tony Wayne (Assistant Secretary, Business and Economic Affairs, State) and including representatives from the Departments of Justice and Commerce. Wayne said there were allegations of bribery by BAE Systems dating back several years. Although the allegations had been predominantly sourced from press reporting, this was still an issue of concern across the US government, particularly in light of BAE Systems’ increasing business with DoD. What steps had the UK government taken to look into this?”

“You replied robustly. You had drawn the specific allegations about Gripen to the attention of Dick Evans, who had assured you that they were baseless. If the US believed there was substance in them, this would be a matter of serious concern to MOD and HMG more broadly. BAE Systems was not only the MOD’s principal supplier, but also a leading UK company with global interests. But to take further action, we needed specific evidence.”

The final sentence of paragraph four records a statement by Mr Wayne’s colleague, Heather Conley, Deputy Assistant Secretary for European Affairs, indicating that such evidence was not held.

The final paragraph refers to a different meeting that took place later the same day.

I will now turn to the other documents that contain information about the meeting to which you refer. A minute dated 7 August 2002, marked Confidential, and headed “Czech Republic and Gripen: Allegations Against BAE Systems”, is a record of a meeting held by Sir Kevin Tebbit. The second paragraph of this minute includes comments by Sir Kevin concerning his meeting with Mr Wayne. These refer to the presence of representatives of the US Departments of Justice and Commerce; the fact that US allegations were unsupported and to their admission of a lack of evidence; his having taken issue with an attack in such circumstances on an important British company with global interests; and more generally to the tenor of the meeting. Those present on this occasion were Michael Lester, the Group Legal Adviser of BAE Systems, the Acting Head of Defence Export Services and another official of the Defence Export Services Organisation, Miss A L Tourle, Regional Marketing Director 4, who took the record.

Some further information relevant to your request is contained in a minute dated 29 July 2002 from Peter Gooderham to his colleague Marcus Winsley, marked Confidential, and copied to the office of Sir Kevin Tebbit. Some of this information concerns the expectation of the UK side prior to the meeting. This was that “Kevin Tebbit would be handed material relating to the Czech Republic, with a request for us to investigate it”; but this expectation had not been met, and Sir Kevin Tebbit had made it clear that matters could be taken no further in the absence of such material. Other relevant information concerns an account of a conversation Mr Gooderham had had on 26 July with Heather Conley, when she confirmed her previous statement about the absence of specific evidence.

A letter dated 9 August 2002, from Sir Kevin Tebbit to Tony Wayne, marked Confidential, makes reference to their meeting in its first paragraph. This recalls that at their meeting in July there had been "repeated but unsubstantiated allegations of corrupt practice by BAE SYSTEMS in their dealings with the Czech Republic." Sir Kevin went on to indicate his concern at any suggestion that such matters were not taken extremely seriously and his wish "to make our position doubly clear."

Finally, I have found an undated briefing note, apparently prepared in 2003, headed "BRIBERY AND CORRUPTION ALLEGATIONS – BAES". Information relevant to your request is contained under a sub-heading "Background", in two sentences as follows:

"In July last year, Tony Wayne (Assistant Secretary for Business and Economic Affairs) in State Department raised unsubstantiated allegations of corrupt practice by BAE SYSTEMS in their dealings with the Czech Republic during a meeting with PUS. PUS wrote on 9 August 02 in response, detailing the points made in the speaking note above, and that without any concrete evidence he considered the matter closed."

The account I have given you of these documents provides you with a large proportion of the information they contain about the meeting. It has, however, been necessary to withhold certain information under the following exemption of the Freedom of Information Act:

- Section 27 (International Relations) – Information that if disclosed would be likely to prejudice relations between the United Kingdom and any other State, or the interests of the United Kingdom abroad.

As this is a qualified exemption it has been necessary to apply the public interest test for and against disclosure. I assess that there is benefit in disclosure of some information about the meeting, in particular the nature of the issues raised by those representing the United States and the line taken by Sir Kevin Tebbit. I consider that such benefit has been realised by having provided you with substantial extracts from the relevant documents; and, where I have judged it necessary to apply the exemption to precise details of the reporting, by summarising the sense of the information, although not disclosing it verbatim. I have judged that any benefit that it might be held would be gained by disclosure of every detail of the reporting is outweighed by the likely damage to the relations between the UK and US governments, and in particular to the need to avoid disclosure which would be likely to impair confidential discussions or candour between governments, or inhibit frankness in diplomatic communications (to the potential detriment of UK interests abroad more widely). I have considered the implications for the UK's bilateral relations both with the US and other countries, whose future willingness to conduct business with the UK government candidly might be affected. I conclude that such considerations substantially outweigh any interest in more complete disclosure of the information in these papers.

If you are unhappy with this response or wish to complain about any aspect of the handling of this request, then you should contact me in the first instance. Should you remain dissatisfied, then you may apply for an internal review by contacting the Director of Information Exploitation, 6<sup>th</sup> Floor, MOD Main Building, Whitehall, SW1A 2HB (**e-mail** [Info-XD@mod.uk](mailto:Info-XD@mod.uk)).

If you are still unhappy following an internal review, you may take your complaint to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website, <http://www.informationcommissioner.gov.uk>.

Your sincerely,

A handwritten signature in black ink, appearing to read "Paul Meiklejohn".

Paul Meiklejohn  
Top Office Group – Business Manager